AUSTRALIAN
NAVAL
INFRASTRUCTURE

2025–26

Annual Report

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Front cover: HMAS Hobart docking

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AUSTRALIAN NAVAL INFRASTRUCTURE

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8 September 2026

The Hon Richard Marles MP
Deputy Prime Minister and Minister for Defence
Parliament House
CANBERRA ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
CANBERRA ACT 2600

Dear Ministers,

Australian Naval Infrastructure Pty Ltd 2025-26 Annual Report

I am pleased to submit the 2025-26 Annual Report for Australian Naval Infrastructure Pty Ltd (ANI or the Company), which has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

The Annual Report includes the financial statements for the financial year ended 30 June 2026 and reports on ANI's progress during the financial year.

The Company's primary purpose is to support the Commonwealth's continuous naval shipbuilding program and associated sovereign sustainment capability through:

1. acquiring, holding, managing and developing the infrastructure and related facilities used in connection with this program and required to support or enable this capability, and
2. efficiently and effectively managing this naval infrastructure (including providing access) in a manner that supports an integrated and coordinated approach by all stakeholders to the delivery of all elements of this program and associated sustainment initiatives.

ANI's Board has approved this report in accordance with a resolution on 8 September 2026.

I would be grateful if you could endorse this document for tabling in Parliament.

Yours sincerely

RON FINLAY AM
Chair

Andrew Seaton, Managing Director and Chief Executive Officer (left) with Ron Finlay, Chair (right)

Chair and CEO's letter

We are pleased to present the 2025–26 Annual Report for Australian Naval Infrastructure Pty Ltd (ANI).

This past year has been one of continued transformation for ANI as we strengthen our organisational capability to deliver the Nuclear Powered Submarine Construction Yard (NPSCY) at Osborne, South Australia, in support of the AUKUS program. At the same time, we have been laying the foundations to establish ANI as a competent and trusted licence holder for nuclear regulated facilities.

Safety remains at the forefront of everything we do. We are pleased to report that across the year, ANI recorded no lost time injuries - a reflection of our positive safety culture and commitment to maintaining a safe and disciplined working environment. As construction of the NPSCY begins to accelerate, safety across the whole site will remain ANI's number one priority.

The construction of SSN AUKUS submarines represents an ambitious undertaking for the Commonwealth Government and a major step forward in Australia's sovereign defence capability. To support this, ANI has focused on developing its nuclear baseline - building a workforce with nuclear qualified and experienced personnel, and establishing the systems, management plans and procedures required to uphold the highest standards of nuclear safety, security and safeguards. A significant milestone was achieved in June 2026, when ANI was granted its first licence to prepare a site for nuclear regulated facilities by the Australian Naval Nuclear Power Safety Regulator.

Working closely with the Australian Submarine Agency, and in partnership with BAE Systems and ASC, ANI has continued to progress the design of the NPSCY. In parallel, we have advanced enabling and early works across the site. This includes the completion of Eurimbla Way, a new link road that provides valuable access across the freight rail corridor into the northern part of the Osborne Naval Shipyard precinct.

Relocation of major utility infrastructure has continued, alongside delivery of the Production Demonstration Facilities - a series of workshops that will support qualification of the shipbuilder's processes and personnel. Construction of the Skills and Training Academy Campus is also well progressed. With slabs poured and structural steel now being erected, this modern facility will play a central role in training the thousands of workers required for the shipyard.

Alongside design and physical works, ANI has been building its Integrated Delivery Office capability through direct hires, additional consultancies, and most significantly, the appointment of a Capability Partner in June 2026. The procurement process for a number of Prime Contractors to undertake the major construction works has also advanced through the prequalification phase, with Early Contractor Involvement processes scheduled to commence later in 2026 across the non-nuclear areas of the NPSCY.

Beyond the NPSCY, ANI has continued to support existing tenants, BAE Systems Maritime Australia and ASC, by enhancing facilities used for the Hunter class frigates, Destroyer Capability Enhancement and Collins full-cycle docking and life-of-type extension programs. Over the past year, ANI delivered a significant new blast and paint facility, upgrades to workshops and warehousing, and additional carparking at Osborne South. At Osborne North, design work for new blast and paint facilities has been progressed, and upgrades to the Collins class shiplift have commenced. These initiatives sit alongside multiple minor capital projects that ensure the long-term functionality and effectiveness of the shipyards.

ANI has been fortunate to attract a highly capable and committed workforce to deliver these significant programs of work. Over the past financial year, our team has grown from 105 to 183 direct personnel. It has been a demanding but successful year, with many milestones achieved, and many more ahead.

We would like to acknowledge the dedication of our employees and the contribution of our partners, who continue to deliver essential projects in support of the Commonwealth's continuous naval shipbuilding and sustainment program.

Finally, we would like to thank our Ministers and Shareholder Departments for their ongoing support.

RON FINLAY AM
Chair

ANDREW SEATON
Managing Director and Chief Executive Officer

Introduction to ANI

ANI is a Commonwealth company and a GBE, classified as a Public non-Financial Corporation (PnFC).

ANI's primary object is to support the Commonwealth's continuous naval shipbuilding program (including minor war vessels, major surface vessels and the nuclear-powered submarine program) and associated sovereign sustainment capability through:

- acquiring, holding, managing and developing the infrastructure and related facilities used in connection with this program and required to support or enable this capability, and
- efficiently and effectively managing this naval infrastructure (including providing access) in a manner that supports an integrated and coordinated approach by all stakeholders to the delivery of all elements of the Commonwealth's naval shipbuilding program and associated sustainment initiatives.

All of the share capital in ANI is owned by the Commonwealth of Australia. As at 30 June 2026, ANI's Shareholder Ministers were the Deputy Prime Minister and Minister for Defence, and the Minister for Finance.

Context: Naval Shipbuilding Plan and AUKUS

ANI's primary function is to support the Commonwealth's continuous naval shipbuilding program by being the owner, developer and manager of infrastructure and related facilities.

ANI's focus is on the Osborne Naval Shipyard (ONS) located on the Lefevre Peninsula to the north of Adelaide which has a proud history of naval shipbuilding and sustainment.

In April 2024, the Australian Government introduced its first National Defence Strategy, establishing a unified framework for maritime, land, air, space and cyber, to protect Australia's security interests.

This was followed by the December 2024 Naval Shipbuilding and Sustainment Plan, confirming a critical and long-term pipeline of work that is central to ANI's purpose to support continuous naval shipbuilding and supporting longer-term planning across a range of areas including asset management, workforce development, and delivery of a long-term capital works program across the ONS.

In March 2023, the Commonwealth Government announced the optimal pathway for the procurement of Australia's conventionally armed, nuclear-powered submarines (NPS) with Osborne selected as the preferred site for the construction of Australia's fleet of SSN-AUKUS submarines. ANI has been tasked with the development of the necessary shipyard infrastructure at Osborne to support the optimal pathway.

The NPSCY is a highly complex, multi-billion dollar undertaking which will be developed over the next decade. The nuclear licensed facilities for the receipt and storage of the power unit, which will be manufactured in the United Kingdom, and the consolidation, launch and set to work of the NPS will need to be designed and constructed to very exacting nuclear requirements.

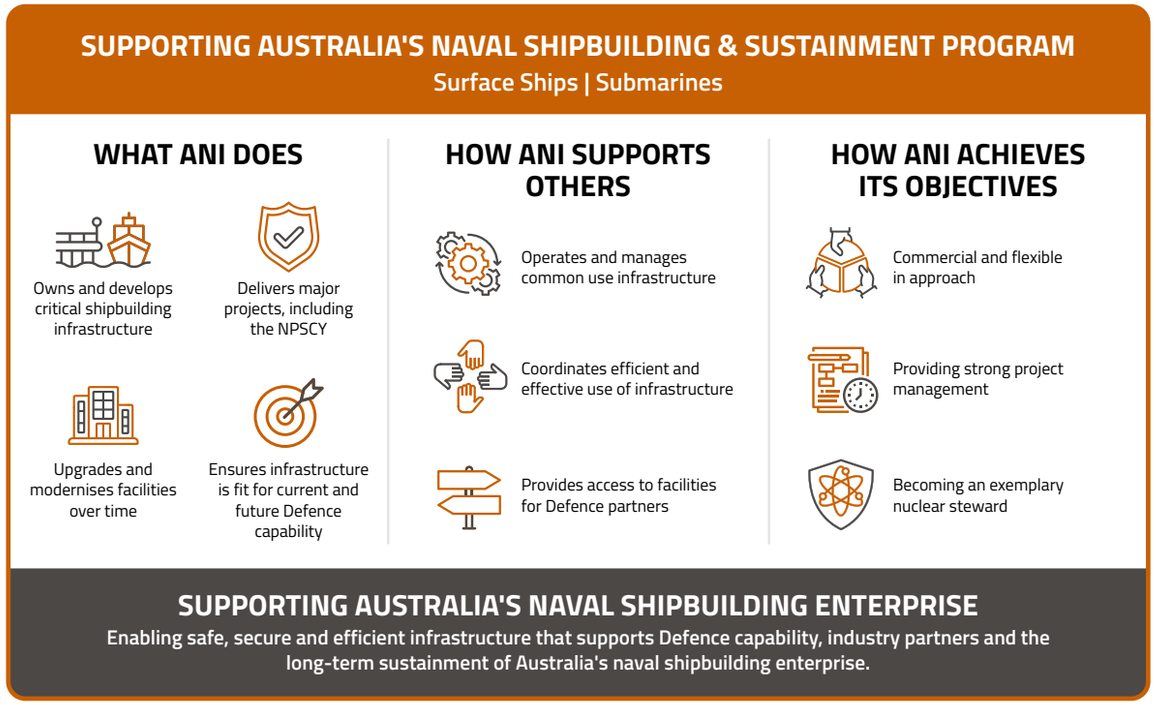
Together these strategic defence priorities have continued to direct ANI's priorities in FY26.

Aerial view of the wharf at ONS-S

Purpose and Strategic Plan

ANI's purpose is articulated in the Statement of Expectations from Shareholder Ministers, which was updated in December 2025 and is available on ANI's website.

The following infographic is used to communicate ANI's role and demonstrate how ANI achieves its purpose.



Noting the significance of the NPSCY program of work and its impact on ANI's business, the ANI Board and Executive have identified five key strategic objectives to focus the organisation as follows:

- **Safety by choice:** Delivering on ANI's three-year Safety, Health and Environment (SHE) strategic plan
- **Structure for scale:** Aligning organisational design, leadership, systems, culture and workplaces to enable scaled, disciplined delivery
- **Delivery to schedule, quality and budget:** Disciplined delivery of the projects, facilities and operational support that underpin continuous naval shipbuilding and sustainment
- **Nuclear ready:** Establishing ANI as a capable and competent nuclear steward. Achieving an organisational model that embodies nuclear understanding, mindset and appropriate systems and controls that is assessed by external regulators as satisfactory to hold relevant licences.
- **Trusted to deliver:** Strengthening ANI's reputation for responsible delivery, collaboration, transparency and accountability with Shareholders, stakeholders, community and staff.

Values

ANI has articulated a set of values which represent the way the ANI team behaves and operates in pursuing its objectives.

Aerial view of the STAC construction

Overview of Operations

ANI's principal place of business is located within the ONS precinct in South Australia, where ANI owns the infrastructure necessary for naval vessel construction and sustainment. ANI's assets include the following sites.

1. Osborne North (ONS-N) shipyard

The existing Osborne North (ONS-N) shipyard is the location for the full-cycle docking and life-of-type extension programs of the Royal Australian Navy's six existing Collins class submarines (CCSM) which is undertaken by ASC Pty Ltd (ASC).

2. ONS-N NPSCY site

This is the site for the development of the NPSCY, and comprises a mix of vacant, partially improved and improved land spanning over 100 hectares. The NPSCY has been divided into three main areas:

- Area 1: Fabrication facilities
- Area 2: Outfitting facilities
- Area 3: Consolidation, launching, testing and commissioning facilities.

3. Skills and Training Academy Campus (STAC) site

This is over 20 hectares of land located adjacent to the NPSCY site on Pelican Point Road. The STAC is being developed to facilitate the growth in workforce required to support the build and sustainment of submarines and surface combatants.

4. Osborne South (ONS-S) shipyard

The shipyard at ONS-S comprises a mix of legacy assets and new facilities which were built as part of the Osborne South Development Project and completed in 2020 to support the continuous build of major warships.

Legacy assets on the eastern side of ONS-S were utilised by the Offshore Patrol Vessel (OPV) program for the build of the first two Arafura class OPVs by Luerssen Australia Pty Ltd (Luerssen) up until the end of October 2025. The entire yard is now tenanted by BAE Systems Maritime Australia (BAESMA) for the Hunter class frigate (HCF) program and the Destroyer Capability Enhancement (DCE) program.

5. Common User Facility (CUF)

ANI owns and operates the CUF and associated infrastructure at Osborne including the wharf, dry berth, shiplift and a fleet of self-propelled modular transporters (SPMTs) and provides services to the shipbuilding programs and other commercial users of the shipyard.

Other common use infrastructure owned and managed by ANI includes carparking areas associated with the ONS.

6. ANI's offices

ANI's Osborne office is located at the entrance to the CUF. The office provides accommodation for the ANI Operations, Facilities and Precinct Projects teams.

ANI's Adelaide CBD office was established in 2024, initially to accommodate ANI's Integrated Delivery Office (IDO) for the design and delivery of the NPSCY, including ANI's NPSCY project teams together with ANI's design, delivery and project management partners, and representatives from the ASA and ASC. As a result of significant organisational growth, the office has been expanded and now also accommodates the majority of ANI's corporate and enabling functions.

7. Building S101

This is an office and training facility, located alongside the ONS-S shipyard. Since November 2023, ANI has licensed this premises to BAESMA in support of the HCF program.

Performance

The key objectives outlined in ANI's 2025-26 Corporate Plan have been achieved. These include:

Safety

- No lost time injuries, one medical treatment injury and no serious injuries or notifiable incidents
- Lead indicator targets met and implementation of a Visible Safety Leadership program

Operations

- Safe and on schedule docking of HMAS Hobart in July 2025 for the DCE program
- Provided services and completed various minor capital projects, ensuring continued availability of facilities to shipbuilding programs

Precinct Projects

- Delivery of the Building S05 modernisation at ONS-S
- Delivery of the P6 carpark at ONS-S
- Delivered the new Building S18A (Blast and Paint Facility) and associated Building S29 at ONS-S
- Progressed design for a new blast and paint facility at ONS-N
- Development of a ONS precinct masterplan for capital expenditure projects

STAC

- Entered into a Construction Contract in September 2025 with Hansen Yuncken (HY) for works to be undertaken in separable portions to facilitate fast-track delivery
- Entered into a further Construction Contract with HY (subsuming the previous contracts) in May 2026 for the main works
- Piling and in-ground services complete and slab pours, pre-cast concrete and steel erection commenced

NPSCY

- Delivery of the Link Road, 'Eurimbla Way', between Pelican Point Road and Mersey Road North
- Progressed gas and power utility relocations through front-end engineering and design phases in readiness for commencing delivery in FY27
- Progressed delivery of four facilities in Area 1 of the NPSCY, referred to as the Production Demonstration Facilities (PDF)
- Progressed schematic design for Area 1
- Completed concept design and progressed schematic design for Area 2
- Conducted master planning, technical design reviews and progressed concept design optioneering for Area 3
- Entered into a Capability Partner Agreement in June 2026 with Laing O'Rourke Australia Construction Pty Ltd and Amentum Australia Proprietary Limited (in an unincorporated joint venture) (LORAM)
- Progressed the prequalification of Prime Contractors for future delivery contracts
- Progressed procurement of key shipyard equipment

Nuclear readiness

- Established and grew ANI's Nuclear Stewardship team to progress ANI's Nuclear Baseline including a training and development program for all staff
- Finalised the Site and Siting Evaluation Report for the NPSCY site
- Submitted ANI's first application for a licence to prepare a site under the Australian Naval Nuclear Power Safety Act 2024 (Cth) and associated Regulations. ANI was granted the licence on 12 June 2026
- Progressed preparations for applying for future amendments to the above licence for constructing nuclear-regulated facilities

Workforce

ANI's organisational structure has continued to evolve in FY26 to provide the additional capacity and capability required to support the NPSCY program and base operating business. This has resulted in significant growth in direct hires, and has included:

- establishment of a new Executive General Manager Commercial role, with recruitment for an Executive General Manager, Corporate Services currently underway
- establishment of a new Nuclear Stewardship function including recruitment of several personnel with nuclear skills and experience
- growth across various corporate and enabling functions including Safety, Security, People and Culture, Finance, Risk, Sustainability, ICT, Community and Stakeholder Relations and Communications, and
- significant growth in the NPSCY project delivery team.

ANI has supplemented its direct workforce with the engagement of suitably experienced service providers for specialist capability, particularly to support the NPSCY program. The most significant of those engagements was the appointment of the Capability Partner in June 2026. This is in addition to the existing partners engaged across the IDO including design services and engineering consultants, project management, project controls, cost management and estimating, transaction advisory, legal services, nuclear advisory and financial verification services.

ANI's broader contracted workforce includes the construction delivery contractors responsible for the physical works on site at the NPSCY.

In support of building ANI's capability as a licence holder for nuclear-regulated facilities, ANI has designed and implemented a training and development program for personnel, aligned with a competency framework. This program is aimed at building the collective knowledge and expertise of the organisation at all levels, including the Board, Executive and all staff, with training tailored to the role requirements.

ANI's workforce comprises a diverse range of people across age, gender, cultural backgrounds and life experiences. Gender diversity is strong having regard to the nature of construction and defence industries which tend to be male dominated, with females representing 37.5% of ANI's executive team and 37% of ANI's total ongoing employees.

As at 30 June 2026, ANI had 183 employees.

HMAS Hobart docking

Workforce Overview

Ongoing

2025-2026	Man/ Male	Woman/ Female	Non-binary	Prefers not to answer	Uses a different term	Total	Total (%)
Full-time	115	58	-	-	-	173	95
Part-time / casual	-	9	-	-	-	9	5
Total	**115**	**67**	**-**	**-**	**-**	**182**	**100**
Percentage (%)	**63**	**37**					

2024-2025	Man/ Male	Woman/ Female	Non-binary	Prefers not to answer	Uses a different term	Total	Total (%)
Full-time	70	30	-	-	-	100	95
Part-time / casual	-	5	-	-	-	5	5
Total	**70**	**35**	**-**	**-**	**-**	**105**	**100**
Percentage (%)	**67**	**33**					

Non-ongoing

2025-2026	Man/ Male	Woman/ Female	Non-binary	Prefers not to answer	Uses a different term	Total	Total (%)
Full-time	-	-	-	-	-	0	0
Part-time / casual	-	1	-	-	-	1	100
Total	**-**	**1**	**-**	**-**	**-**	**1**	
Percentage (%)	**-**	**100**					

2024-2025	Man/ Male	Woman/ Female	Non-binary	Prefers not to answer	Uses a different term	Total	Total (%)
Full-time	-	-	-	-	-	-	
Part-time / casual	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	
Percentage (%)							

All ANI staff are currently based in South Australia.

ANI does not have any subsidiaries.

ANI takes a proactive approach to the management of work health and safety through appropriate management systems and programs, including employee health checks, inductions and safety related training, and ongoing monitoring of the safety culture through pulse checks.

ANI has revised its safety motto to reflect the maturing nature of the organisation to "safety by choice, not by chance". ANI has developed a Safety Health and Environment (SHE) Strategy, with a focus on four priorities including Critical Risk Management, Behavioural Based Safety, Contractor Management and Assurance and Governance. In FY26, ANI implemented a Visible Safety Leadership program and commenced the process for uplifting ANI's systems and processes to incorporate nuclear safety requirements.

ANI continues to grow the SHE function with additional resources, with a current focus on recruiting safety specialists to support the NPSCY project team, to provide the necessary support, oversight and assurance of ANI's construction contractors. Contractors undertaking ANI's construction projects operate under their own safety management systems and are appointed as the 'Principal Contractor' for construction works on site. ANI monitors the safety performance of all projects to ensure safety systems are operationalised and provide a safe place to work.

The STAC slab pour underway

Community

ANI's approach to stakeholder engagement is grounded in early, open, and transparent communication, particularly with local government, community members, and industry. This helps to ensure diverse perspectives are incorporated into planning and decision making for future developments.

During the year, ANI continued to strengthen its engagement with local communities, industry, government and NPS enterprise partners as activity across the Osborne precinct and NPSCY program increased.

Engagement focused on providing clear and timely information, creating opportunities for two-way dialogue and capturing feedback to inform planning, approvals and delivery activities.

ANI maintained regular engagement with shipyard tenants, adjacent businesses, community members, local industry stakeholders and local government through briefings, targeted discussions, program updates and direct responses to enquiries.

This supported a more coordinated stakeholder experience and helped ensure community-facing information was consistent across ANI and NPS enterprise partners.

As the NPSCY program progressed further into delivery, ANI increased its focus on proactive, transparent and responsive engagement to support stakeholder confidence, regulatory readiness and social licence.

Engagement activities also provided practical insights into stakeholder priorities, enabling ANI to refine future engagement approaches and continue closing the loop where feedback or enquiries were raised.

Key outcomes during the year included:

- continued engagement with local councils, community groups, tenants, emergency services and local residents through briefings, meetings, updates and site visits
- stronger coordination with NPS enterprise partners to support a more integrated approach to community and stakeholder engagement
- improved use of plain-English materials, program updates and digital channels to explain technical information and key program milestones
- feedback and enquiry tracking to support responsiveness, accountability and continuous improvement, and
- further development of ANI's stakeholder engagement and communications capability to support engagement at increasing scale.

Together, these activities reinforce ANI's belief and approach that engagement needs to be embedded as an ongoing practice, not limited to individual milestones or formal consultation periods.

First Nations engagement

ANI is committed to building respectful, long-term relationships with First Nations communities. ANI acknowledges the Kaurna people as the Traditional Custodians of the Lefevre Peninsula, where proposed activities will occur, and recognises their enduring cultural, spiritual and historical connection to land and waters.

ANI continued to build respectful and culturally informed relationships with First Nations communities, with a particular focus on engagement with the Kaurna Yerta Aboriginal Corporation (KYAC) Board as the Traditional Owner representative body for Kaurna Country.

This engagement reflected ANI's more informed, respectful and transparent approach to planning and decision-making for the NPSCY program.

During the year, ANI worked with the ASA and NPS enterprise partners to support a coordinated approach to First Nations engagement, helping to reduce duplication and provide clearer, more consistent information to KYAC.

ANI also continued to progress work on an enterprise-level First Nations Engagement Strategy to support culturally informed engagement across the lifecycle of the program.

Key engagement activities included regular updates to the KYAC Board, a dedicated briefing on ANI's site licence application and continued discussion about long-term engagement, education and employment pathways, and opportunities for First Nations participation.

ANI also coordinated and led a visit to the Australian Nuclear Science Technology Organisation facility at Lucas Heights for members of the KYAC Board and other NPS enterprise partners. The visit provided an opportunity to build shared understanding of nuclear stewardship, safety practices and regulatory considerations relevant to the NPSCY program. It also enabled KYAC Board members to connect with Dharawal Elders, who provided the delegation with a Welcome to Country and cultural context on Country, and shared insights into their community's experience living alongside a nuclear-related facility.

ANI and KYAC visit to ANSTO

Site licence community consultation session

These activities helped to further strengthen relationships, supported more informed dialogue and reinforced ANI's commitment to engagement that extends beyond regulatory and compliance obligations.

Reconciliation Action Plan (RAP)

ANI continued to embed reconciliation principles into business operations through implementation of its Reflect RAP, launched in June 2023.

During the year, ANI focused on strengthening cultural awareness, improving internal practices and creating opportunities for First Nations perspectives to inform how the organisation operates. Key activities included:

- reviewing internal policies, including HR and procurement, to support cultural safety and inclusivity
- participating in the Osborne Precinct RAP Collaboration Group to strengthen partnerships and shared learning
- hosting a consultative session with local First Nations businesses to gather feedback on ANI's RAP and help shape future actions
- distributing Acknowledgement of Country lanyard cards to reinforce cultural awareness and everyday recognition, and
- embedding Acknowledgement of Country into the opening of internal meetings and inductions.

Environment

ANI is committed to minimising the environmental impact of its operations, as outlined in ANI's Environmental Policy. During the year, ANI continued to manage its environmental responsibilities through a structured and proactive approach focused on minimising impacts from its operations, construction activities and use of the Osborne precinct.

Guided by ANI's Environmental Policy, this work continued to promote a strong environmental protection culture across the organisation, including among contractors, tenants and visitors. It also supported ongoing improvements to systems and processes, compliance with ANI's EPA licence and relevant legislative obligations, and the provision of appropriate resources, training and communication to protect the environment so far as is reasonably practicable.

ANI implemented these commitments through its Environmental Management Plan (EMP) and ISO 14001 certification. The EMP provides the framework for identifying, managing and communicating environmental issues, and for minimising potential impacts from construction and operational activities, including impacts on biodiversity, soil, water, ambient noise and air quality.

In September 2025, ANI updated its EMP to support planning and construction of the NPSCY. The update included environmental aspects, the risk register and a summary of environmental, legal and other requirements.

As the NPSCY program progresses further into delivery, the EMP will be supported by ANI's Construction Environmental Management Framework and Construction Environmental Management Plan guidance requirements for construction contractors. This will help ensure environmental expectations are clearly communicated and consistently applied as construction activity increases.

Sustainability

During FY26, ANI focused on strengthening the foundations of its sustainability program through the development of sustainability governance arrangements, systems and project requirements. This work supports more consistent sustainability outcomes, improved decision-making and increased climate disclosure readiness across operations and major projects.

ANI and project partners undertook sustainability road mapping to assess organisational maturity, identify improvement opportunities and establish a structured pathway for implementation. A Sustainability Lead was appointed in April 2026 to coordinate this work and support integration into business systems, governance and project delivery. ANI also commenced work to align its sustainability approach with Shareholder expectations relating to net zero targets, and published its first Sustainability Policy.

In FY27, ANI will continue to develop its sustainability program, with a focus on consistent implementation, clearer accountability and improved measurement of sustainability performance across operations and projects.

Aerial view of the Osborne Naval Shipyard and Lefevre Peninsula surrounds

Sustainability continued to be embedded into the NPSCY project during FY26. Project partners progressed design activities, project requirements and reporting processes to identify and review sustainability outcomes.

Climate-related risks and opportunities

Following substantial workforce growth, ANI is preparing for its first climate-related financial disclosure reporting cycle for FY27. Preparation activities have included:

- Completion of a gap analysis against AASB S2 and work to address identified gaps
- Integration of sustainability into governance structures and existing committees
- Development of tools to support emissions data capture
- Integration of emissions-related data requirements into key contracts, and
- Preparation for climate-related risk and opportunity assessment in accordance with AASB S2.

Initial assessment activities are expected to focus on the matters most relevant to ANI's assets and project delivery context, including acute physical risks such as extreme weather, flooding and heat, transition considerations such as energy use and emissions performance, and opportunities to improve resilience, efficiency and lower-emissions outcomes through design and operations.

These matters will continue to be assessed across ANI's operations, assets and the NPSCY project, with relevant mitigation and adaptation measures considered through project design and ongoing asset management.

Sustainability in Operations

ANI's Operations team continued to embed sustainability into day-to-day site management during FY26, with practical initiatives focused on reducing emissions, improving amenity and extending the life of materials already in use across the precinct.

Lower-emissions site transport

The Operations team progressed the replacement of two-stroke fossil fuel powered site buggies with electric alternatives. Four electric buggies are now in use, with two additional units planned. One fuel-powered buggy has already been decommissioned, with the remaining two to be phased out as the new electric units are introduced.

The change has delivered practical operational benefits as well as supporting lower-emissions site transport. The electric buggies are quieter, reduce fuel odours, and avoid the backfiring sometimes experienced with two-stroke units operating at precinct speed limits. This provides a better day-to-day experience for staff while supporting ANI's broader transition to more efficient site operations.

Extending the life of shiplift timbers

Shiplift deck timbers are manufactured from dense, durable hardwood species selected for their ability to perform in demanding marine conditions. These materials are difficult to replace on a like-for-like basis and represent a significant embedded material resource.

To extend the life of this valuable timber, ANI's Operations team developed practical reuse and upcycling methods. Warped deck timbers are straightened in a jig and reinstalled with the underside exposed, while timbers no longer suitable for deck use are stripped down and reused as sub-timbers. Improved fixing methods and end sealing are also helping to reduce splitting and prolong timber life.

Where materials can no longer be used safely in their original application, the Operations team has looked for opportunities to convert unserviceable timbers into practical items such as furniture and shelving for use on site. These initiatives demonstrate how sustainability can be built into routine maintenance decisions by reducing waste, lowering demand for new materials and capturing additional value from existing assets.

Extending the life of shiplift timbers

Greenhouse gas emissions

During FY26, ANI continued to strengthen its greenhouse gas emissions inventory by documenting emissions boundaries, reviewing historical information and improving the consistency of underlying data.

ANI also strengthened the governance and documentation supporting its emissions inventory to improve transparency, consistency and future assurance readiness.

ANI reports greenhouse gas emissions across Scope 1, Scope 2 and Scope 3 categories:

- Scope 1: direct emissions from sources ANI owns or controls
- Scope 2: emissions from purchased electricity, and
- Scope 3: value chain emissions, including goods, services and capital works.

For FY26, Scope 2 electricity consumption remains ANI's largest quantified emissions source. Future activities will focus on improving data collection from capital projects and expanding Scope 3 emissions quantification.

Climate Action in Government Operations - APS Net Zero 2030 emissions reporting

The Australian Government's APS Net Zero 2030 policy and Net Zero in Government Operations Strategy set expectations for Commonwealth entities and companies to reduce operational greenhouse gas emissions and report transparently on progress. For ANI, this means taking a practical and proportionate approach to emissions reduction by focusing on areas it can directly control or influence, while recognising the operational requirements of a secure and complex infrastructure precinct.

As the NPSCY project progresses, ANI expects its most material emissions influence to be through Scope 3 emissions associated with capital goods and construction works. While not all of these emissions sit within ANI's direct operational control, ANI can influence outcomes through project requirements, design decisions, procurement settings and contractor engagement. This supports Shareholder expectations regarding net zero while remaining practical and relevant to ANI's role.

ANI will continue to identify practical emissions reduction opportunities across operations and major projects, with an emphasis on the emissions sources it can directly control or materially influence.

ANI's reported emissions by source are set out in the tables below:

2025-26 GREENHOUSE GAS EMISSIONS INVENTORY – LOCATION-BASED METHOD

Emissions Source (Display)	Scope 1 (t CO_2-e)	Scope 2 (t CO_2-e)	Scope 3 (t CO_2-e)	Total (t CO_2-e)
Electricity (Location-Based Approach)	n/a	1,023.25	186.05	1,209.30
Natural Gas	-	n/a	-	-
Solid Waste	-	n/a	33.80	33.80
Refrigerants	117.00	n/a	n/a	117.00
Fleet and Other Vehicles	4.08	n/a	1.23	5.31
Domestic Commercial Flights	n/a	n/a	44.82	44.82
Domestic Hire Car	n/a	n/a	0.05	0.05
Domestic Travel Accommodation	n/a	n/a	6.68	6.68
Other Energy	17.32	n/a	4.27	21.59
Total	**138.40**	**1,023.25**	**276.90**	**1,438.55**

The table below presents emissions related to electricity usage using both the location-based and the market-based accounting methods:

2025-26 ELECTRICITY GREENHOUSE GAS EMISSIONS

Emissions Source	Scope 2 (t CO_2-e)	Scope 3 (t CO_2-e)	Total (t CO_2-e)	Electricity (kWh)
Location-based electricity emissions	1,023.25	186.05	1,209.30	4,651,099.44
Market-based electricity emissions	3,116.01	423.17	3,539.17	3,846,924.35
Total renewable electricity	**n/a**	**n/a**	**n/a**	**804,175.10**
Renewable Power Percentage [1]	n/a	n/a	n/a	804,175.10
Jurisdictional Renewable Power [2]	n/a	n/a	n/a	-
GreenPower	n/a	n/a	n/a	-
Large-scale generation certificates	n/a	n/a	n/a	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO2-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

[1] The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET).

[2] The Australian Capital Territory is Currently the only state with a jurisdictional renewable power percentage (JRPP).

Caveats:

- Electricity usage for the IDO level 8, December 2025 was interpolated from monthly data.
- Solid waste data for the IDO for July – August 2025 was estimated using data from September 2025 due to unavailability of bin-tracking data for these months, however this data represents a significant upgrade in data quality from previous years reporting.
- An estimate of kms travelled was used for hire car emissions data due to the lack of discrete km data, this is not considered material in the context of the organisations emissions quantities.

Shiplift load testing

Corporate governance

ANI is incorporated as a company under the *Corporations Act 2001* (Cth) (Corporations Act), is limited by shares, and is subject to the PGPA Act.

All share capital of ANI is owned by the Commonwealth of Australia.

Under the PGPA Act, ANI is a Commonwealth Company, PnFC, and prescribed as a GBE. While the Corporations Act is the primary regulatory framework, the PGPA Act sets the standards of governance and accountability and imposes specific duties on ANI's Board and Executive relating to the use and management of resources.

Shareholder Ministers

ANI sits within the Finance portfolio of the Australian Government. Its Board reports to both the Minister for Defence and the Minister for Finance as Shareholder Ministers.

As at 30 June 2026, ANI's Shareholder Ministers were:

- Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP, and
- Minister for Finance, Senator the Hon Katy Gallagher.

Ministerial directions

ANI did not receive any direction by a Minister under its constitution, an Act or other instrument, or any government policy orders (under section 93 of the PGPA Act) in FY26.

PGPA Act and PGPA Rule

ANI operates within the PGPA Act which sets out the requirements for the governance, reporting and accountability of Commonwealth entities and Commonwealth companies.

GBE requirements

ANI is prescribed as a GBE within the definitions outlined in the PGPA Act. As a GBE, ANI is required to follow the GBE guidelines.

Wholly owned GBEs (including ANI) are required to prepare a Corporate Plan and Statement of Corporate Intent (SCI) in consultation with Shareholder Ministers.

These documents focus on the purpose and corporate outlook of the GBE and express the expectations of its management in relation to future financial and non-financial performance.

ANI's 2026-27 Corporate Plan and SCI were developed in June 2026, with the SCI being published on ANI's website at **www.ani.com.au** in August 2026.

The Board

As at 30 June 2026, the ANI Board comprised six members with three vacant positions. A process is underway to fill two of those vacancies, with the third currently intended to remain vacant to support orderly transition.

The Board is chaired by an independent non-executive director and the roles of Chair and Managing Director are separate. The Managing Director is the only executive director on the Board and is also the Chief Executive Officer. All other directors are independent non-executive directors.

The Board is responsible for the corporate governance of ANI and operates within an approved Board charter. Each director is appointed by the Shareholder Ministers pursuant to a formal letter of appointment.

Chair

Ron Finlay AM was appointed as Chair on 11 December 2024. The Chair is responsible for the leadership of the Board and for the efficient and proper functioning of the Board, including maintaining relationships with the Shareholders. The Chair's current term is due to expire on 10 December 2027.

The Board's role and responsibilities

The Board acts in the best interests of ANI as a whole and on behalf of the Shareholder Ministers, representing the Commonwealth, and is accountable to the Shareholder Ministers for the overall strategic direction, management and corporate governance of ANI.

Subject to the PGPA Act, the constitution and directions from the Shareholder Ministers, the Board is responsible for:

- determining and fostering a corporate culture within the organisation that is appropriate to ANI
- overseeing ANI, including control and accountability systems
- appointing and monitoring the performance of the CEO and the Company Secretary and, where appropriate, the removal of the CEO and the Company Secretary
- providing strategic advice to management
- approving and monitoring the progress of major capital expenditure projects, capital management, acquisitions and divestitures, as well as financial and other reporting
- approving the annual Corporate Plan (including budgets and key performance indicators), reviewing ANI's performance against the Corporate Plan and monitoring the implementation of corrective actions where necessary
- reviewing and interrogating systems of risk management, internal control and legal compliance to satisfy itself that appropriate compliance frameworks and controls are in place
- reviewing and overseeing the implementation of ANI's Code of Conduct
- establishing Board committees where required and approving the composition, and any charters, of Board committees
- monitoring and verifying compliance with legal and regulatory requirements, ethical standards and policies, and
- ensuring that ANI complies with its work, health and safety obligations.

Board committees

Audit and Risk Committee

The Board has an established Audit and Risk Committee to assist in carrying out its responsibilities.

The Audit and Risk Committee's charter, which was last reviewed and approved by the Board in November 2025, sets out the matters relevant to the composition, responsibilities and administration of the Committee. The charter is published on **ANI's website.** (https://www.ani.com.au/wp-content/uploads/2026/08/Audit-Risk-Committee-Charter-approved-November-2025.pdf)

The Audit and Risk Committee meets four times a year. A quorum for an Audit and Risk Committee meeting is two Audit and Risk Committee members.

The objectives of the Audit and Risk Committee are to:

1. help the Board achieve its objectives in relation to reviewing the appropriateness of:
   a. financial reporting
   b. performance reporting
   c. the system of risk (financial and performance) oversight and management
   d. systems of internal control, and
   e. the application of accounting policies
2. maintain and improve the quality, credibility and objectivity of the financial accountability processes
3. assess ANI's risk management principles, policies, processes and practices so that it can satisfy itself that:
   a. adequate systems are in place for the effective identification and assessment of all areas of potential material business risk
   b. adequate policies, processes and procedures have been designed and implemented to manage identified material business risks
   c. appropriate action is undertaken to bring the identified material risks within ANI's risk tolerance levels
   d. a culture of compliance is promoted, and
   e. compliance strategies and functions are effective
4. establish and maintain effective internal and external audit functions, and communication between the Board and the internal and external auditor, and
5. verify that financial compliance strategies and functions are effective.

As at the date of this report, the Audit and Risk Committee comprises Andrea Hall (Chair), Andrea Sutton and Kathryn Toohey AM CSC.

Code of Conduct

ANI's Code of Conduct (Code) sets out the standards of conduct expected of ANI's directors, employees and contractors (ANI personnel).

The Code articulates the high standards of honesty, integrity, ethical and law-abiding behaviour expected of ANI personnel and encourages the observance of those standards to protect and promote the interests of ANI, its Shareholders and other stakeholders.

Compliance with the Code will assist ANI in creating a safe, healthy and productive work environment and preserve and enhance ANI's reputation in the community. The Code supports ANI's purpose to be the owner, developer and manager of critical shipyard infrastructure, and operates in conjunction with ANI's policies and procedures.

Community service obligations

The Company does not operate under any specific community service obligations.

Decisions affecting the Company and particulars of reports on the Company during the period

During the period, there were no judicial or administrative tribunal decisions applicable or reports on the Company.

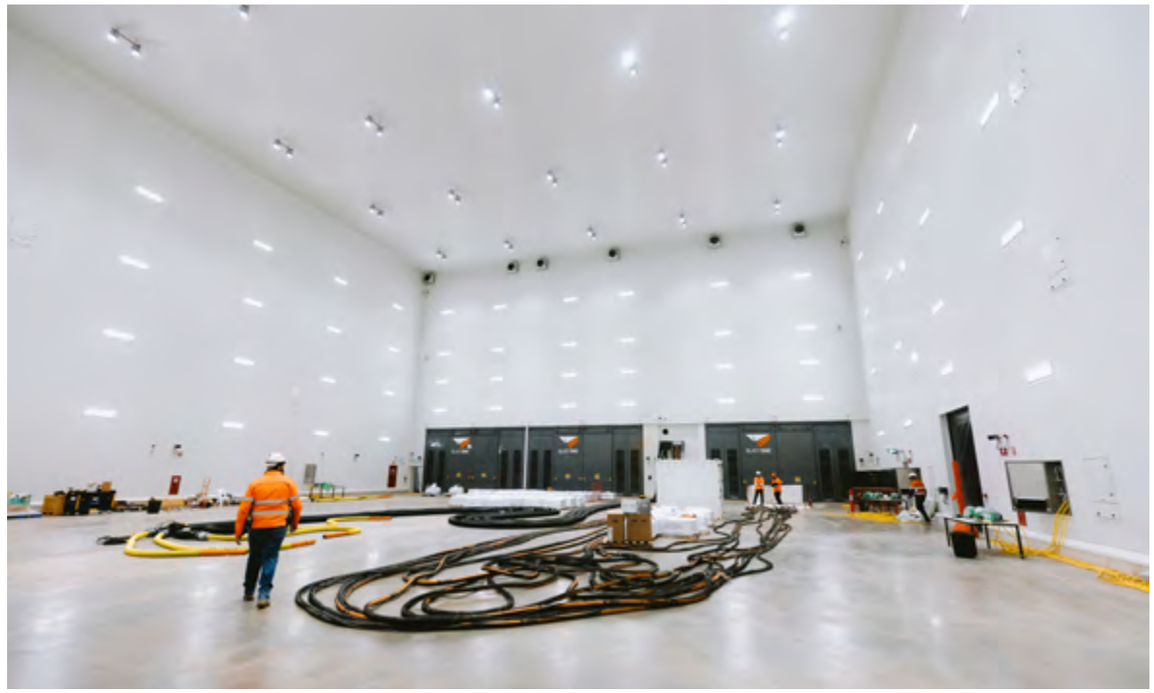
Commercially sensitive information excluded from the Annual Report

The directors have excluded from the Annual Report any information that is considered to be commercially sensitive and would be likely to result in unreasonable commercial prejudice to the Company.

Voluntary Tax Transparency Code (VTTC)

ANI has complied with the requirements of the VTTC as follows:

- **A reconciliation of accounting profit to tax expense and to income tax paid or income tax payable:** ANI's reconciliation of accounting loss to income tax benefit is detailed in Note 6(b) and the reconciliation of accounting loss to income tax loss is detailed in Note 6(c).
- **Identification of material temporary and non-temporary differences:** ANI's net deferred tax balance of $115.573 million relates to a deferred tax liability of $253.408 million offset by a deferred tax asset of $137.835 million. These balances comprise temporary differences, mainly attributable to revaluations of property, plant and equipment. This is further explained in Note 6(e) of the financial statements.
- **Accounting effective company tax rates for Australian and global operations:** ANI does not have a global presence and, from its Australian perspective, the tax benefit, based on tax losses, equals 30%.



Building 18A new blast and paint facilities

Ribbon cutting for the official naming of Eurimbla Way

Board and management

The names and details of directors and executive management in office as at 30 June 2026 are as follows:

Ron Finlay AM

LLB

Chair and Non-Executive Director

Ron was appointed as Chair of ANI on 11 December 2024, and his current term will expire on 10 December 2027.

Ron is the Chief Executive of Finlay Consulting and a sole practitioner trading as R A Finlay Lawyer and is regarded as one of Australia's leading infrastructure and governance specialists. He has over 40 years' experience in infrastructure, property, construction and development projects including a number of significant roles as project director, lead negotiator or facilitator of major infrastructure and projects in Australia and overseas for both public and private sector organisations.

Andrea Hall

B Comm, FCA, FAICD

Non-Executive Director

Andrea Hall was appointed on 14 February 2025, and her current term will expire on 13 February 2028.

Andrea is an experienced non-executive director and currently serving on the boards of Evolution Mining Ltd, Perenti Group Ltd, the Commonwealth Superannuation Corporation and Western Power.

Andrea is a former KPMG Risk Consulting partner. In addition to her executive experience with risk and people roles within KPMG, Andrea has over 30 years' experience in corporate, operational and board governance, risk and financial management. She was previously on the Senate of Murdoch University and a former Chair and member of the WA Regional Council for Chartered Accountants Australia and New Zealand.

Andrea is an experienced listed company and government entity director and chairs Audit and Risk Committees, where she brings a focus on both financial and non-financial risks.

After graduating with a Bachelor of Commerce, (Accounting/Finance) from UWA, Andrea completed a Masters in Applied Finance (Corporate Finance). She is a Fellow of the Chartered Accountants Australia New Zealand and is a Fellow of the Australian Institute of Company Directors.

Graeme Hunt

Bach Metallurgy, MBA

Non-Executive Director

Graeme Hunt was appointed on 10 October 2025, and his current term will expire on 9 October 2028.

Graeme is a highly experienced non-executive director, currently serving as Chair of Aureka Ltd, Akora Resources Ltd and Bis Industries, and non-executive director of Powering Australia Ltd Clean Tech Manufacturing Industry Growth Centre. He was formerly a non-executive director of Future Battery Industries CRC, AGL Energy and numerous other organisations in the energy and resources sector. Graeme also operates his own advisory business providing strategic advice, mentoring and consulting services.

Graeme was previously MD and CEO of AGL Energy, MD and CEO of Broadspectrum and MD and CEO of Lihir Gold. Prior to that Graeme was President Uranium and Olympic Dam Development at BHP, preceded by various other senior global leadership roles across the BHP portfolio of businesses including President Iron Ore and President Aluminium.

Graeme has a Bachelor of Metallurgy and a Masters of Business Administration from the University of Wollongong and has completed the London Business School Senior Executive program.

Andrea Sutton

BE (Chem), GradDip Economics, GAICD

Non-Executive Director

Andrea Sutton was appointed on 26 September 2023, and her current term will expire on 25 September 2029.

Andrea is a non-executive director serves on the boards of Iluka Resources, Perenti Limited, the Water Corporation (WA), Perth Airport and the Australian Red Cross Society.

Andrea has held several executive roles in safety, human resources, security, infrastructure management, and sales within the mining sector, including CEO and Managing Director of Energy Resources of Australia (ERA), and Chair of the Minerals Council of Australia – NT Management Committee. During a 19-year career at Rio Tinto she undertook the roles of General Manager of Operations at the Bengalia Mine and General Manager of Infrastructure, Iron Ore. Previously Andrea served on the boards of ERA and DDH1 and Infrastructure WA.

Andrea has a Bachelor of Chemical Engineering from the University of Melbourne, a Graduate Diploma in Economics from the University of New England in Australia and is a Graduate Member of the Australian Institute of Company Directors.

Kathryn Toohey AM CSC

Exec MBA, M Mngmt, BE (Elec) Hons, Grad Dip IT, GAICD

Non-Executive Director

Kathryn was appointed on 11 December 2024, and her current term will expire on 10 December 2027.

Kathryn is a non-executive director serving on the boards of Austal, Defence Health, Cylent International, Electro Optic Systems Holdings Limited and the GWS Giants (AFL and Netball). She is a member of the Executive Council of the Australian Strategic Policy Institute and the Defence South Australia Advisory Board.

Kathryn is a former Army officer serving for over three decades and retiring at the rank of Major General.

Kathryn has an Executive Masters of Business Administration, a Masters of Management, a Bachelor of Engineering (Electrical), a Graduate Diploma in IT and is a Graduate Member of the Australian Institute of Company Directors.

Andrew Seaton

BE (Chem) (Hons), GradDip Bus Admin, GAICD

Managing Director and Chief Executive Officer

Andrew joined ANI in July 2017 and was appointed Managing Director and Chief Executive Officer in April 2020. His current term will expire on 5 April 2028.

Andrew has almost 40 years' business experience encompassing a broad range of executive management, finance, investment banking, engineering and project management roles. Prior to joining ANI he was CFO of Santos Limited and was previously a Vice President in investment banking with Merrill Lynch. His early career was spent as a process engineer and project manager, with experience across a range of major projects in the resources sector. He is a non-executive director of Homestart Finance Ltd.

Andrew has an honours degree in Chemical Engineering, a Graduate Diploma in Business Administration and is a Graduate Member of the Australian Institute of Company Directors.

Mark Albertson

GradDip (Strategic Leadership), Dip Mgt, GAICD

Executive General Manager Operations

Mark was appointed as EGM Operations in June 2025.

Mark has extensive executive and operational leadership experience. He began his career in the Royal Australian Navy in aviation maintenance engineering ahead of pursuing a career in the mining and utilities sectors over a period of nearly 20 years, which included senior leadership roles with CS Energy. He then returned to the maritime industry as a senior executive for ASC Pty Ltd and Birdon Group.

Mark holds a Graduate Diploma in Strategic Leadership, a Diploma of Management and is a Graduate of the Australian Institute of Company Directors.

Paul Bates

BA, GradDip InfoMgt, Dip Leadership and Mgt, MBA

Program Director AUKUS

Paul was appointed as Program Director AUKUS in June 2025, having previously held the role of Chief Operating Officer.

Paul has substantial maritime operations experience. Prior to his appointment at ANI, Paul was General Manager Infrastructure of the Defence SA Techport Common User Facility (CUF), ensuring the successful delivery of the CUF and other contracted services to the AWD program since 2009. Prior to this, Paul was Project and Bid Manager for DMS Maritime Pty Ltd (now Serco Defence).

Paul holds a Master of Business Administration and is a graduate of the Australian Defence Force Academy. He served for 18 years in the Royal Australian Navy, holding a variety of operations roles both at sea and ashore.

Adele Fraser

B.Comm (Hons), GradDip CA, FCA, GAICD

Chief Financial Officer

Adele was appointed as Chief Financial Officer in April 2023.

Adele is a chartered accountant with over 25 years' business experience and commenced at ANI in 2018. Prior to joining ANI, Adele was a Senior Manager in the Assurance business at PwC, a firm where she started her career as an undergraduate in South Africa and enjoyed a long career spanning many roles across two countries.

Adele has an honours degree in Financial Reporting, Auditing, Taxation and Management Accounting, and a Graduate Diploma of Chartered Accounting. She is a Fellow of Chartered Accountants Australia and New Zealand and a Graduate Member of the Australian Institute of Company Directors.

Jane Lavender-Baker

BA, GradDip Comms, GAICD

Executive General Manager Strategy, Corporate Affairs and People

Jane was appointed as EGM Strategy, Corporate Affairs and People in February 2025.

Jane has over 20 years' experience in complex, regulated businesses in the transport, logistics and infrastructure sectors with exposure to large scale capital delivery programs.

Prior to joining ANI, Jane held senior leadership roles at the Australian Rail Track Corporation responsible for human resources, corporate affairs and company strategy, and prior to that within NSW rail transport leading issues management, corporate and government relations.

Jane holds a Bachelor of Arts, a Graduate Diploma in Communications and is a Graduate of the Australian Institute of Company Directors.

Tom McAvaney

BA (Hons), LLB, GAICD

Executive General Manager Commercial

Tom was appointed as EGM Commercial in December 2025.

Tom is an infrastructure project professional with 25 years' experience working across private and public sector organisations in the delivery of mega projects. Before joining ANI, Tom led the Commercial and Legal function for Rail Projects Victoria and the Melbourne Metro Tunnel Project, which was successfully completed in November 2025. Tom has particular expertise in the implementation of integrated and collaborative contracting and delivery models across complex multi-package and multi-year programs.

Tom holds a Bachelor of Arts (Honours) and a Bachelor of Laws from Monash University and is a Graduate of the Australian Institute of Company Directors.

Sally McLennan

LLB (with Honours), GDLP, BMgt, GAICD

Company Secretary

Sally was appointed as General Counsel and Company Secretary in August 2017 and held that role until 30 June 2026, transitioning to the Company Secretary only from July 2026.

Sally is an experienced in-house commercial and corporate lawyer and has over 35 years' business experience. Prior to joining ANI, she held senior legal roles at ASC Pty Ltd and Santos Limited. Sally's prior experience includes commercial and human resources roles across several industries, including oil and gas, telecommunications and manufacturing.

Sally has a Bachelor of Laws (with Honours), Graduate Diploma in Legal Practice and a Bachelor of Management (Labour Relations) and is a Graduate Member of the Australian Institute of Company Directors. She is currently on the board of the Botanic Gardens and State Herbarium.

John Mortimer

BEng (Civil) (Hons), FIEAust, CPEng, EngExec, MAIPM

Program Director NPSCY

John was appointed as Program Director NPSCY in June 2023.

With over 30 years' experience in the construction and development industries, John is a specialist in the delivery of complex infrastructure projects. Prior to joining ANI, he held senior leadership roles at Mott MacDonald Australia Pty Ltd including Major Projects Director for the Asia, Pacific, New Zealand and Australia Region and Managing Director of the Australian business.

John's prior project experience includes the development of the Port of Brisbane Terminal 11 and Port Botany Terminal 3 projects and numerous projects for the State Government of South Australia including the Adelaide Oval Redevelopment, Adelaide Convention Centre and the North South Corridor – Torrens to Darlington Project.

John holds a Bachelor of Engineering (Honours, Civil) and is a fellow of the Institute of Engineers Australia.

Board performance and education

The Board assesses the performance of the Board and the Chair on an annual basis. The latest performance review process was undertaken in early 2026.

The Board comprises experienced directors with a diverse range of experience across industries including major infrastructure. The process of Board renewal which commenced in FY24 is ongoing.

During FY26, education of directors has focused on developing the Board's understanding and knowledge of ANI's nuclear stewardship responsibilities and understanding the national security context in which ANI operates as part of the NPS enterprise.

Attendance at meetings

The table below details Board and Committee meetings and director attendance during the reporting period and includes directors whose terms have now expired.

	Board of Directors		Audit and Risk Committee	
	Held	Attended	Held	Attended
Mr Ron Finlay AM	12	12		
Ms Andrea Hall*	12	12	4	4
Mr Graeme Hunt [1]	9	9		
Ms Andrea Sutton*	12	12	4	4
Ms Kathryn Toohey AM CSC* [2]	12	12	3	3
Mr Andrew Seaton	12	12		

* Indicates Audit & Risk Committee member

[1] Term commenced on 10 October 2025

[2] Appointed to the Audit and Risk Committee on 11 November 2025

Conflicts

Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations. Directors must:

1. disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises
2. take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty, and
3. comply with the Corporations Act and the constitution in relation to disclosing material personal interests and any restrictions on voting.

The Board reviews all directors' disclosures at each meeting of the Board.

Delegations of authority and risk management

Clear delegated authorities consistent with maintaining efficiency of operations and effective management of risks have been implemented by the Board.

The Board is responsible for the approval of ANI's Risk Appetite Statement and Risk Management Framework and confirms that ANI has appropriate risk management policies and practices in place and that adequate systems and expertise are being applied to achieve compliance with those policies and procedures.

In FY26, ANI undertook a significant update to its approach to risk management in recognition of the significant period of change and increasing complexity in its operating environment to ensure a fit for purpose model to meet future needs.

ANI's Executive are responsible for reviewing and updating ANI's Strategic Risks on a regular basis, with operational and project risks reviewed and updated in line with business area and project requirements.

The Audit and Risk Committee of the Board maintains oversight of the adequacy and appropriateness of ANI's systems, policies, procedures and actions, with regard to management of risk.

Directors' report

Your directors present their report, together with the financial report of Australian Naval Infrastructure Pty Ltd (ANI or the Company), for the year ended 30 June 2026 and the auditor's report thereon.

Directors

The following were directors of the Company during the financial year:

- Ron Finlay AM
- Andrea Hall
- Graeme Hunt (appointment effective 10 October 2025)
- Andrea Sutton
- Kathryn Toohey AM CSC
- Andrew Seaton

Principal activities

The Company is the owner, manager and developer of shipyard infrastructure at the Osborne Naval Shipyard in South Australia in support of the Commonwealth of Australia's continuous naval shipbuilding and sustainment program.

Review of operations

Financial results

Revenue of $58.907 million was $4.042 million (7%) higher than the previous financial year, mainly due to additional facilities being licensed to BAE Systems Maritime Australia (BAESMA) during the year for the Hunter Class Frigate Program (HCFP).

An external valuation was conducted over land, buildings and infrastructure at 30 June 2026. This resulted in a net revaluation increase in buildings and infrastructure of $108.516 million and a revaluation increase in land of $20.962 million. Refer to Note 9 of the financial statements for further details.

Capital expenditure cash flows of $725.245 million were $425.064 million (142%) higher than the previous financial year reflecting a high level of activity relating to the Nuclear-Powered Submarine Construction Yard (NPSCY) and other precinct projects at Osborne.

Nuclear Powered Submarines (NPS)

ANI is undertaking a significant transformation as the Company progresses the NPS construction yard project (NPSCY) at Osborne in South Australia. During the year, ANI achieved a number of key milestones which included appointing a Capability Partner to assist with the delivery of the project, Laing O'Rourke Australia Construction Pty Ltd and Amentum Australia Proprietary Limited (in an unincorporated joint venture) (LORAM), completion and commissioning of the link road, Eurimbla Way, completion of the concept design reports for Areas 1 and 2 and approval of ANI's Environment Impact Statement for the NPSCY under the *Planning Development and Infrastructure Act 2016* (SA). ANI will continue to work closely with the Australian Submarine Agency (ASA) to progress design and construction of the NPSCY and the Skills and Training Academy Campus.

Licensing

During the year, additional shipyard assets were licensed to BAESMA for the HCFP. This resulted in an increase in the Company's lease income.

Precinct projects

Following an extensive master planning process during the financial year, the Company is progressing with multiple precinct projects to increase overall shipyard functionality.

Significant changes in the state of affairs

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

Significant events after the balance sheet date

In the interval between the end of the financial year and the date of this report, in the opinion of directors of the Company, no other item, transaction, or event of a material or unusual nature likely has arisen to significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future years.

Dividends

No dividends have been paid or declared by the Company since the end of the previous financial year.

Directors' benefits

Since the end of the previous financial year, no director of the Company 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 accounts) because of a contract made by the Company 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 Company has agreed to indemnify the current and previous directors and officers of the Company for all liabilities to another person (other than the Company) that may arise in their capacity as directors and officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company 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 Company has paid insurance premiums in respect of directors' and officers' liability insurance contracts for current and former directors and officers, including executive officers of the Company. The insurance premiums cover directors and officers for actual losses incurred in their capacity as directors and officers of the Company, which are not indemnified by the Company and which the director or officer becomes legally obligated to pay on account of certain claims made against him/her individually or otherwise. The terms of the insurance policy prohibit disclosure of the amounts of the premium payable.

Risk management

ANI is committed to building and maintaining an organisational approach to risk management that promotes the active consideration and management of risk in pursuit of organisational objectives.

The Board is responsible for approving ANI's risk appetite statement and the Enterprise Risk Management Framework, with general oversight of ANI's systems, processes and controls in relation to risk delegated to the Audit and Risk Committee. Key areas of focus in relation to risk include safety, environment, project delivery, financial risks, people, and regulatory compliance.

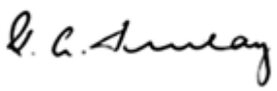
The Executive Leadership Team is accountable for embedding effective risk management practices within ANI, and is responsible for promoting a risk culture that reflects the organisation's risk appetite.

ANI maintains an Internal Audit Plan that is approved annually by the Audit and Risk Committee, which provides independent assessment of the adequacy and effectiveness of internal controls in relation to key areas of risk.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* (Cth), is set out on page 43.

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



RON FINLAY AM
Chair

ANDREW SEATON
Managing Director and Chief Executive Officer

8 September 2026

AUSTRALIAN NAVAL INFRASTRUCTURE

Remuneration report

ANI has determined its Key Management Personnel (KMP) in accordance with AASB 124 *Related Party Disclosures*. This remuneration report has been prepared having regard to Resource Management Guide 139 *Commonwealth companies executive remuneration reporting guide*.

KMP are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company. KMP disclosures were refined during the current financial year in response to major organisational change, growth and role definition across the business. From 1 July 2025 the roles of Chief Executive Officer (CEO), Chief Financial Officer, Program Director NPSCY and Executive General Manager Operations met the definition of KMP.

The Board is responsible for approving remuneration policies and Short-Term Incentive (STI) outcomes for the Managing Director (MD) and CEO and executive KMP.

	Title	Term as KMP
Non-executive directors		
Ron Finlay AM	Independent, non-executive Chair	Full year
Andrea Hall [1]	Independent, non-executive Director	Full year
Graeme Hunt	Independent, non-executive Director	Part year – appointment effective 10 October 2025
Andrea Sutton [2]	Independent, non-executive Director	Full year
Kathryn Toohey AM CSC [2]	Independent, non-executive Director	Full year
Executive KMP		
Andrew Seaton	Managing Director and Chief Executive Officer	Full year
Mark Albertson	Executive General Manager Operations	Full year
Adele Fraser	Chief Financial Officer	Full year
John Mortimer	Program Director NPSCY	Full year

[1] Andrea Hall is the Chair of the Audit and Risk Committee.

[2] Andrea Sutton and Kathryn Toohey AM CSC are Audit and Risk Committee members. Kathryn Toohey AM CSC was appointed as a member on 11 November 2025.

The superannuation guarantee rate was 12% in FY26 (FY25: 11.5%).

Non-executive director fees

All non-executive directors of the Company are appointed by the Commonwealth Government through the Shareholder Ministers.

Fees for non-executive directors are set through the determinations of the Commonwealth Remuneration Tribunal (Tribunal), an independent statutory body overseeing the remuneration of key Commonwealth offices. The Company is obliged to comply with the Tribunal's determinations and plays no role in the consideration or determination of non-executive director fees.

Fees for non-executive directors for FY26 and FY25 are shown in the following table:

Non-executive position	FY26 $	FY25 $
Chair[1]	188,350	131,820
Member[1]	94,190	65,910
Chair - Audit and Risk Committee	18,510	18,070
Member - Audit and Risk Committee	9,260	9,040

[1] The Tribunal increased annual fees for the Chair and Members effective from 17 October 2025. Annual fees for the Chair and Members prior were $134,990 and $67,500, respectively.

ANI Osborne office and wharf extension

Remuneration for non-executive directors is shown in the following table:

		Short-term benefits			Post-employment benefits	Other long-term benefits			
Non-executive directors		Directors' fees $	Short-term incentive $	Other benefits and allowances $	Superannuation contributions $	Long service leave $	Other $	Termination benefits $	Total remuneration $
Ron Finlay AM[1]	2026	173,066	-	-	20,764	-	-	-	193,830
	2025	73,008	-	-	8,411	-	-	-	81,419
Andrea Hall[1]	2026	105,126	-	-	12,613	-	-	-	117,739
	2025	31,331	-	-	3,613	-	-	-	34,944
Graeme Hunt[2]	2026	67,593	-	-	8,111	-	-	-	75,704
	2025	-	-	-	-	-	-	-	-
Andrea Sutton	2026	95,841	-	-	11,499	-	-	-	107,340
	2025	74,950	-	-	8,619	-	-	-	83,569
Kathryn Toohey AM CSC[1]	2026	92,457	-	-	11,093	-	-	-	103,550
	2025	36,504	-	-	4,206	-	-	-	40,710
Lucio Di Bartolomeo[3]	2026	-	-	-	-	-	-	-	-
	2025	31,941	-	-	3,673	-	-	-	35,614
Peter Iancov[3]	2026	-	-	-	-	-	-	-	-
	2025	74,373	-	-	8,553	-	-	-	82,926
Janice van Reyk[3]	2026	-	-	-	-	-	-	-	-
	2025	52,972	-	-	6,092	-	-	-	59,064
Alan (Jim) Whalley[3]	2026	-	-	-	-	-	-	-	-
	2025	65,403	-	-	7,521	-	-	-	72,924
Total non-executive directors	**2026**	**534,083**	**-**	**-**	**64,080**	**-**	**-**	**-**	**598,163**
	2025	**440,482**	**-**	**-**	**50,688**	**-**	**-**	**-**	**491,170**

[1] Term commenced during the previous financial year: Ron Finlay AM (11 December 2024), Andrea Hall (14 February 2025) and Kathryn Toohey AM CSC (11 December 2024).

[2] Term commenced during the current financial year: Graeme Hunt (10 October 2025).

[3] Expiration of term during the previous financial year: Lucio Di Bartolomeo (25 September 2024), Janice van Reyk (13 February 2025), Peter Iancov (25 June 2025) and Alan (Jim) Whalley (25 June 2025).

Managing Director and Chief Executive Officer remuneration

The Company's CEO, Andrew Seaton, was appointed by the ANI Board and appointed as MD by the Commonwealth Government through the Shareholder Ministers.

The CEO role has been declared by the Tribunal as a Principal Executive Office (PEO) Band D under the *Remuneration Tribunal Act 1973* (Cth). The Company's MD and CEO remuneration has been determined and paid in accordance with the Tribunal's guidance and comprises two components - total fixed remuneration (TFR) and an STI (at-risk performance pay).

For FY26, TFR was paid at five percent above the Tribunal's "Total Remuneration Reference Rate" for the office, and the MD and CEO was eligible for STI of up to a maximum of 20% of TFR.

Tribunal remuneration may differ from reported remuneration because annual report amounts are reported on an accrual basis.

Executive KMP remuneration

The Company's approach to remuneration is designed to attract and retain the right people with the right expertise to deliver on the Company's objectives and targets set out in its Corporate Plan. In particular, the Company's executive team is comprised of individuals with the breadth and depth of experience required to deliver on the Company's major projects and commercial outcomes, and to build a performance culture.

Remuneration of executive KMPs reporting to the MD and CEO is set by the MD and CEO in consultation with, and approved by the ANI Board. For FY26, executive KMP remuneration comprised TFR and STI of up to a maximum of 20% of TFR.

TFR is set having regard to market factors, technical expertise, role scope and industry benchmarks, and has been informed by external benchmarking.

STI awards for the MD and CEO and executive KMP are determined by the ANI Board having regard to Company and individual performance in the achievement of the Company scorecard and personal objectives. The Company scorecard is set by the Board at the start of the financial year and is aligned to the measures in ANI's Corporate Plan endorsed annually by the Shareholder Ministers.

Performance was assessed against the following measures:

Deliverable	Weighting	Outcome
Safety (safe operations, no serious incidents)	10%	Achieved
Operations and facilities management (efficient and timely delivery of operations and facilities management services)	10%	Achieved
Precinct projects (schedule, budget and quality objectives)	10%	Partially achieved
NPSCY project (progression of design and enabling works)	30%	Achieved
Skills and Training Academy Campus (STAC) (schedule, budget and delivery)	10%	Achieved
Nuclear readiness (advancing ANI's nuclear capability)	10%	Achieved
Corporate and commercial (progress corporate and commercial arrangements)	5%	Achieved
Financial (EBITDA target)	5%	Achieved
Stakeholder satisfaction (reporting, performance and delivery)	10%	Partially achieved
Total	**100%**	

The Company component of STI for FY26 as measured by performance against the above scorecard was assessed as 83.2%. Executive KMP STI payments are determined based on a 60/40 company/individual basis.

Remuneration for the executive KMP is shown in the table below:

		Short-term benefits			Post-employment benefits	Other long-term benefits			
		Base salary [1]	Short-term incentive	Other benefits and allowances[4]	Superannuation contributions	Long service leave	Other	Termination benefits	Total remuneration
Executive KMP[2]		$	$	$	$	$	$	$	$
Andrew Seaton	2026	645,534	98,492	2,423	30,000	27,692	-	-	804,141
	2025	653,133	100,831	2,048	29,932	25,759	-	-	811,703
Mark Albertson[3]	2026	392,617	61,262	2,423	30,000	5,234	-	-	491,536
	2025	18,700	-	84	718	167	-	-	19,669
Adele Fraser	2026	422,377	68,168	2,423	30,000	22,462	-	-	545,430
	2025	368,216	59,972	2,048	29,932	17,330	-	-	477,498
John Mortimer	2026	541,803	84,963	2,423	30,000	11,799	-	-	670,988
	2025	492,870	78,115	2,048	29,932	9,492	-	-	612,457
Total executive KMP	**2026**	**2,002,331**	**312,885**	**9,692**	**120,000**	**67,187**	**-**	**-**	**2,512,095**
	2025	**1,532,919**	**238,918**	**6,228**	**90,514**	**52,748**	**-**	**-**	**1,921,327**
Total non-executive directors	**2026**	**534,083**	**-**	**-**	**64,080**	**-**	**-**	**-**	**598,163**
	2025	**440,482**	**-**	**-**	**50,688**	**-**	**-**	**-**	**491,170**
Total KMP	**2026**	**2,536,414**	**312,885**	**9,692**	**184,080**	**67,187**	**-**	**-**	**3,110,258**
	2025	**1,973,401**	**238,918**	**6,228**	**141,202**	**52,748**	**-**	**-**	**2,412,497**

[1] Base salary includes accrued annual leave entitlements and superannuation cap excess amounts, where applicable.

[2] KMP disclosures were refined during the current financial year in response to major organisational change, growth and role definition across the business. As a result, Paul Bates, Jane Lavender-Baker and Sally McLennan are no longer considered KMP for disclosure purposes.

[3] Mark Albertson became a KMP on 16 June 2025.

[4] Other benefits and allowances comprise car parking.

Consolidated entity disclosure statement

As at 30 June 2026

The Company is not required by Australian Accounting Standards to prepare consolidated financial statements and as a result subsection 295(3A)(a) of the *Corporations Act 2001* (Cth) to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

Shiplift load testing

Auditor's independence declaration

Australian National Audit Office

Ronald A Finlay AM
Chair of the Board
Australian Naval Infrastructure Pty Ltd

AUSTRALIAN NAVAL INFRASTRUCTURE PTY LTD

FINANCIAL REPORT 2025-26

AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the Australian Naval Infrastructure Pty Ltd for the year ended 30 June 2026, to the best of my knowledge and belief, there has 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

Rahul Tejani
Executive Director

Canberra
8 September 2026

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

Directors' declaration

The directors declare that, in the directors' opinion:

a. the financial statements and notes set out on pages 50 to 82 are in accordance with the *Corporations Act 2001* (Cth), including:

   i. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements

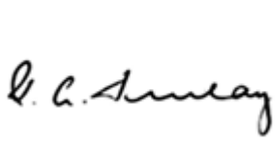
   ii. giving a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the year ended on that date

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 as at 30 June 2026 on page 42 is true and correct.

Note 2(a) confirms that the 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.



RON FINLAY AM
Chair

ANDREW SEATON
Managing Director and Chief Executive Officer

8 September 2026

Independent auditor's report to the members

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Naval Infrastructure Pty Ltd

Opinion

In my opinion, the financial report of Australian Naval Infrastructure Pty Ltd (the Company) 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 Company'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 Company, which I have audited, comprises the following as at 30 June 2026 and for the year then ended:

- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Statement of cash flows;
- Notes to the 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 Company 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.

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38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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.

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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 200*1 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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 Company'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 Company'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 Company 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.

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

Rahul Tejani
Executive Director
Delegate of the Auditor-General

Canberra
10 September 2026

AUSTRALIAN NAVAL INFRASTRUCTURE

FINANCIAL STATEMENTS

Statement of comprehensive income

for the year ended 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
Revenue and other income			
Revenue from continuing operations	5(a)	**58,519**	53,779
Other income	5(b)	**388**	1,086
Total revenue and other income		**58,907**	54,865
Expenses			
Depreciation expense	5(b)	**58,533**	48,826
Utilities and statutory charges		**2,151**	1,879
Repairs and maintenance		**3,251**	3,981
Employee benefit expense		**19,911**	11,668
Corporate costs	5(b)	**19,189**	9,685
Project costs		**526**	531
Net revaluation increase	9(a)	**(4,799)**	(8,867)
Net impairment reversal	9(a)	**-**	(778)
Loss on disposal of property, plant and equipment	5(b)	**6,646**	20,555
Total expenses		**105,408**	87,480
(Loss) / profit from operating activities		**(46,501)**	(32,615)
Income and expenses from cash and cash equivalents	5(b)	**3,383**	2,754
(Loss) / profit before financing and income tax		**(43,118)**	(29,861)
Finance costs	5(b)	**(4,140)**	(1,517)
Loss on foreign exchange		**(14)**	(29)
(Loss) / profit before income tax		**(47,272)**	(31,407)
Income tax benefit / (expense)	6(b)	**13,193**	9,519
(Loss) / profit for the period		**(34,079)**	(21,888)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Revaluation of land, buildings and infrastructure	9(a)	**124,679**	188,049
Income tax relating to these items	6(d)	**(37,404)**	(56,415)
Other comprehensive income for the period, net of tax		**87,275**	131,634
Total comprehensive income for the period		**53,196**	109,746
(Loss) / profit for the period is attributable to:			
Owners of Australian Naval Infrastructure Pty Ltd		**(34,079)**	(21,888)
Total comprehensive income for the period is attributable to:			
Owners of Australian Naval Infrastructure Pty Ltd		**53,196**	109,746

The statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

as at 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	**127,380**	51,677
Trade and other receivables	7(b)	**26,726**	11,241
Prepayments	7(c)	**45,518**	3,067
Total current assets		**199,624**	65,985
Non-current assets			
Property, plant and equipment	9(a)	**3,013,783**	2,168,017
Total non-current assets		**3,013,783**	2,168,017
Total assets		**3,213,407**	2,234,002
LIABILITIES			
Current liabilities			
Trade and other payables	7(d)	**90,055**	29,895
Lease liabilities	7(e)	**1,783**	1,332
Provisions	9(b)	**5,680**	3,548
Other current liabilities	9(c)	**858**	904
Deferred income	9(d)	**320**	352
Total current liabilities		**98,696**	36,031
Non-current liabilities			
Deferred tax liabilities	6(e)	**115,573**	91,362
Lease liabilities	7(e)	**20,282**	19,165
Non interest-bearing liabilities	7(f)	**5**	5
Borrowings	7(f)	**86,995**	46,969
Provisions	9(b)	**598**	335
Deferred income	9(d)	**10,864**	10,937
Total non-current liabilities		**234,317**	168,773
Total liabilities		**333,013**	204,804
Net assets		**2,880,394**	2,029,198
EQUITY			
Share capital	11(a)	**2,699,888**	1,901,888
Revaluation surplus	11(b)	**551,561**	464,340
Accumulated losses	11(c)	**(371,055)**	(337,030)
Total equity		**2,880,394**	2,029,198

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

Statement of changes in equity

for the year ended 30 June 2026

	Share capital $'000	Revaluation surplus $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2024	**1,697,988**	**344,253**	**(326,689)**	**1,715,552**
Loss for the year	-	-	(21,888)	(21,888)
Disposal of assets – revaluation surplus adjustment	-	(11,547)	11,547	-
Revaluation of land, buildings and infrastructure	-	188,049	-	188,049
Income tax relating to these items	-	(56,415)	-	(56,415)
Total comprehensive income for the year	**-**	**120,087**	**(10,341)**	**109,746**
Transactions with owners in their capacity as owners				
Contributions of equity	203,900	-	-	203,900
Balance at 30 June 2025	**1,901,888**	**464,340**	**(337,030)**	**2,029,198**
Balance at 1 July 2025	**1,901,888**	**464,340**	**(337,030)**	**2,029,198**
Loss for the year	-	-	(34,079)	(34,079)
Disposal of assets – revaluation surplus adjustment	-	(54)	54	-
Revaluation of land, buildings and infrastructure	-	124,679	-	124,679
Income tax relating to these items	-	(37,404)	-	(37,404)
Total comprehensive income for the year	**-**	**87,221**	**(34,025)**	**53,196**
Transactions with owners in their capacity as owners				
Contributions of equity	798,000	-	-	798,000
Balance at 30 June 2026	**2,699,888**	**551,561**	**(371,055)**	**2,880,394**

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

The first STAC concrete pour

Statement of cash flows

for the year ended 30 June 2026

	Note	June 2026 $'000	June 2025 $'000
Cash flows from operating activities			
Cash receipts from customers		**89,760**	80,040
Payments to suppliers and employees		**(128,874)**	(57,400)
Net cash inflow / (outflow) from operating activities	8(a)	**(39,114)**	22,640
Cash flows from investing activities			
Payments for property, plant and equipment		**(725,245)**	(300,181)
Proceeds from the sale of property, plant and equipment		**4,474**	1,070
Interest received	5(b)	**3,390**	2,761
Net cash inflow / (outflow) from investing activities		**(717,381)**	(296,350)
Cash flows from financing activities			
Proceeds from issues of shares	11(a)	**798,000**	203,900
Proceeds from borrowings	8(b)	**40,000**	47,000
Repayment of lease liability	8(b)	**(1,948)**	(2,184)
Bank fees paid	5(b)	**(7)**	(7)
Interest and fees paid on borrowings	7(f)	**(3,847)**	(1,420)
Net cash inflow / (outflow) from financing activities		**832,198**	247,289
Net increase / (decrease) in cash and cash equivalents		**75,703**	(26,421)
Cash and cash equivalents at the beginning of the financial year		**51,677**	78,098
Cash and cash equivalents at the end of the financial year	7(a)	**127,380**	51,677

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

Aerial view of newly constructed P6 carpark for BAESMA

Notes to the financial statements

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1. About this report

ANI is a company incorporated and domiciled in Australia. It is wholly owned by the Commonwealth Government.

The Company is a for-profit entity for the purpose of preparing the financial report.

Aerial view of construction underway at the Production Demonstration Facilities

2. Basis of preparation

a. Statement of compliance

This general purpose financial report has been prepared in accordance with:

- Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB), and
- the *Corporations Act 2001* (Cth).

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

b. Historical cost convention

These financial statements have been prepared under the historical cost basis, except for the following:

- land, buildings and infrastructure - measured at fair value; and
- financial assets and liabilities (including derivative instruments) - measured at fair value.

c. Significant accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Estimates or judgements which are material or have the potential to be material to the financial report are found in the following notes:

Accounting estimates and judgements	Note
Fair value of land, buildings and infrastructure	9

d. Accounting policies

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability. Unless otherwise stated, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

e. Revised accounting standards applied for the first time

The Company has not applied any standards or amendments for the first time in the annual reporting period commencing 1 July 2025.

3. Functional and presentation currency

The Company's financial statements are presented in Australian dollars, which is the Company's functional currency. The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 dated 1 April 2016 and, in accordance with the Legislative Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Pile being driven into the ground of the STAC site

4. Significant changes in the current reporting period

There were no significant changes in the Company's business during the financial year ended 30 June 2026.

Structural steel installation underway at the STAC site

5. Financial performance

a. Revenue

	June 2026 $'000	June 2025 $'000
Revenue from continuing operations		
Facilities and service revenue	-	(17)
Lease income	58,519	53,796
	58,519	**53,779**

Revenue recognition

Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Accounting Policy

Item	Policy
Facilities and services charges	Common Use Infrastructure (CUI) revenue (e.g. commercial dockings) is recognised at a point in time, upon satisfaction of performance obligations, in line with AASB 15 *Revenue from Contracts with Customers*.
Lease income	Annual commercial property rental charges are recognised on a straight-line basis over the period to which the charge relates. The licence with BAESMA is classified as an operating lease, where the Company is the lessor. Income from ASC Pty Ltd (ASC) comprises a capital charge and a pass-through of depreciation. The capital charge is recognised based on a percentage of the depreciated historic cost of critical infrastructure assets that have not been funded by a program or project and the depreciation charge is recognised based on the depreciation of critical infrastructure assets provided by the Company. Both this capital charge and depreciation charge are treated as lease income under AASB 16 *Leases*.

b. Other income and expense items

Items included in (loss) / profit before income tax:

	June 2026 $'000	June 2025 $'000
Other income		
Deferred income recognised in profit or loss	117	355
Utilities - recharge income	271	697
Assets received from third parties	-	34
	388	**1,086**
Depreciation		
Buildings and infrastructure	39,813	32,330
Plant and equipment	18,430	16,364
Right-of-use asset[1]	290	132
	58,533	**48,826**
[1] Right-of-use asset – depreciation		
Right-of-use asset depreciation – expensed	290	132
Right-of-use asset depreciation – capitalised	1,733	1,626
	2,023	**1,758**
Corporate costs		
Consultants and professional services	7,038	2,563
Insurance	2,261	1,999
Security	1,313	1,064
Technology and cyber	5,344	2,407
Office expenses	2,138	1,144
Other operating expenses	1,095	508
	19,189	**9,685**
Loss on disposal of property, plant and equipment		
Derecognition of property, plant and equipment	156	18,136
Net loss on disposal of property, plant and equipment	6,490	2,419
	6,646	**20,555**
Income and expenses from cash and cash equivalents		
Bank fees	(7)	(7)
Interest income	3,390	2,761
	3,383	**2,754**
Finance costs		
Debt commitment fees and other debt related fees	(383)	(417)
Interest on debt	(3,618)	(1,030)
Interest on leases[1]	(139)	(70)
	(4,140)	**(1,517)**
(1) Lease – interest		
Lease interest – expensed	(139)	(70)
Lease interest – capitalised	(867)	(839)
	(1,006)	**(909)**

6. Taxation

a. Income tax benefit / (expense)

Accounting policy

Income tax on profit or loss for the year comprises current and deferred tax.

Expense	Policy
Current tax	Represents the expected tax payable on taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
Deferred tax	Represents the expense relating to future tax consequences of all transactions undertaken in the current year regardless of when their tax impact may occur.

b. Numerical reconciliation of income tax expense to prima facie tax payable

	June 2026 $'000	June 2025 $'000
(Loss) / profit from continuing operations before income tax	(47,272)	(31,407)
Tax at the Australian tax rate of 30% (2025 - 30%)	14,182	9,422
Non-deductible expenses	(10)	(9)
Reversal of unrecognised temporary difference	31	106
Derecognition of deferred tax assets	(1,010)	-
Income tax benefit / (expense)	**13,193**	**9,519**

c. Numerical reconciliation of accounting loss to tax loss

	June 2026 $'000	June 2025 $'000
(Loss) / profit from continuing operations before income tax	(47,272)	(31,407)
Tax at the Australian tax rate of 30% (2025 - 30%)	14,182	9,422
Non temporary differences	(10)	(9)
Temporary differences - property, plant and equipment	26,043	552
Unrecognised temporary differences - property, plant and equipment	31	106
Temporary differences - other	(591)	(511)
Income tax loss	**39,655**	**9,560**

d. Amounts recognised directly in equity

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

	June 2026 $'000	June 2025 $'000
Recognised in revaluation surplus		
Net deferred tax on revaluation	**(37,404)**	**(56,415)**

e. Deferred tax balances

Net position as presented in the statement of financial position

	June 2026 $'000	June 2025 $'000
Net deferred tax liabilities		
Deferred tax assets	137,835	122,558
Deferred tax liabilities	(253,408)	(213,920)
	(115,573)	**(91,362)**

i. Deferred tax assets

	June 2026 $'000	June 2025 $'000
The balance comprises temporary differences attributable to:		
Property plant and equipment	65,386	90,518
Tax losses carried forward	62,929	23,270
Sundry items	9,520	8,770
	137,835	**122,558**

Movements	Property, plant and equipment $'000	Tax losses $'000	Other items $'000	Total $'000
Balance at 1 July 2024	91,669	13,710	6,542	111,921
Charged/(credited)				
- to profit or loss	(1,151)	9,560	2,228	10,637
Balance at 30 June 2025	**90,518**	**23,270**	**8,770**	**122,558**
Balance at 1 July 2025	90,518	23,270	8,770	122,558
Charged/(credited)				
- to profit or loss	(25,132)	39,659	750	15,277
Balance at 30 June 2026	**65,386**	**62,929**	**9,520**	**137,835**

ii. Deferred tax liabilities

	June 2026 $'000	June 2025 $'000
The balance comprises temporary differences attributable to:		
Property plant and equipment	248,322	208,994
Sundry items	5,086	4,926
	253,408	**213,920**

Movements	Property, plant and equipment $'000	Other items $'000	Total $'000
Balance at 1 July 2024	153,179	3,208	156,387
Charged/(credited)			
- to profit or loss	(600)	1,718	1,118
- to other comprehensive income	56,415	-	56,415
Balance at 30 June 2025	**208,994**	**4,926**	**213,920**
Balance at 1 July 2025	208,994	4,926	213,920
Charged/(credited)			
- to profit or loss	1,924	160	2,084
- to other comprehensive income	37,404	-	37,404
Balance at 30 June 2026	**248,322**	**5,086**	**253,408**

iii. Net deferred tax

	June 2026 $'000	June 2025 $'000
Property plant and equipment	(182,936)	(118,476)
Tax losses	62,929	23,270
Other items	4,434	3,844
	(115,573)	**(91,362)**

Eurimbla Way under construction

7. Financial assets and financial liabilities

a. Cash and cash equivalents

	June 2026 $'000	June 2025 $'000
Current assets		
Cash and cash equivalents	**127,380**	**51,677**

Cash and cash equivalents include cash at bank and on hand as well as deposits held at call with financial institutions. The Company's exposure to interest rate risk is addressed in Note 10(d).

b. Trade and other receivables

	June 2026 $'000	June 2025 $'000
Current assets		
Trade and other receivables	8,372	9,074
GST receivable	18,354	2,167
Total current receivables	**26,726**	**11,241**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss provision raised for doubtful debts. Trade receivables are generally due for settlement within 45 days. The expected credit loss provision was nil at 30 June 2026 (2025: nil).

c. Prepayments

	June 2026 $'000	June 2025 $'000
Current assets		
Other prepayments	**45,518**	**3,067**

d. Trade and other payables

	June 2026 $'000	June 2025 $'000
Current liabilities		
Trade payables – at amortised cost	267	3
Other payables – at amortised cost	89,788	29,892
	90,055	**29,895**

e. Lease liability

	June 2026 $'000	June 2025 $'000
Balance at 1 July	20,497	11,695
Remeasurement of liability	(560)	80
Commencement of new lease	3,063	9,997
Repayment of liability	(1,948)	(2,184)
Lease interest expense	1,013	909
Balance at 30 June	**22,065**	**20,497**
Classification	1,783	1,332
Current	20,282	19,165
Non-current	**22,065**	**20,497**

The Company entered into an office lease for premises in Adelaide to accommodate ANI's Integrated Delivery Office (IDO) for the NPSCY commencing on 1 March 2024. The initial term of the lease expires on 28 February 2030 with two two-year extension options thereafter. Lease accounting is based on an expected lease period of 10 years.

The Company subsequently entered into two additional leases for floors at the same premises, commencing on 1 September 2024 and 1 February 2026 respectively.

f. Borrowings

Non interest-bearing liabilities

	June 2026 $'000	June 2025 $'000
Non-current		
Term loan	5	5
Debt facility	86,995	46,969
	87,000	**46,974**

Debt facility

On 14 July 2025, the Company increased its debt facility from $110 million to $200 million under its Syndicated Facility Agreement (SFA) with two leading Australian financial institutions. The structure of the debt facility remains the same, as a four-year unsecured revolving credit facility with a termination date of 14 October 2028. For the current year, total interest paid on borrowings was $3.618 million (FY25: $1.030 million) and total debt fees paid was $0.383 million (FY25: $0.417 million).

The terms and conditions are as follows:

30 June 2026	Currency	Maturity	Facility limit $'000	Drawn $'000	Undrawn $'000
Debt facility	AUD	14 October 2028	200,000	87,000	113,000
Total			**200,000**	**87,000**	**113,000**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

8. Cash flow reconciliation

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

	June 2026 $'000	June 2025 $'000
(Loss) / profit for the year	(34,079)	(21,888)
Adjustment for:		
Depreciation	58,533	48,826
Finance costs and bank fees	4,147	1,524
Other income	(117)	(389)
Interest income	(3,390)	(2,761)
Income tax (benefit) / expense	(13,193)	(9,519)
Net impairment reversal	-	(778)
Loss on disposal of non-current assets	6,646	20,555
Net revaluation increase - land, buildings and infrastructure	(4,799)	(8,867)
Loss on foreign exchange	14	29
*Change in operating assets and liabilities**		
Decrease / (increase) in trade and other debtors	(15,474)	(2,794)
(Decrease) / increase in trade creditors and other liabilities	5,052	416
Decrease / (increase) in prepayments	(42,454)	(1,714)
Net cash (outflow) / inflow from operating activities	**(39,114)**	**22,640**

* The changes in operating assets and liabilities do not include movements of trade debtors and trade payables categorised as investing activities.

The new link road, Eurimbla Way

b. Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

	Borrowings $'000	Lease liabilities $'000	Share capital $'000
Balance at 1 July 2024	-	11,695	1,697,988
Net cash (outflow) / inflow from financing activities			
Proceeds from issues of shares	-	-	203,900
Proceeds from borrowings	47,000	-	-
Repayment of lease liability	-	(2,184)	-
Interest paid on borrowings	(934)	-	-
	46,066	(2,184)	203,900
Non-cash changes			
Accrued interest	903	-	-
Commencement of new lease	-	9,997	-
Lease interest expense and lease remeasurement	-	989	-
Balance at 30 June 2025	**46,969**	**20,497**	**1,901,888**
Balance at 1 July 2025	46,969	20,497	1,901,888
Net cash (outflow) / inflow from financing activities			
Proceeds from issues of shares	-	-	798,000
Proceeds from borrowings	40,000	-	-
Repayment of lease liability	-	(1,948)	-
Interest paid on borrowings	(3,465)	-	-
	36,535	(1,948)	798,000
Non-cash changes:			
Accrued interest	3,491	-	-
Commencement of new lease	-	3,063	-
Lease interest expense and lease remeasurement	-	453	-
Balance at 30 June 2026	**86,995**	**22,065**	**2,699,888**

9. Non-financial assets and liabilities

a. Property, plant and equipment

	June 2026 $'000	June 2025 $'000
Land, at valuation	228,778	207,807
Buildings and infrastructure		
At valuation	1,649,901	1,436,955
Accumulated depreciation	-	-
	1,649,901	1,436,955
Plant and equipment		
At historical cost	300,813	301,036
Accumulated depreciation	(95,526)	(81,401)
	205,287	219,635
Right-of-use lease asset		
At cost	21,070	18,513
Accumulated depreciation	(4,148)	(2,125)
	16,922	16,388
Assets under construction		
At cost	912,895	287,232
Total property, plant and equipment	**3,013,783**	**2,168,017**

ANI's Osborne office

	Land $'000	Buildings and infrastructure $'000	Plant and equipment $'000	Right-of-use lease asset $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2025						
Opening net book amount	196,984	1,198,189	195,082	10,662	118,284	1,719,201
Revaluation increase [1]	11,827	186,704	-	-	-	198,531
Revaluation decrease [1]	(1,063)	(553)	-	-	-	(1,616)
Reversal of impairment loss	-	-	-	-	778	778
Additions	59	844	5,514	7,484	308,810	322,711
Transfers	-	102,199	35,730	-	(137,929)	-
Disposals	-	(18,098)	(38)	-	(2,711)	(20,847)
Depreciation charge	-	(32,330)	(16,653)	(1,758)	-	(50,741)
Closing net book amount	**207,807**	**1,436,955**	**219,635**	**16,388**	**287,232**	**2,168,017**
Year ended 30 June 2026						
Opening net book amount	207,807	1,436,955	219,635	16,388	287,232	2,168,017
Revaluation increase [1]	20,962	108,733	-	-	-	129,695
Revaluation decrease [1]	-	(217)	-	-	-	(217)
Additions	9	1,587	5,573	2,557	778,327	788,053
Transfers	-	142,786	7,266	-	(150,052)	-
Disposals	-	(129)	(8,377)	-	(2,612)	(11,118)
Depreciation charge	-	(39,814)	(18,810)	(2,023)	-	(60,647)
Closing net book amount	**228,778**	**1,649,901**	**205,287**	**16,922**	**912,895**	**3,013,783**

[1] Revaluation increase / (decrease)

	At 30 June 2026			At 30 June 2025		
	Land $'000	Buildings and infrastructure $'000	Total $'000	Land $'000	Buildings and infrastructure $'000	Total $'000
To revaluation surplus (pre-tax)	17,756	106,923	124,679	8,223	179,826	188,049
To profit or loss	3,206	1,593	4,799	2,542	6,325	8,867
	20,962	**108,516**	**129,478**	**10,765**	**186,151**	**196,916**

i. Recognition and Measurement

Class of PPE	Accounting policy (AASB 116)	Valuation technique (AASB 13)	Fair value measurement hierarchy	Depreciation method	Useful life
Land	Revaluation model (Fair value)	Market approach	Level 3	Not depreciated	N/A
Buildings and infrastructure	Revaluation model (Fair value)	Cost approach (depreciated replacement cost)	Level 3	Straight-line	15 - 60 years
Plant and equipment	Cost model	N/A	N/A	Straight-line	2 - 40 years
Right-of-use lease assets	Cost model	N/A	N/A	Straight-line	Shorter of asset's useful life and lease term
Assets under construction	Cost model	N/A	N/A	Not depreciated	N/A

Fair value

Land, buildings and infrastructure are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings and infrastructure. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Revaluation

An independent desktop valuation of all land, buildings and infrastructure of the Company was carried out by Asset Valuation Advisory (AVA) at 30 June 2026. This is the same valuer engaged in previous years. The fair value of the land is based on recent market transactions on arm's length terms, with necessary adjustments made to reflect location and merged improvements of land. The fair value of buildings and infrastructure is based on the depreciated replacement cost approach.

Assets are depreciated over the following useful lives:

- Freehold buildings and infrastructure: 15 - 60 years
- Plant and equipment: 2 - 40 years

The cost of an individual item of property, plant and equipment with an acquisition cost of less than $1,000 is considered a minor purchase and is therefore not depreciated but expensed at acquisition.

Assets under construction and capitalisation

Costs that relate directly to a project are capitalised to assets under construction until such time as the project is commissioned and depreciation commences. Costs that relate directly to a specific project may include contractor costs, labour costs of project staff, utilities, statutory charges, costs of materials used in construction, costs of hiring plant and equipment and project related travel. Costs that are not directly attributable are recorded as an expense in profit or loss.

Project costs are capitalised to assets under construction from the point that the project has been formally approved and allocated a capital budget. All preliminary, planning and feasibility expenditure incurred prior to the project being approved is expensed in the period that it is incurred.

As these assets are not ready for use, no depreciation is charged.

Disposals

These amounts are included in the statement of comprehensive income. When revalued assets are sold, it is the Company's policy to transfer any amounts included in revaluation surplus in respect of those assets to retained earnings.

ii. Historical cost basis

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	June 2026 $'000	June 2025 $'000
Land		
Cost	**143,056**	**143,047**
Buildings and infrastructure		
Cost	1,180,954	1,040,085
Accumulated depreciation	(282,999)	(251,808)
Carrying amount	**897,955**	**788,277**

iii. Non-current assets pledged as security

There are no non-current assets pledged as security by the Company.

iv. Capital expenditure commitments

At the reporting date, the Company had capital expenditure commitments of $822.300 million (2025: $265.844 million).

	June 2026 $'000	June 2025 $'000
Commitments due		
Within one year	166,181	260,210
Later than one year but not longer than 5 years	656,119	5,634
Later than 5 years	-	-
Total capital commitments	**822,300**	**265,844**

b. Provisions

	June 2026 $'000	June 2025 $'000
Employee benefits		
Current	5,680	3,548
Non-current	598	335
	6,278	**3,883**

c. Other current liabilities

	June 2026 $'000	June 2025 $'000
Deferred income	688	700
Other current liabilities	170	204
	858	**904**

Other current liabilities comprise government grants and other sundry liabilities.

Government grants

Government grants received from federal, state, or local government are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

d. Deferred income

	June 2026 $'000	June 2025 $'000
Current		
Deferred income - OST transfer	**320**	**352**
Non-current		
Deferred income - OST transfer	**10,864**	**10,937**

During FY21, the Commonwealth transferred ownership of two outfit support towers (OSTs) to the Company (fair value of $13.014 million) for nominal consideration. This transaction was recognised in the statement of financial position as deferred income and is released to the profit or loss as other income on a systematic basis over the estimated remaining useful lives of the buildings (refer to Note 5 (b)).

e. Recognised fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

Land, buildings and infrastructure

i. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities measured and recognised at fair value as at 30 June 2026 and 30 June 2025.

Recurring fair value measurements

	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2025					
Non-financial assets					
Land	9(a)	-	-	207,807	207,807
Buildings and infrastructure	9(a)	-	-	1,436,955	1,436,955
Total non-financial assets		**-**	**-**	**1,644,762**	**1,644,762**
30 June 2026					
Non-financial assets					
Land	9(a)	-	-	228,778	228,778
Buildings and infrastructure	9(a)	-	-	1,649,901	1,649,901
Total non-financial assets		**-**	**-**	**1,878,679**	**1,878,679**

Disclosed fair values

The carrying amounts of trade receivables, trade payables and interest and non interest-bearing liabilities are approximately their fair values.

ii. Valuation techniques used to determine level 3 fair values

The Company obtains independent valuations for its land and buildings (classified as property, plant and equipment) at least triennially. At the end of each reporting period, management updates its assessment of the fair value of each property, taking into account the most recent independent valuations. Management determines a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties.

The fair value of buildings and infrastructure is based on the depreciated replacement cost approach.

The fair value of land has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach for land is price per square metre. In the most recent independent valuation, the price per square metre (a level 3 input) has included significant adjustments by the valuer, as follows:

- *Shipyard location:*

  The inputs have been adjusted up to account for the land being associated with being a leading naval industry location.

- *Overall increase of industrial property values in the area:*

  A premium has been applied to account for the overall increase in industrial property prices in the region.

Management has determined these adjustments are based on unobservable inputs, resulting in land being fair valued using level 3 inputs for the period ended 30 June 2026.

iii. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer to Note 9(e)(ii) above for the valuation techniques adopted.

	Fair value at			
Description	**June 2026 $'000**	**June 2025 $'000**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
Buildings and infrastructure	1,649,901	1,436,955	Depreciation rates	The higher the depreciation rate, the lower the fair value
			Construction costs	Increases in construction costs increase the fair value
Land	228,778	207,807	Shipyard location	The shipyard location at Osborne increases the fair value
			General market increase	The increase of industrial land values in the area increases the fair value.

10. Financial and capital risk management

a. Financial risk management

The Company's activities expose it to a variety of financial risks. This note presents information about the Company's exposure to financial risks, the objectives, policies and processes for measuring and managing risk, and the management of capital. The Company is majority equity funded with a relatively small debt facility of $200 million, partially drawn at year end.

Financial risk is assessed as low.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has tasked the Audit and Risk Committee to oversee how management monitors compliance with the Company's financial risk management policies and procedures. It also reviews the adequacy of the financial risk management framework of the Company.

	June 2026 $'000	**June 2025 $'000**
Financial assets		
Cash and cash equivalents	127,380	51,677
Trade and other receivables	26,726	11,241
	154,106	**62,918**
Financial liabilities		
Borrowings	86,995	46,969
Trade and other payables	90,055	29,895
Non-interest-bearing liabilities	5	5
Lease liability	22,065	20,497
	199,120	**97,366**

b. Credit risk management

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

i. Trade and other receivables

The Company's credit exposures to customers, including outstanding receivables and committed transactions, are minimal. The majority of current year income is from two Commonwealth-backed customers, ASC and BAESMA. The Company therefore has immaterial exposure to credit risk in its operations.

ii. Cash and cash equivalents

The Company limits its exposure to credit risk by placing its cash with a counterparty that has a credit rating of "Aa1" from Moody's. Given the high credit rating, management does not expect the counterparty to fail to meet its obligations.

iii. Guarantees

The Company has not issued any financial guarantees to any party during the period.

iv. Financial securities received

The Company has received financial securities in the form of bank guarantees in relation to multiple capital projects currently in progress within the Osborne precinct.

v. Recognised financial instruments

The credit risk on financial assets of the Company which have been recognised in the statement of financial position, is the carrying amount, net of any provision for doubtful debts, as summarised below.

	June 2026 $'000	June 2025 $'000
Trade receivables		
AAA (Commonwealth of Australia)	7,422	7,519
Counterparties without an external credit rating	19,304	3,722
	26,726	**11,241**
Aa1 rated cash at bank		
Cash and cash equivalents	**127,380**	**51,677**

vi. Off statement of financial position financial instruments:

The Company has not entered into any off statement of financial position financial instruments during the period.

HMAS Hobart docking

ANI team update on Eurimbla Way progress

c. Liquidity risk

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

The table below analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years	Total	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2025							
Non-derivatives							
Borrowings	-	-	47,000	-	-	47,000	46,969
Trade and other payables	29,895	-	-	-	-	29,895	29,895
Lease liability	589	743	1,611	6,186	11,368	20,497	20,497
Non interest-bearing liabilities	-	-	-	-	200	200	5
Total non-derivatives	**30,484**	**743**	**48,611**	**6,186**	**11,568**	**97,592**	**97,366**
30 June 2026							
Non-derivatives							
Borrowings	-	-	87,000	-	-	87,000	86,995
Trade and other payables	90,055	-	-	-	-	90,055	90,055
Lease liability	698	973	2,110	8,394	9,890	22,065	22,065
Non interest-bearing liabilities	-	-	-	-	200	200	5
Total non-derivatives	**90,753**	**973**	**89,110**	**8,394**	**10,090**	**199,320**	**199,120**

d. 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 Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Interest rate risk

As the Company holds cash in bank and no term interest-bearing assets, its exposure to changes in market interest rates is minimal.

The exposures of the Company to interest rate risk as well as the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	30 June 2026 $'000	Effective interest rate	30 June 2025 $'000	Effective interest rate
Financial assets				
Cash and cash equivalents	127,380	4.79%	51,677	4.95%
Trade and other receivables	26,726	0.00%	11,241	0.00%
Total financial assets	**154,106**		**62,918**	
Financial liabilities				
Borrowings	86,995	5.03%	46,969	5.26%
Trade and other payables	90,055	0.00%	29,895	0.00%
Non interest-bearing liabilities	5	0.00%	5	0.00%
Lease liability	22,065	4.82%	20,497	4.82%
Total financial liabilities	**199,120**		**97,366**	

ii. Sensitivity

There are no material changes or sensitivities related to market risk.

iii. Capital risk management

The objectives of the Company in managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for its Shareholder and benefits for other stakeholders and to sustain future development of the business. The Company monitors the return on capital. There were no changes in the approach adopted by the Company in capital management during the year.

11. Equity

a. Share capital

Ordinary shares are classified as equity.

i. Movements in ordinary shares

	Number of shares	$'000
Balance at 1 July 2024	1,697,987,826	1,697,988
Equity injection from Shareholders	203,900,000	203,900
Balance at 30 June 2025	**1,901,887,826**	**1,901,888**
Balance at 1 July 2025	1,901,887,826	1,901,888
Equity injection from Shareholders	798,000,000	798,000
Balance at 30 June 2026	**2,699,887,826**	**2,699,888**

ii. Recognition and measurement

Issued and paid-up capital is recognised at the fair value of consideration received by the Company. Transactions with the Commonwealth as owner that are designated as equity injections for the financial year are recognised directly in contributed equity and do not form part of the Company's comprehensive income in the financial year.

iii. Ordinary shares

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

No dividends were declared or paid during the period (2025: Nil).

b. Revaluation surplus

	June 2026 $'000	June 2025 $'000
Balance at 1 July	464,340	344,253
Disposal of buildings and infrastructure - net	(54)	(11,547)
Revaluation - gross	124,679	188,049
Deferred tax	(37,404)	(56,415)
Other comprehensive income	87,221	120,087
Balance at 30 June	**551,561**	**464,340**
Revaluation surplus		
Land	61,974	49,545
Buildings and infrastructure	489,587	414,795
Balance on 30 June	**551,561**	**464,340**

c. Accumulated losses

Movements in accumulated losses were as follows:

	June 2026 $'000	June 2025 $'000
Balance on 1 July	(337,030)	(326,689)
Revaluation surplus on disposed assets	54	11,547
Net loss for the period	(34,079)	(21,888)
Balance on 30 June	**(371,055)**	**(337,030)**

12. Economic dependency

The normal trading activities of the Company depend on the access charge revenue and lease income arising from the provision of critical infrastructure assets for the maintenance of the Collins class submarines and construction of the Hunter class frigates.

The Company is dependent on the Commonwealth for funding of major projects.

13. Contingent liability

There are no contingent liabilities for the financial year ended 30 June 2026.

14. Events occurring after the reporting period

In the interval between the end of the financial year and date of this report, there has not arisen any other item, transaction, or event of a material or unusual nature likely, in the opinion of directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in future years.

15. Related party transactions

a. Key management personnel compensation

Disclosures relating to the Company's KMP are set out below:

	June 2026 $	June 2025 $
Short-term employee benefits	2,858,991	2,218,547
Post-employment benefits	184,080	141,202
Other long-term benefits	67,187	52,748
	3,110,258	**2,412,497**

The number of KMP for the financial year ended 30 June 2026 was four (2025: seven). During the current year, the Company refined its assessment of KMP disclosures. Prior year comparisons are restated to reflect this change.

Refer to the Remuneration Report for further details.

b. Directors

The following were directors of the Company during the financial year:

- Ron Finlay AM
- Andrea Hall
- Graeme Hunt (appointment effective 10 October 2025)
- Andrea Sutton
- Kathryn Toohey AM CSC
- Andrew Seaton

c. Other related parties

i. Australian Government Ministers

There have been no transactions with any Australian Government Ministers during the financial year.

ii. Shareholders

The following transactions occurred with related parties:

	June 2026 $	June 2025 $
Equity injections		
Equity injections from the Commonwealth	**798,000,000**	**203,900,000**

16. Remuneration of auditors

During the year, the following fees were paid or payable for assurance and other non-assurance related services:

	June 2026 $	June 2025 $
Auditors of the Company - ANAO		
Audit and review of financial statements	140,000	130,000
Total services provided by ANAO	**140,000**	**130,000**
Other Auditors		
Other assurance services	21,000	17,850
Total services provided by other auditors	**21,000**	**17,850**

17. Other significant accounting policies

a. Foreign currency translation

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

b. Impact of standards issued but not yet applied

Certain new accounting standards, interpretations and amendments have been published that are not mandatory for 30 June 2026 reporting periods and have not been adopted early by the Company. They are not expected to have a material impact on the Company's financial statements.

Aerial view of Osborne Naval Shipyard and surrounds on the Lefevre Peninsula

Aerial view of ONS-S, ONS-N and Area 1 of the NPSCY

Index of requirements

This list of requirements has been prepared in accordance with Resource Management Guide 137, 'Annual reports for Commonwealth companies' published by the Department of Finance.

PGPA Rule Reference	Part of Report (page ref)	Description	Requirement
28E	**Contents of annual report**		
28E(a)	Page 6	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	Pages 10 and 40	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(c)	N/A	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)	Pages 26-29; 37-39	Information on each director of the company during the reporting period	Mandatory
28E(g)	Pages 11-12	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	Page 12	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)	Pages 8-9	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	Pages 22-24	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory
28E(j), 28E(k)	N/A	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)	Page 58	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)	N/A	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)	Pages 37-41	Information about executive remuneration	Mandatory
28E(ob)	Pages 23, 26-28, 33 and 38-39	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
28F	**Disclosure requirements for government business enterprises**		
28F(1)(a)(i)	Page 35	An assessment of significant changes in the company's overall financial structure and financial conditions	
28F(1)(a)(ii)	Page 35	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)	Page 35	Information on dividends paid or recommended	If applicable, mandatory

PGPA Rule Reference	Part of Report (page ref)	Description	Requirement
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)	Page 24	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

Docking crew with the HMAS Hobart

Corporate directory

Directors

- Ron Finlay AM
- Andrea Hall
- Graeme Hunt
- Andrea Sutton
- Kathryn Toohey AM CSC
- Andrew Seaton

Company Secretary

Sally McLennan

Auditors

Australian National Audit Office

Registered office

61 Veitch Road
Osborne SA 5017

Principal place of business

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A copy of the ANI Annual Report will be on our website at **www.ani.com.au** and available on the Transparency Portal at **www.transparency.gov.au**

In defining ANI's corporate identity, ANI has adopted Morse code, a communication method still used as an important tool today on seafaring vessels as a means of silent communication, or as a fall back when other methods are unavailable or disabled. The Morse graphic literally translates as ANI.

HMAS Hobart on self propelled modular transporters

Outer back cover: Shiplift load testing

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