



COMPANY ANNOUNCEMENT
12 DECEMBER 2025

UPDATE ON FEDERAL TREASURER'S DECISION REGARDING HANWHA'S SHAREHOLDING IN AUSTAL

Austal Limited (ASX:ASB) notes announcements via the Treasury that the Foreign Investment Review Board and Federal Treasurer Jim Chalmers has approved an application from HAA Pty Ltd, an entity controlled by South Korean shipbuilder, Hanwha Corporation (Hanwha), to increase its direct equity shareholding in Austal from 9.9 per cent to 19.9 per cent.

Hanwha currently holds a 9.9 per cent direct equity shareholding in Austal, and a further 9.9 per cent economic interest through a cash settled total return swap.

Austal CEO Paddy Gregg said: "Treasurer Chalmers has made his decision and we respect that decision."

"With the clarity provided by this decision, the Board and management are firmly focused on delivering value for all Austal shareholders as Australia's sovereign shipbuilder under the Strategic Shipbuilding Agreement (SSA), a major contributor to the US defence industrial base, and with significant growth opportunities at our US and Australasia operations."

Austal notes the Treasurer's release states that the Treasurer's approval is subject to strict conditions regarding Hanwha's access to and storage of sensitive information and who Hanwha may nominate to the board of Austal, if Austal was to accept any such nomination. Austal has not yet been formally advised of these conditions or the approval itself.

As outlined in Austal's FY25 results release and AGM, Austal has never been in a stronger position, supported by the heightened defence expenditure globally and greater emphasis on sovereign capability, with strong financial performance and a clear long term growth pathway ahead:

- Delivered record \$1.8 billion of revenue and EBIT of \$113 million in FY25;
- Continued strong earnings growth forecast with EBIT guidance of \$135 million in FY26 which would be a record EBIT for Austal;

- Order book exceeding \$13 billion which is expected to be significantly enhanced upon signing of Landing Craft Medium and Landing Craft Heavy programs in Australia, providing strong visibility into future earnings;
- Strong net cash position of \$450 million to deliver existing order book and funding arrangements secured to finance significant expansion of US shipbuilding capacity;
- Signing of the SSA with the Commonwealth of Australia, securing its position as Australia's sovereign shipbuilder for Tier 2 surface combatant vessels;
- Delivering key programs for the US Navy and Coast Guard with further opportunities available through expansion of Mobile facility;
- Future opportunities from AUKUS and the expanded defence precinct at Henderson.

Austal notes that Hanwha has previously publicly indicated that if it was approved to move to a 19.9 per cent shareholding it would seek to partner with Austal on various shipbuilding opportunities and seek a board position. The Austal board will closely review the opportunities and risks associated with those partnership and board position requests, should they be made officially, before it determines whether this would deliver demonstrable benefits for all Austal shareholders.

Relevant factors which would need to be assessed would include feedback from design partners, the efficient running of the board and its meetings given discussions of sensitive national security topics, potential additional governance and security measures required of the Company, the claimed value from the commercial cooperation and of any Hanwha board nominee to Austal's ship building expertise, and the governance impact of an additional non-independent director.

Further to Austal's ASX announcement on 2 June 2025 with respect to Austal's request to the Committee on Foreign Investment in the United States ("CFIUS") for clarity on the maximum shareholding it had approved Hanwha to move to (19.9% or 100%), Austal advises that it has not received any correspondence from CFIUS responding to that request, and now considers it is unlikely to receive any.

Regardless of the CFIUS approval level, any future change of control transaction to move beyond 19.9 per cent would also require separate approvals from FIRB/Australian Treasurer and the US Defense Counterintelligence and Security Agency (USDCSA). The USDCA provides Foreign Ownership, Control, or Influence (FOCI) mitigation approval. CFIUS approval does not guarantee USDCA approval.

This ASX announcement has been approved and authorised for release by Paddy Gregg, Austal Limited's Chief Executive Officer.

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About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For 35 years Austal has contracted more than 350 vessels for over 122 commercial and defence operators in 59 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy.

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