

1. Company details

Name of entity:	Big River Industries Limited
ABN:	72 609 901 377
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	2.3%	to	405,093
Loss from ordinary activities after tax attributable to the owners of Big River Industries Limited	down	283.6%	to	(14,754)
Loss for the year attributable to the owners of Big River Industries Limited	down	283.6%	to	(14,754)

	2025 Cents	2024 Cents
Basic (loss)/earnings per share	(17.28)	9.59
Diluted earnings per share	(17.28)	9.47

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 4 October 2024	2.00	2.00
Interim dividend paid on 2 April 2025	2.00	2.00

On 25 August 2025, the Directors determined a fully franked dividend of 2 cents per fully paid ordinary share to be paid on 7 October 2025.

Comments

The loss for the Group after providing for income tax amounted to \$14,754,000 (30 June 2024: profit of \$8,034,000).

Refer to the Annual Report attached to this Appendix 4E for detailed explanation and commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	66.69	61.48

Calculated as follows:

	Group 2025 \$'000	Group 2024 \$'000
Net assets	101,376	119,248
Intangibles	(44,430)	(66,764)
Net tangible assets	56,946	52,484
Number of ordinary shares (No.)	85,391,326	85,362,772

4. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The dividend reinvestment plan dated 10 December 2019 is in operation, which can be downloaded at <http://bigriverindustries.com.au/investors/?pages=Corporate-Governance>

The last date(s) for receipt of election notices for the dividend or distribution plans: 8 September 2025

5. Audit qualification

Details of audit qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

6. Attachments

Details of attachments (if any):

The Annual Report of Big River Industries Limited for the year ended 30 June 2025 is attached.

7. Authorised for release

Authorised for release to the ASX by order of the Board.

Big River Industries Limited

ABN 72 609 901 377

Annual Report - 30 June 2025

Directors' report	2
Auditor's independence declaration	18
Consolidated statement of profit or loss and other comprehensive income	19
Consolidated statement of financial position	20
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	23
Notes to the consolidated financial statements	24
Note 1. General information	24
Note 2. Material accounting policy information	24
Note 3. Critical accounting judgements, estimates and assumptions	33
Note 4. Operating segments	33
Note 5. Revenue	35
Note 6. Other income	35
Note 7. Expenses	36
Note 8. Income tax	37
Note 9. Cash and cash equivalents	39
Note 10. Trade and other receivables	39
Note 11. Inventories	40
Note 12. Financial assets	40
Note 13. Derivative financial instruments	41
Note 14. Other assets	41
Note 15. Property, plant and equipment	41
Note 16. Right-of-use assets	42
Note 17. Intangibles	44
Note 18. Trade and other payables	46
Note 19. Borrowings	46
Note 20. Lease liabilities	47
Note 21. Provisions	48
Note 22. Contingent consideration	49
Note 23. Other liabilities	50
Note 24. Issued capital	50
Note 25. Reserves	51
Note 26. (Accumulated losses)/retained profits	51
Note 27. Dividends	52
Note 28. Financial instruments	52
Note 29. Fair value measurement	55
Note 30. Key management personnel disclosures	56
Note 31. Remuneration of auditors	56
Note 32. Contingent liabilities	56
Note 33. Related party transactions	57
Note 34. Parent entity information	57
Note 35. Interests in subsidiaries	59
Note 36. Deed of cross guarantee	59
Note 37. Cash flow information	62
Note 38. Earnings per share	63
Note 39. Share-based payments	63
Note 40. Events after the reporting period	65
Consolidated entity disclosure statement	66
Directors' declaration	67
Independent auditor's report to the members of Big River Industries Limited	68
Shareholder information	73
Corporate directory	75

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Big River Industries Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were Directors of Big River Industries Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Lorente	Managing Director and Chief Executive Officer
Martin Monro	Chair
Martin Kaplan	
Vicky Papachristos	
Brad Soller	
Brendan York	Resigned 11 June 2025

Principal activities

During the financial year the principal continuing activities of the Group consisted of the manufacture of veneer, plywood and formply, and the distribution of building supplies, including commercial and formwork product.

Dividends

Dividends paid

Dividends paid during the financial year were as follows:

	Group 2025 \$'000	Group 2024 \$'000
Final dividend of 2.0 cents per fully paid ordinary share paid on 4 October 2024 (2024: 8.5 cents per fully paid ordinary share paid on 6 October 2023)	1,707	7,099
Interim dividend of 2.0 cents per fully paid ordinary share paid on 2 April 2025 (2024: 5.5 cents per fully paid ordinary share paid on 27 March 2024)	1,708	4,595
	<u>3,415</u>	<u>11,694</u>

Dividend declared

On 25 August 2025, the Directors determined a fully franked dividend of 2 cents per fully paid ordinary share to be paid on 7 October 2025.

Review of operations

The Group revenue of \$405.1 million was down 2.3% vs FY2024 (6.6% down on a like-for-like basis, excluding SLQ business acquired in May 2024), due to challenging market conditions. The rate of decline slowed in 2H FY2025, reflecting stabilisation efforts and improving end-market conditions.

Gross profit margin improved by 20 basis points year-on-year, driven by pricing discipline, supply chain efficiencies, and tighter alignment with key suppliers. This margin expansion was achieved despite softer volumes and increased competition.

EBITDA (before significant items) of \$28.7 million was down 11.9% from \$32.6 million in FY2024. However, 2H FY2025 showed EBITDA growth of 10.6% vs 2H FY2024, with an 80-basis point margin expansion, supported by revenue stabilisation, gross margin resilience, and operating cost efficiencies.

Following a sustained market downturn and challenging trading conditions, the Group has conducted a comprehensive review of the carrying value of its assets. As a result, a non-cash impairment charge of \$20.0 million in relation to intangible assets has been recognised in the first half of the reporting period.

Net profit after tax ('NPAT') was a loss of \$14.7 million, as Group recognised non-cash and one-off impairment charge describe above. Total non-cash or one-off significant items of \$19.0 million are detailed in the table below.

Summary results

	Group 2025 \$'m	Group 2024 \$'m
Revenue	405.1	414.7
EBITDA*	28.7	32.6
Depreciation	(14.5)	(13.0)
Amortisation	(2.4)	(2.3)
Earnings before interest and tax ('EBIT')	11.8	17.3
Finance costs	(5.5)	(5.4)
Net profit before tax ('NPBT') and before significant items	6.3	11.9
Taxation	(2.0)	(3.5)
Net profit after tax ('NPAT') and before significant items	4.3	8.4
Significant Items, net of tax	(19.0)	(0.3)
Statutory NPAT	(14.7)	8.1
<i>Significant items, net of tax:</i>		
Acquisition costs	-	(0.8)
Rebranding and restructuring costs	(1.6)	(0.6)
Fair value gain on contingent consideration	2.1	0.8
Impairment charge	(20.0)	-
Tax benefit	0.5	0.3
Total significant items	(19.0)	(0.3)

* EBITDA is net profit before interest, taxes, depreciation, amortisation, and significant items which are acquisition costs, rebranding costs, restructuring costs, impairment charge and fair value gain.
EBITDA is a financial measure which is not prescribed by Australian Accounting Standards. The Directors consider EBITDA to represent the core earnings of the Group.

Segment performance

	Segment Revenue		Segment EBITDA	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Panels	129.7	123.6	13.5	15.5
Construction	275.4	291.1	23.2	24.2
Corporate	-	-	(8.0)	(7.1)
	405.1	414.7	28.7	32.6

Panels division

The division performed stronger in 1H FY2525, supported by solid demand for decorative and specialist panels. Conditions softened in 2H FY2025 as overall market activity declined, impacting the mix for the Group. QLD remained comparatively stable, while continued weakness in Victoria and NZ markets impacted volumes. Operational improvements across several branches supported improved results in 2H FY2025.

Construction division

Margins in the first half were pressured due to significantly reduced residential volumes, particularly in Frame & Truss operations across NSW and Victoria, following a sharp downturn in 2H FY2024. Aided by targeted cost controls and operational improvements, performance improved in the second half, indicating early signs of stabilisation.

Positive medium-term indicators, including lower interest rates and sustained housing demand are anticipated to support a gradual recovery across both divisions, with the Panels division expected to lag slightly behind Construction due to its position later in the build cycle.

	Group 2025 \$'m	Group 2024 \$'m
Net debt		
Cash and cash equivalents	22.8	20.5
Bank bills	(46.0)	(46.0)
Bank overdraft and trade/lease finance	(2.3)	(2.1)
Net debt	(25.5)	(27.6)
Contingent consideration*	(1.3)	(5.9)
Net debt adjusted for contingent consideration	(26.8)	(33.5)

* Contingent consideration represents estimated fair value of future payments to vendors of previously completed acquisitions. These payments are contingent on the achievement of certain financial targets of those acquired businesses. Refer note 22 'Contingent consideration' for further details.

The Group has a net debt position of \$25.5 million as at 30 June 2025, a decrease of \$2.1 million compared to 30 June 2024. The Group remains in a strong balance sheet position with a gearing ratio (measured as Net Debt/Net Debt plus Equity) of 20.1% (2024: 18.8%). From an operating cash flow perspective, the Group achieved a 100.1% EBITDA to cash conversion, driven by efficient working capital management.

Material business risks

The Group is subject to general risks as well as risks that are specific to the Group and the Group's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this is not a complete list of all risks which the Group is, or may be, subject to.

General economic risks

Economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's procurement and production activities, as well as its ability to fund those activities.

Products and Raw Material Supply

Any adverse change in the Group's ability to procure raw materials and products could adversely impact the operations and profitability of the business. The Group maintains a diverse range of reputable suppliers both locally and internationally that they have developed long term relationships with.

Work Health and Safety

The Group is focused on safety of its staff and customers. Occupational accidents and health hazards can result in employee injuries, legal liabilities, increased insurance costs, and operational disruptions.

Key Personnel risks

The Group's success depends on the continued active participation of its key personnel. If the Group were to lose any of its key personnel or if it were unable to employ additional or replacement personnel, its operations and financial results could be adversely affected.

IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from several sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Group is committed to preventing and reducing cyber security risks through ongoing management of the risks and continuous review.

Climate related

There may be climate related factors which impact the Group's operations in both the near and longer term. For example, these impacts could be in areas such as availability and cost of materials used in the Group's products or manufacturing processes, transport, and/or occurrence of extreme weather events. Any significant or sustained impacts could adversely affect the Group's financial performance and/or financial position. The Group has begun developing a comprehensive Scopes 1 & 2 Emissions Inventory in line with the Greenhouse Gas Protocol, integrating management and reduction strategies across all sites to meet reporting obligations. Sources of emissions for Scope 3 will also be identified, with ESG reporting to commence in the 2027 Annual Report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Subsequent to the end of the financial year, the Group successfully negotiated an extension of its existing banking facility with National Australia Bank. As disclosed in note 28, the revised terms include an extension of the maturity date (no bank bills maturing in FY 2026), with all other material terms remaining substantially unchanged.

Apart from the facility extension and the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group enters FY2026 with a leaner cost base, enhanced operational discipline, and clearly defined strategic priorities. While residential market activity remained subdued throughout FY2025, early indicators point to a modest recovery emerging in the first half of FY2026. Expectations of lower interest rates, ongoing housing demand, and continued government stimulus are anticipated to support a gradual rebound in residential construction activity over the course of the year.

The commercial segment remains comparatively resilient, supported by consistent demand and a solid pipeline of projects expected to continue into FY2026. The Group will maintain its strategic focus on growing market share in differentiated product categories, including lightweight cladding, engineered timber, and premium decorative panels. These segments continue to gain traction and remain central to the Group's long-term market positioning.

Supply chain enhancements delivered in FY2025, including improved procurement capability, strengthened supplier relationships, and more efficient logistics execution have better positioned the Group to manage volatility and respond to evolving customer needs. These improvements are expected to continue supporting cost control and operational efficiency throughout FY2026.

Queensland remains the Group's strongest performing and fastest-growing market, underpinned by robust construction activity and infrastructure investment linked to the 2032 Brisbane Olympics. The Group's significant presence in the state provides a strong platform to capitalise on this demand. While conditions in New South Wales and Victoria remain soft, some early signs of stabilisation emerged in late FY2025. The New Zealand market continues to face headwinds.

Although near-term market conditions remain uncertain, the Group is well positioned to benefit from a recovery in residential markets and continued stability in commercial activity. The Group's diversified geographic footprint, focus on trade-aligned segments, and commitment to higher-margin product categories provide a solid foundation for sustainable growth over the medium term.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	John Lorente
Title:	Managing Director and Chief Executive Officer
Qualifications:	John holds a Bachelor of Science from the University of Sydney, a Masters of Business Administration from Macquarie Graduate School of Management and is an Affiliate of the Australian Institute of Company Directors (AICD).
Experience and expertise:	John Lorente joined Big River in February 2018 and was appointed Managing Director and CEO on 1 March 2023. Prior to Big River, he spent 12 years at GWA Group Ltd, one of Australia's leading suppliers of building fixtures and fittings, where he held senior general management roles at both state and national levels within the Heating and Cooling and Kitchens and Bathroom divisions in Australia and the United States. Earlier in his career, John gained experience in the coatings and construction markets with Mirotone, Polycure and Corian.
Other current directorships:	Non-Executive Director of Natbuild (National Building Supplies) Group Pty Ltd since November 2022 (non-listed). Non-Executive Director of National Timber & Hardware Association (NTHA) since November 2024 (non-listed).
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	231,946 ordinary shares (directly) 36,588 ordinary shares (indirectly)
Interests in rights:	489,287 performance rights (directly)
Name:	Martin Monro
Title:	Independent Non-Executive Chair
Qualifications:	Martin has a BA with a double major in Psychology from Flinders University and post-graduate qualifications in Human Resources Management from Charles Sturt University. He is a graduate of the London Business School Accelerated Development Programme, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Building.
Experience and expertise:	Martin was formerly the Chief Executive Officer and Managing Director of Watpac Limited from August 2012 until his retirement in an executive capacity in June 2019. Martin remained on that board as a Non-Executive Director until May 2024. Martin has more than 30 years' experience in the Australian and International construction sectors, with a proven track record in prudent financial management, safety leadership and successful expansion into new markets. Since June 2020, Martin has been a Non-Executive Director of Fleetwood Limited and Chair of its Risk Committee, and in September 2022 joined the board of Service Stream Limited as a Non-Executive Director where he Chairs the Remuneration and Nomination Committee. Martin is also a Specialist Workplace Relations Advisor to the Board of the Australian Constructors Association where he was a Director from 2012 until 2019 and currently Chairs the advisory board of private wine making company Pannell Enoteca.
Other current directorships:	Fleetwood Limited (ASX: FWD) Service Stream Limited (ASX: SSM)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee
Interests in shares:	42,500 ordinary shares (directly)
Interests in rights:	None

Name:	Martin Kaplan
Title:	Non-Executive Director
Qualifications:	Martin holds a Bachelor of Commerce degree from the University of Cape Town and previously qualified as a Chartered Accountant (South Africa & Canada).
Experience and expertise:	Martin has been a Non-Executive Director of the Company since November 2015 and a director of Big River Group Pty Limited since February 2016. Martin is currently an Investment Director of Anacacia Capital Pty Ltd, the management company of the major shareholder Anacacia Partnership II, L.P.
Other current directorships:	Non-Executive Director of Direct Couriers Group Pty Ltd (non-listed) Non-Executive Director of Florabelle Imports Group Pty Ltd (non-listed)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee – effective 8 July 2025
Interests in shares:	Martin is an Investment Director of Anacacia Capital Pty Ltd which manages the interests of Anacacia Partnership II, L.P., a substantial shareholder of the Company. Martin does not have a relevant interest in those shares for the purposes of the Corporations Act 2001.
Interests in rights:	None
Name:	Vicky Papachristos
Title:	Independent Non-Executive Director
Qualifications:	Vicky holds an Engineering degree from Monash University, an MBA from the Australian Graduate School of Management and is a member of the Australian Institute of Company Directors.
Experience and expertise:	Vicky is an experienced Non-Executive Director for over 15 years and has served on public, private and not-for-profit Boards including Aussie Broadband, GMHBA, Eftpos, Mt Baw Baw Alpine Resort, Coventry Group and Scale Investors. In her corporate career she has experience in blue chip companies, as well as running her own marketing and customer strategy management consultancy firm. Vicky has been involved across various strategic and business development roles with organisations including Shell, Westpac, and Myer.
Other current directorships:	None
Former directorships (last 3 years):	Non-Executive Director of Aussie Broadband Limited (ASX: ABB). Non-Executive Director of GMHBA Limited. Non-Executive Director of Scale Investors Limited.
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	38,562 ordinary shares (indirectly)
Interests in rights:	None
Name:	Brad Soller
Title:	Independent Non-Executive Director
Qualifications:	Brad is a Chartered Accountant and has a Master of Commerce, a Bachelor of Accounting and a Bachelor of Commerce from the University of Witwatersrand.
Experience and expertise:	Brad is a very experienced senior financial executive and previously held the roles of Chief Financial Officer at Metcash, David Jones and Lendlease Group.
Other current directorships:	Non-Executive Director and Chair of the Audit and Risk Committee at Reliance Worldwide Corporation Limited (ASX: RWC). Advisory Board member of Merlon Capital Partners (non-listed).
Former directorships (last 3 years):	Non-Executive Director at Bapcor Limited (ASX: BAP).
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	14,945 ordinary shares (directly)
Interests in rights:	None

Name:	Brendan York
Title:	Former Non-Executive Director (resigned 11 June 2025)
Qualifications:	Brendan is a Chartered Accountant and has a Bachelor of Business Administration and a Bachelor of Commerce from Macquarie University.
Experience and expertise:	Brendan had been a Non-Executive Director of the Company since October 2019. He is currently Chief Financial Officer for IPH Limited (ASX: IPH). Brendan was previously the Chief Financial Officer of ASX Listed Eneo Group Ltd (ASX: EGG).
Other current directorships:	Not applicable as no longer a Director
Former directorships (last 3 years):	Not applicable as no longer a Director
Special responsibilities:	Not applicable as no longer a Director
Interests in shares:	Not applicable as no longer a Director
Interests in rights:	Not applicable as no longer a Director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Interests in shares' and 'interests in rights' are as at the date of this report.

Company Secretary

John O'Connor

John O'Connor was appointed to the position of Company Secretary on 22 August 2022. John has a Bachelor Commerce from University College Dublin, is a Chartered Management Accountant and a Graduate of the Australian Institute of Company Directors. He has over 30 years' experience in senior finance roles.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Attended	Nomination and Remuneration				Audit and Risk Committee	
		Full Board Held	Attended	Committee Held	Attended	Held	
J Lorente	11	11	-	-	-	-	
M Monro	11	11	2	2	4	4	
M Kaplan	11	11	2	2	-	-	
V Papachristos	11	11	2	2	-	-	
B Soller	10	11	-	-	4	4	
B York	10	10	-	-	4	4	

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations and explains how the Group's performance has driven remuneration outcomes.

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The key management personnel of the Group during FY2025 are detailed in the table below:

Name	Position	Term as KMP
<i>Non-Executive Directors:</i>		
M Monro	Director and Chair of the Board	Full year
M Kaplan	Director	Full year
V Papachristos	Director	Full year
B Soller	Director	Full year
B York	Former Director	To 11 June 2025
<i>Executive KMP:</i>		
J Lorente	Managing Director and Chief Executive Officer	Full year
<i>Other KMP:</i>		
J O'Connor	Chief Financial Officer	Full year

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration.
- Details of remuneration.
- Service agreements.
- Share-based compensation.
- Additional information.
- Additional disclosures relating to key management personnel.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for:

- determining and reviewing remuneration arrangements for its directors and executives;
- the operation of incentive plans, including equity-based remuneration plans for senior executives;
- reviewing Board and senior executive succession plans; and
- recommending the appointment of any new directors.

The quality of the directors and executives is a major factor in the overall performance of the Group. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to achievement of the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component;
- focusing on sustained growth in shareholder value and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high caliber executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder value; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options, rights or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Unless otherwise determined by a resolution of shareholders, the maximum aggregate remuneration payable by the Company to all non-executive directors of the Company for their services as directors, including their services on a Board Committee or Sub-Committee and including superannuation is limited to \$750,000 per annum (in total).

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework currently has three components:

- fixed base salary, including superannuation and non-monetary benefits;
- short-term performance incentives; and
- long-term performance incentives.

The combination of these comprises the executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Group.

The short-term incentive ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI payments made to executives are at the discretion of the Board and are based on the achievement of financial hurdles, principally relating to EBITDA performance, and key performance indicators ('KPI's') both financial and non-financial being achieved. KPI's include profit contribution, cash management, customer satisfaction, safety performance, leadership contribution and product management.

The STI's are paid in cash following the end of the financial year and approval from the Nomination and Remuneration Committee. The Nomination and Remuneration Committee retains the discretion to withdraw or amend the STI at any time.

The long-term incentive program ('LTI') is designed to create an alignment between shareholders and the remuneration of key executives and senior managers through the issue of Performance Rights. The number of Performance Rights vesting will be determined by reference to the compound annual growth rate ('CAGR') in Earnings Per Share ('EPS') over the vesting period and ranges from nil for less than 3% CAGR in EPS to 100% for greater than 10% CAGR in EPS, subject to an overriding discretion held by the Board. The Board considers CAGR in EPS to be an appropriate performance measure as it aligns with the Group's remuneration policy of creating shareholder value and is within the scope of influence of the selected executives.

Group performance and link to remuneration

Remuneration for the senior executives is directly linked to the performance of the Group. A portion of their STI is dependent on meeting the Board approved Annual Budget for operating EBITDA. The remaining portion of the STI is based on performance against objectives. In the event of a senior executive leaving during a financial year, any STI payable is at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings for the last five years.

Use of remuneration consultants

During the financial year ended 30 June 2025, the Group did not engage remuneration consultants.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the 31 October 2024 AGM, 99.69% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

		Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus***	Non-monetary	Superannuation	Leave benefits	Performance rights	Total
2025	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
M Monro	134,529	-	-	15,471	-	-	150,000
M Kaplan*	80,000	-	-	-	-	-	80,000
V Papachristos	85,202	-	-	9,798	-	-	95,000
B Soller	85,202	-	-	9,798	-	-	95,000
B York**	70,686	-	-	8,129	-	-	78,815
<i>Executive Directors:</i>							
J Lorente	504,483	75,000	-	29,932	12,822	79,080	701,317
<i>Other Key Management Personnel:</i>							
J O'Connor	387,991	21,009	-	29,932	(4,045)	35,353	470,240
	1,348,093	96,009	-	103,060	8,777	114,433	1,670,372

* M Kaplan is entitled to fees as a Director which are paid directly to Anacacia Capital Pty Ltd, a substantial shareholder.

** Remuneration is from 1 July 2024 to date of resignation as Director, being 11 June 2025.

*** The Nomination and Remuneration Committee considered the performance of the Group during the year and the senior executives achievement of financial and non-financial objectives. While the senior executives did not achieve the profit hurdle incentive target and therefore did not receive any financial STI, the executives did achieve various non-financial KPI's and as such were awarded 24% of their maximum STI for the year.

'Long-term benefits' represent movements in accrued long service and annual leave.

Total remuneration paid to non-executive Directors for the year ending 30 June 2025 amounted to \$498,815 (30 June 2024: \$500,855). This amounts to 66.5% (30 June 2024: 66.8%) of the maximum aggregate remuneration payable to all non-executive Directors of \$750,000, as approved at the 2023 AGM.

		Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees \$	Cash bonus*** \$	Non-monetary \$	Super-annuation \$	Leave benefits \$	Performance rights \$	Total \$
2024							
<i>Non-Executive Directors:</i>							
M Monro	109,837	-	-	12,082	-	-	121,919
M Kaplan*	75,000	-	-	-	-	-	75,000
V Papachristos	82,644	-	-	9,091	-	-	91,735
B Soller	82,644	-	-	9,091	-	-	91,735
B York	69,087	-	-	7,600	-	-	76,687
M Jackman**	39,441	-	-	4,338	-	-	43,779
<i>Executive Directors:</i>							
J Lorente	488,693	28,603	-	27,500	(2,258)	22,336	564,874
<i>Other Key Management Personnel:</i>							
J O'Connor	375,676	18,284	-	27,500	14,599	9,972	446,031
	1,323,022	46,887	-	97,202	12,341	32,308	1,511,760

* M Kaplan is entitled to fees as a Director which are paid directly to Anacacia Capital Pty Ltd, a substantial shareholder.

** Remuneration is from 1 July 2023 to date of resignation as Director, being 24 October 2023.

*** The Nomination and Remuneration Committee considered the performance of the Group during the year and the senior executives achievement of financial and non-financial objectives. While the senior executives did not achieve the profit hurdle incentive target and therefore did not receive any financial STI, the executives did achieve various non-financial KPI's and as such were awarded 12% of their maximum STI for the year.

'Long-term benefits' represent payment of accrued leave entitlements on termination, and movements in accrued long service leave and annual leave entitlements.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2025	2024	2025	2024	2025	2024
<i>Executive Directors:</i>						
J Lorente	78%	91%	11%	5%	11%	4%
<i>Other Key Management Personnel:</i>						
J O'Connor	88%	94%	4%	4%	8%	2%

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Maximum STI \$	Actual STI \$	Cash bonus paid/payable		Cash bonus forfeited	
Name			2025	2024	2025	2024
<i>Executive Directors:</i>						
J Lorente	241,765	75,000	31%	12%	69%	88%
<i>Other Key Management Personnel:</i>						
J O'Connor	151,239	21,009	14%	12%	86%	88%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: John Lorente
Title: Managing Director and Chief Executive Officer
Agreement commenced: 1 March 2023
Term of agreement: No fixed term
Details: Total fixed employment cost ('TFEC') of \$537,256 per annum including statutory superannuation contributions. Either John or the Company may terminate the employment contract by giving six months' written notice to the other party. A Short-Term Incentive ('STI') is payable up to 45% of TFEC subject to the achievement of financial hurdles, principally relating to EBITDA performance, and for the achievement of personal business objectives.

Name: John O'Connor
Title: Chief Financial Officer and Company Secretary
Agreement commenced: 22 August 2022
Term of agreement: No fixed term
Details: Total fixed employment cost ('TFEC') of \$420,109 per annum including statutory superannuation contributions. John may terminate his employment contract by giving three months' written notice to the Company and the Company may terminate the employment contract by giving three months' written notice to John. A Short-Term Incentive ('STI') is payable up to 36% of TFEC subject to the achievement of financial hurdles, principally relating to EBITDA performance, and for the achievement of personal business objectives.

As a part of their service agreements, John Lorente and John O'Connor also have the opportunity to participate in the Big River Industries Long Term Incentive Program ('LTI') by invitation, as per the program rules.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Measurement period*	Expiry date**	Fair value per right at grant date
J Lorente	74,363	14 October 2022	30 June 2025	14 October 2027	\$1.614
	155,570	15 November 2023	30 June 2026	15 November 2028	\$1.723
	259,354	5 November 2024	30 June 2027	5 November 2029	\$1.177
J O'Connor	76,098	24 February 2023	30 June 2025	14 October 2027	\$1.614
	69,455	15 November 2023	30 June 2026	15 November 2028	\$1.723
	115,911	5 November 2024	30 June 2027	5 November 2029	\$1.177

* Measurement period represents the financial year ended date for the measurement of vesting conditions for performance rights. Performance rights vest following confirmation of the achievement of vesting conditions in August following the end of the measurement period.

** The expiry date represents the last possible date that vested performance rights can be converted to shares in the Company if not exercised prior.

Performance rights granted carry no dividend or voting rights. On exercise of rights, the Board will determine at its discretion whether to settle the exercised rights in shares, cash, or a combination thereof. Performance rights that are not forfeited on cessation of employment will be retained for testing for vesting at the end of the relevant measurement period.

The number of performance rights over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Number of rights granted during the year 2025	Number of rights granted during the year 2024	Number of rights vested during the year 2025*	Number of rights vested during the year 2024**
J Lorente	259,354	155,570	-	97,511
J O'Connor	115,911	69,455	-	-

* Rights granted in December 2021 lapsed during the current year as performance condition (EPS Growth) attached to those rights was not achieved.

** Rights granted in December 2020 vested during the year ended 30 June 2024 as performance condition (EPS Growth) attached to those rights was achieved.

Values of performance rights over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Value of rights granted during the year \$	Value of rights vested during the year \$	Value of rights lapsed during the year \$
J Lorente	305,337	-	130,195
J O'Connor	136,462	-	-

Additional information

The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Sales revenue	405,093	414,676	449,451	409,263	281,382
EBITDA*	28,694	32,578	50,958	47,131	21,943
Profit after income tax (pre-significant items)	4,285	8,401	22,602	21,609	7,244
(Loss)/profit after income tax (statutory)	(14,754)	8,034	21,176	21,267	1,817

* EBITDA is net profit before interest, taxes, depreciation, amortisation, and significant items which are acquisition costs, rebranding costs, restructuring costs, impairment charge and fair value gain.

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards. The Directors consider EBITDA to represent the core earnings of the Group.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Earnings per share pre-significant items (cents per share)	5.02	10.03	27.27	26.44	10.29
Earnings per share (statutory) (cents per share)	(17.28)	9.59	26.76	26.03	2.58

The Board considers the achievement of EPS growth as aligned with and a key factor to the creation of shareholder value and this reinforces the remuneration principles set out in this Remuneration report.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Exercise of performance rights	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
J Lorente	268,534	-	-	-	268,534
M Monro	36,242	-	6,258	-	42,500
M Kaplan	-	-	-	-	-
V Papachristos	37,437	-	1,125	-	38,562
B Soller	14,509	-	436	-	14,945
B York	-	-	-	-	-
J O'Connor	20,000	-	-	-	20,000
	<u>376,722</u>	<u>-</u>	<u>7,819</u>	<u>-</u>	<u>384,541</u>

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
J Lorente	296,106	259,354	-	(66,173)	489,287
J O'Connor	145,553	115,911	-	-	261,464
	<u>441,659</u>	<u>375,265</u>	<u>-</u>	<u>(66,173)</u>	<u>750,751</u>

* Expired/forfeited/other represents rights lapsed during the current year as performance condition (EPS Growth) attached to those rights was not achieved.

This concludes the remuneration report, which has been audited.

Shares under performance rights

Unissued ordinary shares of Big River Industries Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number of rights
14 October 2022	14 October 2027	187,787
24 February 2023	14 October 2027	76,098
15 November 2023	15 November 2028	457,454
5 November 2024	5 November 2029	1,016,335
		<u>1,737,674</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no ordinary shares of Big River Industries Limited issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

No non-audit services were provided by the auditor (or by another person or firm on the auditor's behalf) during the current financial year.

The Directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO Audit Pty Ltd

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Martin Monro
Chair

25 August 2025
Sydney



John Lorente
Managing Director and Chief Executive Officer

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF BIG RIVER INDUSTRIES LIMITED

As lead auditor of Big River Industries Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Big River Industries Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Ryan Pollett'.

Ryan Pollett

Director

BDO Audit Pty Ltd

Sydney, 25 August 2025

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



	Note	Group 2025 \$'000	Group 2024 \$'000
Revenue	5	405,093	414,676
Other income	6	846	434
Fair value gain on contingent consideration	22	2,073	768
Expenses			
Raw materials and consumables used	7	(299,714)	(307,175)
Selling and distribution expense		(8,689)	(7,616)
Employee benefits expense	7	(49,696)	(48,329)
Occupancy expense		(5,535)	(5,285)
General and administration expense		(12,635)	(13,306)
Acquisition costs	7	(11)	(808)
Rebranding costs	7	(106)	(595)
Depreciation and amortisation expense	7	(16,914)	(15,314)
Impairment of receivables	10	(976)	(821)
Impairment of goodwill	17	(19,957)	-
Restructuring costs		(1,533)	-
Finance costs, net	7	(5,524)	(5,384)
(Loss)/profit before income tax expense		(13,278)	11,245
Income tax expense	8	(1,476)	(3,211)
(Loss)/profit after income tax expense for the year attributable to the owners of Big River Industries Limited	26	(14,754)	8,034
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(330)	(185)
Foreign currency translation		257	(59)
Other comprehensive loss for the year, net of tax		(73)	(244)
Total comprehensive (loss)/income for the year attributable to the owners of Big River Industries Limited		<u>(14,827)</u>	<u>7,790</u>
		Cents	Cents
Basic (loss)/earnings per share	38	(17.28)	9.59
Diluted earnings per share	38	(17.28)	9.47

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

Big River Industries Limited
Consolidated statement of financial position
As at 30 June 2025



	Note	Group 2025 \$'000	Group 2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	9	22,817	20,477
Trade and other receivables	10	53,374	56,047
Inventories	11	72,634	72,522
Financial assets	12	286	286
Income tax refund	8	40	434
Other assets	14	878	1,143
Total current assets		150,029	150,909
Non-current assets			
Derivative financial instruments	13	-	162
Property, plant and equipment	15	24,557	25,208
Right-of-use assets	16	25,294	29,180
Intangibles	17	44,430	66,764
Deferred tax	8	1,498	407
Total non-current assets		95,779	121,721
Total assets		245,808	272,630
Liabilities			
Current liabilities			
Trade and other payables	18	54,421	56,105
Lease liabilities	20	11,277	9,846
Derivative financial instruments	13	68	112
Income tax	8	636	99
Provisions	21	8,234	8,299
Contingent consideration	22	-	3,707
Other liabilities	23	1,937	2,169
Total current liabilities		76,573	80,337
Non-current liabilities			
Borrowings	19	46,000	46,000
Lease liabilities	20	18,525	22,885
Derivative financial instruments	13	211	-
Deferred tax	8	-	475
Provisions	21	1,862	1,477
Contingent consideration	22	1,261	2,208
Total non-current liabilities		67,859	73,045
Total liabilities		144,432	153,382
Net assets		101,376	119,248

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

	Note	Group 2025 \$'000	Group 2024 \$'000
Equity			
Issued capital	24	102,822	102,784
Reserves	25	12,213	(2,046)
(Accumulated losses)/retained profits	26	(13,659)	18,510
Total equity		<u>101,376</u>	<u>119,248</u>

Big River Industries Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025



Group	Issued capital \$'000	Foreign currency translation reserve \$'000	Profit appropriation reserve \$'000	Hedging reserve - cash flow hedges \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	98,517	(747)	-	236	535	22,170	120,711
Profit after income tax expense for the year	-	-	-	-	-	8,034	8,034
Other comprehensive loss for the year, net of tax	-	(59)	-	(185)	-	-	(244)
Total comprehensive (loss)/income for the year	-	(59)	-	(185)	-	8,034	7,790
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs (note 24)	3,111	-	-	-	-	-	3,111
Share-based payments (note 39)	-	-	-	-	(670)	-	(670)
Vesting of performance rights	1,156	-	-	-	(1,156)	-	-
Dividends paid (note 27)	-	-	-	-	-	(11,694)	(11,694)
Balance at 30 June 2024	<u>102,784</u>	<u>(806)</u>	<u>-</u>	<u>51</u>	<u>(1,291)</u>	<u>18,510</u>	<u>119,248</u>
Group	Issued capital \$'000	Foreign currency translation reserve \$'000	Profit appropriation reserve \$'000	Hedging reserve - cash flow hedges \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	102,784	(806)	-	51	(1,291)	18,510	119,248
Loss after income tax expense for the year	-	-	-	-	-	(14,754)	(14,754)
Other comprehensive income/(loss) for the year, net of tax	-	257	-	(330)	-	-	(73)
Total comprehensive income/(loss) for the year	-	257	-	(330)	-	(14,754)	(14,827)
Transfer (note 25)	-	-	14,000	-	-	(14,000)	-
<i>Transactions with owners in their capacity as owners:</i>							
Contributions of equity, net of transaction costs (note 24)	38	-	-	-	-	-	38
Share-based payments (note 39)	-	-	-	-	332	-	332
Dividends paid (note 27)	-	-	-	-	-	(3,415)	(3,415)
Balance at 30 June 2025	<u>102,822</u>	<u>(549)</u>	<u>14,000</u>	<u>(279)</u>	<u>(959)</u>	<u>(13,659)</u>	<u>101,376</u>

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

	Note	Group 2025 \$'000	Group 2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		448,302	460,623
Payments to suppliers and employees (inclusive of GST)		(419,576)	(428,643)
		28,726	31,980
Interest income	7	517	372
Interest and other finance costs paid	7	(3,849)	(3,652)
Income taxes paid		(2,103)	(10,054)
Net cash from operating activities	37	23,291	18,646
Cash flows from investing activities			
Payment for acquisition of businesses		-	(5,733)
Payments for investments	12	-	(60)
Payments for property, plant and equipment, net of lease finance		(2,165)	(2,860)
Payments of deferred consideration	22	(2,807)	(3,460)
Proceeds from disposal of property, plant and equipment		339	278
Net cash used in investing activities		(4,633)	(11,835)
Cash flows from financing activities			
Proceeds from borrowings		-	5,000
Net lease repayments		(12,971)	(11,413)
Dividends paid, net of reinvestment plan	27	(3,377)	(11,583)
Net cash used in financing activities		(16,348)	(17,996)
Net increase/(decrease) in cash and cash equivalents		2,310	(11,185)
Cash and cash equivalents at the beginning of the financial year		20,477	31,673
Effects of exchange rate changes on cash and cash equivalents		30	(11)
Cash and cash equivalents at the end of the financial year	9	22,817	20,477

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

Note 1. General information

The financial statements cover Big River Industries Limited as a group consisting of Big River Industries Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ('Group'). The financial statements are presented in Australian dollars, which is Big River Industries Limited's functional and presentation currency.

Big River Industries Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Trenayr Road
Junction Hill NSW 2460

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 August 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Big River Industries Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Note 2. Material accounting policy information (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Big River Industries Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised, generally at the time of at the time of delivery of goods.

Variable consideration within the transaction price, reflects concessions provided to the customer, generally limited to discounts or volume rebates. Estimates for such concession are determined based on the contractual obligations and amount likely to be refunded. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of goods

Sale of goods revenue is recognised at the point in time when the performance obligation has been satisfied, which is when the customer obtains control of the goods, which is generally at the time of delivery.

Note 2. Material accounting policy information (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grant

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the periods necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidation

Big River Industries Limited (the 'head entity') and its wholly-owned Australian resident subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 45 days.

The Group has adopted a lifetime expected loss allowance in estimating expected credit loss to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Note 2. Material accounting policy information (continued)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overhead.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 to 40 years
Plant and equipment	3 to 25 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 2. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 7 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 7 years.

Product development

Product development has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the useful life of up to 8 years.

Brands

Brands acquired in a business combination are not amortised on the basis that it has an indefinite life. Management considers that the useful life of brands is indefinite because there is no foreseeable limit to the cash flows this asset can generate. This is reassessed every year. Instead, it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Impairment of non-financial assets

Goodwill and intangible assets with an indefinite life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a post-tax discount rate specific to the asset or group of cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Material accounting policy information (continued)

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Material accounting policy information (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Big River Industries 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 adjusts the figures used in the determination of basic earnings per share to take into account the after income 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 conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

- Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Certain comparatives have been reclassified to align with current year disclosure. There has been no change to net assets, equity or profit for the year of any reclassification.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss through the use of a provision matrix using fixed rate of credit loss provisioning. These provisions are based on recent sales experience, historical collection rate and forward-looking information that is available.

Goodwill and indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of group of cash-generating units have been determined based on value-in-use calculations. As disclosed in note 17, these calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined using value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 4. Operating segments

Identification of reportable operating segments

The Directors have identified the Group's operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources. Discrete financial information about these operating segments is reported on at least a monthly basis.

Note 4. Operating segments (continued)

The information reported to the Chief Executive Officer is aggregated based on product types and nature of the underlying activities which the Group operates. The Group's reportable segments are as follows:

Panels	Comprised nine distribution sites of timber panel products in Australia and New Zealand, of which four are also manufacturing sites
Construction	Comprised of fifteen sites which sell building, commercial and formwork products in Australia, of which three are also frame and truss prefabrication plants

Sales between segments are based on similar terms and conditions to those in place with third party customers and are eliminated from the results below.

The Directors consider Revenue and EBITDA* as the Group's key segment measures.

EBITDA* is measured pre significant items which are presented separately due to their nature, size and expected infrequent occurrence and therefore do not reflect the underlying trading of the Group.

Operating segment information

	Panels \$'000	Construction \$'000	Corporate (unallocated) \$'000	Total \$'000
Group - 2025				
Revenue				
Sales to external customers	129,733	275,360	-	405,093
EBITDA* (pre significant items)	13,534	23,242	(8,082)	28,694
Depreciation and amortisation				(16,914)
Impairment of goodwill				(19,957)
Finance costs				(5,524)
Other significant items				423
Loss before income tax expense				(13,278)
Income tax expense				(1,476)
Loss after income tax expense				(14,754)
<i>Significant items include:</i>				
Impairment of goodwill	(8,057)	(11,900)	-	(19,957)

	Panels \$'000	Construction \$'000	Corporate (unallocated) \$'000	Total \$'000
Group - 2024				
Revenue				
Sales to external customers	123,582	291,094	-	414,676
EBITDA* (pre significant items)	15,532	24,183	(7,137)	32,578
Depreciation and amortisation				(15,314)
Finance costs				(5,384)
Significant items				(635)
Profit before income tax expense				11,245
Income tax expense				(3,211)
Profit after income tax expense				8,034

Note 4. Operating segments (continued)

Geographical information

	Revenue from external customers		Geographical non-current assets	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Australia	383,008	384,596	85,721	105,162
New Zealand	22,085	30,080	8,560	16,152
	<u>405,093</u>	<u>414,676</u>	<u>94,281</u>	<u>121,314</u>

There is no single customer with 10% or more of revenue.

The geographical non-current assets above are exclusive of deferred tax assets.

* EBITDA is net profit before interest, taxes, depreciation, amortisation, and significant items which are acquisition costs, rebranding costs, restructuring costs, impairment charge and fair value gain.

Note 5. Revenue

	Group 2025 \$'000	Group 2024 \$'000
Sale of goods	<u>405,093</u>	<u>414,676</u>

Disaggregation of revenue

Disaggregation of revenue is disclosed in note 4. All of the Group's revenue is recognised at a point in time.

Note 6. Other income

	Group 2025 \$'000	Group 2024 \$'000
Net gain on disposal of property, plant and equipment	285	178
Other income	<u>561</u>	<u>256</u>
Other income	<u>846</u>	<u>434</u>

Note 7. Expenses

	Group 2025 \$'000	Group 2024 \$'000
(Loss)/profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	299,714	307,175
<i>Depreciation</i>		
Buildings	186	193
Plant and equipment	2,973	2,888
Plant and equipment under lease	628	585
Buildings right-of-use assets	10,701	9,356
Total depreciation	14,488	13,022
<i>Amortisation</i>		
Customer relationships	2,104	1,971
Software	298	297
Product development	24	24
Total amortisation	2,426	2,292
Total depreciation and amortisation	16,914	15,314
<i>Employee benefits expense</i>		
Salaries and wages (including annual leave and long service leave)	44,200	44,379
Superannuation	5,164	4,620
Share-based remuneration	332	(670)
Total employee benefits expense	49,696	48,329
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	3,849	3,652
Interest and finance charges paid/payable on lease liabilities	1,966	1,678
Unwind of interest on contingent consideration	226	426
Interest income	(517)	(372)
Finance costs expensed	5,524	5,384
<i>Expenses associated with business combinations</i>		
Acquisition costs	11	808
<i>Expenses associated with rebranding</i>		
Brands retired (note 17)	-	311
Other rebranding costs	106	284
	106	595

Note 8. Income tax

	Group 2025 \$'000	Group 2024 \$'000
<i>Income tax expense</i>		
Current tax	3,096	4,251
Deferred tax - origination and reversal of temporary differences	(1,560)	(1,107)
Adjustment recognised for prior periods (current tax)	(60)	67
Aggregate income tax expense	<u>1,476</u>	<u>3,211</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
(Loss)/profit before income tax expense	(13,278)	11,245
Tax at the statutory tax rate of 30%	(3,983)	3,374
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based remuneration	100	(201)
Impairment of intangibles	5,987	-
Fair value gain	(622)	(231)
Sundry items	73	269
	1,555	3,211
Adjustment recognised for prior periods (current tax)	(60)	67
Difference in overseas tax rates	(19)	(67)
Income tax expense	<u>1,476</u>	<u>3,211</u>

The standard rate of corporation tax applied to taxable profit is 30% (30 June 2024: 30%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	Group 2025 \$'000	Group 2024 \$'000
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Allowance for expected credit losses	899	813
Employee benefits	2,616	2,669
Leases	8,195	9,117
Capital raise expenses	15	101
Other provisions and accruals	2,312	1,770
	<u>14,037</u>	<u>14,470</u>
Less: offset*	(12,539)	(14,063)
Deferred tax asset	<u>1,498</u>	<u>407</u>

Note 8. Income tax (continued)

Deferred tax liability

Deferred tax liability comprises temporary differences attributable to:

	Group 2025 \$'000	Group 2024 \$'000
Property, plant and equipment	1,810	2,032
Right-of-use assets	7,540	8,686
Customer relationships	2,409	3,040
Brand	780	780
	<u>12,539</u>	<u>14,538</u>
Less: offset*	<u>(12,539)</u>	<u>(14,063)</u>
Deferred tax liability	<u>-</u>	<u>475</u>

* Deferred tax asset/(liability) are not fully offset as they do not relate to the same taxable authority.

Reconciliation in movement of deferred tax asset/(liability)

	Group 2025 \$'000	Group 2024 \$'000
Balance at beginning of the year	(68)	(496)
Less: Balance at end of the year	<u>1,498</u>	<u>(68)</u>
Movement during the year	<u>(1,566)</u>	<u>(428)</u>
Recognised in profit or loss	(1,560)	(1,107)
Recognised in goodwill	-	677
Exchange differences	<u>(6)</u>	<u>2</u>
	<u>(1,566)</u>	<u>(428)</u>

Income tax refund

	Group 2025 \$'000	Group 2024 \$'000
Income tax refund	<u>40</u>	<u>434</u>

Income tax payable

	Group 2025 \$'000	Group 2024 \$'000
Current tax payable	<u>636</u>	<u>99</u>

Note 9. Cash and cash equivalents

	Group 2025 \$'000	Group 2024 \$'000
<i>Current assets</i>		
Cash on hand	10	10
Cash at bank	22,807	20,467
	<u>22,817</u>	<u>20,477</u>

Note 10. Trade and other receivables

	Group 2025 \$'000	Group 2024 \$'000
<i>Current assets</i>		
Trade receivables	53,737	55,129
Less: Allowance for expected credit losses	(3,008)	(2,717)
	<u>50,729</u>	<u>52,412</u>
Other receivables	2,645	3,635
	<u>53,374</u>	<u>56,047</u>

Allowance for expected credit losses

The Group has recognised a loss of \$976,000 in profit or loss in respect of the expected credit losses for the year ended 30 June 2025 (30 June 2024: loss of \$821,000).

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025 %	2024 %	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Group						
Not overdue	1.64%	1.67%	33,321	32,270	547	540
0 to 3 months overdue	4.32%	3.83%	18,320	21,033	792	806
Over 3 months overdue	79.63%	75.08%	2,096	1,826	1,669	1,371
			<u>53,737</u>	<u>55,129</u>	<u>3,008</u>	<u>2,717</u>

Debtors are written off when the cash is no longer considered collectable.

The impact of expected credit losses in other receivables is immaterial.

The average credit period on sale of goods is 45 days. No interest is charged on outstanding trade receivables.

Note 10. Trade and other receivables (continued)

The movements in the allowance for expected credit losses in respect of trade receivables during the year was as follows:

	Group 2025 \$'000	Group 2024 \$'000
Opening balance	2,717	3,507
Additional provisions recognised	976	821
Receivables written off during the year as uncollectable	(685)	(1,611)
Closing balance	<u>3,008</u>	<u>2,717</u>

Note 11. Inventories

	Group 2025 \$'000	Group 2024 \$'000
<i>Current assets</i>		
Raw materials and work in progress	2,822	3,511
Finished goods	73,628	72,130
Less: Provision for stock obsolescence	(3,816)	(3,119)
	<u>72,634</u>	<u>72,522</u>

Note 12. Financial assets

	Group 2025 \$'000	Group 2024 \$'000
<i>Current assets</i>		
Shares in TradeNET Solutions Ltd	<u>286</u>	<u>286</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	286	226
Opening fair value	286	226
Additions	-	60
Closing fair value	<u>286</u>	<u>286</u>

Refer to note 29 for further information on fair value measurement.

Note 13. Derivative financial instruments

	Group 2025 \$'000	Group 2024 \$'000
<i>Non-current assets</i>		
Interest rate swap contracts - cash flow hedges	-	162
<i>Current liabilities</i>		
Forward foreign exchange contracts - cash flow hedges	(68)	(112)
<i>Non-current liabilities</i>		
Interest rate swap contracts - cash flow hedges	(211)	-
	<u>(279)</u>	<u>50</u>

Refer to note 28 for further information on financial instruments.

Refer to note 29 for further information on fair value measurement.

Note 14. Other assets

	Group 2025 \$'000	Group 2024 \$'000
<i>Current assets</i>		
Prepayments	746	1,011
Other deposits	132	132
	<u>878</u>	<u>1,143</u>

Note 15. Property, plant and equipment

	Group 2025 \$'000	Group 2024 \$'000
<i>Non-current assets</i>		
Freehold land - at cost	856	856
Buildings - at cost	5,597	5,597
Less: Accumulated depreciation	(1,978)	(1,792)
	<u>3,619</u>	<u>3,805</u>
Plant and equipment - at cost	48,988	46,733
Less: Accumulated depreciation	(28,906)	(26,186)
	<u>20,082</u>	<u>20,547</u>
	<u>24,557</u>	<u>25,208</u>

Note 15. Property, plant and equipment (continued)

Reconciliations

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

Group	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Plant and equipment under finance \$'000	Capital work- in- progress \$'000	Total \$'000
Balance at 1 July 2023	856	3,998	16,036	1,801	1,160	23,851
Additions	-	-	2,987	1,010	-	3,997
Additions through business combinations	-	-	1,134	-	-	1,134
Disposals	-	-	(59)	(41)	-	(100)
Exchange differences	-	-	(8)	-	-	(8)
Transfers in/(out)	-	-	1,476	(316)	(1,160)	-
Depreciation expense	-	(193)	(2,888)	(585)	-	(3,666)
Balance at 30 June 2024	856	3,805	18,678	1,869	-	25,208
Additions	-	-	2,282	969	-	3,251
Disposals	-	-	(54)	-	-	(54)
Exchange differences	-	-	18	-	-	18
Write off of assets	-	-	(79)	-	-	(79)
Transfers in/(out)	-	-	147	(147)	-	-
Depreciation expense	-	(186)	(2,973)	(628)	-	(3,787)
Balance at 30 June 2025	856	3,619	18,019	2,063	-	24,557

Note 16. Right-of-use assets

	Group 2025 \$'000	Group 2024 \$'000
<i>Non-current assets</i>		
Buildings - right-of-use	52,051	49,751
Less: Accumulated depreciation	(26,757)	(20,571)
	<u>25,294</u>	<u>29,180</u>

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 2 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 16. Right-of-use assets (continued)

Reconciliations

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

Group	Buildings - right-of-use \$'000
Balance at 1 July 2023	25,510
Additions	6,608
Additions through business combinations	2,825
Disposals	(978)
Lease reassessment	4,584
Exchange differences	(13)
Depreciation expense	(9,356)
Balance at 30 June 2024	29,180
Additions	3,476
Lease reassessment	3,726
Exchange differences	31
Write off of assets	(418)
Depreciation expense	(10,701)
Balance at 30 June 2025	25,294

For other AASB 16 and lease related disclosures, refer to the following:

- note 7 for details of interest on lease liabilities and other lease payments;
- note 15 for plant and equipment under lease;
- note 20 for lease liabilities and maturity analysis at 30 June 2025; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 17. Intangibles

	Group 2025 \$'000	Group 2024 \$'000
<i>Non-current assets</i>		
Goodwill	53,266	53,095
Less: Impairment	(20,079)	-
	<u>33,187</u>	<u>53,095</u>
Customer relationships	14,732	15,832
Less: Accumulated amortisation	(6,703)	(5,699)
	<u>8,029</u>	<u>10,133</u>
Software - at cost	2,082	2,082
Less: Accumulated amortisation	(1,493)	(1,195)
	<u>589</u>	<u>887</u>
Product development - at cost	191	191
Less: Accumulated amortisation	(166)	(142)
	<u>25</u>	<u>49</u>
Brand name - at cost	<u>2,600</u>	<u>2,600</u>
	<u><u>44,430</u></u>	<u><u>66,764</u></u>

Reconciliations

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

Group	Goodwill \$'000	Customer relationships \$'000	Software \$'000	Product development \$'000	Brand name \$'000	Total \$'000
Balance at 1 July 2023	47,547	9,052	1,184	73	2,911	60,767
Additions through business combinations	5,595	3,050	-	-	-	8,645
Exchange differences	(47)	2	-	-	-	(45)
Write off of assets	-	-	-	-	(311)	(311)
Amortisation expense	-	(1,971)	(297)	(24)	-	(2,292)
	<u>53,095</u>	<u>10,133</u>	<u>887</u>	<u>49</u>	<u>2,600</u>	<u>66,764</u>
Balance at 30 June 2024	53,095	10,133	887	49	2,600	66,764
Exchange differences	49	-	-	-	-	49
Impairment losses	(19,957)	-	-	-	-	(19,957)
Amortisation expense	-	(2,104)	(298)	(24)	-	(2,426)
	<u>33,187</u>	<u>8,029</u>	<u>589</u>	<u>25</u>	<u>2,600</u>	<u>44,430</u>
Balance at 30 June 2025	<u><u>33,187</u></u>	<u><u>8,029</u></u>	<u><u>589</u></u>	<u><u>25</u></u>	<u><u>2,600</u></u>	<u><u>44,430</u></u>

Impairment testing

For the purpose of impairment testing, goodwill, brands and other intangible assets are allocated to a group of cash generating units ('CGUs'), which are expected to benefit from the synergies of the business combinations.

Goodwill acquired through business combinations is allocated to the lowest level within the entity at which the goodwill is monitored, being the two groups of CGU's – Panels and Construction Divisions.

Note 17. Intangibles (continued)

Allocation to CGU's

The carrying amount of goodwill and intangible assets are allocated to the Group's CGUs as follows:

	Goodwill		Customer relationships		Brand name	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Group of CGUs						
Panels	15,187	23,195	5,397	6,790	2,600	2,600
Construction	18,000	29,900	2,632	3,343	-	-
	<u>33,187</u>	<u>53,095</u>	<u>8,029</u>	<u>10,133</u>	<u>2,600</u>	<u>2,600</u>

Following a prolonged downturn in the housing cycle, particularly in the residential sector which Big River has its largest revenue exposure to, the Group conducted an impairment assessment for both group of CGUs and recognised an impairment charge in the reporting period, during first half of FY2025.

As at 31 December 2024, the Group recognised an impairment loss of \$8,057,000 relating to Panels and \$11,900,000 relating to Construction.

At 31 December 2024, the recoverable amount of the Group's goodwill was determined by a value-in-use calculations of the two groups of CGUs, using a discounted cash flow model based on a single year detailed FY2025 forecast approved by management and extrapolated for a further four years using a short-term growth rate, together with a terminal value.

The Group also conducted an impairment assessment at 30 June 2025. The recoverable amount of the Group's goodwill has been determined by a value-in-use calculations of the two groups of CGUs, using a discounted cash flow model based on a single year detailed FY2026 budget as reviewed and approved by the Board and extrapolated for a further four years using a short-term growth rate, together with a terminal value. No additional impairment loss has been recorded at 30 June 2025, on the basis of the assessment performed.

The key assumptions used in the value-in-use calculation relates to projected cash flows, discount rate, short-term growth rate, and terminal growth rate. These assumptions are based on experience and the Group's forecast operating and financial performance for the group of CGUs considering the current market and economic conditions, current industry cycle, risks, uncertainties and opportunities for improvements. The discount rate applied to cashflow projections are derived from the Group's weighted average cost of capital.

Impairment testing key assumption

Unless otherwise stated, the two groups of CGUs are assessed with consistent assumptions as they have similar economic and risk profiles.

	30 Jun 2025 %	31 Dec 2024 %	30 Jun 2024 %
Post-tax discount rate	10.3%	10.3%	10.5%
Short-term growth rate (CAGR), applied to cash flows:			
Panels	6.0%	4.4%	4.4%
Construction	3.5%	4.4%	4.4%
Terminal growth rate	2.5%	2.5%	2.5%

Sensitivity analysis

Whilst it is management's view that the assumptions used for discount rate, short-term growth rate and terminal growth rate are reasonable, a sensitivity analysis was performed for each CGU group. The results of this sensitivity analysis were such that any reasonably possible changes to the assumptions applied to the Construction group of CGU's would not cause the carrying amount to exceed the recoverable amount.

Note 17. Intangibles (continued)

The Panels group of CGU's had a headroom of \$3.0 million at 30 June 2025. Management has identified that reasonably possible changes in the key assumptions applied to the Panels group of CGU's could cause the carrying amount to exceed the recoverable amount as at 30 June 2025 which may increase the impairment loss recognised in the year. The key assumptions to which the Panels division is most sensitive and the potential impacts on the carrying amount of the group of CGU's are shown below:

Panels	Change in key assumption %	Carrying amount to exceed the recoverable amount by \$'000
Post-tax discount rate	0.5%	1,085
Short-term growth rate (CAGR)	(1.0%)	729
Terminal growth rate	(0.5%)	133

Note 18. Trade and other payables

	Group 2025 \$'000	Group 2024 \$'000
<i>Current liabilities</i>		
Trade payables	42,314	45,214
Goods and services tax payable	937	915
Other payables and accrued expenses	11,170	9,976
	<u>54,421</u>	<u>56,105</u>

Refer to note 28 for further information on financial instruments.

Note 19. Borrowings

	Group 2025 \$'000	Group 2024 \$'000
<i>Non-current liabilities</i>		
Bank bills	<u>46,000</u>	<u>46,000</u>

Refer to note 28 for further information on financial instruments.

Assets pledged as security

Borrowings are secured by a first registered mortgage over assets of the Group.

Note 19. Borrowings (continued)

Financing arrangements

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

	Group 2025 \$'000	Group 2024 \$'000
Total facilities		
Bank overdraft and trade finance	13,018	12,974
Bank bills	62,000	62,000
Lease facility	5,900	5,900
	<u>80,918</u>	<u>80,874</u>
Used at the reporting date		
Bank overdraft and trade finance	-	-
Bank bills	46,000	46,000
Lease facility	2,295	2,074
	<u>48,295</u>	<u>48,074</u>
Unused at the reporting date		
Bank overdraft and trade finance	13,018	12,974
Bank bills	16,000	16,000
Lease facility	3,605	3,826
	<u>32,623</u>	<u>32,800</u>

Refer to note 28 for further information on extension of bank bills maturities.

Loan covenants

The bank bills are subject to certain financial covenants and these are assessed at the end of each quarter. The loans will be repayable immediately if the covenants are breached. The Group is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

Note 20. Lease liabilities

	Group 2025 \$'000	Group 2024 \$'000
<i>Current liabilities</i>		
Lease liability - plant and equipment under lease	725	732
Lease liability - right-of-use lease	10,552	9,114
	<u>11,277</u>	<u>9,846</u>
<i>Non-current liabilities</i>		
Lease liability - plant and equipment under lease	1,570	1,342
Lease liability - right-of-use lease	16,955	21,543
	<u>18,525</u>	<u>22,885</u>

Note 20. Lease liabilities (continued)

The following table details the Group's remaining contractual maturity, both current and non-current, for its lease liabilities:

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 3 years \$'000	Between 3 and 4 years \$'000	Between 4 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Group - 2025							
Lease liability - plant and equipment under lease	857	647	578	372	137	-	2,591
Lease liability - right-of-use lease	11,988	8,936	5,709	3,115	623	-	30,371
	<u>12,845</u>	<u>9,583</u>	<u>6,287</u>	<u>3,487</u>	<u>760</u>	<u>-</u>	<u>32,962</u>
Group - 2024							
Lease liability - plant and equipment under lease	855	626	416	347	65	-	2,309
Lease liability - right-of-use lease	10,768	9,763	6,963	4,348	2,231	404	34,477
	<u>11,623</u>	<u>10,389</u>	<u>7,379</u>	<u>4,695</u>	<u>2,296</u>	<u>404</u>	<u>36,786</u>

The cash flows in the maturity analysis above include interest and are not expected to occur significantly earlier than contractually disclosed.

Note 21. Provisions

	Group 2025 \$'000	Group 2024 \$'000
<i>Current liabilities</i>		
Annual leave	4,151	4,363
Long service leave	<u>4,083</u>	<u>3,936</u>
	<u>8,234</u>	<u>8,299</u>
<i>Non-current liabilities</i>		
Long service leave	502	617
Lease make good	<u>1,360</u>	<u>860</u>
	<u>1,862</u>	<u>1,477</u>

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 21. Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Lease make good \$'000
Group - 2025	
Carrying amount at the start of the year	860
Additional provisions recognised	500
Carrying amount at the end of the year	1,360

Note 22. Contingent consideration

	Group 2025 \$'000	Group 2024 \$'000
<i>Current liabilities</i>		
Contingent consideration	-	3,707
<i>Non-current liabilities</i>		
Contingent consideration	1,261	2,208
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	5,915	5,802
Additions through business combinations	-	3,915
Unwind of present value interest	226	426
Payments made during the year	(2,807)	(3,460)
Fair value gain on re-assessment of liability	(2,073)	(768)
Closing balance	1,261	5,915

The provision represents the obligation to pay contingent consideration following the acquisition of a business or assets. It is measured at the fair value of the estimated liability.

Fair value measurement

The below table gives information about how the level 3 fair value measurement of the contingent considerations that are disclosed above and are determined (in particular, the valuation technique and inputs used).

Type	Valuation technique	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to value
Contingent consideration through business combinations	The valuation model considers the present value of the expected payments which are determined considering the possible scenarios of forecast EBITDA.	Forecast EBITDA Risk adjusted discount rate	The higher the discount rate, the lower the fair value The higher the amount of EBITDA, the higher the fair value

Note 23. Other liabilities

	Group 2025 \$'000	Group 2024 \$'000
<i>Current liabilities</i>		
Deferred revenue	1,937	2,169

Deferred revenue related to the portion of government grant that will be recognised over the life of the associated assets to be acquired. The majority of the assets were commissioned in June 2023, with project completed and fully operational in November 2023.

Note 24. Issued capital

	Group 2025 Shares	Group 2024 Shares	Group 2025 \$'000	Group 2024 \$'000
Ordinary shares - fully paid	85,391,326	85,362,772	102,822	102,784

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	83,037,906		98,517
Issue of shares on exercise of performance rights	30 August 2023	483,623	\$2.3900	1,156
Issue of shares in relation to dividend reinvestment plan	6 October 2023	29,264	\$2.2704	66
Issue of shares in relation to dividend reinvestment plan	27 March 2024	26,265	\$1.7200	45
Issue of shares in relation to the business acquisition of Specialised Laminators	1 May 2024	1,785,714	\$1.6801	3,000
Balance	30 June 2024	85,362,772		102,784
Issue of shares in relation to dividend reinvestment plan	4 October 2024	13,669	\$1.4200	19
Issue of shares in relation to dividend reinvestment plan	2 April 2025	14,885	\$1.2700	19
Balance	30 June 2025	85,391,326		102,822

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 24. Issued capital (continued)

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 25. Reserves

	Group 2025 \$'000	Group 2024 \$'000
Foreign currency translation reserve	(549)	(806)
Profit appropriation reserve	14,000	-
Hedging reserve - cash flow hedges	(279)	51
Share-based payments reserve	(959)	(1,291)
	<u>12,213</u>	<u>(2,046)</u>

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Profit appropriation reserve

The reserve comprises profits appropriated by the parent entity, to be used for payment of future franked dividends to the shareholders of the parent entity.

Hedging reserve - cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 26. (Accumulated losses)/retained profits

	Group 2025 \$'000	Group 2024 \$'000
Retained profits at the beginning of the financial year	18,510	22,170
(Loss)/profit after income tax expense for the year	(14,754)	8,034
Dividends paid (note 27)	(3,415)	(11,694)
Transfer to profit appropriation reserve	(14,000)	-
(Accumulated losses)/retained profits at the end of the financial year	<u>(13,659)</u>	<u>18,510</u>

Note 27. Dividends

Dividends paid

Dividends paid during the financial year were as follows:

	Group 2025 \$'000	Group 2024 \$'000
Final dividend of 2.0 cents per fully paid ordinary share paid on 4 October 2024 (2024: 8.5 cents per fully paid ordinary share paid on 6 October 2023)	1,707	7,099
Interim dividend of 2.0 cents per fully paid ordinary share paid on 2 April 2025 (2024: 5.5 cents per fully paid ordinary share paid on 27 March 2024)	1,708	4,595
	<u>3,415</u>	<u>11,694</u>

Dividend declared

On 25 August 2025, the Directors determined a fully franked dividend of 2 cents per fully paid ordinary share to be paid on 7 October 2025.

Franking credits

	Group 2025 \$'000	Group 2024 \$'000
Franking credits available at the reporting date based on a tax rate of 30%	24,445	24,218
Franking credits that will arise from the (refund)/payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	636	(434)
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>25,081</u>	<u>23,784</u>

Note 28. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures which are not significant. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The Group's operations in NZ give rise to exposure to changes in foreign currency rates, primarily the NZD. The Group's currency risk exposure is limited predominantly to consolidated Australian dollar translation risk as the majority of transactions by the New Zealand operations are transacted by the same functional currency of the relevant transaction.

Where the Group purchases raw materials and consumables in foreign currencies such as USD or Euro, the Group will use forward rate foreign exchange contracts to hedge exposure.

Note 28. Financial instruments (continued)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The policy is to regularly monitor interest rates and utilise fixed rates for a portion of long-term borrowings when deemed appropriate by the Board.

Cash flow hedges were used to cover the Group's exposure to variability in cash flow relating to interest rates. The effective portion of interest rate swap is recognised in other comprehensive income and accumulated under cash flow hedge reserve at 30 June 2025.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

		2025		2024
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Group				
Bank bills	6.82%	46,000	7.42%	46,000
Net exposure to cash flow interest rate risk		46,000		46,000

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 100bps (30 June 2024: 100bps) would have an adverse/favourable effect on profit before tax of the following:

	Basis points change	Basis points increase Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Basis points decrease Effect on profit before tax \$'000	Effect on equity \$'000
Group - 2025						
Variable rate borrowings	(100)	(460)	(322)	100	460	322

	Basis points change	Basis points increase Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Basis points decrease Effect on profit before tax \$'000	Effect on equity \$'000
Group - 2024						
Variable rate borrowings	(100)	(460)	(322)	100	460	322

The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts. No principal repayments are due during the year ending 30 June 2025 or 30 June 2024.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Note 28. Financial instruments (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The Group has no significant credit risk to any individual customer.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Group - 2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	42,314	-	-	-	42,314
Other payables and accrued expenses	-	11,170	-	-	-	11,170
Contingent consideration	-	-	1,447	-	-	1,447
<i>Interest-bearing - variable</i>						
Bank bills	6.82%	3,136	47,343	-	-	50,479
Total non-derivatives		56,620	48,790	-	-	105,410

Subsequent to the end of the financial year, the Group successfully negotiated an extension of its existing banking facility with National Australia Bank. The revised terms include an extension of the maturity date, with all other material terms remaining substantially unchanged. This event does not affect the amounts recognised or remaining contractual maturities of Bank bills in the above table, but new maturity dates are disclosed here as a non-adjusting event that provides further insight into the Group's post-year-end liquidity position.

	Facility \$'000	Used at reporting date \$'000	Maturity date at reporting date	Extended maturity date
Bank bills				
Facility number 3	30,000	30,000	30/09/2026	30/09/2027
Facility number 4	16,000	-	30/09/2026	30/09/2028
Facility number 5	16,000	16,000	31/03/2027	30/09/2028

Note 28. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Group - 2024						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	45,214	-	-	-	45,214
Other payables and accrued expenses	-	9,976	-	-	-	9,976
Contingent consideration	-	3,808	1,184	1,447	-	6,439
<i>Interest-bearing - variable</i>						
Bank bills	7.42%	3,413	3,413	46,860	-	53,686
Total non-derivatives		62,411	4,597	48,307	-	115,315

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Remaining contractual maturities for leases in the current year are now disclosed in non-current liabilities - lease liabilities (refer to note 20).

Note 29. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group - 2025				
<i>Assets</i>				
Ordinary shares	-	-	286	286
Total assets	-	-	286	286
<i>Liabilities</i>				
Contingent consideration	-	-	1,261	1,261
Derivatives	-	279	-	279
Total liabilities	-	279	1,261	1,540
Group - 2024				
<i>Assets</i>				
Ordinary shares	-	-	286	286
Derivatives	-	162	-	162
Total assets	-	162	286	448
<i>Liabilities</i>				
Contingent consideration	-	-	5,915	5,915
Derivatives	-	112	-	112
Total liabilities	-	112	5,915	6,027

Note 29. Fair value measurement (continued)

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Refer to note 22 for further information on the fair value measurement of contingent consideration.

Note 30. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Group 2025 \$	Group 2024 \$
Short-term employee benefits	1,444,102	1,369,909
Post-employment benefits	103,060	97,202
Long-term benefits	8,777	12,341
Share-based payments	114,433	32,308
	<u>1,670,372</u>	<u>1,511,760</u>

Note 31. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Group 2025 \$	Group 2024 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>371,000</u>	<u>365,000</u>
<i>Other services - BDO Audit Pty Ltd</i>		
ESG Reporting Roadmap	<u>-</u>	<u>30,000</u>
	<u>371,000</u>	<u>395,000</u>

Note 32. Contingent liabilities

The Group has given bank guarantees as at 30 June 2025 of \$4,233,000 (30 June 2024: \$3,637,000) to various landlords.

Note 33. Related party transactions

Parent entity

Big River Industries Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 35.

Key management personnel

Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 34. 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	Parent 2024 \$'000
Profit after income tax	16,077	12,269
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	16,077	12,269

Note 34. Parent entity information (continued)

Statement of financial position

	Parent 2025 \$'000	Parent 2024 \$'000
Total current assets	114,251	101,113
Total non-current assets	48,205	48,264
Total assets	162,456	149,377
Total current liabilities	47	-
Total non-current liabilities	46,000	46,000
Total liabilities	46,047	46,000
Net assets	116,409	103,377
Equity		
Issued capital	102,822	102,784
Profit appropriation reserve	14,000	-
Share-based payments reserve	(959)	(1,291)
Retained profits	546	1,884
Total equity	116,409	103,377

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

The parent entity is a party to a deed of cross guarantee (refer note 36) under which it guarantees the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

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

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Big River Group Pty Ltd	Australia	100%	100%
Big River Group (NZ) Limited	New Zealand	100%	100%
Plytech International Limited	New Zealand	100%	100%
Decortech Limited	New Zealand	100%	100%

Note 36. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- Big River Industries Limited
- Big River Group Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Big River Industries Limited, they also represent the 'Extended Closed Group'.

Note 36. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2025 \$'000	2024 \$'000
Statement of profit or loss and other comprehensive income		
Revenue	383,008	384,596
Other income	804	400
Fair value gain on contingent consideration	2,073	768
Expenses		
Raw materials and consumables used	(285,085)	(288,206)
Selling and distribution expense	(8,416)	(7,314)
Employee benefits expense	(46,522)	(44,511)
Occupancy expense	(5,163)	(4,876)
General and administration expense	(11,817)	(12,205)
Acquisition costs	(11)	(808)
Rebranding costs	(106)	(595)
Depreciation and amortisation expense	(15,608)	(13,783)
Impairment of receivables	(926)	(951)
Impairment of goodwill	(13,336)	-
Restructuring costs	(1,447)	-
Finance costs, net	(4,831)	(4,446)
(Loss)/profit before income tax expense	(7,383)	8,069
Income tax expense	(1,268)	(2,316)
(Loss)/profit after income tax expense	(8,651)	5,753
Other comprehensive income/(loss)		
Net change in the fair value of cash flow hedges taken to equity, net of tax	(330)	(185)
Foreign currency translation	424	4
Other comprehensive income/(loss) for the year, net of tax	94	(181)
Total comprehensive (loss)/income for the year	(8,557)	5,572
Equity - (accumulated losses)/retained profits		
Retained profits at the beginning of the financial year	6,560	12,501
(Loss)/profit after income tax expense	(8,651)	5,753
Dividends paid	(3,415)	(11,694)
Transfer to profit appropriation reserve	(14,000)	-
(Accumulated losses)/retained profits at the end of the financial year	(19,506)	6,560

Note 36. Deed of cross guarantee (continued)

	2025 \$'000	2024 \$'000
Statement of financial position		
Current assets		
Cash and cash equivalents	20,675	18,479
Trade and other receivables	51,431	53,883
Inventories	61,714	61,788
Financial assets	286	286
Income tax refund	-	434
Other assets	772	1,073
	<u>134,878</u>	<u>135,943</u>
Non-current assets		
Derivative financial instruments	-	162
Investment in subsidiaries	6,955	6,955
Property, plant and equipment	23,395	24,019
Right-of-use assets	22,904	25,796
Intangibles	39,422	55,184
Deferred tax	1,071	-
Loan to subsidiaries	7,058	6,955
	<u>100,805</u>	<u>119,071</u>
Total assets	<u>235,683</u>	<u>255,014</u>
Current liabilities		
Trade and other payables	53,345	54,752
Lease liabilities	9,974	8,664
Derivative financial instruments	68	112
Income tax	636	-
Provisions	8,003	8,008
Contingent consideration	-	3,707
Other liabilities	1,937	2,169
	<u>73,963</u>	<u>77,412</u>
Non-current liabilities		
Borrowings	46,000	46,000
Lease liabilities	16,964	20,086
Derivative financial instruments	211	-
Deferred tax	-	475
Provisions	1,862	1,477
Contingent consideration	1,261	2,208
	<u>66,298</u>	<u>70,246</u>
Total liabilities	<u>140,261</u>	<u>147,658</u>
Net assets	<u>95,422</u>	<u>107,356</u>
Equity		
Issued capital	102,822	102,784
Reserves	12,106	(1,988)
(Accumulated losses)/retained profits	(19,506)	6,560
Total equity	<u>95,422</u>	<u>107,356</u>

Note 37. Cash flow information

Reconciliation of (loss)/profit after income tax to net cash from operating activities

	Group 2025 \$'000	Group 2024 \$'000
(Loss)/profit after income tax expense for the year	(14,754)	8,034
Adjustments for:		
Depreciation and amortisation	16,914	15,314
Impairment of goodwill	19,957	-
Write off of assets	527	311
Net gain on disposal of property, plant and equipment	(285)	(178)
Share-based payments	332	(670)
Interest on contingent consideration	226	426
Reassessment of contingent consideration	(2,073)	(768)
Interest on property leases	1,966	1,678
Change in operating assets and liabilities:		
Decrease in trade and other receivables	2,673	3,871
(Increase)/decrease in inventories	(112)	1,357
Increase in deferred tax assets	(1,566)	(1,105)
Decrease/(increase) in prepayments	265	(125)
Decrease in trade and other payables	(1,684)	(3,561)
Increase/(decrease) in provision for income tax	931	(5,733)
Increase in other provisions	40	2
Decrease in other operating liabilities	(66)	(207)
Net cash from operating activities	<u>23,291</u>	<u>18,646</u>

Non-cash investing and financing activities

	Group 2025 \$'000	Group 2024 \$'000
Additions to the right-of-use assets	3,476	6,608
Shares issued under employee share plan	-	1,156
Shares issued under dividend reinvestment plan	38	111
Shares issued in relation to business combinations	-	3,000
Lease reassessment	3,726	4,584
	<u>7,240</u>	<u>15,459</u>

Note 37. Cash flow information (continued)

Changes in liabilities arising from financing activities

Group	Bank bills \$'000	Lease liability \$'000	Total \$'000
Balance at 1 July 2023	41,000	28,804	69,804
Net cash from/(used in) financing activities	5,000	(11,413)	(6,413)
Lease reassessment	-	4,584	4,584
Acquisition of leases	-	6,608	6,608
Changes through business combinations	-	2,825	2,825
Other changes	-	1,323	1,323
Balance at 30 June 2024	46,000	32,731	78,731
Net cash used in financing activities	-	(12,971)	(12,971)
Lease reassessment	-	3,726	3,726
Acquisition of leases	-	3,476	3,476
Other changes	-	2,840	2,840
Balance at 30 June 2025	46,000	29,802	75,802

Note 38. Earnings per share

	Group 2025 \$'000	Group 2024 \$'000
(Loss)/profit after income tax attributable to the owners of Big River Industries Limited	(14,754)	8,034
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	85,376,553	83,768,407
Adjustments for calculation of diluted earnings per share:		
Performance rights	-	1,036,885
Weighted average number of ordinary shares used in calculating diluted earnings per share	85,376,553	84,805,292
	Cents	Cents
Basic (loss)/earnings per share	(17.28)	9.59
Diluted earnings per share	(17.28)	9.47

As at 30 June 2025, the Group is in a loss position and as such, the performance rights issued under employee share plans have not been included as their inclusion would be anti-dilutive.

Note 39. Share-based payments

Performance rights

At the 2018 Annual General Meeting, shareholders approved the Big River Industries Limited Rights Plan ('BRIRP') to be able to grant performance rights to certain key executive management personnel.

The number of performance rights vesting is determined by reference to the compound annual growth rate ('CAGR') in earnings per share ('EPS') over the vesting period and ranges from nil for less than 3% CAGR in EPS to 100% for greater than 10% CAGR in EPS, subject to overriding discretion held by the Board.

Note 39. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2025

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other *	Balance at the end of the year
17/12/2021	17/12/2026	336,081	-	-	(336,081)	-
14/10/2022	14/10/2027	187,787	-	-	-	187,787
24/02/2023	14/10/2027	76,098	-	-	-	76,098
15/11/2023	15/11/2028	457,454	-	-	-	457,454
05/11/2024	05/11/2029	-	1,016,335	-	-	1,016,335
		1,057,420	1,016,335	-	(336,081)	1,737,674

* Rights granted in December 2021 forfeited during the current period as performance condition (EPS Growth) attached to those rights was not achieved.

2024

Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/12/2020	01/12/2025	483,623	-	(483,623)	-	-
17/12/2021	17/12/2026	344,743	-	-	(8,662)	336,081
14/10/2022	14/10/2027	249,219	-	-	(61,432)	187,787
24/02/2023	14/10/2027	76,098	-	-	-	76,098
15/11/2023	15/11/2028	-	457,454	-	-	457,454
		1,153,683	457,454	(483,623)	(70,094)	1,057,420

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.8 years (30 June 2024: 3.5 years).

Valuation model inputs

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Dividend yield	Risk-free interest rate	Fair value at grant date
05/11/2024	05/11/2029	\$1.3850	5.40%	3.10%	\$1.177

Expenses arising from share-based payment transactions

	Group 2025 \$	Group 2024 \$
Performance rights	331,743	(670,364)

Note 40. Events after the reporting period

Subsequent to the end of the financial year, the Group successfully negotiated an extension of its existing banking facility with National Australia Bank. As disclosed in note 28, the revised terms include an extension of the maturity date (no bank bills maturing in FY 2026), with all other material terms remaining substantially unchanged.

Apart from the facility extension and the dividend declared as disclosed in note 27, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



Entity name	Entity type	Place formed / Country of incorporation	Ownership interest Australian % resident	Foreign residency*
Big River Group Pty Ltd	Body corporate	Australia	100.00% Yes	N/A
Big River Group (NZ) Limited**	Body corporate	New Zealand	100.00% Yes	New Zealand
Plytech International Limited**	Body corporate	New Zealand	100.00% Yes	New Zealand
Decortech Limited**	Body corporate	New Zealand	100.00% Yes	New Zealand

* Foreign jurisdictions in which the entity is resident for tax purposes according to the law of the foreign jurisdiction.

** These entities are classified as an Australian tax resident under the Income Tax Assessment Act ('ITAA') 1997, but are tax resident of New Zealand under the laws of New Zealand. The central management and control of these entities is in Australia. Hence, these entities are considered dual resident for tax purposes, being a resident of both Australia and New Zealand.

For personal use

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Martin Monro
Chair

25 August 2025
Sydney



John Lorente
Managing Director and Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the members of Big River Industries Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Big River Industries Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<i>Impairment of intangible assets</i> As disclosed in Note 17 of the financial report, the Group carries material balances of goodwill and other intangible assets, with a total carrying value of \$44.4m at 30 June 2025. In accordance with AASB 136, impairment testing was performed at both 31 December 2024 and 30 June 2025. As a result of the impairment testing performed at 31 December 2024, the Group has recognised an impairment charge of \$20.0m in relation to its goodwill, as a result of declining performance driven by downturns in the residential and commercial construction markets. No additional impairment was recognised at 30 June 2025 based on the testing performed at year-end. This was determined to be a key audit matter as the determination of the value-in-use of each group of cash-generating units ('CGUs') involved the application of significant estimates and judgements by management regarding forecast future cash flow for each group of CGUs, the discount rates applied to those cash flows and other key assumptions required in the determination of the value-in-use.	Our audit procedures to address this key audit matter included, but were not limited to: - Assessing the appropriateness of management's identification of CGUs and the allocation of goodwill to groups of CGUs for the purposes of impairment testing in accordance with AASB 136 <i>Impairment of Assets</i>. - Obtaining the Group's value-in-use models performing tests over the arithmetic accuracy of the models and the underlying calculations. - Evaluating the reasonableness of the key assumptions in the model, including revenue & EBITDA forecasts and growth rates, discount rates and other key assumptions. We challenged the key assumptions through comparison to historical information and available market & industry information. - Performing sensitivity analysis on the models to review the potential impact of changes to the key assumptions and assess any potential impacts on the conclusions of the impairment testing performed. - Ensuring the impairment charge recognised in the period has been correctly accounted for and disclosed in accordance with AASB 136. - Assessing the adequacy of disclosures included in the financial report, in relation to the impairment loss recognised and the impairment testing performed.

Key audit matter	How the matter was addressed in our audit
<i>Existence and completeness of inventories</i> As disclosed in Note 11 of the financial report, the Group holds inventories of \$72.6m (net of the provision for obsolescence) in the statement of financial position as at 30 June 2025. The Group's inventory consists of a high volume of items that are dispersed throughout the various branch locations across Australia and New Zealand. The Group conducts rolling and annual stocktakes throughout the year and around period end, across the various retail and manufacturing locations in the group to assess the completeness and existence of stock on hand. Assessing the completeness and existence of inventory was determined to be a key audit matter due to the material nature of the balance and the extent of auditor effort to address the audit of the balance.	Our audit procedures to address this key audit matter included, but were not limited to: • Obtaining an understanding of the Group's processes and controls around stock takes and evaluating the appropriateness of these procedures and controls. • Attending a selection of stocktakes throughout the period and around period end, across various locations within the Group's operations. • Observing the performance of stocktakes at the various locations noted above, ensuring that controls in place around the performance of the counts and the oversight and approval of count results are operating effectively as intended. • Performing test counts on a sample of items at each location to ensure the accuracy of the count performed by management and that count results were appropriately reflected in the inventory system. • Reconciling the balance per the inventory system to the balance in the general ledger at 30 June 2025.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' report, Corporate Directory and Shareholder Information for the year ended 30 June 2025, which we obtained prior to the date of this auditor's report, but does not include the financial report and the auditor's report thereon, as well as the Chairman and Managing Director's report and Corporate Details, which is expected to be made available to us after this date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman and Managing Director's report and Corporate Details, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

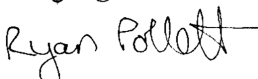
We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Big River Industries Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Ryan Pollett
Director

Sydney, 25 August 2025

The shareholder information set out below was applicable as at 4 August 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued
1 to 1,000	434	0.25
1,001 to 5,000	455	1.48
5,001 to 10,000	201	1.84
10,001 to 100,000	242	8.13
100,001 and over	42	88.30
	1,374	100.00
Holding less than a marketable parcel	158	0.03

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	30,209,752	35.38
ANACACIA PARTNERSHIP II LP	12,513,329	14.65
PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES FUND I I LP	5,575,383	6.53
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,382,506	6.30
PANTHEON INTERNATIONAL PLC	3,072,717	3.60
PANTHEON GLOBAL CO-INVESTMENT OPPORTUNITIES FUND III LP	2,794,643	3.27
GRANJE PTY LTD (PARSONSON FAMILY A/C)	2,211,677	2.59
ANACACIA PTY LTD (WATTLE FUND)	1,948,292	2.28
SAID BUILDING PRODUCTS GROUP PTY LTD	984,122	1.15
DENIS WILLIAM JAGGAR & CHRISTINE PAULA JAGGAR (NIKAU POINT)	901,632	1.06
PAUL HARVEY WEBBER & SUSAN MARGARET WEBBER (CADENZA)	901,632	1.06
IAIN OWUSU ANASH AGYEMAN (AGYEMAN FAMILY)	740,741	0.87
PANTHEON MULTI STRATEGY CO-INVESTMENT PROGRAM 2014	674,331	0.79
CITICORP NOMINEES PTY LIMITED	615,928	0.72
CTL (AUST) PTY LTD	506,411	0.59
GROZN PTY LTD (NICK GROZDANOV INVEST A/C)	496,992	0.58
PANTHEON ASIA FUND VI LP	396,254	0.46
GROZS PTY LTD (STEVE GROZDANOV INVEST A/C)	299,205	0.35
HEATHMOND PTY LTD (ATF RAY EDWARDS FAMILY)	297,619	0.35
010 047 506 PTY LTD (ATF JOHN CLOSTER FAMILY)	297,619	0.35
	70,820,785	82.93

Unquoted equity securities

	Number on issue	Number of holders
Performance rights	1,737,674	14

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
NAOS ASSET MANAGEMENT	29,691,112	34.77
ANACACIA PARTNERSHIP II LP	26,974,949	31.59

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

On-market buy-backs

There is no current on-market buy-back in relation to the Company's securities.

Directors	John Lorente Martin Monro Martin Kaplan Vicky Papachristos Brad Soller
Company secretary	John O'Connor
Registered office	Trenayr Road Junction Hill NSW 2460 Tel: 02 6644 0900
Share register	MUFG Corporate Markets (AU) Limited (A division of MUFG Pension & Market Services) Level 12 680 George Street Sydney NSW 2000 Tel: 1300 554 474
Auditor	BDO Audit Pty Ltd Level 25 252 Pitt Street Sydney NSW 2000
Solicitors	Thomson Geer Level 14 60 Martin Place Sydney NSW 2000
Stock exchange listing	Big River Industries Limited shares are listed on the Australian Securities Exchange (ASX code: BRI)
Website	bigrivergroup.com.au
Corporate Governance Statement	The Directors and management are committed to conducting the business of Big River Industries Limited in an ethical manner and in accordance with the highest standards of corporate governance. Big River Industries Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: bigriverindustries.com.au/Investors/?page=Corporate-Governance