

SSH Signs Binding Agreement to Acquire EMS in Accretive Transaction

TRANSACTION HIGHLIGHTS

- ▶ SSH to acquire 100% of Elphinstone Mechanical Services (EMS), a well-established mining services business with over 20 years operating history.
- ▶ Combined Group pro forma FY25 revenue of \$76.3 million, materially increasing SSH Group scale.
- ▶ EMS delivered FY25 unaudited revenue of \$38.9m, gross profit of \$11.9m and EBITDA of \$1.3m.
- ▶ Strong strategic fit within SSH's "Hire | Mine | Own" operating model, expanding the SSH Hire vertical.
- ▶ Acquisition provides immediate geographic expansion into Queensland and broader east coast of Australia.
- ▶ Immediately earnings and margin accretive, with clear pathway to margin expansion through integration and scale benefits.
- ▶ Highly complementary services now across KMH, EMS and SSH Mining, driving strong vertical growth.
- ▶ Transaction structured as earnings and margin accretive, representing an attractive entry multiple of up to 2.3x FY25 EBITDA.
- ▶ Performance-based consideration aligns vendor incentives with future growth.
- ▶ EMS founders to remain and lead the business through its next phase of growth.

SSH Group Ltd (**ASX: SSH**) (**SSH** or the **Company**) is pleased to announce that it has entered into a binding share sale agreement (**EMS Agreement**) to acquire 100% of the shares in Elphinstone Mechanical Services (**EMS**), subject to customary conditions precedent.

MANAGING DIRECTOR COMMENT

SSH Group Managing Director, Daniel Cowley-Cooper, commented:

"EMS is a highly strategic acquisition for SSH and fits directly within our Hire vertical, strengthening our ability to deliver scalable, high-quality services across the mining sector."

“SSH is acquiring a strong, established business that, with the support of SSH’s platform, is expected to scale into a highly valuable asset within the Group.

“Importantly, this transaction is about growth and progression. EMS has built an outstanding reputation over more than 20 years, and we are pleased that the founders will continue to lead the business as it enters its next phase under SSH. This acquisition is strategically aligned and value-accretive, further strengthening SSH’s position as an integrated mining services and asset platform under our ‘Hire | Mine | Own’ strategy.”

ABOUT ELPHINSTONE MECHANICAL SERVICES

EMS is an Australian-owned mechanical services and workforce solutions provider specialising in heavy diesel maintenance, shutdown support and field services to the mining sector.

With over 20 years of operating history, EMS has built a strong reputation for delivering reliable, high-quality outcomes in time-critical environments where downtime, safety and production are critical. The business provides a full-service offering including heavy mobile equipment maintenance, line boring, welding and fabrication, auto and high-voltage electrical services, as well as rostered and ad-hoc labour support.

The business services Tier 1 and mid-tier mining clients across Western Australia and the east coast, including Queensland and New South Wales.

EMS has a demonstrated track record of supporting complex mining operations, including shutdown execution, embedded maintenance teams and time-critical field repairs, positioning it as a trusted workforce and maintenance partner within the sector.

STRATEGIC RATIONALE

The acquisition of EMS will deliver several key strategic benefits to SSH:

- ▶ Expansion of SSH Hire Vertical: EMS will operate within the SSH Hire division, strengthening service capability and scale.
- ▶ Geographic Growth: Immediate expansion beyond Western Australia into Queensland and the East Coast.
- ▶ Complementary Services: Strong alignment across KMH (equipment & workforce), EMS (mechanical services), and SSH Mining (mining services).
- ▶ Integrated Offering: Enhances SSH’s ability to deliver end-to-end solutions across the mining value chain.
- ▶ Operational Synergies: Identified cost savings and efficiencies through integration and removal of duplicated functions.
- ▶ Platform for Growth: Positions EMS for accelerated growth leveraging SSH’s systems and client base.

ACQUISITION DETAILS – EARNINGS & MARGIN ACCRETIVE

SSH views the strength of EMS's existing leadership team as a key asset going forward and has secured the ongoing commitment of the founders, who will continue to lead the business as it enters its next phase of growth under SSH ownership.

The acquisition is expected to be immediately earnings and margin accretive to SSH, supported by the addition of an established revenue base and a clear pathway to enhanced profitability through integration.

On a pro forma FY2025 basis, the combined Group would have generated revenue of approximately \$76.3 million and EBITDA of approximately \$8.2 million, materially increasing the scale of SSH's operations.

SSH has identified a clear pathway to improving EMS's margin profile through:

- ▶ Integration into the SSH operating platform.
- ▶ Procurement and supply chain efficiencies.
- ▶ Removal of duplicated overhead functions.
- ▶ Improved asset and workforce utilisation.
- ▶ Cross-utilisation of clients across KMH, EMS and SSH Mining.

The acquisition will be funded through a combination of existing cash reserves and equity, with total consideration linked to EMS's FY27 revenue performance and ranging from \$2.5 million to \$3.0 million, representing an attractive entry multiple of up to 2.3x FY25 EBITDA.

EMS Agreement Key Terms:

Consideration under the EMS Agreement consists of cash and fully paid ordinary shares of SSH (**Shares**) comprised of the following:

- ▶ cash payment of \$1.0m and issue of 1,250,000 Shares (**Initial Shares**) at settlement;
- ▶ cash payment of \$0.4m on 31 January 2027; and
- ▶ performance-based earn-out, payable following completion of FY27 audited accounts, comprising a combination of cash and Shares¹, aligned to EMS revenue outcomes (**Earn-Out Shares**).

Shares issued under the EMS Agreement will be priced at the higher of \$0.20 per share or the 6-month VWAP prior to issue and will be subject to voluntary escrow².

SSH retains flexibility to settle any share-based consideration in cash.

Conditions Precedent:

Completion of the acquisition is expected to occur prior to 30 June 2026, subject to the satisfaction of customary conditions precedent, including:

¹ Up to 3,250,000 Shares.

² the Initial Shares will be voluntarily escrowed for a period of 2 years from the date of issue; and the Earn-Out Shares will be voluntarily escrowed for a period of 1 year from the date of issue.

- ▶ The Company being satisfied, in its absolute discretion, with the outcome of all legal, financial, taxation and commercial due diligence, including asset valuations.
- ▶ Receipt of all required third-party consents and approvals, if required.
- ▶ All EMS director, related-party and inter-company loans or debts of either EMS or the shareholders of EMS being fully extinguished and removed from the balance sheet of EMS prior to settlement such that EMS and its assets are free from all encumbrances.
- ▶ Key management personnel of EMS entering into full-time employment agreements for a minimum period of 18 months following settlement.

Settlement will occur on five business days after the satisfaction, or waiver, of the condition's precedent, or such other date as agreed between the Company and EMS.

If the conditions precedents are not satisfied or waived 40 days after the execution of the EMS Agreement (or such later date as is agreed in writing between the Company and EMS), the Company may terminate the EMS Agreement.

CONTINUITY & INTEGRATION

EMS will continue to operate under its existing brand, maintaining the strong goodwill and market recognition built over more than two decades. No immediate operational changes are expected, with a clear focus on continuity for clients and employees. The existing EMS leadership team will remain in place to drive operational performance, supported by SSH's broader platform and executive team.

STRATEGIC OUTLOOK

The acquisition of EMS represents another step in SSH's strategy to build a diversified, scalable mining services and asset business.

By integrating EMS into the SSH platform, the Company expects to:

- ▶ Increase revenue scale and earnings capability.
- ▶ Strengthen recurring revenue streams.
- ▶ Expand service capability across the mining sector.
- ▶ Deliver improved margins through operational leverage and synergies.

Importantly, the transaction also expands SSH's national operational footprint, enhancing the Group's ability to service clients across key mining and infrastructure regions in Australia.

Following completion, SSH will operate across Western Australia and Queensland, with established locations in Perth, Karratha and Mackay, providing a strong platform for continued growth and client engagement.

This expanded footprint reinforces SSH's position as a growing, integrated mining services group with a clear pathway to long-term value creation.

SSH Group's Strategic Locations



AUTHORISATION

This release has been authorised in accordance with the Company's published continuous disclosure policy and approved for release by the Board of SSH Group Ltd.

ABOUT SSH GROUP

SSH Group Ltd operates across the Mining, Civil and Construction sectors. Its model, Hire, Mine and Own, underpins its strategy as a vertically integrated, diversified metals and mining company.

FURTHER DETAILS

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