

SDI Limited

ABN 27 008 075 581

Appendix 4E Preliminary Final Report - 30 June 2025

Commentary - Full year results	2
Appendix 4E	5
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	10
Consolidated statement of cash flows	11
Notes to the consolidated financial statements	12

Commentary - Full-year results

MELBOURNE, Australia – SDI Limited (ASX: SDI). Net profit after tax increased by 16.7% to \$12.2 million for the twelve months ending 30 June 2025, compared to \$10.4 million for the previous corresponding period last year. After adjusting for a \$1.7 million tax benefit relating to a capital loss from the Brazilian operations. The capital loss was generated in prior years and recognised in the current year as it is anticipated to offset against future transactions. Normalised operating profit after tax increased by 0.1% to \$10.5 million.

Summary financials (AUD)

	FY 2025	FY 2024	Change %
Sales (\$000)	110,384	111,206	-0.7%
Gross product margin (%)	62.9	62.1	+80 bps
EBITDA (\$000)	21,321	21,909	-2.7%
NPAT (\$000)	12,160	10,421	+16.7%
Normalised NPAT (\$000)	10,490	10,421	+0.1%
Earnings per share (cents)	10.23	8.77	+16.6%
Normalised EPS (cents)	8.83	8.77	+0.1%
Final ordinary dividend (cents)	1.90	1.90	unchanged

FY25 Highlights

- Total sales of \$110.4 million, down 0.7% on the previous corresponding period ("pcp"), with good growth in the European and Brazilian markets offset by declines in Middle Eastern and Asian markets, and the continual decline in Amalgam product sales.
- Product margin improvement to 62.9%, up 80 bps on pcp, reflecting operational efficiencies, geographical and product mix.
- Operating expenses of \$53.9 million, up 3.5% on pcp.
- EBITDA decreased by 2.7% to \$21.3 million (FY24 \$21.9 million).
- Earnings per share ('EPS') increased by 16.6% to 10.23 cents compared to 8.77 cents for the same period last year. Normalised EPS was 8.83 cents up 0.1% on pcp.
- Final fully franked ordinary dividend maintained at 1.9 cents per share.

Commenting on the result, Chief Executive Officer Samantha Cheetham said: *"I am pleased with the continued sales growth in Aesthetic products and the improvement in Whitening sales. Operating expenses were well managed along with improved product margins. We expect product margins to continue to improve as the new production machinery becomes fully operational. The continuing weakness in Amalgam sales is not unexpected as this product gets closer to its end of life in many markets. During the year we also saw weakness in the Middle East, with some specific market related challenges, and Asia also underperformed in this period."*

Key product category sales

Category	\$000 AUD	Change in local currency %	Change in AUD %	Total AUD sales %
Aesthetics	57,785	4.0	4.5	52.4
Equipment	6,199	(2.2)	(5.1)	5.6
Whitening	31,995	2.0	3.2	29.0
Amalgam	14,405	(21.9)	(21.5)	13.0
Total	110,384	(1.2)	(0.7)	100.0

In local currencies, Aesthetics sales continued to show good growth, up 4.0% on pcp. Aesthetics sales increased across all regions partly offset by a decline in Australian direct export sales down 10.2%. Whitening sales increased by 2.0% with good increases in the North American and Australian domestic markets. Generally, this category reflects movements in discretionary spending. Equipment sales, SDI's smallest product category and largely a complimentary product, fell by 2.2% reflecting a decrease in all markets apart from Brazil and Europe which increased by 4.4% and 18.3%. Amalgam sales decreased by 21.9%, reflecting significant declines in most market.

Sales by business unit

Business unit	\$000 AUD	Growth/(decline) in local currency %	Growth/(decline) in AUD %	Total AUD sales %
Australia (including direct exports)	32,820	(10.5)	(9.7)	29.7
North America	24,308	(3.0)	(1.5)	22.0
Europe	44,649	5.8	8.0	40.5
Brazil	8,607	9.7	(2.6)	7.8
Total	110,384	(1.2)	(0.7)	100.0

Product sales by Business Unit adjusted for currency movements

	Amalgam		Non - Amalgam	
	% Change	% of Total Sales	% Change	% of Total Sales
Australia (including direct exports)	(49.8)	5.7	(5.9)	94.3
Brazil	29.4	13.0	7.3	87.0
Europe	(19.6)	11.5	10.3	88.5
North America	(16.6)	25.8	2.8	74.2

The business unit performance reflects unfavourable currency movements and strong growth from the European business.

European sales were up 5.8% in local currencies, driven by demand for Aesthetic products in most European markets. North American sales decreased by 3.0% on pcp, primarily due to a 16.6% decline in Amalgam sales which represents 25.8% of its total sales.

Australian sales, which include Australian domestic and direct export markets, were down by 10.5%, with Australian direct exports decreasing by 15.3% when adjusted for currency movements. These sales were impacted mainly by the reduction in sales from the Middle Eastern and Asian regions.

Brazilian sales increased by 9.7% on pcp in local currencies due to Distributors returning to normal business after reducing their inventory in the pcp.

Sales by region

Region	FY 2025 (\$000 AUD)	FY 2024 (\$000 AUD)	Growth/(decline) in AUD%
APAC	18,664	19,759	(5.5)
Middle East / Africa	7,956	11,251	(29.3)
South America	11,780	12,573	(6.3)
North America	24,308	24,686	(1.5)
Europe	47,676	42,937	11.0
Total	110,384	111,206	(0.7)

Sales by regions reflects strong growth in the European market which were aided by increased demand for Aesthetic products. Middle Eastern and African sales were predominately affected by deliberate delays in shipment due to short term issues around customer payments and the instability in some of the Middle Eastern markets. APAC sales were down reflecting lower ordering from the Asian market.

Gross profit margins

Product margins in Australian dollars increased by 80 bps to 62.9%, driven by operational efficiencies and strong growth in the Aesthetic products. Product and geographical sales are a significant influence on the gross margin, with sales growth in Aesthetics in the European market attracting higher product margins. Delays in implementation of some new production machinery did not achieve the expected margin improvements, however it is expected that these benefits will flow through in the first half of the 2026 financial year.

Expenses

Operating expenses in Australian dollars up 3.5% on pcp. After adjusting for currency movements operating expenses increased by 3.2% compared to pcp, reflecting ongoing inflationary pressures, particularly relating to employment costs and increased marketing expenditure on new product releases.

Tax Expense

Tax expense decreased to 19.5% compared to 31.6% for the pcp reflecting the non-deductibility of asset impairments in the pcp, and after adjusting for a \$1.7 million tax benefit in the current financial year which related to prior period capital losses from the Brazilian operations, now recognised based on its likelihood of use. Normalised tax expense was 30.5%.

Balance sheet

Cash increased by \$2.7 million after investing \$4.1 million in property, plant and equipment, and \$4.4 million in product development expenditure, reducing inventory by \$1.0 million and reducing debt by \$7.1 million (\$4.0 million were funds received from the sale of a property) twelve months ending 30 June 2025. The Company has unused working capital bank facility of \$10 million, \$23 million of unused building construction facility, and \$9.0 million cash in bank.

Strategy and outlook

The Company remains focused on its strategic priorities:

- **Aesthetics and Whitening products** continue to be the focus for new product development. The Company's Aesthetic product 'Stela', originally designed as an Amalgam replacement product, will compete in the wider Aesthetic categories due to its natural tooth colour and strength. It has been released in all key markets.
- **Achieving manufacturing and logistic efficiencies.** In FY23 the Company purchased a six-acre property for \$19 million which has an existing 4,000 sqm warehouse and has relocated its current warehousing. Planning is currently in progress to redevelop the site to relocate its current manufacturing operations by December 2027, with a construction and refurbishing cost of \$26 million.
- **Investment in production automation** and processes to achieve operating efficiencies and manage new and existing future product growth. The Company has recently purchased several high-speed production machines which will start showing returns in the next six months. Other machines are on order for delivery over the next 12 months which will result in further efficiencies and increase future production capacity.
- **On-going investment in research and development** of new products. New product launches are planned to launch one to two new products every year. The team will continue to focus on ensuring European regulatory requirement deadlines are met. SDI embraces the stringent regulatory requirements as these provide high barriers to entry and a competitive advantage.
- **ESG** – The Company has made a commitment, including the creation of an internal working group, to make significant progress in establishing a risk framework for sustainability and has appointed a consultant to assist in this process.

Dividends

Showing the Board's confidence in the future of the business, the Directors have maintained the final fully franked dividend payment at 1.90 cents per share (FY24 1.90 cents).

The Board has decided that the Company's Dividend Reinvestment Plan ('DRP') will not be offered to Shareholders for these dividend payments.

1. Company details

Name of entity:	SDI Limited
ABN:	27 008 075 581
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	0.74% to	110,384
Profit from ordinary activities after tax attributable to the owners of SDI Limited	up	16.69% to	12,160
Profit for the year attributable to the owners of SDI Limited	up	16.69% to	12,160

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2025 paid on 30 April 2025	1.50	1.50
Final dividend for the year ended 30 June 2025 to be paid on 22 September 2025	1.90	1.90

The record date for determining entitlements to dividends is 8 September 2025.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$12,160,000 (30 June 2024: \$10,421,000).

Earnings before interest, tax, depreciation and amortisation ('EBITDA') decreased by 2.68% to \$21,321,000 (30 June 2024: \$21,909,000). The directors consider EBITDA to reflect the core earnings of the consolidated entity.

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit adjusted for specific items.

The following table summarises key reconciling items between statutory profit after tax and EBITDA:

	Consolidated 2025 \$'000	2024 \$'000
Profit after tax	12,160	10,421
Add: taxation	2,942	4,817
Add: interest expense	1,375	1,535
Less: interest income	(15)	(19)
Add: depreciation and amortisation	4,859	4,187
Add: impairment of assets	-	968
EBITDA	21,321	21,909

Further information on the results is detailed in the 'Commentary - Full year results' immediately following this report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	58.23	53.35

NTA includes the written down value of right-of-use assets.

4. Control gained over entities

Not applicable.

5. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2025 paid on 30 April 2025	1.50	1.50
Final dividend for the year ended 30 June 2025 to be paid on 22 September 2025	1.90	1.90

Previous period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2024 paid on 30 April 2024	1.50	1.50
Final dividend for the year ended 30 June 2024 paid on 20 September 2024	1.90	1.90

6. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The Company has a Dividend Reinvestment Plan ('DRP'). However the Directors have decided that the DRP will not be offered to Shareholders for the dividend payments.

7. Audit qualification or review

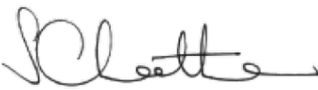
The financial statements are in the process of being audited.

8. Attachments

The Appendix 4E Preliminary Final Report of SDI Limited for the year ended 30 June 2025 is attached.

9. Signed

Authorised by the Board of Directors.

Signed  _____

Date: 28 August 2025

Samantha Jane Cheetham
Managing Director
Melbourne

SDI Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025



	Note	Consolidated 2025 \$'000	2024 \$'000
Revenue			
Sales revenue		110,384	111,206
Cost of goods sold		(41,006)	(42,168)
Gross profit		69,378	69,038
Other gains/(losses)	2	1,026	(166)
Interest income		15	19
Expenses			
Selling and administration expenses		(50,422)	(47,468)
Research and development costs		(1,635)	(1,151)
Impairment of receivables	4	(50)	(27)
Impairment of other assets		-	(968)
Other expenses		(1,835)	(2,504)
Finance costs		(1,375)	(1,535)
Total expenses		(55,317)	(53,653)
Profit before income tax expense		15,102	15,238
Income tax expense		(2,942)	(4,817)
Profit after income tax expense for the year attributable to the owners of SDI Limited		12,160	10,421
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign controlled entities		924	(674)
Other comprehensive income for the year, net of tax		924	(674)
Total comprehensive income for the year attributable to the owners of SDI Limited		13,084	9,747
		Cents	Cents
Basic earnings per share	3	10.23	8.77
Diluted earnings per share	3	10.23	8.77

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		8,981	6,275
Trade and other receivables	4	20,886	21,045
Inventories	5	27,788	28,748
Prepayments		3,086	3,781
		60,741	59,849
Assets classified as held for sale	6	-	4,837
Total current assets		60,741	64,686
Non-current assets			
Property, plant and equipment	7	45,437	43,643
Right-of-use assets	8	1,557	1,631
Intangibles	9	33,456	30,564
Deferred tax asset		7	137
Total non-current assets		80,457	75,975
Total assets		141,198	140,661
Liabilities			
Current liabilities			
Trade and other payables	10	11,517	11,616
Borrowings	11	1,726	7,818
Lease liabilities	12	708	657
Provision for income tax		2,385	1,663
Employee benefits		3,988	3,957
Total current liabilities		20,324	25,711
Non-current liabilities			
Borrowings	11	14,300	15,300
Lease liabilities	12	648	1,004
Deferred tax liability		2,961	4,401
Employee benefits		291	271
Total non-current liabilities		18,200	20,976
Total liabilities		38,524	46,687
Net assets		102,674	93,974
Equity			
Issued capital		12,890	12,890
Reserves	13	2,416	1,835
Retained profits		87,368	79,249
Total equity		102,674	93,974

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

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	12,890	2,335	72,691	87,916
Profit after income tax expense for the year	-	-	10,421	10,421
Other comprehensive loss for the year, net of tax	-	(674)	-	(674)
Total comprehensive income for the year	-	(674)	10,421	9,747
<i>Transactions with owners in their capacity as owners:</i>				
Capital reserve	-	174	-	174
Dividends paid (note 14)	-	-	(3,863)	(3,863)
Balance at 30 June 2024	12,890	1,835	79,249	93,974

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2024	12,890	1,835	79,249	93,974
Profit after income tax expense for the year	-	-	12,160	12,160
Other comprehensive gain for the year, net of tax	-	924	-	924
Total comprehensive income for the year	-	924	12,160	13,084
<i>Transactions with owners in their capacity as owners:</i>				
Capital reserve	-	(343)	-	(343)
Dividends paid (note 14)	-	-	(4,041)	(4,041)
Balance at 30 June 2025	12,890	2,416	87,368	102,674

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

	Note	Consolidated 2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		112,769	111,938
Payments to suppliers and employees		(88,693)	(93,810)
		24,076	18,128
Interest received		15	19
Interest and other finance costs paid		(1,375)	(1,535)
Income taxes paid		(3,530)	(2,285)
Net cash from operating activities	15	19,186	14,327
Cash flows from investing activities			
Payments for property, plant and equipment		(4,069)	(5,337)
Payments for intangibles		(4,816)	(4,960)
Proceeds from disposal of property, plant and equipment		4,716	1,521
Net cash used in investing activities		(4,169)	(8,776)
Cash flows from financing activities			
Repayment of borrowings	15	(8,121)	(1,002)
Repayment of lease liabilities	15	(918)	(469)
Dividends paid	14	(4,041)	(3,863)
Proceeds from borrowings	15	1,029	-
Net cash used in financing activities		(12,051)	(5,334)
Net increase in cash and cash equivalents		2,966	217
Cash and cash equivalents at the beginning of the financial year		6,275	6,022
Effects of exchange rate changes on cash and cash equivalents		(260)	36
Cash and cash equivalents at the end of the financial year		8,981	6,275

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

Note 1. Operating segments

Identification of reportable operating segments

The consolidated entity's operations consist of the manufacture of dental restorative products, teeth whitening systems and small dental equipment for sale to dental distributors, dental dealers and dentists worldwide.

Operating segments are determined using the 'management approach', where the information presented is on the same basis as the internal reports reviewed by the Board of Directors (identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The consolidated entity comprises four separate reportable operating segments which are primarily identified on the basis of subsidiary companies in different geographical markets.

The CODM reviews segment results before tax, depreciation and amortisation, intersegment adjustments, interest revenue and finance costs. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Reportable segments

The consolidated entity's reportable segments are as follows:

Australia:	SDI Limited
Europe:	SDI Germany GmbH (Germany) and SDI Dental Innovations Limited (United Kingdom)
USA:	SDI (North America), Inc.
Brazil:	SDI Brasil Industria e Comercio Ltda and SDI Holdings Do Brazil Ltda

Intersegment transactions

The segment revenues, expenses and results include transfers between segments. The pricing of the intersegment transactions is based on cost plus an appropriate mark-up, which reflects market conditions of the segment into which the sales are made. These transfers are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

The consolidated entity has a number of customers to whom it sells products. No single customer represents 10% or more of the consolidated entity's revenue.

Note 1. Operating segments (continued)

Operating segment information

Consolidated - 2025	Australia \$'000	Europe \$'000	USA \$'000	Brazil \$'000	Total \$'000
Revenue					
Sales to external customers	32,820	44,649	24,308	8,607	110,384
Intersegment sales	30,393	6,871	-	-	37,264
Total sales revenue	63,213	51,520	24,308	8,607	147,648
Total segment revenue	63,213	51,520	24,308	8,607	147,648
Intersegment eliminations					(37,264)
Total revenue					110,384
Segment results before tax and adjustments below					
	19,934	2,289	943	703	23,869
Intersegment adjustments	(2,548)	-	-	-	(2,548)
Depreciation and amortisation	(4,027)	(507)	(209)	(116)	(4,859)
Interest revenue	10	1	-	4	15
Finance costs	(1,341)	(18)	(9)	(7)	(1,375)
Profit before income tax expense	12,028	1,765	725	584	15,102
Income tax expense					(2,942)
Profit after income tax expense					12,160
Assets					
Segment assets	125,963	20,987	8,763	7,047	162,760
Intersegment eliminations					(21,562)
Total assets					141,198
Liabilities					
Segment liabilities	32,412	14,733	1,374	4,802	53,321
Intersegment eliminations					(14,797)
Total liabilities					38,524

Note 1. Operating segments (continued)

Consolidated - 2024	Australia \$'000	Europe \$'000	USA \$'000	Brazil \$'000	Total \$'000
Revenue					
Sales to external customers	36,349	41,333	24,686	8,838	111,206
Intersegment sales	29,907	5,910	-	-	35,817
Total sales revenue	66,256	47,243	24,686	8,838	147,023
Total segment revenue	66,256	47,243	24,686	8,838	147,023
Intersegment eliminations					(35,817)
Total revenue					111,206
Segment results before tax and adjustments below					
	21,130	1,833	933	1,403	25,299
Intersegment adjustments	(3,390)	-	-	-	(3,390)
Impairment of assets	(499)	-	-	(469)	(968)
Depreciation and amortisation	(3,594)	(320)	(178)	(95)	(4,187)
Interest revenue	15	-	-	4	19
Finance costs	(1,512)	(15)	(2)	(6)	(1,535)
Profit before income tax expense	12,150	1,498	753	837	15,238
Income tax expense					(4,817)
Profit after income tax expense					10,421
Assets					
Segment assets	127,027	16,681	8,099	6,969	158,776
Intersegment eliminations					(18,115)
Total assets					140,661
Liabilities					
Segment liabilities	41,300	12,295	1,047	5,187	59,829
Intersegment eliminations					(13,142)
Total liabilities					46,687

Note 2. Other gains/(losses)

	Consolidated 2025 \$'000	2024 \$'000
Net foreign exchange gain/(loss)	810	(691)
Net (loss)/gain on disposal of property, plant and equipment	(148)	216
Other	364	309
Other gains/(losses)	1,026	(166)

Note 3. Earnings per share

	Consolidated 2025 \$'000	2024 \$'000
Profit after income tax attributable to the owners of SDI Limited	12,160	10,421

Note 3. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	118,865,530	118,865,530
Weighted average number of ordinary shares used in calculating diluted earnings per share	118,865,530	118,865,530
	Cents	Cents
Basic earnings per share	10.23	8.77
Diluted earnings per share	10.23	8.77

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of SDI Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Note 4. Trade and other receivables

	Consolidated 2025 \$'000	2024 \$'000
<i>Current assets</i>		
Trade receivables	20,151	20,653
Less: Allowance for expected credit losses	(82)	(72)
	20,069	20,581
Other receivables	817	464
	20,886	21,045

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$50,000 (2024: loss of \$27,000) in profit in respect of the expected credit losses for the year ended 30 June 2025.

Note 5. Inventories

	Consolidated 2025 \$'000	2024 \$'000
<i>Current assets</i>		
Raw materials	13,592	12,940
Finished goods	14,196	15,808
	27,788	28,748

Note 6. Assets classified as held for sale

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Land and Buildings ⁽¹⁾	-	4,837

(1) 69 Power road, Bayswater, VIC 3153 was settled on 17 January 2025.

Note 7. Property, plant and equipment

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - at cost	31,961	31,430
Less: Accumulated depreciation	(2,495)	(2,297)
	29,466	29,133
Plant and equipment - at cost	50,096	47,091
Less: Accumulated depreciation	(34,125)	(32,581)
	15,971	14,510
	45,437	43,643

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2023	33,755	12,074	45,829
Additions	891	4,446	5,337
Assets classified as held for sale (note 6)	(5,336)	-	(5,336)
Disposals	(33)	(134)	(167)
Depreciation expense	(144)	(1,876)	(2,020)
Balance at 30 June 2024	29,133	14,510	43,643
Additions	531	3,538	4,069
Disposals	-	(27)	(27)
Depreciation expense	(198)	(2,050)	(2,248)
Balance at 30 June 2025	29,466	15,971	45,437

Note 8. Right-of-use assets

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Land and buildings - right-of-use	3,675	3,245
Less: Accumulated depreciation	(2,400)	(1,925)
	<u>1,275</u>	<u>1,320</u>
Plant and equipment - right-of-use	829	826
Less: Accumulated depreciation	(547)	(515)
	<u>282</u>	<u>311</u>
	<u>1,557</u>	<u>1,631</u>

Additions to the right-of-use-assets during the year were \$613,000.

The consolidated entity leases land and buildings for offices and warehouses and motor vehicles under agreements between 2 to 5 years. On renewal, the terms of the leases are renegotiated.

Note 9. Intangibles

	Consolidated	
	2025 \$'000	2024 \$'000
<i>Non-current assets</i>		
Product development costs - at cost	39,753	37,649
Less: Accumulated amortisation	(18,228)	(16,980)
	<u>21,525</u>	<u>20,669</u>
Intellectual property - at cost	9,986	9,586
Less: Accumulated amortisation	(7,939)	(7,281)
	<u>2,047</u>	<u>2,305</u>
Development work in progress - at cost	9,884	7,590
	<u>33,456</u>	<u>30,564</u>

Note 9. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Product development costs \$'000	Intellectual property \$'000	Development work in progress \$'000	Total \$'000
Balance at 1 July 2023	16,857	2,268	8,193	27,318
Additions	4,272	688	-	4,960
Transfers in/ (out)	603	-	(603)	-
Amortisation expense	(1,063)	(651)	-	(1,714)
Balance at 30 June 2024	20,669	2,305	7,590	30,564
Additions	2,107	415	2,294	4,816
Amortisation expense	(1,251)	(673)	-	(1,924)
Balance at 30 June 2025	21,525	2,047	9,884	33,456

Note 10. Trade and other payables

	Consolidated 2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Trade payables	4,862	5,255
Other payables and accrued expenses	6,655	6,361
	11,517	11,616

Note 11. Borrowings

	Consolidated 2025 \$'000	2024 \$'000
<i>Current liabilities</i>		
Bank loans (i)	1,000	7,000
Short term borrowing (ii)	726	818
	1,726	7,818
<i>Non-current liabilities</i>		
Bank loans (i)	14,300	15,300
	16,026	23,118

- (i) This facility has been used to fund the purchase of properties to accommodate future warehousing and manufacturing capacity.
- (ii) This facility is used to fund the Company's annual insurance premium. This funding is unsecured.

The above bank loans are secured by a registered first mortgage debenture over the assets of the parent entity and a registered first mortgage over its freehold properties.

Note 11. Borrowings (continued)

The consolidated entity has:

- Loan facility of \$15,300,000 used to fund the recent purchase of properties;
- Unused loan facility of \$23,000,000 in place to fund the future building costs for 77-79 Canterbury Rd. Montrose, Victoria; and
- Unused working capital facility of \$10,000,000 for the year ended 30 June 2025.

The facilities allow for both fixed and variable rate loans. The loan facility matures 31 December 2028. Finance is provided under all facilities, which are reviewed annually, provided the parent entity is within the terms and conditions of the Agreement.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2025	2024
	\$'000	\$'000
Total facilities		
Bank loans	48,300	30,300
Short term borrowings	726	818
	<u>49,026</u>	<u>31,118</u>
Used at the reporting date		
Bank loans	15,300	22,300
Short term borrowings	726	818
	<u>16,026</u>	<u>23,118</u>
Unused at the reporting date		
Bank loans	33,000	8,000
Short term borrowings	-	-
	<u>33,000</u>	<u>8,000</u>

Note 12. Lease liabilities

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	<u>708</u>	<u>657</u>
<i>Non-current liabilities</i>		
Lease liability	<u>648</u>	<u>1,004</u>
	<u>1,356</u>	<u>1,661</u>

Note 13. Reserves

	Consolidated	
	2025	2024
	\$'000	\$'000
Foreign currency reserve	1,944	1,020
Capital profits reserve	<u>472</u>	<u>815</u>
	<u>2,416</u>	<u>1,835</u>

Note 13. Reserves (continued)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Capital profits reserve

The reserve is used to recognise non-taxable capital profits.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency \$'000	Capital profits \$'000	Total \$'000
Balance at 1 July 2023	1,694	641	2,335
Foreign currency translation	(674)	-	(674)
Capital reserve	-	174	174
Balance at 30 June 2024	1,020	815	1,835
Foreign currency translation	924	-	924
Capital reserve	-	(343)	(343)
Balance at 30 June 2025	1,944	472	2,416

Note 14. Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2025 \$'000	2024 \$'000
Interim dividend in respect of the year ended 30 June 2025 of 1.5 cents (2024: 1.5 cents) per ordinary share	1,783	1,783
Previous year: Final dividend in respect of the year ended 30 June 2024 of 1.90 cents (2023: 1.75 cents) per ordinary share	2,258	2,080
	4,041	3,863

On 28 August, 2025, the Directors declared a final franked dividend of 1.90 cents per share to be paid on 22 September, 2025. This equates to a total dividend of \$2,258,000, based on the number of ordinary shares on issue as at 30 June 2025. The financial effect of dividends declared after the reporting date is not reflected in the 30 June 2025 financial statements and will be recognised in subsequent financial reports.

Note 15. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2025 \$'000	2024 \$'000
Profit after income tax expense for the year	12,160	10,421
Adjustments for:		
Depreciation and amortisation	4,859	4,189
Impairment of assets	-	499
Net loss/(gain) on disposal of non-current assets	148	(216)
Foreign currency differences	841	(536)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	159	79
Decrease/(increase) in inventories	960	(3,195)
Decrease in income tax refund due	-	250
Decrease/(increase) in deferred tax assets	130	(137)
Decrease in prepayments	695	862
Decrease in trade and other payables	(99)	(370)
Increase in provision for income tax	722	1,292
Increase/(decrease) in deferred tax liabilities	(1,440)	1,127
Increase in employee benefits	51	62
Net cash from operating activities	<u>19,186</u>	<u>14,327</u>

Changes in liabilities arising from financing activities

Consolidated	Bank loans \$'000	Short term borrowing \$'000	Lease liability \$'000	Total \$'000
Balance at 1 July 2023	23,300	820	1,476	25,596
Net cash used in financing activities	(1,000)	(2)	(469)	(1,471)
Acquisition of leases	-	-	654	654
Balance at 30 June 2024	22,300	818	1,661	24,779
Net cash used in financing activities	(7,000)	(92)	(918)	(8,010)
Acquisition of leases	-	-	613	613
Balance at 30 June 2025	<u>15,300</u>	<u>726</u>	<u>1,356</u>	<u>17,382</u>

Note 16. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 \$'000	2024 \$'000
Profit after income tax	11,864	11,452
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	11,864	11,452

Statement of financial position

	Parent	
	2025 \$'000	2024 \$'000
Total current assets	44,410	50,101
Total non-current assets	81,511	76,883
Total assets	125,921	126,984
Total current liabilities	13,376	20,414
Total non-current liabilities	18,985	20,836
Total liabilities	32,361	41,250
Net assets	93,560	85,734
Equity		
Issued capital	12,890	12,890
Capital profits reserve	363	363
Retained profits	80,307	72,481
Total equity	93,560	85,734

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had \$2,258,000 capital commitments for property, plant and equipment as at 30 June 2025 (30 June 2024: \$1,009,000).