DGL GROUP LIMITED
AND CONTROLLED ENTITIES

ABN: 71 002 802 646

APPENDIX 4E AND
PRELIMINARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025

APPENDIX 4E

PRELIMINARY REPORT

FOR THE YEAR ENDED 30 JUNE 2025

Lodged in accordance with ASX Listing Rule 4.3A

Company Details

Name of reporting entity:	DGL Group Limited
ABN:	71 002 802 646
Reporting period:	1 July 2024 - 30 June 2025
Prior corresponding reporting period:	1 July 2023 - 30 June 2024

Results for announcement to the market

Group Results **(Unaudited)**	**30 June 2025** **$'000**	**30 June 2024** **$'000**	**Change** **%**
Revenue	481,496	466,135	3%
Earnings before depreciation, amortisation, finance costs and tax expense (EBITDA)	18,014	63,227	-72%
Earnings before interest and tax	(16,435)	33,003	-150%
Profit before tax (PBT)	(28,465)	21,461	-233%
Net profit after tax (NPAT)	(24,648)	14,328	-272%
NPAT attributable to owners of the Company	(24,648)	14,328	-272%
Weighted average number of shares	285,226	284,642	0%
Basic EPS (cents)	(8.64)	5.03	-272%
Net tangible asset backing per share ($)	0.79	0.75	5%
Net asset backing per share ($)	1.20	1.20	0%
Underlying EBITDA	**52,056**	64,605	-19%
- refer to reconciliation below			

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year.

Reconciliation of Reported EBITDA to Underlying Earnings

	30 June 2025 **$'000**	**30 June 2024** **$'000**	**Change** **%**
Reported EBITDA	**18,014**	63,227	-72%
Add back one-off items incurred during the period[1]	**34,042**	1,378	
Underlying EBITDA	**52,056**	64,605	-19%

[1] Underlying EBITDA adjusts for non-recurring costs including asset write downs, goodwill impairment, restructuring costs, ERP implementation costs and doubled up costs on site relocations for the year ended 30 June 2025.

Restructuring	1,419	-
Software Development	1,068	846
Gain/Loss on Property Sale	49	-
Tomago provision release	-	(1,019)
Acquisition costs	340	1,551
Doubled up costs on site relocations	898	-
Write down of software assets	1,690	-
Write down of Property, Plant & Equipmer	12,590	-
Write down of assets held for sale	2,138	-
Impairment of goodwill	13,850	-
Total non-recurring items	**34,042**	**1,378**

EXPLANATION OF RESULTS

Please refer to the accompanying Review of Operations for an explanation of the FY25 financial results.

This report should be read in conjunction with any public announcements made by the Company in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 (Cth) and ASX Listing Rules.

This Appendix 4E should be read in conjunction with the Preliminary Financial Report which has been prepared in accordance with ASX Listing Rule 4.3A . The financial statements in the Preliminary Financial Report are in the process of being audited. The company expects that the final audit opinion will be modified with a qualification on the existence and valuation of inventories at two group locations.

Entities over which control has been gained or lost during the year

The Group acquired control of Enlog Pacific Holdings Pty Ltd on 1 August 2024, Australian Petro Chemical Storage Pty Ltd on 1 October 2024 and wound up DGL Group, Inc., an entity incorporated in the United States of America on 10 November 2024.

Dividend reinvestment plans

Not applicable.

Details of associates and joint venture entities

Not applicable.

Foreign entities

The results of the New Zealand subsidiaries, DGL (NZ) Limited, DGL Manufacturing Limited and DGL Warehousing (NZ) Limited and the United States subsidiary, DGL Group Inc, have been compiled using International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Operating and Financial Review

As indicated at our half year results, 2025 was a transitional year for DGL Group. Our earnings were below where we want them to be, and we are taking actions to correct our financial performance.

FY25 revenue of $481.5 million was up 3.5% compared to FY24 revenue of $465.1 million. Gross margins improved 1.7% to $203.9 million in FY25 from $200.4 million in FY24. Revenue and margins were driven by a strong performance in Manufacturing with strong demand for crop protection products in particular, increased Logistics revenues and contribution from acquisitions. Offsetting this was a significant decline in used lead acid battery (ULAB) recycling revenues, continued normalising in pricing for Adblue automotive products and external factors reducing demand in the mining sector.

The consolidated Group loss after tax amounted to $24.6 million (2024: profit after tax of $14.3 million). The primary drivers of the loss were asset write-downs (detailed below) and operational losses in DGL's ULAB processing business due to intensified competition that increased used battery acquisition costs. In response, DGL has discontinued lead recycling at its Laverton, Victoria facility, with all future ULAB recycling operations consolidated at DGL's Unanderra, NSW facility. DGL also rationalised employee and overhead expenses at Unanderra during H2 FY25 to align costs with incoming battery volumes and improve profitability and cash flow.

Additional factors contributing to the loss included increased costs from headcount growth and wage inflation, and from higher occupancy expenses and higher interest and depreciation charges as DGL continues to build capacity.

The restructuring initiatives and plant closure resulted in goodwill impairment, restructuring costs and plant and equipment write-downs associated with closing the Laverton, Victoria facility, which is now held for sale.

On an underlying basis, adjusting for $28.1m in non-recurring items, the underlying profit of the Group after providing for income tax amounted to $3.5 million (2024: $15.7 million). The non-recurring items included: goodwill impairment $13.9 million, write downs relating to Property, Plant and Equipment $12.6m, software write offs of $1.7 million, redundancy restructuring costs of $1.4 million, chlorine plant project write downs of $2.1 million, ERP implementation costs of $1.1m, duplicated lease costs relating to relocations of $0.9 million, acquisition costs of $0.3 million and the tax impact of these items.

A major focus during FY25 has been the tighter integration of 30 business and asset acquisitions in the last five years. These acquisitions have added significant capacity and capabilities to the group allowing us to offer a compelling and complete service to our customers. However, while a degree of operational integration has occurred, further integration is required to reduce costs and improve productivity. In FY25 the Group invested in implementing new group ERP & Finance, Logistics Management and HR & Payroll systems that are expected to replace over 30 stand-alone systems, that should lead to cost savings, productivity gains, better management information and improved customer service in FY26.

The integration activities include amalgamating and consolidating operating entities and continuing to optimise the Group’s owned and leased property portfolio to move from outdated, less efficient premises to larger, more productive facilities. This resulted in the sale of non-core properties in FY25 with additional properties sold, and held for sale in FY26.

Dividends Paid or Declared

No dividend has been declared, and no dividends were paid or declared during and since the end of the financial year.

DGL GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 71 002 802 646
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	Group 2025 $000	Group 2024 $000
Sales revenue	2	481,496	466,135
Cost of sales		(277,634)	(263,410)
		203,862	202,725
Other income	2	1,471	3,128
Acquisition costs relating to business combinations		(340)	(1,551)
Employee benefits expense		(114,755)	(101,844)
Share based payments		(118)	-
Administration and general expenses		(21,091)	(20,771)
Legal and professional fees		(2,656)	(4,493)
Occupancy expense		(18,092)	(13,967)
Depreciation and amortisation expense		(34,449)	(30,224)
Finance costs		(12,030)	(11,542)
Write down of assets held for sale		(2,167)	-
Write down of software assets		(1,690)	-
Write down of Property, Plant & Equipment		(12,560)	-
Impairment of goodwill		(13,850)	-
Profit/(Loss) before income tax		(28,465)	21,461
Tax benefit/(expense)		3,817	(7,133)
Net Profit/(Loss) from continuing operations		(24,648)	14,328
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
(loss) on derivative contract held as hedging instruments, net of tax		(155)	(122)
Exchange differences on translating foreign operations, net of tax		375	(338)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on land and buildings, net of tax		23,194	-
Total other comprehensive income/(loss) for the year		23,414	(460)
Total comprehensive income for the year		(1,234)	13,868
Net profit attributable to:			
Owners of the parent entity		(24,648)	14,328
		(24,648)	14,328
Total comprehensive income attributable to:			
Members of the parent entity		(1,234)	13,868
		(1,234)	13,868
Earnings per share			
Basic and diluted (loss) / earnings per share (cents)		(8.64)	5.03

The accompanying notes form part of these financial statements.

DGL GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 71 002 802 646
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	Group 2025 $000	Group 2024 $000
Assets			
Current Assets			
Cash and cash equivalents		15,941	19,630
Trade and other receivables		53,309	60,151
Inventories		41,477	39,501
Asset held for sale	3	27,930	20,606
Other assets		7,683	9,085
Total Current Assets		146,340	148,973
Non-Current Assets			
Property, plant and equipment		254,717	260,123
Intangible assets	4	137,012	145,562
Right-of-use assets		63,266	44,952
Total Non-Current Assets		454,995	450,637
Total Assets		601,335	599,610
Liabilities			
Current Liabilities			
Trade and other payables		39,717	36,949
Other financial liabilities		3,660	3,507
Borrowings	5	6,555	3,656
Lease liabilities		16,877	14,458
Current tax liabilities		7,740	6,520
Provisions		9,660	9,575
Deferred income		29	1,244
Total Current Liabilities		84,238	75,909
Non-Current Liabilities			
Lease liabilities		49,733	32,980
Borrowings	5	104,024	129,804
Deferred tax		20,629	16,396
Provisions		1,268	1,112
Deferred income		-	1,200
Total Non-Current Liabilities		175,654	181,492
Total Liabilities		259,892	257,401
Net Assets		341,443	342,209
Equity			
Issued capital		258,462	258,112
Reserves		10,961	(8,075)
Retained earnings		72,020	92,172
Total Equity		341,443	342,209

The accompanying notes form part of these financial statements.

DGL GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 71 002 802 646
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share Capital	Retained Earnings	Reserves					Total
			Asset Revaluation Reserve	Cash Flow Hedge Reserve	Merger Acquisition Reserve	Share-based Payments Reserve	Foreign Currency Translation Reserve	
	$000	$000	$000	$000	$000	$000	$000	$000
Consolidated Group								
Balance at 1 July 2023	258,364	77,844	48,005	142	(54,230)	-	(1,532)	328,593
Comprehensive income								
Profit for the year	-	14,328	-	-	-	-	-	14,328
Other comprehensive income for the year	-	-	-	(122)	-	-	(338)	(460)
Total comprehensive income for the year	-	14,328	-	(122)	-	-	(338)	13,868
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	191	-	-	-	-	-	-	191
Transaction costs net of tax	(10)	-	-	-	-	-	-	(10)
shares bought back during the year	(433)	-	-	-	-	-	-	(433)
						-		
Total transactions with owners and other transfers	(252)	-	-	-	-	-	-	(252)
Balance at 30 June 2024	258,112	92,172	48,005	20	(54,230)	-	(1,870)	342,209
Balance at 1 July 2024	258,112	92,172	48,005	20	(54,230)	-	(1,870)	342,209
Comprehensive income								
Loss for the year	-	(24,648)	-	-	-	-	-	(24,648)
Other comprehensive Loss for the year	-	-	23,194	(155)	-	-	375	23,414
Dividend Paid	-		-	-	-	-	-	-
Total comprehensive income for the year	-	(24,648)	23,194	(155)	-	-	375	(1,234)
Transactions with owners, in their capacity as owners, and other transactions								
Shares issued during the year	350	-	-	-	-	-	-	350
Share based payments reserve	-	-	-	-	-	118	-	118
Reclassification of reserves relating to disposed assets	-	4,496	(4,496)	-	-	-	-	-
Total transactions with owners and other transactions	350	4,496	(4,496)	-	-	118	-	468
Balance at 30 June 2025	258,462	72,020	66,703	(135)	(54,230)	118	(1,495)	341,443

DGL GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 71 002 802 646
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Group 2025 $000	Group 2024 $000
Cash flows from operating activities			
Receipts from customers		496,473	452,557
Payments to suppliers and employees		(440,432)	(402,430)
Interest received/other income		1,471	2,608
Finance costs		(12,030)	(10,854)
Income tax paid		(793)	(6,643)
Net cash generated by operating activities		44,689	35,238
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		10,463	4,000
Proceeds from disposal of assets held for sale		11,075	-
Purchase of property, plant and equipment		(19,908)	(25,994)
Payments for acquisition costs		(340)	(1,551)
Purchase of intangibles		(801)	(3,097)
Purchase of subsidiary		(7,501)	-
Purchase of business and assets		-	(15,110)
Cash acquired from acquisition of subsidiary		584	-
Net cash (used in) investing activities		(6,428)	(41,752)
Cash flows from financing activities			
Payments of capital raising costs		-	(10)
Share buy-back payment		-	(433)
Net (repayment) / proceeds from borrowings		(23,828)	5,499
Repayment of principal portion of lease liabilities		(18,021)	(15,895)
Net cash (used in) financing activities		(41,849)	(10,839)
Net (decrease) in cash and cash equivalents		(3,588)	(17,353)
Cash and cash equivalents at beginning of financial year		19,630	36,919
Effect of exchange rates on cash holdings in foreign currencies		(101)	64
Cash and cash equivalents at end of financial year		15,941	19,630

The accompanying notes form part of these financial statements.

Note 1 Material Accounting Policy Information

(a) New and Amended Accounting Policies Adopted by the Group

The Group have adopted all mandatory standards effective at 30 June 2025.

None of these standards had a material impact on the reported financial position or performance.

(b) Intangible assets

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

(c) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key Management judgement that the Group will make. The Group determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Group.

Impairment

In assessing potential impairment, Management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

All impairment losses are recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, Management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Income tax

The Group is subject to income taxes in which jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax payable based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available.

Provisions

Provisions are recognised when DGL Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Expected credit losses

In line with AASB 9, trade debtors are reviewed in accordance with the simplified approach to measuring expected credit losses based on the payment profile of sales over a period of four years and the corresponding historical credit losses experienced within this period, which is reassessed annually. DGL Group’s assessment of trade receivables and loss allowances did not indicate a material change to trade receivables and loss allowances.

Note 2 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Group	
	2025	2024
Continuing operations	$000	$000
Revenue from contracts with customers	455,309	450,719
Other sources of revenue	26,187	15,416
Total sales revenue	481,496	466,135
Other income		
- Miscellaneous income	437	182
- Interest received	336	688
- Administration revenue	50	155
- Fuel tax credits income	111	967
- Gain on sale of fixed assets	412	843
- Foreign exchange gain/(loss)	125	103
- Gain on bargain purchase acquisition	-	190
Total other income	1,471	3,128

(a) Revenue disaggregation

The revenue is disaggregated by the following segments:

	Group	
	2025	2024
	$000	$000
- Environmental Services	47,532	65,812
- Chemical Manufacturing	287,682	283,874
- Logistics	146,274	115,362
- Corporate - rental income	8	1,088
	481,496	466,135

Note 3 Assets held for sale

	Group 2025 $000	Group 2024 $000
Asset held for sale		
11 Boden Rd, Seven Hills	14,260	-
19 Little Boundary Rd, Laverton	7,500	-
25 School Drive, Tomago	1,769	-
Project - Nambour	4,401	6,542
Property - 38 Seaview Place	-	14,064
	27,930	20,606

During FY25 the Group reviewed its tangible assets and identified several non-core assets which it began actively marketing for disposal. At the date of this report, the status of each is outlined below:

- 11 Boden Road, Seven Hills is located in New South Wales (metropolitan Sydney). It is a site the Company dedicated to manufacturing water products. On 14 August 2025, the Company entered into an unconditional contract for its sale for a total consideration of $16.7 million. The sale is expected to settle in November 2025.

- The Company is in advanced negotiations for the sale of its Laverton ULAB recycling site for a total consideration of $7.5m.

- On 11 August 2025, the Company entered into an unconditional contract for the sale of its Tomago site for a total consideration of $2.0 million. The sale is expected to settle in September 2025.

- Nambour is a work in progress project and relates to a chlorine manufacturing plant, formerly in partnership with Unity Water. DGL now owns 100% of the project, along with associated intellectual property. Due to material changes in the operating environment, DGL is actively negotiating with potential buyers to dispose of the project assets in their immediate condition. During the year, the carrying value of the asset was written down by $2.1m.

- 38 Seaview Place was a non-core DGL site which sold for NZD$12.5m, and settled on 10 October 2024.

Note 4 Intangible Assets

Goodwill impairment assessment

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	2025 $000	2024 $000
Environmental Services	5,497	19,347
Chemical Manufacturing	106,303	102,096
Logistics	20,642	18,775
Total	132,442	140,218

The Group determines whether an asset is impaired by calculating its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use (VIU). Where applicable, the Group uses the VIU approach, which involves estimating the present value of future cash flows expected to be derived from the asset or cash-generating unit.

The value in use calculations use cash flow forecasts based on financial budgets approved by management covering a five-year period. The FY26 budget takes into account the full year impact of acquisitions undertaken in FY25 as well as growth expected from capital investments in existing businesses and the current market trading conditions. Budgeted growth beyond FY26 is based on cumulative past performance and management's expectations of market development.

The discount rate applied to the cash flow projections is post-tax which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the cash generating units identified and benchmarked for reasonableness against businesses in similar industries.

Based on the impairment assessment as at 30 June 2025, the goodwill of the Environmental CGU has been written down by $13.9m.

Note 5 Borrowings

	Note	Group 2025 $000	Group 2024 $000
Current			
Secured liabilities - amortised cost:			
Bank loans		4,604	1,489
Other loans		1,951	2,167
Total current borrowings		6,555	3,656
Non-current			
Secured liabilities - amortised cost:			
Bank loans		103,700	129,784
Other loans		324	20
Total non-current borrowings		104,024	129,804
Total borrowings	29	110,579	133,460

	Group 2025 $000	Group 2024 $000
(a) Total current and non-current secured liabilities:		
Bank loans	108,304	131,273
Other loans	2,275	2,187
	110,579	133,460

Note 5: Borrowings (continued)

(b) **Collateral provided**

On 19 December 2023, the Group entered into a Syndicated Facility Agreement. The previous facility with ANZ Bank Group Limited was due to mature in September 2024 and the new multi-option syndicated facility matures in December 2026.

Facility A, purpose to refinance existing Financial Indebtedness of the Group and to fund further acquisitions and capital expenditure.

Facility B, purpose to provide financing of working capital and general corporate purposes

The two facilities are secured by a first ranking security charge over the Group's assets and property excluding those covered under the Equipment finance loans.

Facilities drawn as at 30 June 2025

	Amount Drawn	Total facility
	$000	**$000**
Facility A - effective blended rate 5.81% p.a.	55,034	65,500
Facility B - effective rate 5.71% p.a.	30,906	40,000
Equipment finance facilities - effective interest rate 6.44% p.a.	22,364	37,445
Overdraft facility	-	3,000
Total Bank loans	108,304	145,945

The bank loans carried an effective blended interest rate of 5.78% p.a. as at 30 June 2025.

Under the terms of the agreement for Facility A and Facility B, the group is required to comply with the following financial

- The Leverage Ratio of the Group is no more than 3:1
- The Fixed Charge Cover Ratio of the Group is at least 2:1;
- The Debt to Capitalisation Ratio of the Group is no more than 0.5:1; and
- Facility B borrowing base ratio does not exceed 100%.

On 30 June 2025, the Group and its Syndicate lenders executed a Covenant Amendment Letter which temporarily amended the financial covenants for a period of 6 months, ending 30 December 2025. The financial covenants were amended as follows:

- The maximum Leverage Ratio increased from 3.0:1 to 3.5:1
- The minimum Fixed Charge Cover Ratio reduced from 2.0:1 to 1.75:1

The Group is in compliance with all of its debt covenants as at 30 June 2025.

From 31 December 2025, the Group's amended financial covenants will revert to the terms of the agreement:

- Maximum Leverage Ratio 3.0:1
- Minimum Fixed Charge Cover Ratio 2.0:1

Note 6 Issued Capital

	Group	
	2025 $000	2024 $000
285,225,261 fully paid ordinary shares (2024: 284,610,360 fully paid ordinary shares)	258,462	258,112
	258,462	258,112

(a) **Ordinary Shares**

	Group			
	2025		2024	
	No.	$'000	No.	No. '000
At the beginning of the reporting period	284,610,360	258,112	284,911,205	258,364
Shares issued during the year	614,901	350	245,256	191
Less: share buy back	-	-	(546,101)	(433)
Less: capital raising costs	-	-	-	(10)
At the end of the reporting period	258,462	258,462	284,610,360	258,112

On 2 September 2024, 614,901 fully paid ordinary shares were issued at $0.5692 per share. The share issuance was made to the Vendors as part of the consideration for the share acquisition of Enlog Pacific Holdings Pty Ltd. No cash was raised.

Note 7 Operating Segments

Types of products and services by segment

(i) *Environmental Services*

The Group's Environmental Solutions segment is focused on resource recovery and waste management. Its core activities comprise liquid waste treatment, end-of-life lead acid battery ("ULAB") recycling and lead smelting and refining.

ULAB recycling is undertaken at two EPA licensed recycling facilities located in New South Wales and Victoria. The division relies on an established and mature collection network of suppliers located throughout Australia. ULABs are recycled in state-of-the-art recycling facilities which are highly automated. The primary outputs from the ULAB recycling process are lead products, scrap plastic and waste.

The segment operates a waste water treatment plant at its New South Wales ULAB recycling plant to process liquid waste generated from its own plant and from external customers.

(ii) *Chemical Manufacturing*

The Group's Chemical Manufacturing segment produces its own range of speciality chemicals and undertaken advanced formulation and contract manufacturing on behalf of third parties. The Group believes the segment provides a versatile, end to end solution for its customers.

Operations are focused on deriving chemicals from complex reactions in controlled environments. Using internally developed intellectual property, the division also manufactures DGL branded goods.

(iii) *Logistics*

The Group's Logistics segment offers transport, logistics and warehousing services focusing on dangerous and hazardous goods across Australia and New Zealand. The segment also manages logistics and distribution for other goods including food, pharmaceutical products, agricultural products, security sensitive goods and temperature-controlled products.

Key components of the services provided by the Logistics segment include freight forwarding, inventory management, warehousing, and transport.

(iv) *Corporate costs*

The Group's Corporate Costs segment represents costs incurred by the Group not allocated to the operating segments.

Note 7: Operating Segments (continued)

(e) **Segment performance**

Year ended 30 June 2025	Environmental Services $000	Chemical Manufacturing $000	Logistics $000	Corporate Costs $000	Eliminations $000	Total $000
REVENUE						
External sales	71,451	268,694	141,343	8	-	481,496
Inter-company revenue	5,608	15,833	25,810	1,892	(49,143)	-
Total segment revenue	77,059	284,527	167,153	1,900	(49,143)	481,496
Underlying EBITDA	1,757	37,943	23,072	(7,463)	(3,253)	52,056
Depreciation & amortisation	(4,875)	(13,386)	(17,912)	(934)	2,658	(34,449)
Underlying EBIT	(3,118)	24,557	5,160	(8,397)	(595)	17,607
Reconciliation of segment result to group net profit/loss before tax						
Finance costs						(12,030)
Restructuring						(1,419)
Software Development						(1,068)
Write down software assets						(1,690)
Gain/Loss on Property Sale						(49)
Acquisition costs						(340)
Write down Property, Plant & Equipment						(12,590)
Doubled up costs on site relocations						(898)
Write down assets held for sale						(2,138)
Impairment of goodwill						(13,850)
Net profit/(loss) before tax from continuing operations						(28,465)

Year ended 30 June 2024	Environmental Solutions $000	Chemical Manufacturing $000	Logistics $000	Corporate Costs $000	Eliminations $000	Total $000
REVENUE						
External sales	97,667	256,892	110,488	1,088	-	466,135
Inter-company revenue	2,349	17,860	27,341	6,683	(54,233)	-
Total segment revenue	100,016	274,752	137,829	7,771	(54,233)	466,135
Underlying EBITDA	8,135	44,973	23,928	(10,273)	(1,987)	64,776
Depreciation & amortisation	(4,283)	(9,963)	(16,511)	(2,116)	2,649	(30,224)
Underlying EBIT	3,852	35,010	7,417	(12,389)	662	34,552
Reconciliation of segment result to group net profit/loss before tax						
Finance costs						(11,542)
Acquisition costs						(1,549)
Impairment expenses						-
Net profit before tax from continuing operations						21,461

Note 8 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 2 July 2025, the Company completed purchase settlement on vacant land located at 27 Mania Road, Christchurch for a total consideration of $1.9m.

On 11 August 2025, the Company entered into an unconditional contract for the sale of its Tomago site for a total consideration of $2.0 million. The sale is expected to settle in September 2025 and the proceeds will be used to reduce debt.

On 14 August 2025, the Company entered into an unconditional contract for the sale of its Seven Hills manufacturing facility for a total consideration of $16.7 million. The sale is expected to settle in November 2025 and the proceeds will be used to reduce debt.

The Company is in advanced negotiations for the sale of its Laverton ULAB recycling site for a total consideration of $7.5m.

Note 9 Contingent Liabilities

The Group is currently subject to an ongoing investigation by the Environmental Protection Authority (EPA) concerning alleged breaches of environmental regulations at one of its sites in 2024. While the proceedings are ongoing, there remains a possibility of financial outflow in connection with those proceedings. At the date of this report proceedings are in the preliminary stages, and the likelihood of a financial outflow cannot be reliably measured, but it is not considered likely to lead to a material outflow of resources.

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the matter has been assessed as a contingent liability. The Group has not recognised a provision in the financial statements, as a material outflow of resources is not considered probable at this stage. The matter will continue to be monitored and reassessed in future reporting periods.