



Mitchell
SERVICES

Appendix 4D

Mitchell Services Limited (ABN 31 149 206 333)

Current reporting period	Previous reporting period
1 July 2025 to 31 December 2025	1 July 2024 to 31 December 2024

Results for Announcement to the Market

		Current reporting period	Previous reporting period	Change
		\$A'000's	\$A'000's	\$A'000's
Revenue from continuing operations	Up 3%	102,398	99,365	3,033
EBITDA	Up 69%	21,420	12,652	8,768
Profit/(Loss) after tax attributable to members	Up 2634%	8,083	(319)	8,402

Net Tangible Assets per Security

	31 Dec 25	30 Jun 25	31 Dec 24
Net tangible asset backing per ordinary security	30.0 cents	26.1 cents	25.8 cents

Dividends

	Amount per share	Franked amount per share
Dividend (cents per share)	4.00 cents	4.00 cents
Record date for determining entitlement to dividend		27 February 2026
Date dividend is to be paid		17 March 2026

Other Disclosures

Additional Appendix 4D disclosure requirements and further information including commentary on significant features of the operating performance, trends in performance and other factors affecting the results for the current period are contained in the attached Half-Year Report and Investor Presentation released 19 February 2026.

This report is based on financial statements which have been subject to independent review by the auditor, KPMG.

Greg Switala
Company Secretary

19 February 2026

Mitchell Services Limited

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MITCHELL SERVICES LTD ACN 149 206 333

FOR THE HALF-YEAR ENDED
31 DECEMBER 2025



Mitchell
SERVICES

HALF-YEAR REPORT

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

The Directors of Mitchell Services Limited submit herewith the financial report of Mitchell Services Limited (**Company**) and its subsidiaries (**Group**) for the half-year ended 31 December 2025 (1H26). In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

DIRECTORS

The names of the Directors of the Company during or since the end of the half-year are:

Name

Nathan Andrew Mitchell
Peter Richard Miller
Robert Barry Douglas
Neal Macrossan O'Connor
Scott David Tumbridge
Peter Geoffrey Hudson

The above-named Directors have held office throughout the six months ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group provides exploration, mine site and geotechnical drilling services to the exploration, mining and civil construction industries within Australia and Papua New Guinea and is currently headquartered in Seventeen Mile Rocks, Queensland.

Mining Industry Services

The Group provides drilling services at all stages of the mining lifecycle, in both the energy and minerals sectors. The diversity in operations allows for better management of the cyclical nature of commodity prices, as well as giving employees exposure to various forms of drilling as part of their career development.

The various stages of the project lifecycle for which the Group provides drilling services includes:

- Greenfield exploration;
- Project feasibility;
- Mine site exploration and resource definition;
- Development;
- Production; and
- Decarbonisation solutions.

Civil construction industry services

The group offers a wide range of geotechnical drilling services for civil construction projects. These services typically involve the application of specialist directional drilling techniques to provide civil projects with vital geotechnical data which enables ground investigation studies to be completed safely and efficiently.

There were no significant changes in the Group's nature of activities during the reporting period.

DIRECTORS' REPORT CONTINUED FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

REVIEW OF OPERATIONS

Safety

Finishing each day without harm is a core Mitchell Services value and the Group is committed to the safety of its most important asset – its people. The Group is particularly focused on training to attract, retain and further develop its crews to ensure that service levels and the quality of the Mitchell brand remain high.

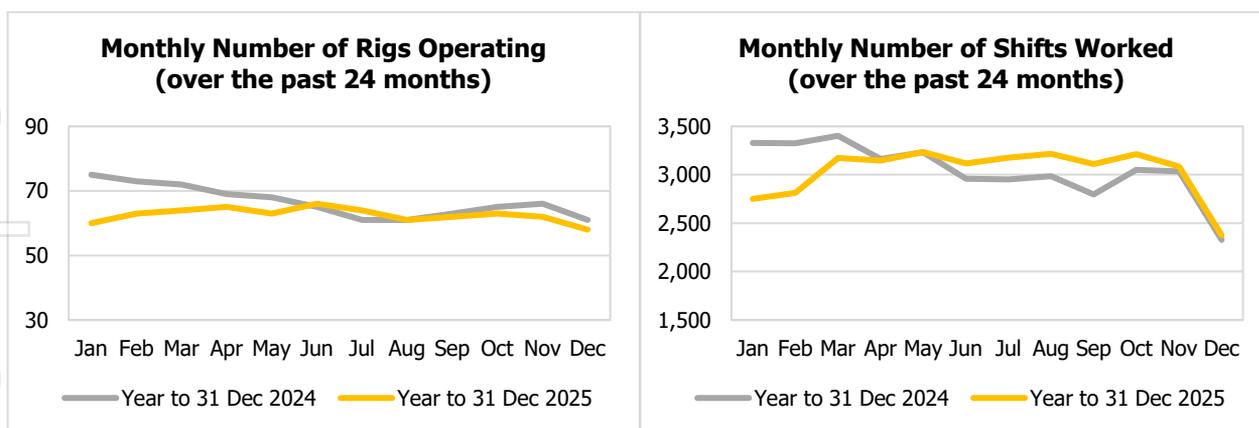
As part of this commitment to finishing each day without harm, the Group has implemented an industry leading critical risk management program across the organisation. This infield program is designed to verify the existence and effectiveness of critical control measures to prevent life changing injuries and fatalities.

Activity levels

Utilisation levels are broadly similar to 1H25 and 2H25 with an average rig count of 61.7 in 1H26 (1H25: 62.8). From a shift count perspective however and in line with (a) improved operating conditions; and (b) the fact a number of rigs are operating on a business-as-usual basis (compared to some of those rigs still being in ramp up mode in the comparative period), operating shifts of 18,173 in 1H26 increased 6.0% on 1H25 which recorded 17,149 shifts.

Despite relatively low rig deployment (an average of 62 rigs out of a fleet of 90), financial performance has been strong and significantly improved vs 1H25 as discussed later in the Directors' Report. The relatively low rig deployment also provides material leverage to the upside should utilisation opportunities increase.

The charts below illustrate utilisation (rig count) and productivity (number of shifts) over the past 24 months.



DIRECTORS' REPORT CONTINUED FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

The table below summarises key utilisation figures (operating rig count and number of shifts) over the past 18 months and demonstrates the impact on revenue over the same period.

	1H25	2H25	1H26
Average operating rigs	62.8	63.5	61.7
Number of shifts	17,149	18,231	18,173
Revenue (\$'000s)	99,365	97,286	102,398

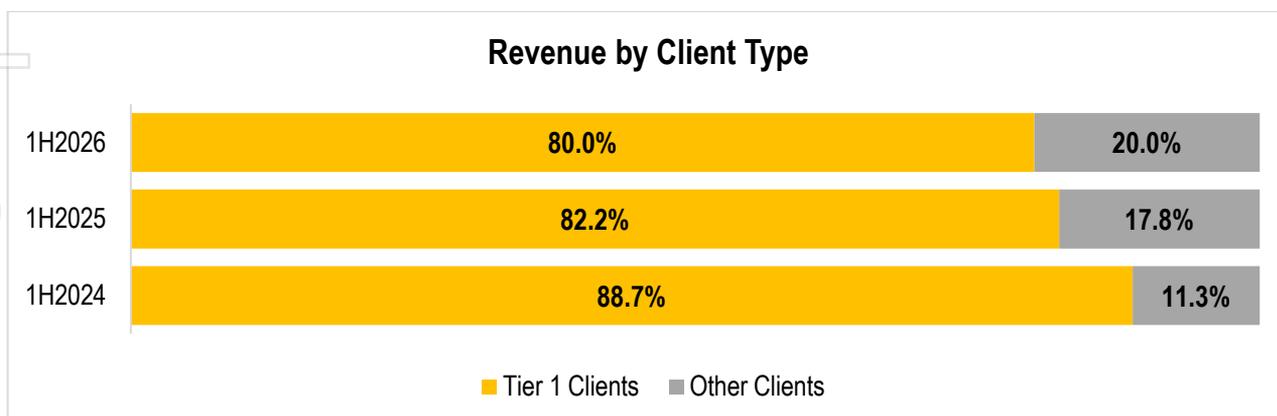
Customer base and revenue break-down

As the charts below demonstrate, the Group's revenue continues to be derived predominantly from large, multinational mining clients (Tier 1 clients). The drilling services that were provided to these Tier 1 clients were generally at producing mine sites and linked to the resource definition, development and production stages within the mine life cycle as opposed to greenfield exploration.

Diversification in revenue streams including the mix between surface and underground drilling as well as the mix between different commodity types continues to be a focus of the Board and management. The relevant proportions of 1H26 revenue derived from surface drilling and underground drilling are well balanced at 49.5% and 50.3% and are practically the same as 1H25 and in contrast to 1H24 when there was a much heavier weighting towards surface drilling (56.2% of the total).

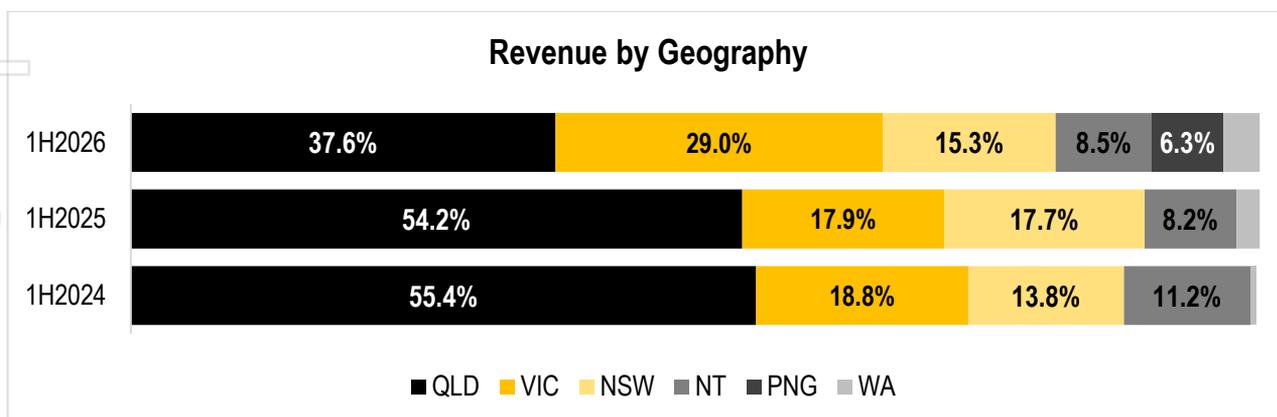
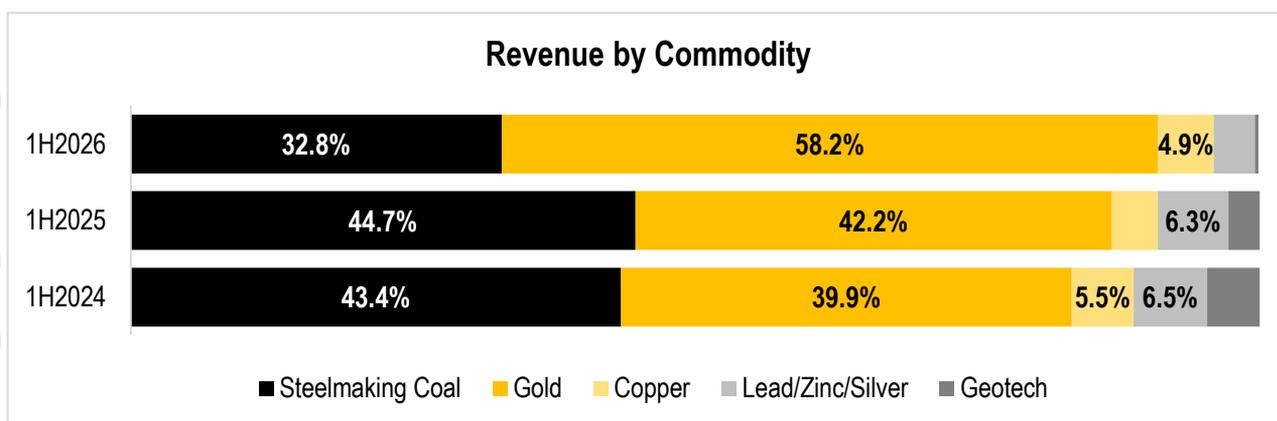
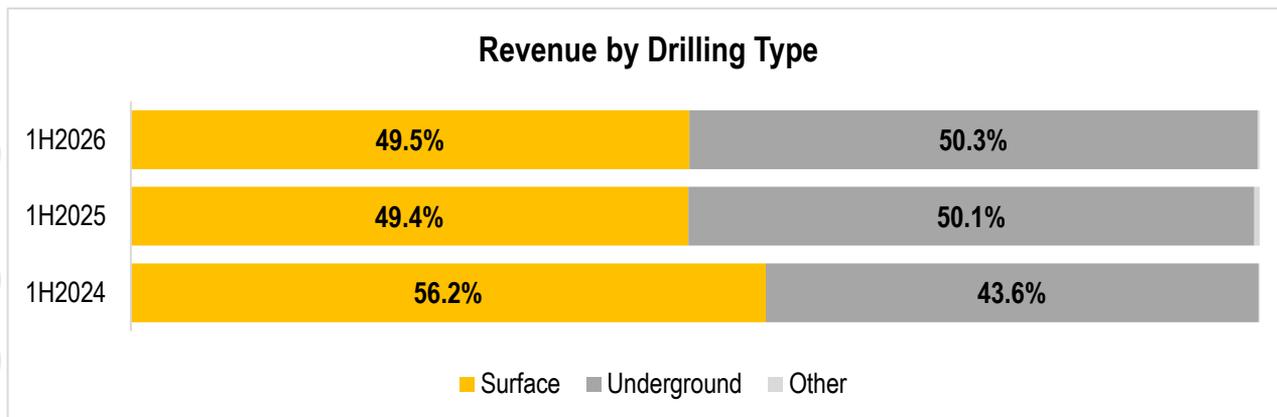
From a commodity perspective, the revenue mix in 1H26 reflects a significantly increased weighting towards gold consistent with the strong gold prices in the market. Revenue from gold, steelmaking coal and other base metals comprises 58.2%, 32.8% and 9.0% respectively (1H25: 42.2%, 44.7% and 13.1%).

The geographical mix corresponds with drilling and commodity types referenced above with revenue from Queensland, where steelmaking coal is more prevalent, a much smaller share of the mix relative to 1H25 while in contrast Victoria's share has increased given the pivot towards a greater share of gold sector projects. Revenue from Queensland, Victoria and New South Wales comprised 37.6%, 29.0% and 15.3% respectively (1H25: 54.2%, 17.9% and 17.7%) while 1H26 also reflects contributions from the Northern Territory and Papua New Guinea at 8.5% (1H25: 8.2%) and 6.3% (1H25:0.4%) respectively.



DIRECTORS' REPORT CONTINUED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

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DIRECTORS' REPORT CONTINUED FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Profitability

The table below summarises the key profitability metrics for the half-year ended 31 December 2025 (1H26) versus the corresponding half-year ended 31 December 2024 (1H25).

	1H26	1H25	Movement	Movement
	\$m	\$m	\$m	%
Revenue (1)	102.4	99.4	3.0	3.0
Operating expenses	(81.0)	(86.7)	(5.7)	6.6
EBITDA* (2)	21.4	12.7	8.7	68.5
Depreciation and amortisation (3)	(10.7)	(12.6)	1.9	15.1
EBIT*	10.7	0.1	10.6	10,600.0
Finance costs	(0.5)	(0.6)	0.1	16.7
EBT	10.2	(0.5)	10.7	2,140.0
Taxation (expense)/benefit (4)	(2.2)	0.2	(2.4)	(1,200.0)
Profit/(loss) after tax	8.1	(0.3)	8.4	2,800.0

*These figures are not subject to audit or review.

(1) In line with the relatively increased shift count (referred to earlier in this Director's Report), revenue has increased by approximately 3.0% from \$99.4m in 1H25 to \$102.4m in 1H26.

(2) EBITDA significantly improved with a reported \$21.4m being up 68.5% on 1H25 which reported \$12.7m. The materially greater result was due to several factors but mainly the benefit of improved weather conditions, a reduction in delays due to client related incidents and fundamentally 1H26 leveraging off multiple projects that had incurred significant mobilisation and ramp-up costs in FY25, but which operated on a business-as-usual basis this half:

The reported EBITDA of \$21.4m is also inclusive of a non-cash impairment loss of \$1.4m, related to a drill rig and ancillary gear that were destroyed by a bushfire which occurred in late December at a site in Western Australia. The assets are fully insured and the Group is well progressed with the claim process, with settlement expected in the short term. Despite the loss being fully recoverable via the insurance claim, accounting standards prescribe that while the Group must recognise the impairment loss when the incident occurred, the subsequent insurance proceeds/income only meet the recognition criteria when the claim becomes unconditional.

(3) Depreciation of \$10.7m is 15.1% lower than 1H25 due to the continuation of disciplined capital expenditure in the current half on the back of several periods of tightly controlled capex, and the consequently lower levels of property, plant and equipment.

(4) An income tax expense of \$2.2m has been recognised compared to an income tax benefit of \$0.2m in 1H25. The latter was attributable to the corresponding period's recognition of a 1H25 accounting loss before tax of \$0.5m while 1H26 has recorded a significant accounting profit before tax of \$10.2m.

DIRECTORS' REPORT CONTINUED FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Cash flow

The table below summarises the key cashflow metrics for 1H26 versus the prior corresponding period (1H25).

	1H26	1H25	Movement	Movement
	\$m	\$m	\$m	%
Cash flows from operating activities (1)	20.8	10.6	10.2	96.2
Payments for PPE (2)	(6.7)	(11.9)	5.2	43.7
Proceeds from disposal of PPE	2.9	2.1	0.8	38.1
Payments for shares bought back	-	(0.4)	0.4	(100.0)
Reduction in borrowings (3)	(2.9)	(5.4)	2.5	(46.3)
Loans to equity-accounted investee	-	(0.1)	0.1	(100.0)
Dividends paid	-	(4.3)	4.3	(100.0)
(Decrease)/increase in cash and cash equivalents	14.1	(9.4)	23.5	(250.0)

- (1) Cash flows from operating activities in 1H26 of \$20.8m are 96.2% greater than the corresponding period and include income tax payments totalling \$5.2m. Excluding income tax payments, operating cash generated totalled \$26.0m, a realisation rate of 121.5% relative to EBITDA. The outstanding operating cash flows were a product of the underlying EBITDA performance as well as strong working capital management in the current half particularly a \$6.0m net decrease in trade receivables compared to 30 June 2025. Favourable working capital movements in this half are in contrast to 1H25 with that period's earnings impacted by significant ramp up costs associated with new contract wins as well as a significant investment in inventories to support those new contracts which adversely impacted 1H25's operating cash flow. This has since normalised.
- (2) Gross capital expenditure in 1H26 of \$6.7m is materially down (43.7%) on the corresponding period which recorded \$9.8m. The greater spend in 1H25 was largely associated with the transitional nature of that period with some significant new contracts being won requiring a large investment in property, plant and equipment as part of that overall mobilisation. With the current half being more normalised and most contracts running on a business-as-usual basis, 1H26 spend was largely restricted to essential maintenance capex.
- (3) The \$2.5m reduction in repayment of borrowings is commensurate with the respective levels of borrowings in 1H26 and 1H25 with the latter seeing a large reduction in debt between 30 June 2024 and 31 December 2024 as a number of hire purchase facilities which required closing balloon payments expired during that period.
- (4) Given FY25 had been a transitional period for the Group with a significant investment into newly won replacement projects partly replacing reduced utilisation elsewhere, there were no FY25 dividends declared. 1H25 reflected a dividend paid of \$4.3m being a final FY24 dividend.

DIRECTORS' REPORT CONTINUED FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Financial position

The following table summarises the Group's financial position at 31 December 2025 and 30 June 2025.

	31 Dec 25	30 Jun 25	Movement	Movement
	\$m	\$m	\$m	%
Current assets	52.3	45.3	7.0	15.5
Non-current assets	62.0	65.9	(3.9)	(5.9)
Total assets	114.3	111.3	3.0	2.7
Current liabilities	37.3	38.6	1.3	3.4
Non-current liabilities	7.7	11.6	3.9	33.6
Total liabilities	45.0	50.2	5.2	10.4
Net assets	69.3	61.0	8.3	13.6

The Group's overall net asset position has increased by \$8.3m to \$69.3m compared to \$61.0m at 30 June 2025. This is entirely due to the strong earnings recorded in the current half.

The Group's current ratio improved materially from 1.17 at 30 June 2025 to 1.40 at 31 December 2025.

At 31 December 2025, Gross Debt was \$8.3m (30 June 2025: \$9.7m), comprising equipment hire purchase facilities only.

While Net debt is defined as Gross debt less cash and cash equivalents, the Group's significant cash and cash equivalents balance of \$15.5m means a Net Cash position of \$7.2m was recorded at 31 December 2025 (Net debt of \$8.4m at 30 June 2025). The significant turnaround is testament to the outstanding operating cash flows generated coupled with the controlled levels of capital expenditure.

EVENTS AFTER THE REPORTING DATE.

Dividends

On 18 February 2026, the Board declared a fully franked dividend of 4.00 cents per share to holders of fully paid ordinary shares on 27 February 2026 (Record Date). The payment date for the dividend is 17 March 2026, and the total estimated dividend is \$8,478,496.

Other than the matter noted above, there has not been any matters or circumstance occurring subsequent to the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the future.

DIRECTORS' REPORT CONTINUED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under s 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2025.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Nathan Mitchell
Executive Chairman

Dated at Brisbane this 18th day of February 2026



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

To the Directors of Mitchell Services Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Mitchell Services Limited for the half-year ended 31 December 2025 there have been:

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

KPMG

M J Jeffery
Partner

Brisbane
18 February 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

		31 Dec 25	31 Dec 24
	Note	\$	\$
Continuing operations			
Revenue	2	102,398,105	99,364,795
Other income		105,346	176,785
Gain on sale of assets		1,383,005	1,331,106
Drilling consumables		(8,992,055)	(9,155,909)
Employee and contract labour expenses		(48,967,843)	(51,733,317)
Fuel and oil		(1,199,066)	(1,502,120)
Freight and couriers		(1,115,444)	(1,805,630)
Hire of plant and equipment		(5,076,663)	(6,303,263)
Insurances		(2,008,161)	(1,944,706)
Legal and consultant fees		(548,518)	(498,296)
Rent		(259,655)	(311,254)
Service and repairs		(5,850,299)	(6,449,030)
Travel expenses		(3,626,967)	(4,610,015)
Depreciation expense		(10,719,781)	(12,682,347)
Impairment loss	5	(1,419,042)	-
Share of net assets of equity-accounted investee	6	621,402	(69,489)
Finance expenses		(514,366)	(637,763)
Other expenses		(3,972,648)	(3,668,242)
Profit/(loss) before tax		10,237,350	(498,695)
Income tax (expense)/benefit	7	(2,153,976)	179,531
Profit/(loss) for the period		8,083,374	(319,164)
Other comprehensive income, net of income tax			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		8,083,374	(319,164)
Profit/(loss) attributable to:			
Owners of the parent		8,083,374	(319,164)
Total comprehensive income attributable to:			
Owners of the parent		8,083,374	(319,164)
Earnings/(loss) per share			
Basic (cents per share)		3.81	(0.15)
Diluted (cents per share)		3.81	(0.15)

The accompanying notes are an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	31 Dec 25	30 Jun 25
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		15,470,620	1,345,083
Trade and other receivables	3	22,654,641	28,662,095
Other current assets		2,119,066	1,762,036
Inventories		12,072,950	13,576,357
Total current assets		52,317,277	45,345,571
Non-current assets			
Right-of-use assets	4	1,766,639	876,696
Property, plant and equipment	5	53,742,922	59,234,308
Intangibles at cost		5,755,572	5,755,572
Equity-accounted investee	6	680,550	59,148
Total non-current assets		61,945,683	65,925,724
Total assets		114,262,960	111,271,295
LIABILITIES			
Current liabilities			
Trade and other payables		16,977,095	19,235,532
Income tax payable	7	1,653,708	2,552,357
Financial liabilities	8	6,821,954	5,577,977
Provisions		11,799,992	11,266,406
Total current liabilities		37,252,749	38,632,272
Non-current liabilities			
Financial liabilities	8	3,379,442	5,189,734
Deferred tax liabilities	7	3,010,552	5,195,597
Provisions		1,312,140	1,218,143
Total non-current liabilities		7,702,134	11,603,474
Total liabilities		44,954,883	50,235,746
Net assets		69,308,077	61,035,549
EQUITY			
Issued capital		74,701,130	74,701,130
Retained earnings		(5,393,053)	(13,665,581)
Total equity		69,308,077	61,035,549

The accompanying notes are an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Issued Capital	Retained Earnings	Total
		\$	\$	\$
Balance at 1 July 2024		75,553,379	(9,923,531)	65,629,848
Comprehensive income				
Loss for the period		-	(319,164)	(319,164)
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	(319,164)	(319,164)
Transactions with owners of the company				
Shares bought back on-market and transaction costs		(358,122)	-	(358,122)
Dividend declared		-	(4,275,679)	(4,275,679)
Recognition of share-based payments		-	81,837	81,837
Total transactions with owners of the company		(358,122)	(4,193,842)	(4,551,964)
Balance at 31 December 2024		75,195,257	(14,436,537)	60,758,720
Balance at 1 July 2025		74,701,130	(13,665,581)	61,035,549
Comprehensive income				
Profit for the period		-	8,083,374	8,083,374
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	8,083,374	8,083,374
Transactions with owners of the company				
Recognition of share-based payments		-	189,154	189,154
Total transactions with owners of the company		-	189,154	189,154
Balance at 31 December 2025		74,701,130	(5,393,053)	69,308,077

The accompanying notes are an integral part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	31 Dec 25 \$	31 Dec 24 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		119,518,483	114,591,546
Payments to suppliers and employees		(93,037,614)	(103,638,472)
Interest received		51,184	168,755
Interest paid		(507,219)	(556,241)
Income tax paid		(5,237,671)	-
Net cash provided by operating activities		20,787,163	10,565,588
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		2,943,582	2,091,803
Payments for purchase of property, plant and equipment		(6,725,255)	(11,848,830)
Net cash used in investing activities		(3,781,673)	(9,757,027)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for shares bought back		-	(358,122)
Dividends paid		-	(4,275,679)
Repayment of borrowings	8	(2,879,953)	(5,409,108)
Loans advanced to equity-accounted investee		-	(150,000)
Net cash used in financing activities		(2,879,953)	(10,192,909)
Net increase/(decrease) in cash and cash equivalents		14,125,537	(9,384,348)
Cash and cash equivalents at the beginning of the period		1,345,083	16,034,832
Cash and cash equivalents at the end of the period		15,470,620	6,650,484

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

1. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2025 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mitchell Services Limited and its controlled entities (referred to as the **Group**). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2025, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 19th February 2026.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

2. REVENUE

(a) Income from continuing operations

	31 Dec 25	31 Dec 24
	\$	\$
Revenue from contracts with customers	102,398,105	99,364,795
	<u>102,398,105</u>	<u>99,364,795</u>

(b) Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from contracts with customers by commodity, drilling type and client type, as this appropriately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Commodity

Steelmaking Coal	33,632,361	44,419,285
Gold	59,576,202	41,947,464
Copper	5,030,516	4,028,640
Lead/zinc/silver	3,728,763	6,236,671
	<u>101,967,842</u>	<u>96,632,060</u>
Geotech	147,567	2,263,067
Decarbonisation	97,000	-
Other revenue	185,696	469,668
	<u>102,398,105</u>	<u>99,364,795</u>

Drilling type

Surface drilling	50,675,311	49,087,378
Underground drilling	51,537,097	49,807,749
Other revenue	185,697	469,668
	<u>102,398,105</u>	<u>99,364,795</u>

Geography

Queensland	38,528,004	53,833,329
Victoria	29,708,730	17,787,053
New South Wales	15,670,062	17,608,008
Northern Territory	8,741,752	8,114,390
Western Australia	3,281,021	2,022,015
Papua New Guinea	6,468,536	-
	<u>102,398,105</u>	<u>99,364,795</u>

Timing of revenue recognition

Services transferred over time	83,082,524	80,401,553
Goods transferred at a point in time	19,315,581	18,963,242
	<u>102,398,105</u>	<u>99,364,795</u>

3. TRADE AND OTHER RECEIVABLES

	31 Dec 25	30 Jun 25
	\$	\$
Trade debtors	14,236,059	16,447,758
Accrued income	8,357,622	12,156,473
Bonds and deposits	60,960	57,864
	22,654,641	28,662,095

4. RIGHT-OF-USE ASSETS

The Group's property lease portfolio relates to leased premises with the date of expiry ranging from December 2026 to June 2030. In certain instances, the Group's property leases include extension options that allow the Group to extend the lease term to beyond the original termination date. These options are exercisable at the sole discretion of the Group and provide the Group with appropriate flexibility to manage leases to align with its strategies. The extension options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

	31 Dec 25	30 Jun 25
	\$	\$
Right-of-use assets		
Cost	4,703,549	4,208,827
Accumulated depreciation	(2,936,910)	(3,332,131)
	1,766,639	876,696
Movement in carrying amounts		\$
Opening net book amount		876,696
Additions		1,240,035
Depreciation expense for the period		(350,092)
Closing net book amount		1,766,639

The Group renewed its property lease on premises in Bendigo, Victoria for a five-year period ending on 30 June 2030. The effect of these changes was a net increase to the Group's right-of-use lease liability with a corresponding net increase to the carrying value of the right-of-use asset.

A separate adjustment was also applied to the cost and accumulated depreciation balances brought forward from the 2025 financial year whereby a fully depreciated right-of-use asset which had both a cost and accumulated depreciation of \$745,313 was derecognised in the current period. This had nil net impact on the carrying value of right-of-use assets.

5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and Equipment	Motor vehicles	Furniture and Fittings	Capital WIP	Total
	\$	\$	\$	\$	\$	\$
At 30 June 2025						
Cost or fair value	774,565	183,941,172	23,754,528	1,622,800	3,072,676	213,165,741
Accumulated depreciation and impairment	(440,476)	(134,685,033)	(17,390,909)	(1,415,015)	-	(153,931,433)
Net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308
Half-year ended 31 December 2025						
Opening net book amount	334,089	49,256,139	6,363,619	207,785	3,072,676	59,234,308
Additions	-	2,359,419	373,605	-	5,065,799	7,798,823
Transfers	45,723	4,390,002	-	13,620	(4,449,345)	-
Disposals	-	(1,510,206)	(50,368)	(3)	-	(1,560,577)
Depreciation*	(64,696)	(9,346,489)	(927,696)	(30,808)	-	(10,369,689)
Impairment loss**	-	(1,359,943)	-	-	-	(1,359,943)
Closing net book amount	315,116	43,788,922	5,759,160	190,594	3,689,130	53,742,922
At 31 December 2025						
Cost or fair value	820,288	188,219,250	23,686,823	1,624,803	3,689,130	218,040,294
Accumulated depreciation and impairment	(505,172)	(144,430,328)	(17,927,663)	(1,434,209)	-	(164,297,372)
Net book amount	315,116	43,788,922	5,759,160	190,594	3,689,130	53,742,922

*The depreciation expense reflected above of \$10,369,689 does not include depreciation of \$350,092 on right-of-use assets recognised during the half-year ended 31 December 2025.

**During the period, the Group has recognised a non-cash impairment loss of \$1,359,943 related to a drill rig and ancillary gear that were destroyed by a bushfire which occurred in late December at a site in Western Australia. Over and above these items of property, plant and equipment, an impairment loss was also reflected on certain consumables amounting to \$59,099.

The assets are fully insured and the Group is well progressed with the claim process, with settlement expected in the short term. Despite the loss being fully recoverable via the insurance claim, accounting standards prescribe that while the Group must recognise the impairment loss when the incident occurred, the subsequent insurance proceeds/income only meet the recognition criteria when the claim becomes unconditional.

6. EQUITY- ACCOUNTED INVESTEE

	31 Dec 25	30 Jun 25
	\$	\$
Investment in equity accounted investee	530,550	100
Loans advanced to equity accounted investee	150,000	59,048
	680,550	59,148

In late FY24, the Group entered a 50/50 joint venture with specialist mining advisory firm, Talisman Partners (Talisman). The incorporated joint venture, Loop Decarbonisation Solutions Pty Ltd (Loop), was established to offer end to end decarbonisation solutions to a broad market of clients who are required to reduce fugitive emissions following reforms to the Safeguard Mechanism Legislation in Australia.

To assist in funding the initial working capital requirements of Loop, the Group advanced loans totalling \$150,000 during FY25.

Given its start-up nature, Loop recognised an accounting loss of \$181,904 for the year ended 30 June 2025 and pursuant to its joint control with Talisman, the Group recognised a 50 per cent share of that loss amounting to \$90,952. This reduced the receivable reported at 30 June 2025 from a gross amount of \$150,000 to a net amount of \$59,048, with the difference being the Group's share of Loop's accounting loss. The accounting loss recognised by Loop for the half-year ended 31 December 2025 was \$119,641.

During the half-year ended 31 December 2025, a subsidiary of Sumitomo Corporation (Sumitomo) completed a strategic, equity investment into Loop. Pursuant to the terms of the associated subscription agreement, Sumitomo agreed to acquire, via an issue of new shares, up to 25 per cent of the ordinary share capital of Loop for a cash consideration in three tranches as follows:

- Tranche 1 - \$1,500,000 for a 6.25 per cent equity interest
- Tranche 2 - \$1,500,000 for a further 6.25 per cent equity interest

The Tranche 1 and Tranche 2 payments are subject to certain conditions summarised below and, on the basis that those conditions are met, value the Loop business at approximately \$24 million.

- Tranche 1 is subject to a condition subsequent whereby Loop is required to enter into a new drilling contract or extend an existing contract within 12 months of execution of the subscription agreement
- Tranche 2 is subject to a condition precedent whereby (post the Tranche 1 condition subsequent being met) Loop is required to enter a new drilling contract or extend an existing contract.

Subject to the completion of the first two tranches, Sumitomo have committed to a third tranche investment whereby it will acquire additional equity in Loop subject to the purchase price and revised valuation being agreed at the time the third tranche becomes payable. Upon completion of the third tranche, Sumitomo's ultimate shareholding will be at least 20% but no more than 25%.

On 29 August 2025, with respect to the first tranche, Sumitomo invested \$1,500,000 in Loop with the effect being an increase in Loop's net assets of that amount (less \$66,816 in transaction costs) and a reduction in the Group's share in Loop (reducing from 50 percent to 46.875 percent).

The accounting approach taken by the Group immediately following the completion of the first tranche settlement was to ensure that the loan advanced to Loop was written back to its recoverable amount of \$150,000 while also ensuring the carrying value of the investment was capped at 46.875 per cent of Loop's net assets

The Profit and Loss account contains a benefit of \$621,402 representing the Group's share of the movement in Loop's net assets during the period.

7. TAXATION

(i) Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the half-year ended 31 December 2025 was 21.0% (half-year ended 31 December 2024: 36.0%). The income tax expense/(benefit) for the period can be reconciled to the accounting profit/(loss) as follows:

	31 Dec 25	31 Dec 24
	\$	\$
Profit/(loss) before tax from continuing operations	10,237,350	(498,695)
Income tax expense/(benefit) calculated at 30%	3,071,205	(149,609)
Income subject to foreign contractor withholding tax not assessable for income tax	(805,497)	-
Movement in share of net assets of equity-accounted investee	(186,420)	20,847
Other	74,688	(50,769)
Income tax expense/(benefit)	2,153,976	(179,531)

(ii) Income tax payable

Income tax payable of \$1,653,708 (30 June 2025: \$2,552,357) is represented by the recognition of a taxable profit for the period of approximately \$14,449,802 resulting in a gross income tax liability of \$4,334,940, reduced by current year PAYG income tax instalments of \$2,681,232. The Group also paid income tax of \$2,556,439 during the current period which related to final settlement of the income tax liability for the year ended 30 June 2025.

(iii) Net deferred tax liabilities

Net deferred tax liabilities of \$3,010,552 (30 June 2025: \$5,195,597) comprise deferred tax liabilities on temporary differences partially offset by deferred tax assets on temporary differences.

The half-year movement in deferred tax balances is largely attributable to the reduction in temporary differences in property, plant and equipment as the large deferred tax liability built up during the Australian Tax Office's temporary full expensing regime continues to unwind.

8. FINANCIAL LIABILITIES

	31 Dec 25	30 Jun 25
	\$	\$
Current		
Equipment Hire Purchase Facilities	6,045,972	5,024,324
Lease liability	775,982	553,653
	6,821,954	5,577,977
Non-current		
Equipment Hire Purchase Facilities	2,210,400	4,680,718
Lease liability	1,169,042	509,016
	3,379,442	5,189,734

A reconciliation of movement in financial liabilities during the half-year ended 31 December 2025 is shown below:

Half-year ended 31 December 2025	At 1 July 2025	Non-cash funding received	Right-of-use lease liability adjustment*	Cash repayments	At 31 December 2025
	\$	\$	\$	\$	\$
Equipment Hire Purchase Facilities	9,705,042	1,073,603	-	(2,522,273)	8,256,372
Lease liability	1,062,669	-	1,240,035	(357,680)	1,945,024
Total	10,767,711	1,073,603	1,240,035	(2,879,953)	10,201,396

*Refer Note 4 for details of this adjustment.

9. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties.

Manutech Engineering and Maintenance

The Group engages Manutech Engineering and Maintenance to purchase parts and in some instances perform repair and maintenance type services. Manutech Engineering and Maintenance is an entity controlled by Peter Miller. The amount incurred during the reporting period in relation to these services was \$3,388 including GST. An amount of \$907 remains owing to this related entity at the end of the reporting period.

Equipment Hub Pty Ltd

Nathan Mitchell is a significant shareholder of Equipment Hub Pty Ltd (Equipment Hub). The Group purchased minor parts from this entity during the period, amounting to \$14,166 including GST. An amount of \$10,509 remains owing to this related entity at the end of the reporting period.

The Group also engaged Equipment Hub as a broker to sell a drill rig to a third party. Commissions totalling \$85,250 inclusive of GST, were paid to Equipment Hub per this arrangement. Nil amount remains receivable from the related entity at the end of the period.

Integrated Supply Group Pty Ltd

Established in 2024, Integrated Supply Group Pty Ltd (Integrated) is an entity controlled by Scott Tumbridge and operates as a supplier to the Group in the ordinary course of business. During the reporting period, Integrated supplied parts, consumables and hire equipment with amounts charged totalling \$1,687,180. All amounts are inclusive of GST and were based on normal market rates and under normal payment terms. An amount of \$446,454 remains owing to this related entity at the end of the reporting period.

Mitchell Family Investments (QLD) Pty Ltd

Mitchell Family Investments (QLD) Pty Ltd is an entity controlled by Nathan Mitchell. The Group leases the majority of the premises located at 112 Bluestone Circuit, Seventeen Mile Rocks, Brisbane, which is owned by Mitchell Family Investments (QLD) Pty Ltd. The rent associated with this property for the reporting period amounted to \$174,975, with associated utility charges of \$47,065. Amounts owing to this related entity at the end of the reporting period is \$29,162.

Mitchell Group Pty Ltd

Mitchell Group is an entity controlled by Nathan Mitchell. The Group and this related entity currently operate under an arrangement whereby the services of an in-house legal counsel are shared between the two entities. Net of minor outgoings recovered by the Group, invoices in relation to this shared resource totalling \$67,231, inclusive of GST, were issued to the Group by the related entity during the period with an amount of \$4,376 remaining owing at the end of the reporting period.

As referred above, the Group leases premises at 112 Bluestone Circuit (Head Office) from Mitchell Family Investments (QLD) Pty Ltd. During the 2024 financial year, the Group entered into an arrangement whereby it has sublet an area of the Head Office to

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Mitchell Group Pty Ltd through to 31 December 2026 with an extension option. During the current reporting period, the Group charged Mitchell Group Pty Ltd rent and outgoings totalling \$19,876 and \$16,453 respectively, both inclusive of GST, with an amount of \$2,930 remaining receivable by the Group at the end of the reporting period

10. OPERATING SEGMENTS

The Group operates primarily within Australia, providing services wholly to a discrete industry segment (provision of drilling services to the mining industry). These geographic and operating segments are considered based on internal management reporting and the allocation of resources by the Group's chief decision makers. On this basis, the financial results of the reportable operating and geographic segments are equivalent to the financial statements of the Group as a whole and no separate segment reporting is disclosed in these financial statements.

11. FINANCIAL COMMITMENTS

As at 31 December 2025 the Group had capital commitments of \$758,061 mainly relating to upgrades to existing rigs and equipment, purchase of ancillary equipment, drilling pipe, and sundry other items of plant and equipment.

12. EVENTS AFTER THE REPORTING DATE*Dividends*

On 18 February 2026, the Board declared a fully franked dividend of 4.00 cents per share to holders of fully paid ordinary shares on 27 February 2026 (Record Date). The payment date for the dividend is 17 March 2026, and the total estimated dividend is \$8,478,496.

Other than the matter noted above, there has not been any matters or circumstance occurring subsequent to the end of the reporting period that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in the future.

Directors' Declaration

In accordance with a resolution of the Directors of Mitchell Services Limited ("the Company"), the Directors declare that:

- 1) the Condensed consolidated financial statements and notes, as set out on pages 11-22, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - b) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the six-month period ended on that date.
- 2) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

On behalf of the Directors



Nathan Mitchell
Executive Chairman

Dated at Brisbane this 18th day of February 2026



Independent Auditor's Review Report

To the shareholders of Mitchell Services Limited

Conclusion

We have reviewed the accompanying **Half-year Report** of Mitchell Services Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Report of Mitchell Services Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2025,
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity, and Condensed consolidated statement of cash flows for the Half-year ended on that date,
- Notes 1 to 12 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Mitchell Services Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

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

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

Responsibilities of the Directors for the Half-year Report

The Directors of the Company are responsible for:

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

Auditor's Responsibilities for the Review of the Half-year Report

Our responsibility is to express a conclusion on the Half-year Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



KPMG



M J Jeffery

Partner

Brisbane

18 February 2026