

November 4, 2025

Dear Austal USA Team:

I wanted to take a moment to follow-up on our recent bonus announcements. Our goal in sharing this news was to recognize the incredible effort and commitment you've shown throughout the year. We recognize, however, that some of the earlier communications on bonus performance raised some questions and were not as clear as they should have been, so I wanted to take this opportunity to provide a clearer picture of how the process works.

Before any bonuses can be paid, we must meet our Finance goal. We also have a Safety goal which, if met, we can pay out as long as the Finance goal is met. In other words, if we do not meet the Finance goal, no bonus is paid (even if we meet the Safety goal). Last year we made an exception to this rule, for FY24 only, to pay out the Safety bonus even though we had not met our Finance goal. The goals are split between 70% for Finance and 30% for Safety. For each goal, there is a "target" goal and a "stretch" goal. If we achieve or exceed the target goal up to the stretch goal, we earn 50% of the maximum bonus. If we achieve or exceed the stretch goal, we earn 100% of the maximum bonus.

For FY25, here's how we did:

- We met our Financial target goal, earning 35% for that part (that's 50% of the 70% possible).
- We exceeded our stretch Safety goal, which earned the full 30% for that portion (that's 100% of the 30% possible).

Together, that adds up to a 65% total bonus payout — a strong result that reflects our shared success. This process is consistent with the calculations used in previous years.

In order to improve communication on the bonus performance, we'll be posting a detailed document on the QMS drive that outlines the entire bonus process. We're also updating our monthly bonus performance dashboard graphics to ensure we clarify our progress toward both "target" and "stretch" goals throughout the year.



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I understand many of you may have had different expectations regarding the bonus payout and were disappointed in the outcome. However, as noted, the company is working to ensure clearer bonus-related communications moving forward in order to prevent the recurrence of any unintended discord. I am proud of our hard work and how much we achieved in FY2025. I am looking forward to continuing meeting the nation's mission to getting more ships in the water to safeguard our freedoms, and I am honored to be working alongside each of you.

If you have additional questions or need further clarification, please do not hesitate to speak with your leadership team or with Human Resources.

Sincerely,

A handwritten signature in black ink that reads "Michelle Kruger".

Michelle Kruger



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