2025

**GLOBE INTERNATIONAL ANNUAL REPORT**

ABN: 65007066033




Salty Crew

FXD Workwear



# Welcome

Globe International Limited is a global producer and distributor specialising in purpose-built apparel, footwear and hardgoods for the boardsports, street fashion, outdoor and workwear markets. Globe International has offices, distribution hubs and manufacturing centres in Melbourne, Los Angeles, Newport Beach, San Diego, Hossegor and Shenzhen. Its products are sold in over sixty-five countries around the world. Globe International's core brands include Globe, Salty Crew, FXD and Impala Skate. The company is listed on the Australian Securities Exchange and has three operating regions: Australasia, North America and Europe. Globe International sells direct to consumers, to retailers and to third party distributors around the world. The company has a full suite of e-commerce based offerings along with a select number of branded retail stores in various strategic neighbourhoods.

Globe International also maintains diverse licensing and distribution businesses of leading third party owned brands for the Australian and New Zealand market, operating under its 4Front and Hardcore Distribution divisions. Currently, Hardcore Distribution carries over twenty brands including Girl, Lakai, Chocolate and Thrasher. 4Front licences and distributes, XLarge and S/DOUBLE, while the company also distributes emerging brands, Szade, Ritual Vision and x /dmg.

# Contents



This financial report includes the consolidated financial statements of the consolidated entity consisting of Globe International Limited and its subsidiaries. Unless otherwise noted, all financial information relates to the consolidated entity.

Globe International Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is 1 Fennell Street, Port Melbourne, Victoria, 3207. The financial statements are presented in Australian currency and were authorised for issue by the directors on 21 August 2025. The Company has the power to amend and re-issue these financial statements.

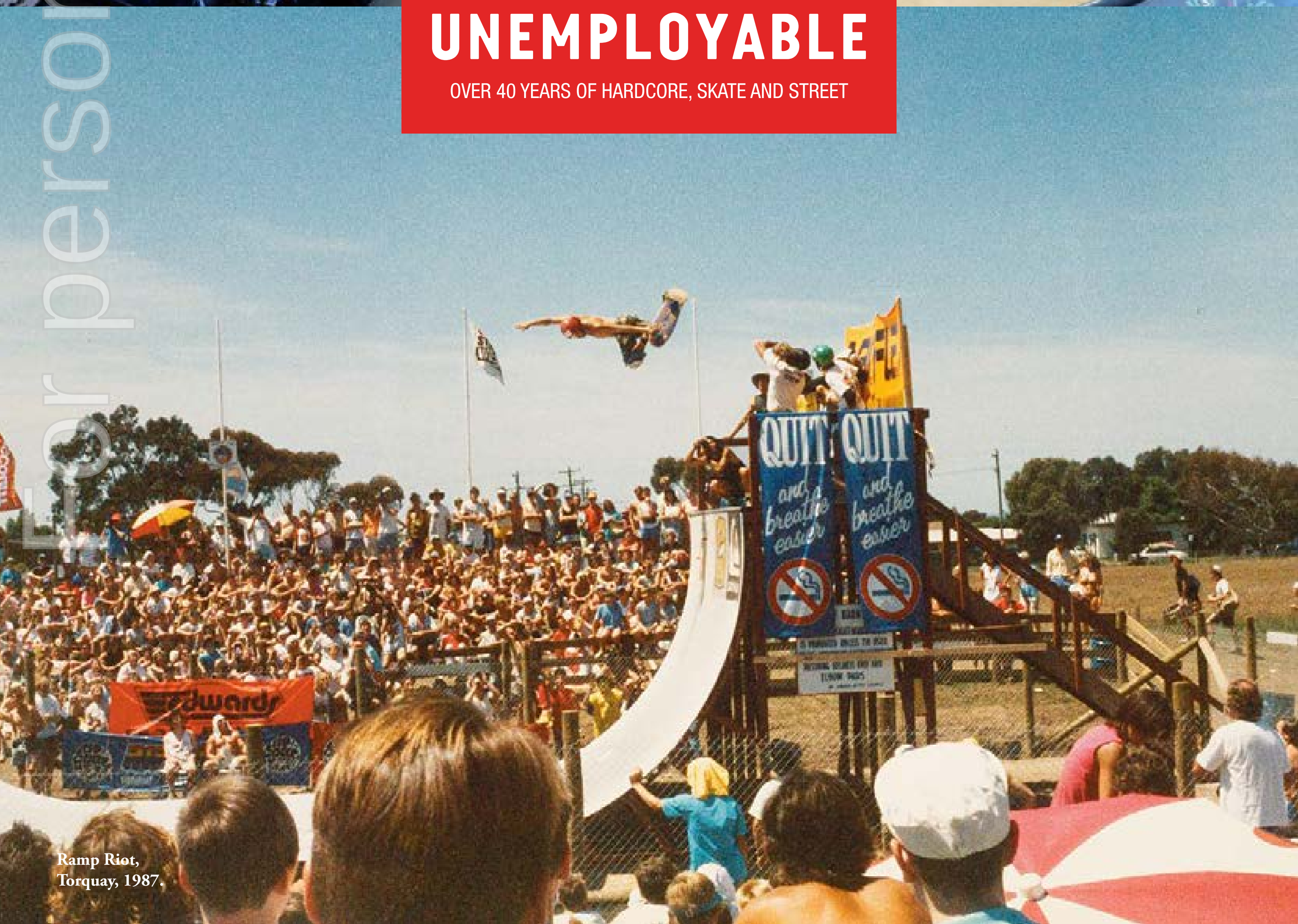
**Globe International Limited's 2025 Corporate Governance Statement can be viewed on our website at:** ***https://globecorporate.com/our-board-policies/***

Globe Australia Pro,
Port Melbourne, 2024

GLOBE

# UNEMPLOYABLE

OVER 40 YEARS OF HARDCORE, SKATE AND STREET



Ramp Riot,
Torquay, 1987.

*"WE NEVER HAD A MASTER PLAN FOR THE BUSINESS, JUST A SERIES OF GUIDING PRINCIPLES THAT WERE ARTICULATED BY PETER AND STEPHEN AS A BUSINESS MISSION: STAY TRUE TO OUR ROOTS, REMAIN HARDCORE AND BE ADAPTIVE TO THAT AS OUR WORLD EVOLVES, AND MOST IMPORTANTLY HAVE FUN BREAKING CONVENTION."*

*- MATT HILL*

Two Australian brothers: Stephen and Peter Hill, emerged out of Melbourne's underground skateboard scene of the late 1970s with a passion for skateboarding that they channelled into the founding of a skateboard equipment importing business, Hardcore Enterprises. Their young company promoted skateboarding throughout Australia; initially with local demonstrations and then a series of national super skateboard tours during the 1980s. Hardcore created a new market and helped grow the Australian boardsports industry. From their involvement with licensing and distribution during the streetwear fashion explosion of the 1990s and the rise of surf-influenced apparel, the Hills soon developed their own diversified proprietary labels including the skate footwear brand, Globe shoes. With domestic success and subsequent expansion into North America and Europe, the company publicly listed on the Australian Securities Exchange in 2001 as Globe International Limited. Through its 2002 acquisition of a skateboard manufacturing partnership, Globe International further grew its brand stable across all sectors, especially in skate hardware.This allowed the company to invest in improved product design and technology. The company continues to evolve with multi-branded high-end designed and manufactured products, and is still licencing, creating and acquiring new core brands, such as the FXD workwear label, Salty Crew and Impala Skate. Celebrating over forty years since the 'unemployable' origins of the company's founders, Globe International continues to build on the original enthusiasm of the Hill Brothers and their earliest staff. As depicted in the coffee table history book, *Unemployable*, the heritage and authenticity across all the respective brands and operating divisions in the business continues to evolve today with a new generation of brands and people.

# Salty Crew

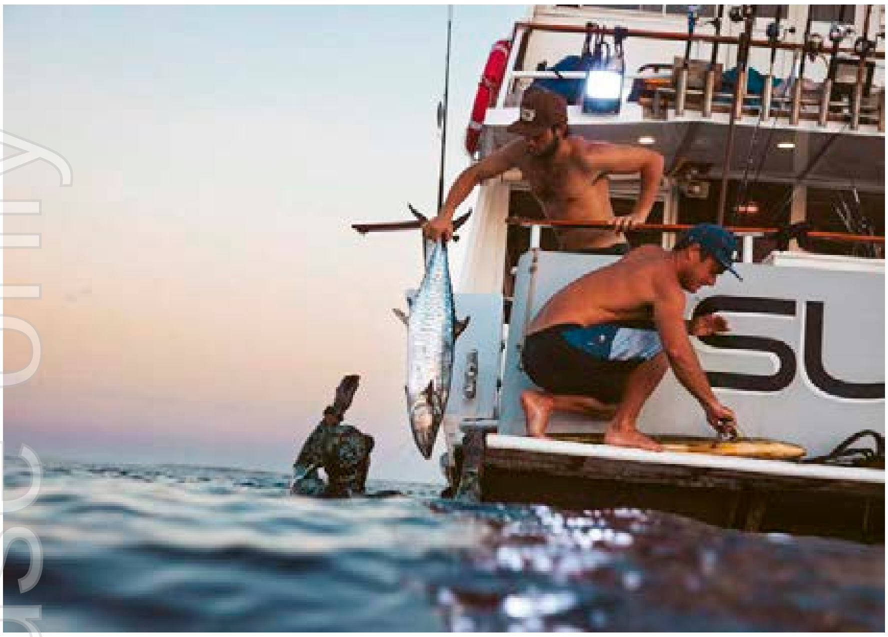
## SALTY CREW TEAM

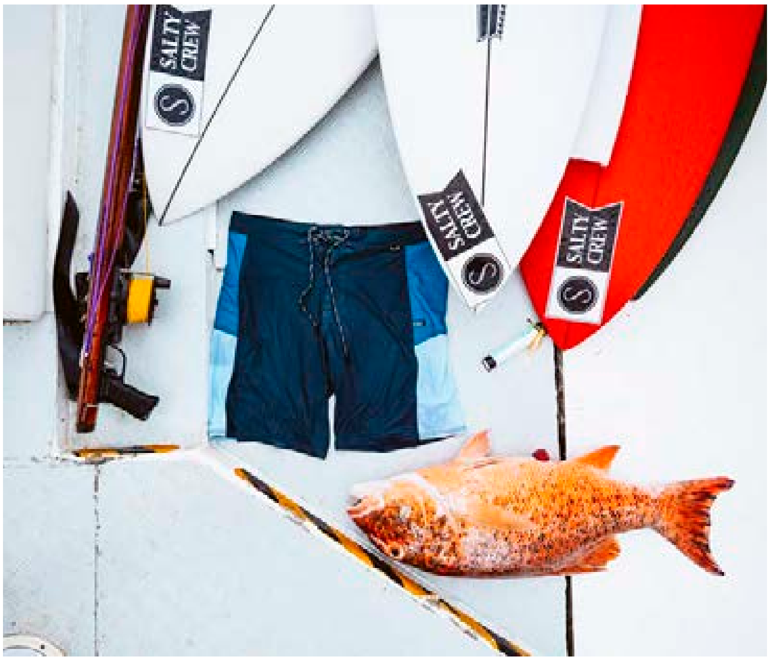
### MENS

Matt Meola
Conner Coffin
CJ Hobgood
Damien Hobgood
Levi Slawson
Benji Brand
Quentin Turko
Jacob Turner
Tehotu Wong
Nate Yeomans
Duane Diego
Brandon Wahlers
Justin Lee
Kevin Meza

### WOMENS

Alishiya Holland
Melissa Brooks
Paz Pacheco
Sabrina Patton
Mahina Akaka








## SALTY CREW

2025 was a pivotal year for Salty Crew – a year where we doubled down on the values that define us and launched our boldest brand campaign yet: **Gear Matters**. Built around the idea that "When the surf is pumping and the fish are biting — and nothing else matters — Gear Matters," this campaign elevated our most technical product franchises, including our Flagship Boatshorts, UV Wovens, and Sun Protection apparel. The response was powerful, resonating with both our loyal watermen and a growing audience who see gear not just as apparel, but as equipment. The Gear Matters campaign rolled out across key retail partners, ambassador channels, and owned digital platforms. It helped fuel strong sell-through in core surf shops, tackle shops, and coastal outfitters, while deepening our positioning as the go-to brand for functional, purpose-built gear. We also brought the Gear Matters story to life through ambassador edits and content from remote fishing missions and surf trips, reinforcing our authentic connection to the sea. The campaign continues to not only drive brand heat — it sets a clear course for Salty Crew's next chapter of growth.


FXD

# Function By Design




FXD


FXD
FUNCTION BY DESIGN

## FXD IS 'FUNCTION BY DESIGN'

After more than 25 years designing and making purpose-built, technical apparel for the punishment of board sports and street wear, Globe International created FXD in 2012 to offer a better look and function through carefully designed and styled workwear and work boots. FXD is dedicated to inspiring and celebrating the creativity, individuality and craftsmanship of the workers and apprentices who wear our gear. Part of this dedication is the FXD x HIA TAFE Mentor Program. In 2025 we visited 92 TAFEs and technical colleges around Australia where we provided industry mentoring and gifted 11,235 'Next Gen' apprentices with FXD work shorts and work socks to give back to the industry by showing young tradies that we see them and we want to inspire them to a future as qualified tradies.

# Impala Skate



Impala Skate



IMPALA
★ S K A T E ★

Impala is for everyone - whether you're into roller skating, inline skating, or skateboarding, it's all about having fun. Our mission is to help support a positive and encouraging community for skaters of all levels that is welcoming, and celebrates diversity in all walks of life. We are always listening to our customers and striving to create products that they will love, and that we love! Throughout all stages of design and production, we are mindful of every detail - from the materials to the manufacturing processes that we use. We also work with charities and causes that we feel passionate about and are aligned with who we are as a brand. So, our skates not only look good, but ARE good and DO good. Impala is a worldwide community for those who love to skate – whether it's at the beach, through the local streets, at a rink or in the skate park.

# Globe Brand

# GLOBE TEAMS

## SKATE

Austyn Gillette
Mark Appleyard
Sammy Montano
Christian Maalouf
Val Bauer
Rodney Mullen

## SURF

Dion Agius
Taj Burrow
Shaun Manners
Creed Mctaggart

## SNOW

Dustin Craven
David Carrier Porcheron
Romain De Marchi
JP Solberg

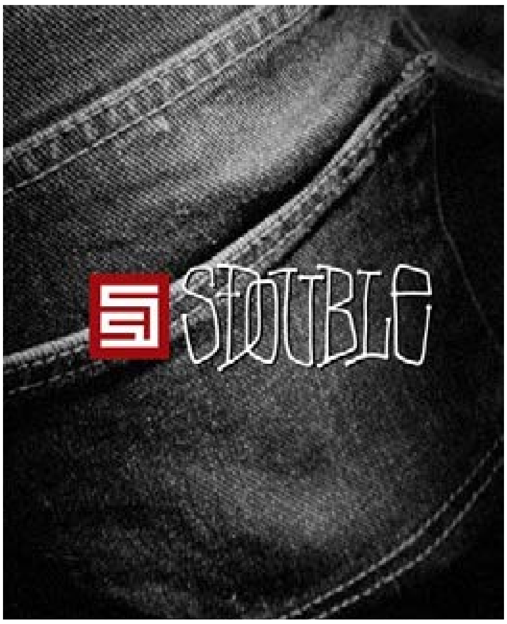
GLOBE

United by over three decades of boardsports, street culture, design and film, GLOBE represents an international network of riders and designers. Emerging out of the Melbourne underground skate scene of the 1970s, Australian brothers Stephen, Peter and Matt Hill started a skateboard distribution business that set off a new movement in Australia and eventually led to the launch of the GLOBE brand in 1994. GLOBE is premium boardsports footwear and skateboards. Some of the key highlights from 2025 include the re-emergence in popularity of GLOBE'S 90's heritage chunky skate footwear, as well as the on-going skateboard collaboration with the Eames Office.

@globebrand | GLOBEBRAND.COM | est. Australia 1994


S/DOUBLE


S/DOUBLE




S/DOUBLE

# 4Front Distribution


XLarge

XLarge

XLarge

## 4FRONT DISTRIBUTION

Globe International's 4Front Distribution specialises in the licensing, distribution and marketing of global street fashion and art culture apparel and footwear brands that include, XLarge and now Shawn Stüssy's S/DOUBLE. Shawn is the legendary designer behind one of streetwear's most iconic brands. S/DOUBLE remains a smaller, more thoughtful project with a focus on quality over quantity. Stüssy describes it as a way to re-engage with his passion for design without the aggressive push of mass-market trends.

Pro-Tec

Chocolate Skateboards

Evisen Skateboards

Lakai Footwear

Slappy

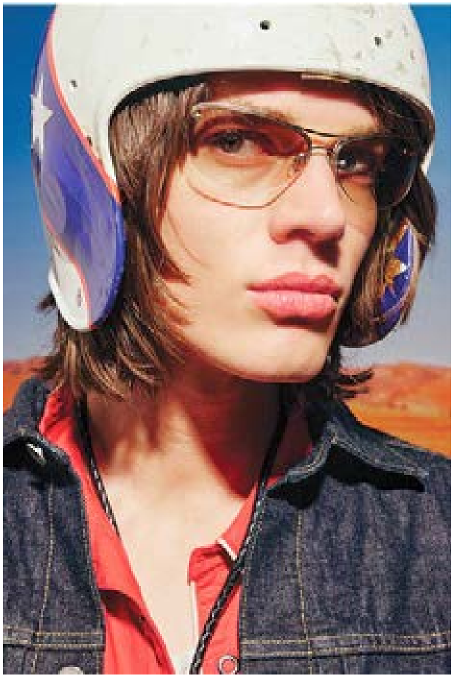
Girl

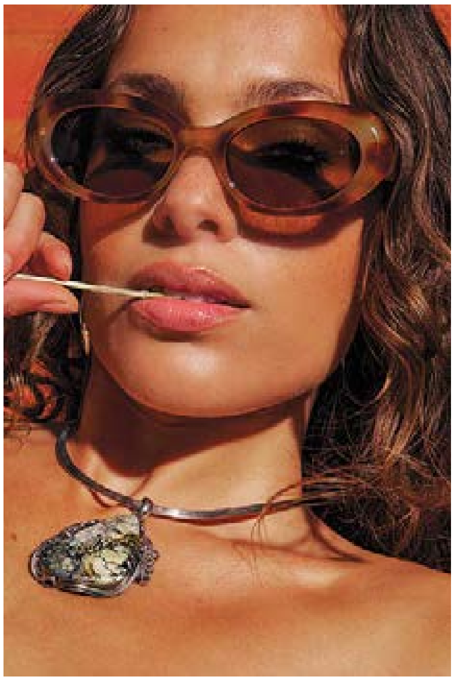
Stance


Thrasher Magazine

## HARDCORE DISTRIBUTION

Globe International's Hardcore Distribution is Australasia's largest distributor of leading brand skateboard products, both owned and third party international brands. Launched in 1985, Hardcore Distribution is the foundation company of Globe International. Hardcore has an unbroken heritage of over 40 years of promoting and distributing the best skateboard brands and pro skaters in the world. Hardcore's founders, senior management, sales and warehouse staff, are all skateboarders and all skate daily. Hardcore distributes over twenty brands including Thrasher, Girl, Chocolate, Pro-Tec and Stance.





## SZADE

A year with SZADE; the last 12 months have seen SZADE focus in on what's important… making good sunnies. We've never been more laser focused on maintaining our premium quality in the category and improving on the finer details, all while keeping our prices accessible for all. With our best custom, ground up designs yet, our new price point in the market, and our killer sales strategy we're excited for the next 12 months to come. We're also excited to share our expanding business and success in the Japanese fashion market as we continue to place SZADE in high-end boutiques, premium fashion lifestyle doors, and now major department stores too. The release of our first headwear also saw the brand move into accessories, and allows us to continue building out the SZADE world and create more opportunity for community and brand awareness. While we're on the topic of community, we've been working on a number of collaborations with a range of like-minded brands in different categories and aesthetics, to ensure we're reaching new eyeballs constantly and converting more customers. Make sure you keep your eyes peeled for our limited edition and collaborative projects to launch! As well as being super active, we've also taken the time to listen, learn and hone our skills to bring a fresh perspective to the brand that's more female focused and tailored to our major retail partners, adding even more commercial value. This year has seen us grow our community, expand our range and really establish ourselves as the go-to eyewear label for slick, on trend and affordable frames.

## X/DMG

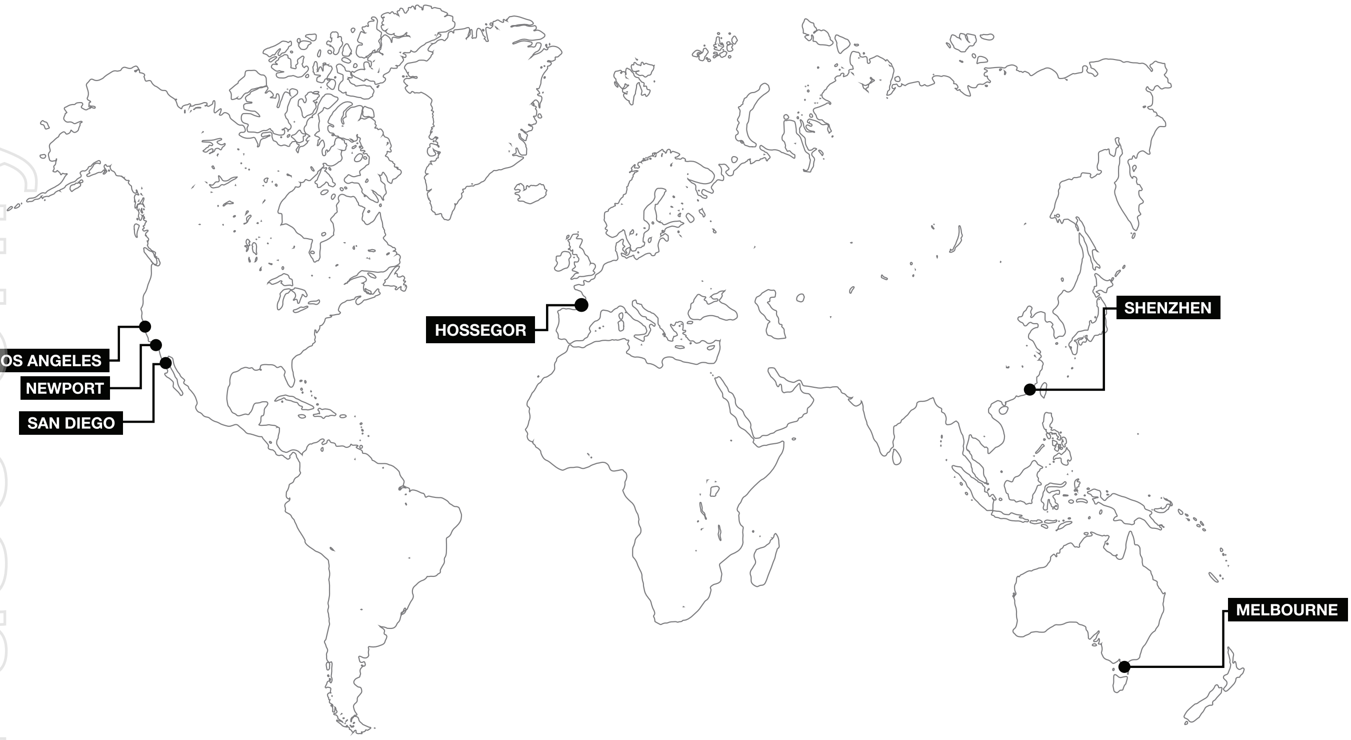
X/DMG TRADE PRICE is $69.95 work pants and $59.95 work shorts.

# Szade, Ritual Vision & x/dmg



## RITUAL VISION

Bringing high quality, recycled, affordable, sunglasses to the surf and youth market.
Ritual is for everyone, fighting corruption and big corporate with sustainable, functional pieces that don't cost the earth. We are here to disrupt and challenge the industry with less focus on building huge profit margins and more focus on supporting our culture and those who create and innovate within the surfing world.




# Worldwide Locations

Globe International maintains major sales, marketing, design and distribution offices in key industry locations around the world including Los Angeles, Melbourne, Hossegor, Newport Beach and San Diego. In addition, it has an interest in manufacturing facilities in China. Globe sells its products direct to retailers in over 20 countries, and elsewhere via third party distributors, and direct to consumers via its online stores. In total, Globe International products can be found in more than 65 countries worldwide.

Globe International hosts twelve direct to consumer retail websites across its proprietary and licensed brands and also maintains a limited number of flagship branded retail stores in key influential markets around the world including Port Melbourne and Hossegor.


Port Melbourne Office, Melbourne.


Los Angeles Office, USA.


Hossegor Office, France.

# Environment

Globe International has continued to off-set over three times the number of trees harvested yearly in the production of our skateboards. Beginning in 2018, Globe International's ongoing wood off-set program, 'ReGrowth' has now helped to plant over 145,000 trees. This has been done in conjunction with the National Forest Foundation, an American non-profit organisation who works with the United States Forest Service, particularly in the area of restoring forest areas damaged by wildfire, drought and pests.

As a founding partner of Tread Lightly, the Australia's national shoe recycling scheme, Globe has continued to work with the Australian Sporting Goods Association and other footwear brands. The scheme collects used footwear directly from consumers and via a network of retail and wholesale partners has so far recycled over 1.5 million pairs of unwanted footwear from Australian landfills.

At our Melbourne operations, we have continued to offer an onsite collection point for apparel recycling to avoid sending textile and garment waste (including damaged samples and items returned to us through our various wear-testing programs) to landfill. Collected textiles are sent to UPPAREL, Australasia's leaders in textile recovery and recycling. We also work with Reground to recycle soft plastic waste generated onsite along with coffee grounds from our own kitchen and neighbouring cafes. Our Melbourne retail store also offers a public collection points for both textile and footwear recycling.

We maintained our goal of purchasing 100% of leather from Leather Working Group accredited suppliers for our footwear products across the FXD Workwear, Globe and Impala Skate brands. We remain a member of the Leather Working Group (LWG), which is a multi-stakeholder organisation for the leather industry, focused on promoting environmental best practice.

Globe International submitted its first report and action plan to the Australian Packaging Covenant Organisation (APCO) to improve the circularity and use of recycled materials in our packaging and product labels across our product design teams, including better labelling of materials for recycling.

*https://globecorporate.com/environment/*


# Social

Globe International remains a member of SEDEX to further improve our ethical and sustainable sourcing practices, specifically to better trace our supply chain to ensure human rights and safe working conditions for everyone making our products. SEDEX is a global ethical trade member platform, that allows businesses to manage risk, meet compliance and provide transparency across supply chains.

Most of Globe's products are manufactured in China, the USA and Mexico with long-standing third-party supplier partners and Globe remains committed to avoiding manufacturing areas where there are known serious social issues around worker exploitation – including Myanmar (Burma) and North Korea. Due to continuing grave and systematic labour rights violations in Turkmenistan, the company has pledged through the Responsible Sourcing Network to not knowingly use cotton sourced from that country's cotton industry. Additionally Globe has also pledged to not knowingly use cotton sourced from China's Xinjiang Uyghur Autonomous Region and so expects its suppliers not to source such cotton.

Globe International undertakes annual reviews of its supply chain and ensures all suppliers and its own sourcing and production staff sign off on an Ethical Sourcing policy. This publicly available policy sets out expected minimum standards, particularly in relation to banning both child and forced labour along with the requirement to provide a safe workplace for all. Globe submitted its fifth Modern Slavery Statement as part of the annual requirements of the Australian Modern Slavery Act 2018 in December.

*https://globecorporate.com/social/*

LEATHER WORKING GROUP
Sedex Member
National Forest Foundation
APCO MEMBER
TREAD LIGHTLY

# Diversity

Globe International Limited is committed to enhancing diversity within its workforce. Having submitted its workplace profile and gender statistics to the Australian Government's Workplace Gender Equality Reporting Agency (WGEA) under the Workplace Gender Equality Act 2012 (Cth), Globe's report is now publicly available through the WGEA website.

Globe continues to employ an Impact 21 graduate as part of its earlier involvement with the Inclusion Foundation's Impact 21 employment program for young adults living with down syndrome.

# Community

During the past Financial year, Globe donated cash directly to the Coastal Conservation Association via its partnership with Salty Crew in North America. Globe also encourages it staff to remain connected to the community through offering one day of paid volunteer leave for Australian staff to volunteer in a charity of their choice.

Across all of its operating regions, Globe, Impala Skate and Hardcore Distribution continued to encourage the development of skating, surfing and snowboarding through direct funding, product and in-kind donations to various local skate, surf, roller skate and art-based individuals and community groups such as Timor Skate and She Shreads.

FXD Workwear's TAFE Mentor Program is now in its thirteenth year, and whilst marketing driven, works with industry and donates workwear directly to 'Next Gen' apprentices at trade schools and technical colleges, encouraging them to complete their courses against a background of high dropout rates across Australia.

Globe has also donated product directly to broader charity organisations, including; Save The Children, Hands on Learning, Uniting Care & Williams House, The Generosity Collective, Boys to the Bush, Central Coast Kids in Need, One in Five and the Victorian Aboriginal Child and Community Agency, amongst others.

*https://globecorporate.com/community/*

Salty Crew

Dear Shareholders,

Welcome to the 2025 Annual Report for Globe International Limited. I am proud to share the significant progress our company has made in FY25.

Profitability of the business remained strong as a result of all three operational entities in Australia, North America and Europe, contributing positively to group profits.

Brand highlights included the growth of global strategic brands, FXD, Salty Crew and Globe footwear and the elimination of brands and associated revenue that were not deemed to match our long-term strategy to focus on global brands.

This demonstrates the company's forty-year, proven ability to adjust brand mix, and to develop and grow market share in strategic global brands across a variety of demographics and customer base to ever changing consumer world.

Financially the company ended the year with a strong balance sheet with minimal debt to drive future growth and protect against global economic uncertainty. As a result, we have announced a significant final dividend payout for FY25 returning a $4.1m final dividend payout to shareholders with regard to the FY25.

This announced dividend will mark our ten-year anniversary of paying a dividend every half year, translating into twenty consecutive dividends. This achievement, in a difficult global consumer discretionary market, is a testament to the entire team's expertise and passion for our brands, led by our Board of Directors, CEO and management team that are aligned, emotionally invested, and have the business acumen to guide each of our brands to profitability.

Globe International is proudly a "founder led" business based on our original guiding principles with a mission to stay true to our roots, remain hardcore and be adaptive to that as our world evolves.

Looking to FY26 we are energised by the opportunities that lie ahead for each of our brands. We remain committed to driving growth and meeting evolving needs of our customers, all while maintaining our focus on profitability and delivering value to our shareholders.

I would like to thank my fellow Board members, our CEO, the senior management and each of our almost 200 employees within Globe International for their dedication and enthusiasm.

To our shareholders, thank you for your continued trust and support. I look forward to speaking with you at our upcoming AGM and on any other occasion we may meet.

Yours Sincerely,

Harry Hodge
*Chair and Non-Executive Director*


**Globe Brand**

Dear Shareholders,

Globe International Limited delivered another successful year for shareholders in 2025 with strong returns, revenue growth in key global brands, and ongoing restructuring of brands and operations to continue to evolve our platform for future shareholder returns.

Amidst a backdrop of tightening retail markets, and global change, the company posted revenue of $206.3 million, EBIT of $14.6 million and maintained a very robust balance sheet enabling the return of dividends totaling 20 cents per share as related to the 2025 fiscal year. In addition, the company was able to deliver these results while adjusting brand mix to remove brands determined to be lower margin and non-global growth brands, while focusing resources and energy on growing key global brands such as FXD, Salty Crew and Globe footwear.

During the year, brand highlights included a further move toward high margin and stable apparel business as a higher proportion of our group sales, and branded growth stories in FXD footwear and apparel, Salty Crew men's and women's apparel, and Globe footwear. We saw progress in our emerging brands of Szade eyewear and X/DMG workwear and we were excited to launch two new brands during the year with S/Double streetwear apparel and Ritual Vision surf eyewear entering the market to solid reception. We also made the pragmatic decision, as we always do, to move on from brands that we did not determine to be part of our long-term financial profitability and growth plans.

Regionally, we saw positive contributions from all three of our major operational bases in Australia, the USA and Europe. Our Australian division was once again the cornerstone of the company's revenue and profitability, and our North American division navigated the changing landscape with tariffs and delivered strong EBIT contributions to the group. Meanwhile, our European division completed the restructuring for the division which followed last year's management overhaul, and this year implemented an office and warehouse operational move to set the division for revenue growth and operational and margin improvement into future years.

In short we delivered in a year that saw immense global change and uncertainty, and yet stayed on track for our branded strategies, needed regional changes, maintained strong financial stability and made solid financial returns to shareholders.

Our Environmental, Social and Governance (ESG) programs have continued. Our Wood Off-Set Program has now successfully planted over 145,000 trees, offsetting the wood used in our skateboards by over 3 times. As a founding partner of Australia's national shoe recycling initiative, Tread Lightly, we have helped to divert over one and half million pairs of unwanted footwear from landfill. We are also committed to minimising waste through using textile recycling facilities in Australia that prevent textile and garment waste from reaching landfill. Our commitment extends to our leather sourcing, with 100% of our footwear leather coming from accredited suppliers as part of our membership with the Leather Working Group. Furthermore, our membership of the Australian Packaging Covenant Organisation advances the use of recycled materials in our packaging and product labels.

As always, I am grateful for the efforts of our global teams and proud of the commitment, hard work and creativity of our team. Looking ahead, our focus is to continue growing our global priority brands and to improve profitability and revenue of our key brands around the World. In addition, we will continue to invest in our emerging brands and develop new brands when we see market opportunities. Indeed the brand mix and focus we have today is quite different to the brand mix of ten years ago delivering a greater scale of revenue and EBIT since that time. Globe now has a 40 year track record for developing brands and moving with the changing markets and society to maintain a stable of relevant and lucrative brands delivering shareholder returns. This is a record we look forward to continuing to expand on in the coming decade.

Finally, I would like to thank the Board for their support and of course the shareholders. Thank you for your continued support of Globe International Limited and belief in our brands and future potential of the company.

Yours Sincerely,

Matt Hill
*Chief Executive Officer*

Globe Brand

Your directors present their report on Globe International Limited ("the Company") and its controlled entities (collectively "Globe" or the "consolidated entity") for the year ended 30 June 2025.

The name and position of each director of the Company in office at any time during the financial year and up to the date of this report:

## DIRECTORS IN OFFICE AT 30 JUNE 2025

### Harry Hodge

*Chairman and Non-Executive Director*

Harry Hodge was appointed to the Board of Directors and as Chairman on 16 June 2023. Harry has over 30 years' experience in senior executive and non-executive roles in organisations ranging from starts-ups, SME's, large and international organisations across women's and men's fashion, actions sports, youth culture as well as retail sectors. In an executive capacity as CEO/Executive Chairman, Harry played a pivotal role in establishing the Quiksilver, Roxy and DC brands in Europe. His additional executive and board level experience includes, Executive Director of Quiksilver Inc (NYSE – ZQK), Executive Chairman of Quiksilver Asia-Pacific, as well as Deputy Chairman of Surfing New South Wales. In these roles, Harry implemented strong corporate governance and risk management policies and successfully led several merger and acquisition transactions.

### Stephen Hill

*Executive Director*
*12,675,549 shares*

Stephen Hill co-founded Globe in 1985, remains a major shareholder in the business and has expertise in the development of growth initiatives, brand development and market positioning strategies for the Company. Stephen is a former skateboarding champion and remains a daily skateboarder, snowboarder and surfer.

### Peter Hill

*Executive Director*
*12,436,009 shares*

Peter Hill co-founded Globe in 1985 and remains a major shareholder in the business. He is a major contributor to the strategic market direction and brand development of the business with a particular emphasis on Asian sourcing and distribution where he is based. Peter is a former skateboarding champion and maintains an extensive interest in extreme action sports and motorsports.

## COMPANY SECRETARY

### Samantha Cook

*MBA, University of Sydney, 2018, Juris Doctor, Monash University, 2011*
*Bachelor of Arts (Chinese Studies), University of Melbourne, 2008*

Samantha Cook was appointed as the Company Secretary in December 2023, having commenced employment at Globe in November 2022 as General Counsel of Globe International Limited. Prior to this, Samantha spent over a decade working as a lawyer in private practice in Australia and throughout the Asia-Pacific region, specializing in commercial law, M&A and corporate governance.

## DIVIDENDS

Dividends paid or declared by the Company during, and since the end of, the financial year are set out in Note 28 to the Financial Statement and are summarised below:

| | FY25 FINAL | FY25 INTERIM | FY24 FINAL | FY24 INTERIM |
|---|---|---|---|---|
| Cents per ordinary share | 10.00 | 10.00 | 13.00 | 9.00 |
| Franked amount (%) | 100 | 100 | 100 | 100 |
| Total amount ($m) | 4.1 | 4.1 | 5.4 | 3.7 |
| Payment date | 19 September 2025 | 28 March 2025 | 20 September 2024 | 22 March 2024 |

In total, dividends of 20 cents per share will be paid to shareholders in respect of the financial year ended 30 June 2025, compared to the 22 cents of dividends paid in relation to the year ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the design, production and distribution of purpose-built apparel, footwear and hardgoods in the board sports, street fashion, outdoor and workwear markets globally.

## OPERATING AND FINANCIAL REVIEW

The consolidated entity reported a solid and quality result in FY25. Margins again improved in FY25 with strategic reviews of sourcing, and the supply chain. With all divisions again profitable, and the international divisions growing their EBIT contribution by 15% over the prior year, the consolidated entity continues to build upon its goal to improve brand mix for long term growth, quality and consistency of earnings and ultimately returns to shareholders. The key business metrics for the year were as follows:

- Revenue of $206.3 million, (FY24 $222.3 million), impacted by planned discontinuation of non-strategic brand revenue of $25.5 million.
- EBIT of $14.6 million, down on FY24 ($17.1 million).
- Australia remained highly profitable delivering $12.7 million of segment EBIT at a margin of 12.6%, amidst a backdrop of tightening retail markets during the year.
- USA and EU regions contributed $9.4 million of segment EBIT, up on FY25 ($8.1 million).
- NPAT of $9.8 million (vs $11.5 million in FY24).
- Fully franked final dividend of $0.10 per ordinary share (cps) declared; total FY25 dividend of $0.20 cps fully franked (FY24: $0.22 cps fully franked).
- The consolidated entity's cash position, net of working capital borrowings, was $19.3 million at 30 June 2025.

| KEY FINANCIAL METRICS | FY25 | FY24 | CHANGE |
|---|---|---|---|
| Net sales (A$m) | 206.3 | 222.3 | (16.0) |
| EBIT (A$m) | 14.6 | 17.1 | (2.5) |
| NPAT (A$m) | 9.8 | 11.5 | (1.7) |
| Cash from operating activities (A$m) | 11.0 | 23.4 | (12.4) |
| Dividend (A$ cps) | 20 cents | 22 cents | (2 cents) |

(1) Regional EBIT analysis is conducted pre-corporate and other unallocated expenses

## OPERATING AND FINANCIAL REVIEW (continued)

Financial Performance

The $14.6 million EBIT reported for the year generated a margin of 7.1% on net sales, which compares to 7.7% in the previous year. While less than FY24, it is after the removal of non-strategic revenue of $25.5 million. Despite this, underlying sales have increased, and International divisional performance has improved particularly in the United States. The European division was flat on the prior year as it undertook significant operational projects to improve capacity and better support divisional growth. Although the Australian division incurred the impact of the removal of non-strategic brand revenue, the division continued to be the most profitable region with strongest profit margins, due to disciplined management and the successful introduction of three new brands.

Capital Management

Taking into consideration the Group's significant NPAT performance and strong balance sheet, the Board has declared a fully franked final dividend of 10 cents per ordinary share (cps) will be paid to shareholders on 19 September 2025.

This brings the total FY25 dividend to $0.20 cps, fully franked, compared to FY24's total dividend of $0.22 cps.

The Board determined the final dividend based on the Group's underlying earnings, cash generated from operations and strong balance sheet.

The consolidated entity's cash position, net of working capital borrowings, was $19.3 million at 30 June 2025, which has reduced by $2.8m from the prior financial year after payment of $9.5m in dividends throughout the year. This is illustrated in the table below.

| CONSOLIDATED ENTITY'S CASH POSITION, NET OF WORKING CAPITAL | 2025 ($M) | 2024 ($M) |
|---|---|---|
| Cash and cash equivalents | 19.9 | 22.1 |
| Working capital borrowings | 0.6 | - |
| **Consolidated entity's cash position, net of working capital** | **19.3** | **22.1** |

## MATERIAL BUSINESS RISKS

The consolidated entity operates in a dynamic, global environment and is exposed to a range of material business risks that could adversely affect operations and the performance of the business. In order to mitigate these risks, the consolidated entity has in place a risk management framework that is used to identify, assess and ultimately mitigate risk. The framework is maintained by continually reviewing and updating risk assessments in order to keep up with the evolving environment. Outlined below is a summary of the consolidated entity's material business risks, and the risk management protocols in place to mitigate those risks.

| TYPE AND DESCRIPTION OF RISK | MITIGATING ACTIONS |
|---|---|
| **Retail Environment and Economic Conditions**<br><br>The consolidated entity sells products that are discretionary by nature. As such consumer spending on these items is sensitive to changes in both consumer sentiment and the consumers' disposable income.<br><br>Any material reduction in consumer spending on discretionary items is likely to result in a reduction in revenues for the consolidated entity, and also profitability if the consolidated entity is unable to adapt to the changing revenue trends. | • Monitoring of market conditions and regular reforecasting of sales, cash flows and profitability allows the consolidated entity to identify and quickly react to changing business trends.<br>• Maintaining strong, respectful relationships with suppliers and retail customers to help navigate fairly and reasonably when changes are required.<br>• Developing and maintaining a mix of brands and products that appeal to different segments of the consumer market. |
| **Competition**<br><br>The global clothing, footwear and hardgoods markets in which the consolidated entity operates are highly competitive. There are low barriers to entry, high intellectual property risk, and everyone is subject to changing consumer preferences.<br><br>There is a risk that the consolidated entity's retail customers and/or end-consumers may decide to choose to purchase products from our competitors, which could result in a loss of market share. A loss of market share would likely result in a reduction in revenues which is likely to have an adverse effect on the consolidated entity's financial performance. | • The founding Executive Directors are highly experienced in the industry and set the tone for the branded teams with regards to keeping existing brands fresh, and looking for new opportunities to create brands and products that keep the consolidated entity ahead of its competition.<br>• The consolidated entity works hard to protect its brands. It widely registers trademarks and key designs, and actively seeks out and defends any suspected infringements.<br>• The consolidated entity has a diverse range of brands and products across multiple distribution channels, which helps to mitigate the impact of any loss of market share for one specific brand or product. |
| **Fashion trends and consumer preferences**<br><br>The consolidated entity sells products that are subject to cycles and fashion trends over time. In the case of apparel brands, fashion trends change and evolve over time, which can result in certain brands losing market share if they miss or are ultimately unable to keep up with the latest trends. In the case of the hardgoods market, it is a cyclical market subject to significant peaks and troughs. An inability to forecast a change in the trend can result in missed opportunities on the way up, or excess inventories on the way down.<br><br>Ultimately, the inability to adapt to changing fashion trends and market cycles will result in a reduction in sales, margins and ultimately financial performance. | • Regular and ongoing monitoring of consumer behaviour and retail trends and working closely with retail customers to understand in-store trends, helps to identify changes in sales trajectory. Design and development, purchasing and clearance strategies are then modified accordingly.<br>• Regular monitoring of inventories against future orders and forecast sales to quickly identify and react to any increase in months stock on hand.<br>• The consolidated entity has a diverse range of brands and products across multiple distribution channels, which helps to mitigate any downward fashion or market cycles for any one brand or product category. |

## MATERIAL BUSINESS RISKS (continued)

| TYPE AND DESCRIPTION OF RISK | MITIGATING ACTIONS |
|---|---|
| **Product Sourcing**<br><br>The consolidated entity's products are primarily sourced from China and Mexico. While the supplier base is diversified across multiple brands and products, there is a reliance on key suppliers for most brands.<br><br>There are many things that can negatively impact the supply chain, including:<br>• Severe weather and/or climate change events;<br>• An outbreak of a pandemic;<br>• Labour shortages or other labour market issues;<br>• Financial instability of suppliers;<br>• Geo-political tensions and conflict or unrest that changes the availability or the cost of products (quotas, duties etc.);<br>• Shipping volatility including disruption at ports, at sea, container or equipment shortages, etc.<br><br>Any material change or disruption to the supply chain could have an adverse impact on sales (through inventory availability) and profitability (through lost sales and/or increasing costs). | • The consolidated entity is actively working to increase the geographical diversity of its supply chain to mitigate the geographical supply chain risks.<br>• Sourcing has been expanded to Vietnam, Bangladesh, India and Cambodia to mitigate reliance on China.<br>• Maintaining strong, respectful mutually beneficial relationships with key suppliers to avoid surprises wherever possible and otherwise share risks with.<br>• Sourcing teams regularly meet with alternative suppliers to reduce the time it takes to counter-source, if and when required. |
| **Compliance**<br><br>The consolidated entity is subject to, and must comply with, a vast array of laws and regulations in the ordinary course of its business. This includes, but is not limited to:<br>• Workplace relations regulations<br>• Product safety regulations<br>• Consumer & Competition laws<br>• Privacy laws<br>• Sustainability and Ethical sourcing regulations<br>• Financial and taxation regulations<br>• Occupational Health and Safety laws<br>• ASX listing rules<br><br>The level of compliance is compounded by the following factors:<br>• Operations across multiple jurisdictions<br>• End consumers across the World<br>• Multiple product categories<br>• Segregation of product teams | • Dedicated, qualified compliance delegates in the key offices (Australia and the US), and qualified accounting personnel in all offices.<br>• An ESR Manager and inhouse general counsel to help monitor and address the growing compliance obligations in relation to sustainability and ethical sourcing.<br>• Maintenance of relationships with key advisors (tax, legal, ASX etc.) and memberships to relevant organisations.<br>• Regular review, amendment and assessment of the effectiveness of internal control policies and procedures that are in place to enhance compliance. |
| **IT and Cybersecurity**<br><br>In operating a global entity, the consolidated entity is reliant on IT infrastructure, operating systems and applications. With technology fast evolving and the impact of outages or failures from any of these component parts resulting in business loss is an increasing and ever-present risk.<br><br>Cybersecurity is just one area of IT risk where technology is evolving rapidly in terms of prevention, detection and mitigation but so too are the frequency and sophistication of cyber threats. | • The consolidated entity regularly reviews systems, processes and performance against the ASD Essential 8 and AICD Principals as well as industry best practice.<br>• As part of this process, the consolidated entity reviews policies and processes including:<br>  • Disaster Recovery and Business Continuity Plans<br>  • Use of technology and providers<br>  • Access and security policies<br><br>Changes are implemented consistent with the consolidated entity's risk framework. |

## CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the financial year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no reportable matters that have occurred subsequent to the end of the financial year.

## ENVIRONMENTAL REGULATIONS

The consolidated entity is not subject to particular or significant environmental regulation in respect of its activities.

## MEETINGS OF DIRECTORS

Details of attendances by directors at Board meetings during the financial year were as follows:

| | NUMBER ELIGIBLE TO ATTEND | NUMBER ATTENDED |
|---|---|---|
| Harry Hodge | 5 | 5 |
| Peter Hill | 5 | 5 |
| Stephen Hill | 5 | 5 |

## INSURANCE OF OFFICERS

During the financial year, Globe International Limited paid premiums to insure the directors, secretary and senior management of the Company and its subsidiaries. The amount of such premiums is confidential as per the terms of the insurance contract.

The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and its controlled entities, but not in respect of obligations owed to the Company, or if they are found liable in such civil penalty or criminal proceedings.

## 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 consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party, for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

## AUDIT AND NON-AUDIT SERVICES

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

Certain non-audit services were provided by the consolidated entity's auditor, PricewaterhouseCoopers. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. PricewaterhouseCoopers Australia and its related parties did not receive, or are due to receive any amount from the consolidated entity for non-audit services during the financial year. Prior years payment of $68,040 predominantly related to taxation compliance services and advice.

## AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 53.

## ROUNDING OF AMOUNTS

Amounts in the Directors' Report have been rounded off in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## REMUNERATION REPORT (AUDITED)

This remuneration report sets out the principles used to determine the nature and amount of the remuneration paid to all KMP's, as well as details of the remuneration that was paid in the current and prior financial years. The remuneration report is set out under the following main headings:

**A** Overview of executive remuneration

**B** Principles used to determine the nature and amount of remuneration

**C** Details of remuneration

**D** Service agreements

**E** Other transactions with directors and key management personnel

### *A. Overview of executive remuneration*

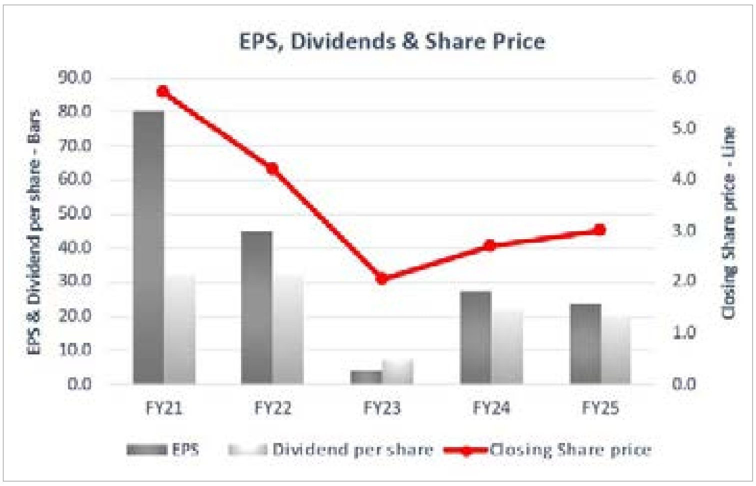
The key management personnel (KMP) of the consolidated entity are its directors, the CEO, CFO, COO and Presidents. The details of all KMPs who held a position with the company at any stage during the current or prior financial year are included in the table below. Where there was any change to the roles held by any KMP's during either period, the nature and date of that change is included below.

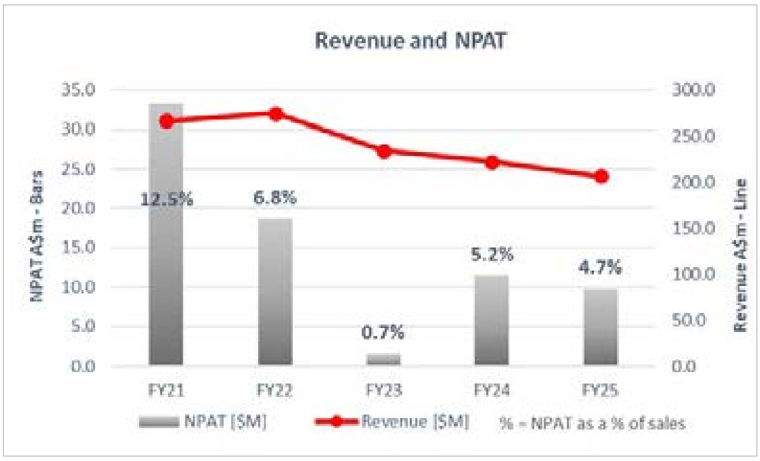
| NAME | ROLE | DATE AND NATURE OF ANY CHANGES DURING CURRENT OR PRIOR YEAR |
|---|---|---|
| NON-EXECUTIVE DIRECTORS | | |
| Harry Hodge | Chairman of the Board | No change |
| EXECUTIVE DIRECTORS | | |
| Peter Hill | Executive Director, Co-founder and Co-President – Brand Development. | No change |
| Stephen Hill | Executive Director, Co-founder and Co-President – Brand Development. | No change |
| EXECUTIVES | | |
| Matthew Hill | Chief Executive Officer | No change |
| Karen Browne | Chief Financial Officer | No change |
| Gary Valentine | President - NAM / Chief Operating Officer | No change |
| Jon Moses | President – Australasia | No change |
| Matthew Wong | President – Global Product | No change |
| Dane Ward | Directeur Général - Europe | No change |

## REMUNERATION REPORT (AUDITED) (continued)

***A. Overview of executive remuneration (continued)***

Over the last 5 years shareholder wealth has increased by $126.3 million, incorporating an $81.1m increase in market capitalisation and the return of $45.2m in dividends. Market capitalisation and dividends were at the highest over the 5 years during the 2021 financial year. After a reduction in sales following COVID, the Company has seen improved profitability and corresponding shareholder earnings in both the 2024 and 2025 financial years. In the 2025 financial year, earnings per share were 23.63 cents and dividends declared of 20 cents represented a yield of 6.6% on the closing share price.




However over the same period, both revenue and NPAT have declined. This is reflected in reduced short term incentive outcomes for the year, where Executive Directors and the CEO received no short term-incentive outcomes and other executive KMPs received short term incentives in the range of 0 – 50% of their base salary. In the prior year, executive KMPs received short-term incentives in the range of 21-55% of their base salary.

**Changes to remuneration during 2025**

During FY25, there were a number of changes to executive KMP remuneration, including:

- An increase in fixed remuneration of the Non-Executive Director.
- An increase in the fixed remuneration of two executive KMPs.

The increase in fixed remuneration for the Non-Executive Director has been the first review of Non-Executive Director remuneration since 2018. The fixed pay of the Non-Executive Director has been set relative to peer companies.

These changes and the underlying principles for determining executive remuneration are discussed in greater detail below.

## REMUNERATION REPORT (AUDITED) (continued)

***B. Principles used to determine the nature and amount of remuneration***

**Over-riding principles of remuneration**
The objective of the Company's executive remuneration framework is to attract and retain directors and executives capable of managing the consolidated entity's diverse operations in Australasia, North America and Europe. As the Company does not have a Remuneration Committee, executive remuneration is reviewed on an annual basis by the Board, having regard to personal performance, Company performance and relevant comparative external information.

Remuneration for executive directors now comprises a fixed and an "at risk" variable component. Remuneration for other senior executives also comprises both a fixed component and a variable component.

Fixed remuneration is set considering market rates for each position based on their domicile, as well as executive experience and performance.

The "at risk" component comprises a short-term incentive, targets for which are set at the beginning of each year and assessed on an annual basis by the CEO, or the Board in the case of the CEO. These incentive targets are based on a combination of the overall consolidated entity's results as well as individual performance conditions which include both financial and non-financial targets.

This executive remuneration framework is aligned with shareholders' interests in the following respects:

- it attracts and retains high calibre executives, as it:

  - remunerates capability and experience
  - is competitive
  - rewards executives for contributing to the achievement of the overall consolidated entity and individual business unit targets
  - considers the extent of employee ownership

- remuneration is linked to certain financial performance measures that, if achieved, will ultimately drive increases in shareholder wealth. Globe International Limited's ratio of earnings before interest and tax (EBIT) to revenue is the central performance indicator for both the Group performance as well as the individual business unit performance.

**Directors**
Remuneration and fees paid to directors reflect the demands which are made on, and the responsibilities of, the directors in their capacity as board members and/or executives. As there are no sub-committees of the Board, the fees paid to the non-executive director relate to his position as Chairman of the Board, while the fees paid to the executive directors reflect their roles as both directors and executives.

In relation to non-executive directors, an Aggregate Fee Limit of $400,000 was set in the consolidated entity's IPO prospectus issued in April 2001 as required by the *Corporations Act 2001*. There have been no increases to this limit since that date and the Board considers this limit adequate having regard to the size and composition of the Board in the short to medium term.

The Directors' remuneration and fees are reviewed annually by the Board, with increases subject to, discretion of the Chairman and/or the Board in consideration of any peer market data they consider appropriate.

Directors do not participate in any share equity incentive programs.




Impala Skate

## REMUNERATION REPORT (AUDITED) (continued)

***B. Principles used to determine the nature and amount of remuneration (continued)***

Non-executive directors
Total remuneration includes a fixed component only, comprising directors' fees and associated superannuation guarantee contributions.

*Directors' fees*
In FY25 the board reviewed the Non-Executive Director remuneration. As part of the remuneration review, independent remuneration adviser data was sought. While the Board sought independent remuneration adviser data on market practices and other input, no remuneration recommendation as defined under the Corporations Act has been requested by or provided to the Board. Based on an evaluation of the remuneration data of similar non executive positions within comparative companies and having regard to the role and responsibilities of the Non-Executive Director, the board elected to increase the fixed remuneration base by 96%. This is the first fixed remuneration increase since 2018. There was also an increase in the compulsory superannuation guarantee amount from 11.0% to 11.5%. There are no planned increases for the 2026 financial year.

*Retirement allowances*
The only retirement allowances for the non-executive director are superannuation payments to a nominated contribution scheme, which are made in accordance with statutory obligations in Australia.

Executive directors
There was no change to the Executive Director remuneration structure in the year, other than an increase in the compulsory superannuation guarantee amount from 11.0% to 11.5%.

*Fixed remuneration*
Fixed remuneration comprises a base salary and associated retirement allowances. Fixed remuneration is determined by the Chairman, having regard to market remuneration for similar executive positions in the industry, the remuneration paid to executive KMPs with similar levels of responsibility, and having regard to information requested from market data providers.

There are no guaranteed fixed remuneration increases included in the executive directors' employment contracts, no entitlement to an annual review of remuneration, and no entitlements to participate in the Company's short or long-term incentive plans.

*Retirement allowances*
The only retirement allowances for the executive directors are superannuation payments to a nominated contribution scheme, which are made in accordance with statutory obligations in Australia.

*Termination benefits*
Executive directors are not entitled to termination benefits other than the minimum requirements set under the National Employment Standards.

## REMUNERATION REPORT (AUDITED) (continued)

### *B. Principles used to determine the nature and amount of remuneration (continued)*

*Variable remuneration*
The Executive Directors are entitled to earn variable remuneration, which is made up of short term incentives (STI). The STI is only payable when EBIT to Revenue meets minimum thresholds – if the company does not achieve a sufficient ratio, there will be no payment.

The amount of STI to be paid each year is discretionary and determined by the Chairman, having regard to the total group performance of the Company against the performance conditions that were set for the financial year.

The performance and overall STI framework for the Executive Directors differs from the STI Framework of the other KMP executives in the following respects:

- Executive Directors are only entitled to receive up to 75% of the base salary as an STI (Other KMP executives are entitled to earn up to 100%);
- Executive Directors are only assessed on group financial performance measured on an EBIT to Revenue measure. There is no entitlement for Executive Directors to receive a discretionary non-financial reward as part of their STI outcome;
- Executive Directors are not entitled to participate in the Company's short term equity incentive program.

In 2025, the financial performance of the company was such that it did not achieve the minimum group performance targets, therefore no STIs for either of the executive directors were awarded.

| | AS % OF BASE SALARY | | |
|---|---|---|---|
| | MAXIMUM STI | AMOUNT DUE | AMOUNT FORFEITED |
| Peter Hill | 75% | 0% | 100% |
| Stephen Hill | 75% | 0% | 100% |

**Executives**
The executive remuneration framework has two components that, combined, represent total remuneration:

- fixed remuneration; and
- variable remuneration linked to short-term incentives

*Fixed remuneration*
The terms of employment for all executives include a fixed remuneration component, which is expressed in local currency. This fixed component is set in accordance with the market rate for a comparable role by reference to appropriate external information and having regard to the individual's responsibility, qualifications, experience and location. Executive compensation is also reviewed on promotion and at the expiration of service agreements, in the case of the CEO. There are no guaranteed fixed remuneration increases included in any senior executive's contracts.

Fixed remuneration includes base salary, contributions towards health insurance premiums for US based executives and contributions to superannuation in accordance with relevant legislation for Australian based executives. For European executives, the fixed remuneration is the base salary. The base salary is structured as a total employment cost package which may be delivered as a mix of cash and non-financial benefits at the executive's discretion. In addition, the reported fixed remuneration also includes any movement in leave entitlements during the period, which reflects a cost to the business in that period.

## REMUNERATION REPORT (AUDITED) (continued)

***B. Principles used to determine the nature and amount of remuneration (continued)***

*Variable remuneration*
Variable remuneration is made up of STIs. The STI framework links specific targets, both quantitative and qualitative, with the opportunity to earn incentives in addition to fixed remuneration.

The amount of STI is predominately based on the financial performance of the group and the executive's division, with an adjustment as required on achievement of strategic objectives. Each executive KMP's STI framework is customised, but they all comprise a combination of the following performance conditions:

| PERFORMANCE CONDITION | REASON FOR INCLUSION | PERFORMANCE ASSESSMENT |
|---|---|---|
| Company financial performance targets (eg. Group EBIT to Revenue) | To link the incentive to overall creation of shareholder wealth through targeted overall Company performance. EBIT to Revenue is the key driver of company value. Given good management, this ratio will improve as both revenue and profit grow. Growth due to unprofitable revenues will not be rewarded. | At the discretion of the Board or the CEO, having regard to actual financial performance compared to target. |
| Individual financial performance targets (eg. Regional EBIT to Revenue) | To reward executives for the financial performance of the business units over which they have individual control. | At the discretion of the Board or the CEO, having regard to actual financial performance compared to target. |
| Non-financial or strategic targets (eg. Effective roll-out of new Sourcing Strategy) | To reward executives for achieving goals that are not linked to short term financial performance. These goals may include business strategies to drive longer term financial performance (eg. warehouse productivity, brand or product mix goals etc) or they may be unrelated to financial performance. These non-financial targets may include targets in relation to the environment, staff well-being, diversity etc. | At the discretion of the Board or CEO, having regard to how effectively the target was achieved (below, in line with, above expectations). |

Under the STI framework all executive KMP's are eligible to earn up to a maximum of 100% of their current base salary as an STI.

Each executive KMP is rated against financial and non-financial performance conditions. Executives can earn a payment of up to 25% of base salary for achievement of non-financial strategic objectives that will create long term shareholder value (see above for examples), but the executives' overall STI outcome can never exceed 100% of base salary. These objectives are set at the start of the year.

The following table shows the percentage of base salary executives can earn for achieving financial performance conditions.

| POSITIONS | GLOBAL PERFORMANCE EBIT: REVENUE | REGIONAL PERFORMANCE EBIT: REVENUE | AVERAGE BRAND PERFORMANCE EBIT: REVENUE * | NON-FINANCIAL DISCRETIONARY COMPONENT |
|---|---|---|---|---|
| CEO, CFO | 100% | - | - | 25% |
| Regional Presidents | 20% | 80% | - | 25% |
| Group Product President | 20% | - | 80% | 25% |

* Group Product President performance is measured against the average combined EBIT to Revenue performance of the brands in which the Group Product President has ultimate responsibility over.

Short-term incentives have historically been settled in cash. However, the Company does have a Short-Term Incentive Equity Plan (STIEP). The purpose of the STIEP is to provide the Company with an alternative settlement option for short-term incentive obligations, which at the same time provides on-going motivation for executive KMPs to deliver long-term performance improvements. Under the STIEP, executive KMPs have the choice to elect to receive a portion of their STI in shares in lieu of cash, up to a maximum number of shares in any given financial year. Shares to be allocated under the STIEP may be existing unallocated shares currently held on trust under the terms of the Employee Share Trust or alternatively shares purchased on market. All existing offers under the STIEP can be satisfied by shares currently held by the trust. The Company has no plans to issue shares to settle any obligations arising under the STIEP. As at the date of this report, there have been no shares allocated under the STIEP.

# REMUNERATION REPORT (AUDITED) (continued)

### *B. Principles used to determine the nature and amount of remuneration (continued)*

STI outcomes

In the 2025 financial year, the performance of the business did not meet the minimum thresholds of group performance, thus the proportion of STI's forfeited are higher than the proportion due to be paid.

| | AS % OF BASE SALARY | | |
|---|---|---|---|
| | MAXIMUM STI | AMOUNT DUE | AMOUNT FORFEITED |
| Matthew Hill | 100% | 0% | 100% |
| Gary Valentine | 100% | 20% | 80% |
| Jon Moses | 100% | 50% | 50% |
| Karen Browne | 100% | 25% | 75% |
| Matthew Wong | 100% | 20% | 80% |
| Dane Ward | 100% | 0% | 100% |

### *C. Details of Remuneration*

### DIRECTORS

| | | REMUNERATION | | | |
|---|---|---|---|---|---|
| | | BASE SALARY $ | SUPERANNUATION $ | SHORT TERM INCENTIVE $ | TOTAL (1) $ |
| NON-EXECUTIVE DIRECTORS | | | | | |
| Harry Hodge | 2025 | 225,000 | 23,727 | - | 248,727 |
| | 2024 | 115,000 | 12,650 | - | 127,650 |
| **Sub-total non-executive directors** | **2025** | **225,000** | **23,727** | **-** | **248,727** |
| | **2024** | **115,000** | **12,650** | **-** | **127,650** |
| EXECUTIVE DIRECTORS | | | | | |
| Peter Hill | 2025 | 608,440 | 11,500 | | 619,940 |
| | 2024 | 536,320 | 11,000 | 147,500 | 694,820 |
| Stephen Hill | 2025 | 590,000 | 29,932 | | 619,932 |
| | 2024 | 521,000 | 27,399 | 147,500 | 695,899 |
| **Sub-total** | **2025** | **1,198,440** | **41,432** | **-** | **1,239,872** |
| | **2024** | **1,057,320** | **38,399** | **295,000** | **1,390,719** |
| Total Directors' Remuneration | **2025** | **1,423,440** | **65,159** | **-** | **1,488,599** |
| | **2024** | **1,172,320** | **51,049** | **295,000** | **1,518,369** |

(1) None of the directors have any accrued leave entitlements.

# REMUNERATION REPORT (AUDITED) (continued)

### *C. Details of Remuneration (continued)*

### KEY MANAGEMENT PERSONNEL (KMP)

| NAME | | FIXED REMUNERATION | | | | | VARIABLE REMUNERATION | | |
|---|---|---|---|---|---|---|---|---|---|
| | | BASE SALARY | ANNUAL AND LONG SERVICE LEAVE [2] | INSURANCE OR OTHER [3] | SUPER-ANNUATION | TOTAL FIXED REMUNERATION (TFR) | SHORT TERM INCENTIVE (STI) | TOTAL REMUNERATION (TR) | PERFORMANCE BASED |
| | | $ | $ | $ | $ | $ | $ | $ | % |
| Matthew Hill [1] | 2025 | 1,496,015 | 74,356 | 45,187 | - | 1,615,558 | - | **1,615,558** | 0% |
| | 2024 | 1,473,763 | (29,258) | 44,495 | - | 1,489,000 | 517,045 | **2,006,046** | 26% |
| Gary Valentine [1] | 2025 | 669,231 | 17,287 | 45,187 | - | 731,705 | 133,846 | **865,551** | 15% |
| | 2024 | 659,091 | (26,577) | 44,495 | - | 677,009 | 164,773 | **841,782** | 20% |
| Jon Moses | 2025 | 435,000 | 24,457 | - | 29,932 | 489,389 | 217,500 | **706,889** | 31% |
| | 2024 | 435,000 | 12,166 | - | 27,399 | 474,565 | 239,250 | **713,815** | 34% |
| Karen Browne | 2025 | 350,000 | 9,436 | - | 29,932 | 389,368 | 87,500 | **476,868** | 18% |
| | 2024 | 150,577 | 12,979 | - | 15,163 | 178,719 | 50,000 | **228,719** | 22% |
| Matthew Wong | 2025 | 435,000 | -9,786 | - | 29,932 | 455,146 | 87,000 | **542,146** | 16% |
| | 2024 | 435,000 | (10,436) | - | 27,399 | 451,963 | 108,750 | **560,713** | 19% |
| Dane Ward | 2025 | 326,904 | 5,276 | - | - | 332,179 | - | **332,179** | 0% |
| | 2024 | 264,141 | 1,061 | - | - | 265,201 | 54,167 | **319,368** | 17% |
| Jessica Moelands | 2025 | - | - | - | - | - | - | **-** | 0% |
| | 2024 | 286,036 | (76,764) | - | 13,699 | 222,972 | - | **222,972** | 0% |

(1) US based executives paid in USD. Current year remuneration converted at an average exchange rate of 0.65 (2024: 0.66). (2) Employee benefits expense also includes any increase / (decrease) in the accrued value of KMP leave entitlements, including annual and long service leave provisions. (3) Other amounts primarily include US based health insurance premiums paid by the consolidated entity.

### *D. Service Agreements*

**Non-executive directors**

On appointment to the Board, each non-executive director enters into an agreement with the Company in the form of a letter of appointment. The letter of appointment sets out the duties and responsibilities of the non-executive director as well as the fees payable in consideration for their services. Non-executive directors are not entitled to any termination payments.

**Executive directors and other Executive KMPs**

All key management personnel, except for the CEO, are subject to employment contracts where duration is unlimited with no fixed remuneration increases. There are no contracted termination payments other than payments for standard notice periods of between six and twelve weeks, and any other statutory redundancy payments that may apply in accordance with local laws.

The remuneration and other terms of employment of the CEO are formalised in a service agreement. The terms of the most recent 5-year service agreement have been renewed for a further 5-year term, effective from 1 July 2025. Save for an increase in fixed remuneration of 20%, there have been no material changes to the CEOs service agreement, when compared with the prior term. The major provisions of this agreement are as follows:

- 5-year term.
- The current base pay has been increased to US$1,125,000, with the last increase having occurred in 2020.
- Salary is reviewed annually.
- Twelve months' notice of termination is required by the Company or six months' notice of termination is required by the CEO.
- Any termination payment is capped at the maximum limit allowed under part 2D.2 of the *Corporations Act 2001*.

## REMUNERATION REPORT (AUDITED) (continued)

### *E. Other transactions with directors and executive KMP's*

**Shareholdings**

The number of shares in the Company held during the financial year by each director of the Company and each of the key management personnel of the consolidated entity, including their personally related entities, are set out below. No shares were granted as compensation during the financial year under the Company's STIEP.

| NAME | BALANCE AT THE START OF THE YEAR* | PURCHASED/(SOLD) ON MARKET DURING THE YEAR | OTHER CHANGE DURING THE YEAR | BALANCE AT THE END OF THE YEAR |
|---|---|---|---|---|
| DIRECTORS OF GLOBE INTERNATIONAL LIMITED – ORDINARY SHARES | | | | |
| Harry Hodge | - | - | - | - |
| Peter Hill | 12,436,009 | - | - | 12,436,009 |
| Stephen Hill | 12,675,549 | - | - | 12,675,549 |
| KEY MANAGEMENT PERSONNEL – ORDINARY SHARES | | | | |
| Matthew Hill | 3,495,965 | - | - | 3,495,965 |
| Gary Valentine | 110,000 | - | - | 110,000 |
| Jon Moses | 204 | - | - | 204 |
| Karen Browne | - | - | - | - |
| Matthew Wong | 127,070 | - | - | 127,070 |
| Dane Ward | - | - | - | - |

* Balance at the start of the year includes the balance as at the date of appointment for Directors or KMP who commenced during the financial year and excludes the balance of Directors or KMP who resigned during the year.

**Related party transactions with directors and key management personnel**

From time to time the consolidated entity may engage in transactions with directors, key management personnel and their related entities where the transaction presents a commercial opportunity for the consolidated entity. Such transactions occur on the condition that they are based on arm's length terms and conditions. Where such transactions are on a fixed contractual basis (such as property lease contracts), approval is required from the independent non-executive Chairman of the board prior to the execution of the contract. Such approval is only granted where management provides evidence that the transaction is commercially relevant and has been made on an arm's length basis. For property leases, such evidence includes independent professional advice with regards to the appropriate valuation of the leased property. There were no loans to directors or executive KMPs outstanding at any point during the current or prior financial year.

- Stephen Hill, a director, is a director of an entity that leases a commercial property to the consolidated entity. The lease is based on normal commercial terms and conditions. Rent is paid one month in advance and is due and payable on the first of every month.
- Peter Hill, a director, is a director of an entity that operates a retail store in Hong Kong which sells the consolidated entity's products. All inventory is purchased based on normal commercial terms and conditions. Prices are set at arms-length and amounts are due 30 days from statement date.
- An entity owned by parties related to Peter Hill, a director, jointly owns a brand with the consolidated entity, for which the consolidated entity is the global Master Licensee. The consolidated entity pays the related party for services provided in relation to the management of the brand and a brand royalty fee, equivalent to the related party's share of the brand. The terms of the arrangement are consistent with, or less favourable than, the terms that the consolidated entity has with other third parties for their jointly controlled brands.
- Parties related to Stephen Hill, a director, own a brand for which the consolidated entity has the exclusive global distribution rights. The distribution agreement is based on normal commercial terms and conditions.

## REMUNERATION REPORT (AUDITED) (continued)

### *E. Other transactions with directors and executive KMP's* (continued)

**Related party transactions with directors and key management personnel** (continued)

Aggregate amounts of each of the above types of other transactions with key management personnel of the consolidated entity during the current financial year were:

| | 2025<br>$ |
|---|---|
| *Amounts recognised as revenue* | |
| Net Sales | 3,575 |
| *Amounts recognised as expenses* | |
| Inventories purchased | 939,398 |
| Rent paid for commercial premises | 962,049 |
| Brand royalty fees paid | 12,670 |
| Payment for services provided | 71,712 |
| | 1,985,829 |
| *Amounts recognised as assets and liabilities* | |
| Current assets (trade receivables) | 19,609 |
| Current payables (accrued wages and royalty fees) | - |
| Net current assets | 19,609 |

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

Melbourne
Dated this 21 August 2025

............................................
Harry Hodge, Chairman


FXD

# Auditor's Independence Declaration

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

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe International Limited and the entities it controlled during the period.

David Patterson
Partner
PricewaterhouseCoopers

Melbourne
21 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

## CONSOLIDATED INCOME STATEMENT

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Revenue from contracts with customers** | **3** | **206,295** | **222,317** |
| Other income | 3 | 937 | 1,589 |
| Changes in inventories of finished goods and work in progress | 4 | (1,640) | (9,510) |
| Inventories purchased | 4 | (102,520) | (104,471) |
| Employee benefits expenses | | (33,189) | (31,468) |
| Variable selling expenses | 4 | (10,734) | (17,032) |
| Distribution expenses | 4 | (11,793) | (11,023) |
| Other expenses | | (28,505) | (29,441) |
| Depreciation and amortisation expense | 4 | (3,821) | (3,689) |
| Finance expenses | 4 | (959) | (981) |
| **Profit before related income tax expense** | | **14,071** | **16,291** |
| Income tax expense | 5(a) | (4,274) | (4,822) |
| **Profit attributable to members of Globe International Limited** | **27** | **9,797** | **11,469** |
| **Earnings per share attributable to members of the Company (EPS):** | | | |
| Basic EPS (cents per share) | 24 | 23.63 | 27.66 |
| Diluted EPS (cents per share) | 24 | 23.63 | 27.66 |

The above income statement should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Profit for the year | (a) | 9,797 | 11,469 |
| Other comprehensive income / (expense): | | | |
| Changes in fair value of cash flow hedges | 26 (b) | (1,053) | (482) |
| Exchange differences on translation of foreign operations | 26 (a) | 1,559 | (487) |
| Income tax benefit relating to components of other comprehensive income | 5 (c) | 129 | 481 |
| Other comprehensive income/(expense) for the year, net of tax | | 635 | (488) |
| **Total comprehensive income for the year attributable to the members of Globe International Limited** | | **10,432** | **10,981** |

(a) Items included in the statement of comprehensive income may be reclassified to the profit and loss in the future.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED BALANCE SHEET

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 9 | 19,882 | 22,117 |
| Trade and other receivables | 11 | 33,807 | 30,701 |
| Inventories | 12 | 39,176 | 39,004 |
| Prepayments | 13 | 2,518 | 2,308 |
| Current tax assets | 6 | - | 592 |
| **Total current assets** | | 95,383 | 94,722 |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | 16,376 | 16,082 |
| Right-of-use assets | 15 | 12,074 | 10,690 |
| Intangible assets | 17 | 587 | 773 |
| Other assets | 16 | 2,098 | 2,075 |
| Deferred tax assets | 6 | 3,374 | 3,570 |
| **Total non current assets** | | 34,509 | 33,190 |
| **Total Assets** | | **129,892** | **127,912** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 18 | 27,461 | 29,045 |
| Current lease liabilities | 15 | 2,800 | 2,239 |
| Borrowings | 1 | 1,126 | 517 |
| Derivative financial instruments | 10 | 1,158 | 106 |
| Current tax liability | 7 | 311 | - |
| Provisions | 19 | 3,205 | 3,211 |
| **Total current liabilities** | | 36,061 | 35,118 |
| **NON-CURRENT LIABILITIES** | | | |
| Trade and other payables | 18 | - | 250 |
| Non-current lease liabilities | 15 | 10,040 | 9,111 |
| Borrowings | 1 | 6,485 | 7,032 |
| Provisions | 19 | 126 | 116 |
| **Total non-current liabilities** | | 16,651 | 16,509 |
| **Total liabilities** | | **52,712** | **51,627** |
| NET ASSETS | | **77,180** | **76,285** |
| **Equity** | | | |
| Contributed equity | 23 | 144,223 | 144,223 |
| Treasury shares | 25 | (487) | (487) |
| Reserves | 26 | (3,149) | (3,784) |
| Accumulated losses | 27 | (63,407) | (63,667) |
| **TOTAL EQUITY** | | **77,180** | **76,285** |

The above balance sheet should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | CONTRIBUTED EQUITY | TREASURY SHARES | CASH-FLOW HEDGE RESERVE | FOREIGN CURRENCY TRANSLATION RESERVE | ACCUMULATED LOSSES | TOTAL EQUITY |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance at 1 July 2023** | 144,223 | (487) | 263 | (3,559) | (69,331) | **71,109** |
| Profit for the 2024 financial year | - | - | - | - | 11,469 | **11,469** |
| Other comprehensive income / (expense) | - | - | (336) | (152) | - | **(488)** |
| Total comprehensive income / (expense) for the year | - | - | (336) | (152) | 11,469 | **10,981** |
| *Transactions with owners in their capacity as owners* | | | | | | |
| Dividends paid | - | - | - | - | (5,805) | **(5,805)** |
| **Balance at 30 June 2024 / 1 July 2024** | 144,223 | (487) | (73) | (3,711) | (63,667) | **76,285** |
| Profit for the 2025 financial year | - | - | - | - | 9,797 | **9,797** |
| Other comprehensive income / (expense) | - | - | (764) | 1,399 | - | **635** |
| Total comprehensive income / (expense) for the year | - | - | (764) | 1,399 | 9,797 | **10,432** |
| *Transactions with owners in their capacity as owners:* | | | | | | |
| Dividends paid | - | - | - | - | (9,537) | **(9,537)** |
| **Balance at 30 June 2025** | 144,223 | (487) | (837) | (2,312) | (63,407) | **77,180** |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of goods and services tax) | | 214,223 | 229,822 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (199,752) | (202,584) |
| Interest received | 3 | 408 | 212 |
| Insurance recovery | | - | 283 |
| Interest and other costs of finance paid | 4 | (959) | (981) |
| Income taxes paid | | (2,886) | (3,359) |
| **Net cash provided by operating activities** | 8 | 11,034 | 23,393 |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (1,246) | (695) |
| Receipts for disposal of other intangible assets | | - | 492 |
| Payments for intangible assets | | (250) | (250) |
| **Net cash used in investing activities** | | (1,496) | (453) |
| | | | |
| **Cash flows from financing activities** | | | |
| Dividends paid | | (9,537) | (5,805) |
| Principal payments for leases | | (2,451) | (2,264) |
| Repayment of borrowings | | (518) | (3,346) |
| Proceeds from borrowings | | 580 | - |
| **Net cash used in financing activities** | | (11,926) | (11,415) |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **(2,388)** | **11,525** |
| Cash and cash equivalents at beginning of the financial year | | 22,117 | 10,635 |
| Effect of exchange rates on cash holdings in foreign currencies | | 153 | (43) |
| **Cash and cash equivalents at the end of the financial year** | 9 | **19,882** | **22,117** |

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

# INDEX OF NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are grouped and ordered based on their relevance.

## NOTE 1. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks - credit risk; market risk (including currency risk, and interest rate risk); and liquidity risk. The consolidated entity'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 consolidated entity. The consolidated entity uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. These derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include monitoring the financial performance of counterparties, ageing analysis for trade and other receivables, credit exposures and sensitivity analysis for foreign exchange and interest rate risk.

The board of directors has the ultimate responsibility for the establishment and oversight of the risk management framework. The Board works with the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") to establish the overall risk and control framework. The CEO and CFO are then delegated the authority and responsibility to assess specific risks, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and procedures are reviewed regularly by the CEO and CFO to reflect changes in market conditions and the consolidated entity's activities. The CEO and CFO report to the Board on a regular basis in relation to the risk and control framework. The consolidated entity has written policies in place, covering specific areas, such as foreign exchange risk and credit risk.

The consolidated entity holds the following financial instruments as at the reporting date:

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 9 | 19,882 | 22,117 |
| Trade and other receivables | 11 | 33,807 | 30,701 |
| **Total financial assets** | | **53,689** | **52,818** |
| | | | |
| **Financial liabilities** | | | |
| Trade and other payables | | 27,461 | 24,875 |
| Lease liabilities | 15 | 12,840 | 11,350 |
| Borrowings | 1 | 7,611 | 7.549 |
| Derivative financial instruments | 10 | 1,158 | 106 |
| **Total financial liabilities** | | **49,070** | **$43,880** |


PAX14
MSAF000941

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (a) Credit risk

Whilst overall credit risk management is overseen by the Board, the day-to-day management of credit risk is conducted at a regional level by the CEO, CFO and regional management teams. Credit risk arises from cash and cash equivalents, forward exchange contracts, deposits with banks and trade and other receivables, including factoring arrangements. The carrying amount of the consolidated entity's financial assets, which represents the maximum credit exposure as at the reporting date, was:

| | REFERENCE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Trade receivables (net of loss allowance) | (3) | 23,282 | 21,226 |
| Other receivables | (2) | 9,427 | 9,081 |
| Restricted cash on deposit | | 1,098 | 394 |
| **Total trade and other receivables** | | 33,807 | 30,701 |
| Cash and cash equivalents | (1) | 19,882 | 22,117 |
| **Total financial assets** | | **53,689** | **52,818** |

*(1)* *Cash and cash equivalents*
Cash, cash equivalents and deposits are placed with reputable international banks in Australia, New Zealand, the USA, Canada, and France. The consolidated entity has a policy in place to assess any new relationships with financial institutions, and to annually monitor existing relationships.

*(2)* *Other receivables*
Other receivables include sundry receivables and amounts due from factors. The exposure to credit risk on amounts due from factors is monitored through the financial institution monitoring policy noted above, which includes regular review of financial performance and updates provided by ratings agencies. All balances are considered current and are not considered to be impaired.

*(3)* *Trade receivables*
There are no significant concentrations of credit risk in relation to trade receivables in the consolidated entity as there are a large number of customers that are internationally dispersed. To minimise exposure to credit risk, the consolidated entity has policies in place to ensure that sales of products are made to customers with an appropriate credit history, both internally and externally. External credit history is verified mainly through trade references and reports from credit rating agencies where available, and internal credit history is monitored through the Company's systems. Credit applications are received for each customer, and credit limits are established and reviewed regularly. When a customer is deemed un-creditworthy, no credit is granted and payment is secured either by a letter of credit or prepayment for the goods. Goods are sold subject to retention of title clauses in those regions where such clauses are legally accepted, so that in the event of default the consolidated entity may have a secured claim in certain circumstances. In some instances, personal guarantees are obtained from customers and no collateral is required for trade receivables.

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (a) Credit risk (continued)

*(3) Trade receivables (continued)*

Included below are the quantitative details of the consolidated entity's exposure to credit risk from trade receivables at balance date:

| | REFERENCE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| *The consolidated entity's maximum exposure to credit risk for trade receivables (net of loss allowances) at the reporting date by geographic region was:* | | | |
| Australasia | | 12,599 | 13,995 |
| North America | | 4,972 | 3,358 |
| Europe | | 5,711 | 3,873 |
| | | 23,282 | 21,226 |
| *The ageing of the consolidated entity's trade receivables as at the reporting date was:* | | | |
| Current | | 16,562 | 14,280 |
| Past due 0-30 days | | 5,166 | 5,376 |
| Past due 31-60 days | | 1,521 | 1,244 |
| Past due 61-90 days | | 754 | 557 |
| Past due 90+ days | | 772 | 1,028 |
| Total receivables | | 24,775 | 22,485 |
| Credit loss allowance | (i) | (1,493) | (1,259) |
| Net trade receivables | | 23,282 | 21,226 |

(i) The credit loss allowance is based on applying the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from the initial recognition of receivables. This results in a loss allowance being applied at rates ranging from 0.5% to 25%, depending on the ageing of those receivables. In addition, management judgement is used to determine if there are any other factors that should be included in to the total value of the credit loss allowance. Finally, any specific receivables that are considered to be highly doubtful, but which have not yet been formally written off, will include provisions of up to 100%. Management considers that the remainder of the trade receivables, despite some being past-due, relate to customers that have a good credit history or there is an agreed payment plan is in place. Accordingly, based on historical default rates, management believes no further impairment is required. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators include, amongst others, liquidation, inability to recover debt through a collection agency or failure of a debtor to engage in a repayment plan.

Although the goods sold to these customers were subject to retention of title clauses in some instances, management generally has no indication that the customer is still in possession of the goods, or alternatively, that the goods even if repossessed are of any significant value. Hence, no allowance has been made for any amounts that may be recoverable on the repossession of the goods.

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (a) Credit risk (continued)

(3) *Trade receivables (continued)*
When management is satisfied that no further recovery of the receivable is possible the amount of the credit allowance relating to that receivable is written off against the financial asset directly.

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| *The movement in the credit loss allowance for trade receivables during the year was:* | | |
| Balance at 1 July | 1,259 | 1,127 |
| Allowance for credit losses recognised – expense | 218 | 502 |
| Receivables written off against credit loss allowance | (6) | (359) |
| Effects of foreign currency on translation of overseas entities allowances | 22 | (11) |
| Balance at 30 June | 1,493 | 1,259 |

### (b) Market risk

(i) *Foreign exchange risk*
The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in a currency that is not the consolidated entity's functional currency, or the functional currency of one of its subsidiaries. The risk is measured using sensitivity analysis and projections of future commercial transactions.

The consolidated entity's net exposure to foreign exchange risk in relation to financial instruments on hand at the reporting date, in Australian dollars, was as follows:

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | 000'S USD | 000'S EURO | 000'S GBP | 000'S CAD | 000'S USD | 000'S EURO | 000'S GBP | 000'S CAD |
| Trade receivables and other receivables | 638 | - | 478 | 1,330 | 361 | - | 359 | 1,374 |
| Trade payables | (7,312) | (21) | (10) | (11) | (5,780) | (9) | (2) | (88) |
| Forward exchange contracts to buy foreign currency | 27,252 | - | - | - | 27,156 | - | - | - |
| | 20,578 | (21) | 468 | 1,319 | 21,737 | (9) | 357 | 1,286 |

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

Derivatives – cash flow hedges
The consolidated entity uses cash flow hedges to manage foreign exchange risk associated with inventory purchases. These cash flow hedges are the only derivatives used by the consolidated entity. The consolidated entity does not hedge its net investments in foreign subsidiaries denominated in foreign currencies as those currency positions are considered long term in nature. Any foreign exchange gains or losses are taken to the foreign currency translation reserve on consolidation.

Derivatives are only used for economic hedging purposes and not as speculative investments. The consolidated entity's risk management policy states that forward contracts must be used to manage foreign exchange risk associated with highly probable future inventory purchases that are denominated in USD, where the functional currency of the region is not the USD. The policy is designed to ensure that the forward contracts are closely aligned to the underlying hedged items. It states that the relevant regions must hedge up to 75% of forecast USD denominated inventory purchases over a seven-month period. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedge item and the forward contract. Due to the nature of this policy, all hedges of projected purchases qualify as highly probable forecast transactions for hedge accounting purposes.

The consolidated entity's accounting policy for its cash flow hedges is included in Note 35(r). The fair values of any outstanding cash-flow hedges are disclosed as derivatives and recognized on the balance sheet as a current asset or current liability. All derivatives are current as all are to be settled within 12 months. The movement in the fair value of cash flows that meet the criteria for hedge accounting are recognized in the hedge reserve. The movement in the hedge reserve is shown in Note 26. Any ineffective portion is recognised in profit and loss.

The net effects of the cash flow hedges on the consolidated entity's financial position and financial performance are as follows:

| | 2025<br>$'000 | 2024<br>$'000 |
|---|---|---|
| Carrying amount – current liability | 1,158 | 106 |
| Notional amount | 28,342 | 27,145 |
| Maturity dates | July 2025 – January 2026 | July 2024 – January 2025 |
| Hedge ratio * | 1:1 | 1:1 |
| Weighted average strike rate for outstanding contracts | | |
| AUD:USD | 0.64 | 0.66 |
| EURO:USD | 1.09 | 1.08 |

* The foreign currency forwards are denominated in USD, as is the highly probable future inventory purchase, therefore the hedge ratio is 1:1.

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (b) Market risk (continued)

*(ii) Interest rate risk*

The consolidated entity is exposed to a range of interest rate risks, primarily in relation to its financing facilities, which are outlined below under liquidity risks. This includes movements in interest rates on advances under working capital financing facilities in North America and Australia, further details of which are provided below under liquidity risks. These interest rates are variable, so the consolidated entity is exposed to interest rate risk, to the extent that the available facilities are utilised. The consolidated entity manages the exposure to interest rate risk by limiting it's borrowings, and ensuring borrowings are weighted to facilities with more favourable interest rates, where possible. The consolidated entity also has a 5-year property loan which ends in 2027. There is no interest rate exposure on this loan, as the interest rate is fixed for the life of the loan. The consolidated entity's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and liabilities on hand at the reporting date, is detailed below:

| | WEIGHTED AVERAGE INTEREST RATE (%)* | FIXED INTEREST RATE $'000 | FLOATING INTEREST RATE $'000 | NON-INTEREST BEARING $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **2025** | | | | | |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | 3.55 | - | 11,902 | 7,980 | 19,882 |
| Trade and other receivables | 5.00 | 139 | - | 33,668 | 33,807 |
| | | 139 | 11,902 | 41,648 | 53,689 |
| **Financial liabilities** | | | | | |
| Trade and other payables | n/a | - | - | 27,461 | 27,461 |
| Borrowings | 5.32 | 7,031 | 580 | - | 7,611 |
| Lease liabilities | 4.46 | 12,840 | - | - | 12,840 |
| Derivative financial instruments | n/a | - | - | 1,158 | 1,158 |
| | | 19,871 | - | 25,876 | 49,070 |
| **2024** | | | | | |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | 1.25 | - | 10,775 | 11,342 | 22,117 |
| Trade and other receivables | 6.00 | 137 | - | 30,564 | 30,701 |
| | | 137 | 10,775 | 41,906 | 52,818 |
| **Financial liabilities** | | | | | |
| Trade and other payables | n/a | - | - | 24,875 | 24,875 |
| Borrowings | 5.42 | 7,549 | - | - | 7,549 |
| Lease liabilities | 3.94 | 11,350 | - | - | 11,350 |
| Derivative financial instruments | n/a | - | - | 106 | 106 |
| | | 18,899 | - | 24,981 | 43,880 |

* Weighted average interest rate (%) is calculated based on balances with Fixed and Floating interest rates and excludes items that are non-interest bearing.

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (c) Liquidity risk

The consolidated entity finances its operations by a combination of net cash from operating activities, the reinvestment of surplus cash and the use of finance facilities. These finance facilities include a combination of trade finance, borrowings against inventories and short-term funding from the sale of certain receivables to factoring institutions. In addition, the consolidated entity uses long-term borrowings to fund the acquisition of non-current assets. Liquidity risk is the risk that the consolidated entity may not be able to access funding when required, for both day-to-day requirements and to support its strategic activities.

Liquidity risk is managed by continuously monitoring forecast and actual cash flows and matching the maturities of financial assets against liabilities. In some cases, trade receivables are financially incentivised to pay on time; and credit terms with both customers and suppliers of goods and services are negotiated to minimise the gap between payments to suppliers and collections from customers.

Due to the seasonal nature of the cash flows and the requirement for working capital funding at certain peak times throughout the year, finance facilities are obtained from a number of reputable banks and financial institutions globally. Management regularly reviews the forecast levels of available facilities in line with cash flow requirements. In addition, management maintains relationships with key financial institutions that may be able to provide alternate sources of funding, should the need arise.

The key components of liquidity risk for the consolidated entity include the value of financial liabilities as at the reporting date, and the availability of borrowing facilities. The quantitative details of both of these exposures as at the reporting date are included below:

*(i) Financial liabilities*
The following are the contractual maturities of the financial liabilities of the consolidated entity. With the exception of property loans and lease liabilities, the vast majority of other balances are due within 12 months or less. Accordingly, the impact of discounting is not significant so the contractual cash flow is equal to the carrying amount of the financial liabilities.

| | | CONTRACTUAL CASH FLOW | | | | | |
|---|---|---|---|---|---|---|---|
| | CARRYING AMOUNT $'000 | 6 MONTHS OR LESS $'000 | 6-12 MONTHS $'000 | BETWEEN 1 AND 2 YEARS $'000 | BETWEEN 2 AND 5 YEARS $'000 | OVER 5 YEARS $'000 | TOTAL CONTRACTUAL CASH FLOWS $'000 |
| **2025** | | | | | | | |
| *Non-derivatives* | | | | | | | |
| Trade and other payables | 27,461 | 27,461 | - | - | - | - | 27,461 |
| Borrowings | 7,611 | 848 | 278 | 577 | 1,928 | 3,980 | 7,611 |
| Lease liabilities | 12,840 | 1,708 | 1,587 | 4,126 | 5,148 | 2,784 | 15,353 |
| Total | 47,912 | 30,017 | 1,865 | 4,703 | 7,076 | 6,764 | 50,425 |
| *Derivatives* Forward exchange contracts used for hedging: | | | | | | | |
| Inflow (Gross) | (27,184) | (23,008) | (4,176) | - | - | - | (27,184) |
| Outflow (Gross) | 28,342 | 24,072 | 4,270 | - | - | - | 28,342 |
| Total | 1,158 | 1,064 | 94 | - | - | - | 1,158 |
| **2024** | | | | | | | |
| *Non-derivatives* | | | | | | | |
| Trade and other payables | 24,875 | 24,875 | - | - | - | - | 24,875 |
| Borrowings | 7,549 | 254 | 264 | 546 | 1,826 | 4,659 | 7,549 |
| Lease liabilities | 11,350 | 1,349 | 1,341 | 4,077 | 4,811 | 1,330 | 12,908 |
| Total | 43,774 | 26,478 | 1,605 | 4,623 | 6,637 | 5,989 | 45,332 |
| *Derivatives* Forward exchange contracts used for hedging: | | | | | | | |
| Inflow (Gross) | (27,039) | (21,800) | (5,239) | - | - | - | (27,039) |
| Outflow (Gross) | 27,145 | 21,895 | 5,250 | - | - | - | 27,145 |
| Total | 106 | 95 | 11 | - | - | - | 106 |

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

*(ii) Borrowing facilities*

As at the reporting date, the consolidated entity had access to the following current borrowing facilities, which can be used as required for short-term funding to meet the contractual maturities of the financial liabilities noted above.

| | | REFERENCE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|---|
| (1) | Secured receivables financing facilities | | | |
| | - amount used (non-recourse North American facility) | | - | - |
| | - amount used (full-recourse Australian facility) | (i) | - | - |
| | - amount unused (non-recourse North American facility) | | 7,601 | 7,382 |
| | - amount unused (full-recourse Australian facility) | | 7,869 | 9,551 |
| | | | 15,470 | 16,933 |
| (2) | Secured inventory financing facilities | | | |
| | - amount used | (i) | - | - |
| | - amount unused | | 4,732 | 4,795 |
| | | | 4,732 | 4,795 |
| (3) | Secured multi-option facilities | | | |
| | - amount used | (i) | 580 | - |
| | - amount unused | | 5,763 | 5,726 |
| | | | 6,343 | 5,726 |
| | TOTAL CURRENT WORKING CAPITAL FINANCING FACILITIES | | | |
| | **- amount used** | | **580** | **-** |
| | **- amount unused** | | **25,964** | **27,454** |
| | | | **26,544** | **27,454** |
| (4) | Bank guarantee facilities | | | |
| | - amount used | | 139 | 344 |
| | - amount unused | | 500 | 294 |
| | | | 639 | 638 |
| (5) | Property loan | | | |
| | - current portion | (ii) | 546 | 517 |
| | - non-current portion | (iii) | 6,485 | 7,032 |
| | | | 7,031 | 7,549 |
| | TOTAL REPORTED BORROWINGS | | | |
| | **Current borrowings** | | | |
| | (i) Working capital borrowings | | 580 | - |
| | (ii) Property loan | | 546 | 517 |
| | Total current borrowings | | **1,126** | **517** |
| | **Non-current borrowings** | | | |
| | (iii) Property loan | | 6,485 | 7,032 |
| | Total non current borrowings | | 6,485 | 7,032 |
| | **Total reported borrowings** | | **7,611** | **7,549** |


RAISING
LAHAINA

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

*(ii) Borrowing facilities (continued)*

1) Secured receivables financing facilities

*Australia*

The parent entity has in place a receivables financing arrangement which will continue on an annual rolling basis, with no fixed term. This is a non-disclosed facility that allows the parent entity access to funds at up to 80% of outstanding eligible trade receivables, at the discretion of the lender, to a maximum facility level of $10.0 million (2024: $10.0 million). The credit risk, and all obligations associated with collecting the receivables remain with the consolidated entity. The consolidated entity may draw down on the net receivables factored at any time before their maturity date, with funds drawn reported as short term borrowings. The lender charges a fixed annual commission on the net sales factored, and interest on any funds drawn. The interest rate is based on relevant floating reference rates, plus a fixed margin. Obligations due to the lender under this agreement are collateralised by a continuing security interest in the financed receivables of the parent entity. There are no financial covenants associated with this facility.

*North America*

The consolidated entity's North American subsidiaries have an arrangement to assign a portion of their accounts receivable to a factor under an ongoing arrangement that is cancellable by either party with 60 days' notice. This arrangement includes both recourse and non-recourse receivables. The majority of the receivables sold are on a non-recourse basis, which means that all credit risk passes to the factor at the time of assignment, such that the consolidated entity has no further exposure to default by trade debtors. When receivables are sold on a recourse basis, those receivables can be passed back to the consolidated entity if they are not collected within a certain time frame. Accordingly, the credit risk on these receivables remains with the consolidated entity, despite the assignment to the factor.

Non-recourse receivables sold to the factor are derecognised as trade receivables and shown as other receivables - debt due from factor (see Note 11 Trade and other receivables). The consolidated entity may request advances on the net receivables factored at any time before their due date, which reduces the amounts owed by the factor to the consolidated entity. The factor charges a commission on the net sales factored, and interest on any advances. The interest rate is based on relevant floating reference rates, plus a fixed margin.

Maximum advances under the factoring agreement, provided at the discretion of the factor, are 85% of eligible accounts receivable (which excludes all recourse receivables), representing the total available facility, up to a cap of $19.8 million (2024: $19.6 million). Amounts advanced are reported as cash. Obligations due to the factor under the factoring agreement are collateralised by a continuing security interest in the factored receivables, and other tangible assets of the North American subsidiaries. There are no financial covenants associated with this agreement.

(2) Secured inventory financing facilities

The consolidated entity's North American subsidiaries have an arrangement to finance a portion of their inventories to the factor mentioned in (1) above, under an ongoing arrangement that is cancellable by either party with 60 days' notice. This arrangement is an extension of the asset-based financing facilities provided by the factor under the factoring agreement specified in (1) above.

Maximum advances under the inventory financing agreement are 50% of eligible inventory approved by the factor at the end of each month. This facility is subject to the overall cap of $19.8 million as per above), and the total value of the outstanding inventory facility must at all times be lower than the outstanding trade receivables facility. Obligations due to the factor under the inventory financing agreement are reported as short-term borrowings and are collateralised by a continuing security interest in the tangible assets of the North American subsidiaries as specified in (1) above. There are no financial covenants associated with this agreement.

## NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

**(c) Liquidity risk (continued)**

*(ii) Borrowing facilities (continued)*

3) Secured multi-option facilities
The parent entity has a trade-finance facility secured against the assets of the parent entity and its Australian subsidiaries, excluding trade receivables which are used as security against the receivables financing facility outline in (1) above. The maximum facility balance is $5.0 million (2024: $5.0 million). There are certain financial covenants associated with this facility which relate to gross margins and inventory months on hand. The covenants are tested half yearly and the consolidated entity has met the covenants since these were introduced.

The consolidated entity's European subsidiary has overdraft facility subject to maximum limit of $0.9 million (2024: $0.5 million) and available short term funding of $0.3 million (2024: $0.2 million). There are no financial covenants associated with these facilities.

4) Bank guarantee facilities
These facilities are based on fixed outstanding guarantee requirements. They are predominantly secured by restricted cash on deposit at the banks providing the guarantees (see Note 11 Trade and other receivables), as well as a secondary charge over certain assets of the consolidated entity.

5) Property Loan
The consolidated entity has an outstanding property loan in relation to a property acquired in the 2022 financial year. The 5-year loan represented 80% of the property value on acquisition and is repayable on a notional term of 15 years, with a residual value of $5.9 million in June 2027. The loan is fully secured by a mortgage on the property as well as a first ranking charge on the assets of the Australian Deed of Cross Guarantee Group. This loan is subject to the same financial covenants applicable to the Australian trade finance facility specified in (3) above.

## NOTE 2. SEGMENT REPORT

**(a) Description of Segments**

Operating segments are determined in accordance with AASB 8 Operating Segments. To identify the operating segments of the business, management has considered the business from both a product and geographic perspective, as well as considering the way information is reported internally to management and the board of directors, particularly to the CEO who is the chief operating decision maker. Ultimately, there are many ways that the business is broken down for internal reporting. From a product perspective, information may be reported by brand (Globe, FXD, Impala etc), by product category (footwear, apparel, hardgoods) or by market (action sports, streetwear or workwear). None of these bases for reporting is more predominantly used than the other. The only consistent break-down of the business from a management reporting perspective is by region. Accordingly, management has determined that there are three operating segments based on the geographical location of each of the regional offices. Each regional office is headed by a President or Directeur Général who reports directly to the CEO. These operating segments are Australasia, North America and Europe.

Segment revenues, expenses and results within each region are based on the location of the divisional office that generated the sale or expense, rather than the location of the end customer or underlying activity.

*Segment Revenues*
Segment revenue includes sale of goods when control has been transferred to the customer and the customer has accepted the product. There are no inter-segment revenues.

*Segment Result*
Earnings before interest, and tax, (EBIT) is the basis for the segment result in the current financial year as this is the most common measure used by the CEO to measure the performance of the operating segments.

Segment result excludes the following items as these costs are excluded by management when assessing the performance of the operating segments:

- Central corporate costs;
- Trademark protection costs where these costs (a) relate to a global brand; and (b) are significant.

## NOTE 2. SEGMENT REPORT (continued)

### (a) Description of Segments (continued)

These costs are "unallocated" in the segment report. All other costs are predominantly allocated to the segments based on the location of the expenditure, or based on a reasonable allocation of costs where the costs are centrally incurred. Global proprietary brand development costs, including marketing creation and product design and development, are incurred centrally. To determine segment profitability, these costs are allocated by one third to each of the operating segments for management and segment reporting purposes. Where applicable, when internal allocations are modified in order to report segment performance to the CEO and board of directors, prior year figures are represented within the segment report to ensure comparability to the current period.

*Segment Assets*
Segment Assets are allocated to the segments based on the physical location of the asset (inventories, property, plant and equipment and right-of-use assets), or the segment to which the asset originated (cash, trade and other receivables, prepayments and other assets). Net intercompany receivables are included in the segments as applicable. Intangible assets are treated as unallocated, unless they relate to sales in a specific segment only. Current and deferred tax assets are not considered to be segment assets.

*Segment Liabilities*
Segment Liabilities are allocated to the segments based on the operations of the segment, which includes trade and other payables, provisions, lease liabilities and other liabilities. Net intercompany payables are included in the segments as applicable. Borrowings are also included in segment liabilities as these are short-term financing loans generally used to fund segment working capital, or property loans used to fund buildings used for operational purposes. Other liabilities that relate to the deferred consideration for the acquisition of trademarks are treated as unallocated. Current and deferred tax liabilities are not considered to be segment liabilities.

### (b) Reportable Segment Information

The segment information provided to the CEO for the reportable segments is as follows:

| 2025 | NOTES | AUSTRALASIA $'000 | NORTH AMERICA $'000 | EUROPE $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **SEGMENT REVENUE** | | | | | |
| Total segment revenue | | 100,463 | 81,170 | 24,662 | 206,295 |
| **SEGMENT RESULT** | | | | | |
| **Segment EBIT** | **(c)(i)** | **12,677** | **9,125** | **278** | **22,080** |
| Interest revenue | | 34 | 372 | 2 | 408 |
| Finance costs | | (521) | (368) | (70) | (959) |
| *Other material non-cash items – income / (expense)* | | | | | |
| Movement in receivables credit loss provision | | (323) | (95) | (92) | (510) |
| Movement in inventory provision | | 254 | 1,140 | 294 | 1,688 |
| **SEGMENT ASSETS AND LIABILITIES** | | | | | |
| Reportable segment assets | (c)(ii) | 67,077 | 49,475 | 19,117 | 135,669 |
| Reportable segment liabilities | (c)(iii) | 25,600 | 22,480 | 13,783 | 61,863 |
| Acquisition of non-current assets | | 229 | 24 | 993 | 1,246 |

## NOTE 2. SEGMENT REPORT (continued)

### (b) Reportable Segment Information (continued)

| 2024 | NOTES | AUSTRALASIA $'000 | NORTH AMERICA $'000 | EUROPE $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| SEGMENT REVENUE | | | | | |
| Total segment revenue | | 115,831 | 82,455 | 24,031 | 222,317 |
| SEGMENT RESULT | | | | | |
| **Segment EBIT** | **(c)(i)** | **17,038** | **7,546** | **625** | **25,209** |
| Interest revenue | | 9 | 196 | 7 | 212 |
| Finance costs | | (591) | (387) | (3) | (981) |
| *Other material non-cash items – income / (expense)* | | | | | |
| Movement in receivables credit loss provision | | (231) | (127) | (23) | (381) |
| Movement in inventory provision | | (206) | (157) | 834 | (471) |
| SEGMENT ASSETS AND LIABILITIES | | | | | |
| Reportable segment assets | (c)(ii) | 71,497 | 45,757 | 14,722 | 131,976 |
| Reportable segment liabilities | (c)(iii) | 27,180 | 23,192 | 9,481 | 59,853 |
| Acquisition of non-current assets | | 493 | 32 | 170 | 695 |

## NOTE 2. SEGMENT REPORT (continued)

### (c) Reconciliations

*(i) Segment EBIT*

Segment EBIT reconciles to total operating profit before tax as follows:

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Total segment EBIT | | 22,080 | 25,209 |
| Corporate and other unallocated expenses | | (7,458) | (8,149) |
| **EBIT** | | **14,622** | **17,060** |
| Net interest expense | 4 | (551) | (769) |
| **Profit before tax** | | **14,071** | **16,291** |

*(ii) Segment Assets*

Reportable segment assets are reconciled to total assets as follows:

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Total segment assets | | 135,669 | 131,976 |
| Elimination of inter-segment loans | | (9,151) | (8,226) |
| Current and deferred tax assets | 6 | 3,374 | 4,162 |
| **Total assets** | | **129,892** | **127,912** |

*(iii) Segment Liabilities*

Reportable segment liabilities are reconciled to total liabilities as follows:

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Total segment liabilities | | 61,863 | 59,853 |
| Elimination of inter-segment loans | | (9,151) | (8,226) |
| **Total liabilities** | | **52,712** | **51,627** |

## NOTE 2. SEGMENT REPORT (continued)

### d) Other information

Information about revenues from external customers and non-current assets in Australia, the entity's country of domicile, and any other material individual countries is disclosed below. These revenues are allocated based on the location of the customer. No single customer makes up more than 10% of total sales. Non-current assets are allocated based on the location of the asset, or the country which derives income from the asset in the case of investments and intangible assets. Assets that are not allocated to reporting segments are excluded from regional assets.

| | REVENUE BY LOCATION OF CUSTOMER | | EXTERNAL NON-CURRENT ASSETS | |
|---|---|---|---|---|
| | 2025 $000 | 2024 $000 | 2025 $000 | 2024 $000 |
| Australia | 93,634 | 106,862 | 15,588 | 16,664 |
| United States | 73,272 | 75,078 | 12,516 | 12,536 |
| Other foreign countries | 39,389 | 40,377 | 3,031 | 419 |
| Unallocated deferred taxes | - | - | 3,374 | 3,570 |
| **Total** | **206,295** | **222,317** | **34,509** | **33,189** |

## NOTE 3. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Sale of goods at a point in time | 206,295 | 222,317 |
| **Other Income** | | |
| Royalty income | 520 | 458 |
| Interest income | 408 | 212 |
| Other income | 9 | 919 |
| Total other income | 937 | 1,589 |

# NOTE 4. EXPENSES

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Profit before income tax, includes the following expense items:** | | | |
| **Cost of sales** | | | |
| Inventories purchased | | 102,520 | 104,471 |
| Changes in inventories of finished goods and work in progress | 12 | 1,640 | 9,510 |
| **Cost of sales** | | 104,160 | 113,981 |
| **Finance costs** | | | |
| Interest & finance charges paid to banks | | 409 | 440 |
| Finance costs associated with leases | 15 | 550 | 541 |
| Total finance costs | | 959 | 981 |
| **Amortisation and depreciation** | | | |
| Depreciation of property, plant and equipment | 14 | 1,074 | 1,058 |
| Depreciation of right-of-use assets | 15 | 2,547 | 2,431 |
| Total depreciation | | 3,621 | 3,489 |
| Amortisation of trademarks | 17 | 200 | 200 |
| **Total amortisation and depreciation** | | **3,821** | **3,689** |
| **Variable selling expenses** | | | |
| Commissions | | 7,104 | 8,263 |
| Other variable costs | | 3,630 | 8,769 |
| Total variable selling expenses | | **10,734** | **17,032** |
| **Distribution costs** | | | |
| Outbound transport costs | | 8,433 | 6,920 |
| Warehousing costs | | 3,360 | 4,103 |
| Total distribution costs | | **11,793** | **11,023** |


FXD
FXD

## NOTE 5. INCOME TAX EXPENSE

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **(a) Income tax expense recognised in the income statement** | | | |
| Under / (over) taxation estimates | | 78 | (24) |
| Current income tax expense | (i) | 3,987 | 4,622 |
| Deferred income tax expense | (ii) | 209 | 224 |
| **Total income tax expense** | | **4,274** | **4,822** |
| **(b) Numerical reconciliation between tax expense and pre-tax profit** | | | |
| Profit from continuing operations before income tax | | 14,071 | 16,291 |
| Income tax expense calculated at 30% | | 4,221 | 4,887 |
| **Increase / (decrease) in tax due to:** | | | |
| Under/ (over) provision adjustment | | 78 | (24) |
| Non-allowable amounts | | 83 | 221 |
| Non-assessable amounts | | - | (132) |
| Differences in tax on overseas income | | (108) | (130) |
| **Income tax expense** | | **4,274** | **4,822** |
| **(c) Deferred tax recognised directly in other comprehensive income** | | | |
| Cash flow hedge reserve | | (289) | (146) |
| Foreign currency translation reserve | | 160 | (335) |
| **Deferred tax benefit** | | **(129)** | **(481)** |
| **(d) Franking Account** | | | |
| Franking credits available for subsequent reporting periods based on tax rate of 30% (2024: 30%) | | 2,721 | 5,023 |
| The final dividend declared after 30 June 2025 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ended 30 June 2025. | | | |

(i) Current income tax expense represents the amount charged to income tax expense in relation to current year tax payable, before the application of any available carried forward tax losses.

(ii) Deferred income tax expense represents the movement in deferred tax assets relating to gross temporary differences.

(iii) The movement in the provision against deferred taxes is the net impact on income tax expense from the net movement in the provision against deferred tax assets relating to both tax losses and temporary differences.

# NOTE 6. TAX ASSETS

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Current tax assets | (a) | - | 592 |
| Deferred tax assets attributable to temporary differences | (b) | 2,118 | 2,198 |
| Deferred tax assets attributable to tax losses | (c) | 1,256 | 1,372 |
| Total deferred tax assets | | 3,374 | 3,570 |
| **Total tax assets** | | **3,374** | **4,162** |

*(a) Current tax assets are tax refunds due on current or prior year period taxes paid.*

*(b) Deferred tax assets attributable to temporary differences*

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| The total value of temporary differences, net of provisions, is as follows: | | | |
| Total gross temporary differences | (i) | 2,886 | 2,774 |
| *Less:* Deferred tax liability off-set | | (768) | (576) |
| **Deferred tax assets attributable to temporary differences** | | **2,118** | **2,198** |
| (i) The gross balance comprises of temporary differences attributable to: | | | |
| *Amounts recognised in profit and loss:* | | | |
| Trade and other receivables | | 358 | 281 |
| Inventories | | 816 | 1,263 |
| Property, plant and equipment | | (285) | (380) |
| Leases | | 323 | 189 |
| Provisions | | 891 | 818 |
| Accruals | | 432 | 533 |
| Other | | 30 | 37 |
| | | 2,565 | 2,741 |
| *Amounts recognised directly in equity:* | | | |
| Cash flow hedge reserve | | 321 | 33 |
| **Deferred tax assets attributable to temporary differences** | | **2,886** | **2,774** |

## NOTE 6. TAX ASSETS (continued)

*(c) Deferred tax assets attributable to tax losses*

The amount recognised includes only those tax losses for which utilisation in the foreseeable future is considered probable. Included below is a full summary of total available tax losses net of the provisions held against these losses:

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Revenue losses | | 1,256 | 1,372 |
| *Less:* provisions against revenue losses | | - | - |
| Net deferred tax assets attributable to revenue losses | | 1,256 | 1,372 |
| Capital losses | | 3,254 | 3,254 |
| *Less*: provision against capital losses | | (3,254) | (3,254) |
| Net deferred tax assets attributable to capital losses | | - | - |
| **Net deferred tax assets attributable to losses** | | **1,256** | **1,372** |

## NOTE 7. TAX LIABILITIES

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Current tax liability | | 311 | - |
| Non-Current tax liability | (i) | - | - |
| (i) At the end of the current year, the deferred tax liability has been off-set against available deferred tax assets in the relevant jurisdictions. Excluding the off-set, the balance consists of temporary differences attributable to: | | | |
| *Amounts recognised directly in profit and loss:* | | | |
| Trade and other receivables | | 35 | 3 |
| *Amounts recognised directly in equity:* | | | |
| Foreign currency translation reserve | | 733 | 573 |
| **Total temporary differences** | | 768 | 576 |
| *Less: Deferred tax asset off-set* | | (768) | (576) |
| **Net deferred tax liability** | | - | - |

## NOTE 8. NOTES TO THE STATEMENT OF CASH FLOWS

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax** | | | |
| Operating profit after taxation | | 9,797 | 11,469 |
| Depreciation and amortisation | 4 | 3,821 | 3,689 |
| Movement in intangibles | | - | (635) |
| Net exchange losses on operating net assets | | 1,386 | 55 |
| Changes in operating asset and liabilities as reported: | | | |
| (Increase)/Decrease in trade receivables | | (3,106) | (3,276) |
| (Increase)/Decrease in other receivables and prepayments | | (210) | 190 |
| (Increase)/Decrease in inventories | | (172) | 9,016 |
| Increase/(Decrease) in other payables/provisions/accruals | | (1,580) | 1,643 |
| Increase/(Decrease) in net taxes payable | | 1,098 | 1,242 |
| **Net cash provided by operating activities** | | **11,034** | **23,393** |

## NOTE 9. CASH AND CASH EQUIVALENTS

| | NOTE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Cash and cash equivalents | (a) | **19,882** | **22,117** |

(a) *Credit risk and interest rate risk*
The consolidated entity's management of credit risk and interest rate risk, and exposure to these risks, at the reporting date is outlined in Note 1 *Financial Risk Management*.

## NOTE 10. DERIVATIVE FINANCIAL INSTRUMENTS

| | NOTE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Forward exchange contracts – cash flow hedge liability | (a) | 1,158 | 106 |

(a) *Forward exchange contracts*
The consolidated entity enters into forward exchange contracts, in the normal course of business, to hedge certain foreign exchange exposures, as discussed in Note 1 *Financial Risk Management*. These contracts are hedging highly probable forecasted purchases, and are timed to mature when payments for the major shipments for each season are due. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the consolidated entity effectively adjusts the initial measurement of the inventory recognised in the balance sheet by the related amount deferred in equity. For details of the hedging instruments outstanding as at balance date, refer to Note 1 *Financial Risk Management*.

## NOTE 11. TRADE & OTHER RECEIVABLES

| | NOTE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Current | | | |
| Trade receivables | | 24,775 | 22,485 |
| *Less: Loss Allowance* | (a) | (1,493) | (1,259) |
| | (b) | **23,282** | **21,226** |
| Other receivables | (c) | 9,427 | 9,081 |
| Restricted cash on deposit | | 1,098 | 394 |
| | (d) | **33,807** | **30,701** |

(a) *Loss allowance*
During the financial year, the income statement includes amounts charged to the loss allowance provision against trade receivables of $0.2 million (2024: $0.5 million). The movement in the balance of the loss allowance provision is included in Note 1(a).

(b) *Fair Value*
The consolidated entity's financial assets are carried in the balance sheet at amounts that approximate fair value. Fair value is determined having taken into account the timing of expected cash flows and any loss allowance. The loss allowance is a management estimate which requires some judgement, the basis for which is further outlined in Note 35 (ae).

(c) *Other receivables*
This amount includes $9.0 million (2024: $8.7 million) relating to amounts recoverable under trade receivables factoring arrangements – refer to Note 1 Financial Risk Management for further information. Other amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Collateral is not normally obtained. Restricted cash on deposit relates to security deposits held in respect of leased properties.

(d) *Credit risk and interest rate risk*
The consolidated entity's management of credit risk and interest rate risk, and exposure to these risks, at the reporting date is outlined in Note 1 *Financial Risk Management*.



Salty Crew

## NOTE 12. INVENTORIES

| | NOTE | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Raw materials | | 413 | 871 |
| Finished goods | | 41,066 | 42,248 |
| Total inventories at cost | | 41,479 | 43,119 |
| Provision for inventory write-downs | (a) | (2,303) | (4,115) |
| | | **39,176** | **39,004** |

*(a) Provision for inventory write-downs*

The provision for inventory write-downs reduces the carrying value of inventory to net realisable value, where this is considered to be lower than cost. The provision is a management estimate which requires some judgement, the basis for which is further outlined in Note 35 (ae). The movement in the provision is reconciled below.

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Balance at 1 July | 4,115 | 4,609 |
| Movement in provision recognised in profit and loss– expense / (income) | (1,688) | (471) |
| Inventories written-down to net realisable value | (182) | (29) |
| Effects of foreign currency on translation of overseas entities allowances | 58 | 6 |
| **Balance at 30 June** | **2,303** | **4,115** |

## NOTE 13. PREPAYMENTS

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Trade deposits | 1,290 | 1,385 |
| Other prepayments | 1,228 | 923 |
| | **2,518** | **2,308** |

## NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Reconciliations of the carrying values of each class of property, plant and equipment at the beginning and end of the current and previous financial years, for the consolidated entity, are as follows:

| | LAND $'000 | BUILDINGS $'000 | LEASEHOLD IMP'MENTS $'000 | MOTOR VEHICLES $'000 | PLANT & EQUIP $'000 | OFFICE EQUIP, FURNITURE & FITTINGS $'000 | TOTAL CONSOLIDATED ENTITY $'000 |
|---|---|---|---|---|---|---|---|
| **Carrying value at 1 July 2021** | **9,582** | **3,292** | **1,923** | **138** | **814** | **698** | **16,447** |
| Additions | - | - | 172 | - | 366 | 157 | 695 |
| Depreciation | - | (85) | (344) | (31) | (257) | (341) | (1,058) |
| Foreign currency translation gain / (loss) from overseas subsidiaries | - | - | (1) | - | - | (1) | (2) |
| **Carrying value at 30 June 2024** | **9,582** | **3,207** | **1,750** | **107** | **923** | **513** | **16,082** |
| *Cost* | *9,582* | *3,413* | *3,729* | *250* | *1,694* | *2,621* | *21,289* |
| *Accumulated depreciation* | - | (206) | (1,979) | (143) | (771) | (2,108) | (5,207) |
| **Carrying value at 30 June 2024 / 1 July 2024** | **9,582** | **3,207** | **1,750** | **107** | **923** | **513** | **16,082** |
| Additions | - | - | 310 | - | 577 | 359 | 1,246 |
| Depreciation | - | (85) | (318) | (31) | (329) | (311) | (1,074) |
| Foreign currency translation gain / (loss) from overseas subsidiaries | - | - | 61 | 1 | 49 | 11 | 122 |
| **Carrying value at 30 June 2025** | **9,582** | **3,122** | **1,803** | **77** | **1,220** | **572** | **16,376** |
| *Cost* | *9,582* | *3,413* | *3,619* | *252* | *2,301* | *2,814* | *21,981* |
| *Accumulated depreciation* | - | *(291)* | *(1,816)* | *(175)* | *(1,081)* | *(2,242)* | *(5,605)* |
| **Carrying value at 30 June 2025** | **9,582** | **3,122** | **1,803** | **77** | **1,220** | **572** | **16,376** |

## NOTE 15. LEASES

*(a) Amounts recognised in the balance sheet*

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Right-of-use assets** | | |
| Property | 11,997 | 10,550 |
| Plant and Equipment | 70 | 98 |
| Office Equipment | 7 | 42 |
| | 12,074 | 10,690 |
| **Lease liabilities** | | |
| As at 1 July | 11,350 | 13,594 |
| Additions | 3,851 | - |
| Accretion of interest | 550 | 541 |
| Payments | (2,992) | (2,807) |
| Remeasurement and other movement | 81 | 22 |
| As at 30 June | 12,840 | 11,350 |
| Current | 2,800 | 2,239 |
| Non-current | 10,040 | 9,111 |

*(b) Amounts recognised in the income statement*

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Right-of-use asset Depreciation** | | | |
| Property | | 2,483 | 2,351 |
| Plant and Equipment | | 29 | 37 |
| Office Equipment | | 35 | 43 |
| | 4 | 2,547 | 2,431 |
| Interest expense on lease liabilities | 4 | 550 | 541 |
| Expense relating to short term leases, low-value assets, variable lease payments and lease exit costs | | 231 | 129 |

*(c) Other lease disclosures*

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Additions to right-of-use assets | 3,947 | - |
| Remeasurement of right-of-use assets | - | 4 |
| Total cash outflows in relation to lease liabilities | 2,992 | 2,807 |
| Short-term or low value operating lease commitments that do not meet the criteria for capitalisation | 77 | 126 |

## NOTE 16. OTHER ASSETS

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Investment in production facility | 2,098 | 2,075 |

The consolidated entity holds a non-controlling interest in a production facility in China. This interest is part of a 30 year contract expiring in 2031 and is non-controlling as the consolidated entity does not have power over the investee, is not exposed to variable returns and there is no joint arrangement between the shareholders. While the consolidated entity does have significant influence, it is not entitled to any share of profit or other changes in the net assets of the investee. The investment is therefore carried at cost. The carrying value is reviewed annually for impairment or sooner if events or circumstances change that may impact the recoverability of the asset. There were no such events in the current financial year, and the carrying value was tested for impairment using a discounted cash flow model at the end of the financial year. While the asset is not considered impaired it is sensitive to the forecast cashflows which are inherently judgmental. The Group considers the investee as other related party and purchases inventory from the investee based on arms-length terms and conditions.

## NOTE 17. INTANGIBLE ASSETS

| | NOTES | GOODWILL $'000 | TRADEMARKS $'000 | OTHER INTANGIBLE ASSETS $'000 | TOTAL $'000 |
|---|---|---|---|---|---|
| **At 1 July 2023** | | | | | |
| Cost | | 65,345 | 37,847 | 437 | 103,629 |
| Accumulated amortisation and impairment | | (65,345) | (36,997) | (437) | (102,779) |
| **Carrying value at 1 July 2023** | | **-** | **850** | **-** | **850** |
| *Year ended 30 June 2024* | | | | | |
| Amortisation charge | (b) | - | (200) | - | (200) |
| Gain on disposal | | - | - | 128 | 128 |
| Foreign currency gain | | - | - | (5) | (5) |
| **Carrying value at 30 June 2024** | | **-** | **650** | **123** | **773** |
| **At 30 June 2024** | | | | | |
| Cost | | 65,345 | 37,847 | 123 | 103,315 |
| Accumulated amortisation and impairment | | (65,345) | (37,197) | - | (102,542) |
| **Carrying value at 30 June 2024 / 1 July 2024** | | **-** | **650** | **123** | **773** |
| *Year ended 30 June 2025* | | | | | |
| Amortisation charge | (b) | - | (200) | - | (200) |
| Foreign currency (gain)/loss | | - | - | 14 | 14 |
| **Carrying value at 30 June 2025** | | **-** | **(200)** | **14** | **(186)** |
| **At 30 June 2025** | | | | | |
| Cost | | 65,345 | 37,847 | 123 | 103,315 |
| Accumulated amortisation and impairment | | (65,345) | (37,397) | 14 | (102,728) |
| **Carrying value at 30 June 2025** | | **-** | **450** | **137** | **587** |

## NOTE 17. INTANGIBLE ASSETS (continued)

### (a) Trademarks

The consolidated entity acquired 50% of the It's Now Cool (INC) trademark and became the Master Licensee of the INC brand globally on 3 October 2022. The carrying value of the trademark at the reporting date is the value of consideration paid or payable to acquire 50% of the trademark, less amortisation expense since the acquisition. The trademark is considered to have a finite life of 5 years. The trademark was acquired with deferred payment terms, and remaining payment is recognised as current trade and other payables.

### (b) Impairment tests for intangible assets

***Goodwill***
Goodwill was allocated to the consolidated entity's cash-generating units (CGUs) which were determined based on specific businesses / acquisitions. Goodwill is carried at cost less accumulated impairment losses and in accordance with the accounting policy in Note 35 (j), impairment losses cannot be reversed.

***Trademarks***
The consolidated entity has recognised the cost of various brands over the years as intangible assets. The recoverable amount of these brands is determined based on fair value less costs to sell (FVLCTS), in accordance with AASB 136. In applying the FVLCTS approach, the recoverable amount of the brand is assessed using the "relief from royalty" market-based valuation technique.

The carrying value of the majority of the consolidated entity's brands has been written down to zero through a combination of amortisation and impairment expense. In accordance with the accounting policy in Note 35 (j), trademarks that have suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

The only brand with a carrying value is the INC trademark, which was acquired in 2022, as outlined in Note (a) above. The carrying value of the asset will be tested for impairment when any triggers for impairment are identified, in accordance with the accounting policy in Note 35 (j).

***Other intangible assets***
Other intangible assets include key-moneys paid to secure retail tenancies in France. The payment is made to the exiting tenant, rather than the landlord, and there is evidence to suggest that there is an active, generally appreciating, market for payment to secure retail tenancies. The asset is measured at cost, less impairments and amortisation over the life of the lease.

## NOTE 18. TRADE AND OTHER PAYABLES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Current payables** | | |
| Trade creditors | 13,476 | 13,866 |
| Other creditors and accruals | 13,985 | 15,179 |
| | 27,461 | 29,045 |
| **Non-Current payables** | | |
| Other creditors and accruals | - | 250 |

## NOTE 19. PROVISIONS

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Current** | | | |
| Employee entitlements | (a) | 3,205 | 3,211 |
| **Non-Current** | | | |
| Employee entitlements | (a) | 126 | 116 |

(a) Employee entitlements include:

*Annual leave and long service leave provisions*
The provision for employee entitlements comprises amounts for annual leave and long service leave. Amounts are recognised as a current provision where the consolidated entity does not have the unconditional right to defer settlement. The consolidated entity expects annual leave amounts to be largely paid out within 12 months. The following assumptions were used in measuring the leave provisions for the year ended 30 June 2025:

| | | |
|---|---|---|
| Expected increase in salaries and wages: | 2% - 4% | (2024: 4% - 6%) |
| Expected salaries and wages on-costs: | 10% - 20% | (2024: 10% - 20%) |

*Superannuation*
The consolidated entity contributes to various industry superannuation fund plans in Australia. The plans operate on an accumulation basis and provide lump sum benefits for members on retirement in addition to death and disablement insurance. The contributions are based on negotiated agreements with employees or employee consolidated entities. Accrued superannuation contributions, along with other accrued labour costs, are included in trade and other payables (Note 18).

## NOTE 20. CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities or assets existing as at reporting date (2024: nil).

## NOTE 21. COMMITMENTS

The consolidated entity has no capital commitments (2024: nil).

## NOTE 22. POST BALANCE DATE EVENTS

There were no reportable post balance date events.

## NOTE 23. CONTRIBUTED EQUITY

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **Paid-up capital:** | | | |
| 41,463,818 (2024: 41,463,818) fully paid ordinary shares | (a) | 144,223 | 144,223 |

(a) *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(b) *Capital risk management*

The consolidated entity's primary objectives when managing capital is to maximise returns to shareholders, while maintaining a low-risk balance sheet. In order to maximise the return to shareholders over the long term, the consolidated entity aims to find the right balance between reinvesting in its brands and operations to drive longer term sales and profitability growth, and providing short term returns to shareholders in the form of dividends. To achieve this balance, the Board calculates dividends payable based on a certain percentage of net profits earned in each financial year, and having regard to the portion of working capital that is funded by financing facilities. The consolidated entity maintains a low-risk balance sheet by limiting the value of working capital funding to a pre-defined range. Where funding is used, it is linked to specific tangible assets, such as receivables, inventory or property, plant and equipment.

The consolidated entity would consider adjusting its capital base to raise capital, or return capital to shareholders, should there be a major transaction that required an adjustment to the capital base of the business. Otherwise, the consolidated entity does not have any policy or plans in place to adjust the Company's capital base.

## NOTE 24. EARNINGS PER SHARE

| | NOTES | 2025 | 2024 |
|---|---|---|---|
| **Basic EPS** | | | |
| Earnings used in calculation of basic earnings per share ($'000) | | 9,797 | 11,469 |
| The weighted average number of shares on issue during the year used in calculation of basic EPS | 23 | 41,463,818 | 41,463,818 |
| Basic earnings per share (cents per share) | | 23.63 | 27.66 |
| **Diluted EPS** | | | |
| Earnings used in calculation of diluted earnings per share ($'000) | | 9,797 | 11,469 |
| Weighted average number of shares on issue during the year used in calculation of diluted EPS | 23 | 41,463,818 | 41,463,818 |
| Diluted earnings per share (cents per share) | | 23.63 | 27.66 |


Szade

## NOTE 25. TREASURY SHARES

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Treasury shares held by the Employee Share Trust | (a) | (487) | (487) |

(a) Treasury shares are shares in Globe International Limited that are held by the Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's remuneration policies, as outlined in the Remuneration Report, on pages 41 to 51 of the Directors' Report. The total number of shares held as at the end of the financial year was 580,801. (2024: 580,801).

## NOTE 26. RESERVES

| | NOTES | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| Foreign currency translation reserve | (a) | (2,312) | (3,711) |
| Hedging reserve – cash flow hedge | (b) | (837) | (73) |
| | | **(3,149)** | **(3,784)** |

*(a) Foreign currency translation reserve*

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Balance at 1 July | (3,711) | (3,559) |
| Currency translation differences arising during the year | 1,559 | (487) |
| Net deferred tax impact | (160) | 335 |
| Balance at 30 June | **(2,312)** | **(3,711)** |

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 35 (d). The reserve is recognised in profit and loss if and when the net investment is disposed of.

| *(b) Hedging reserve – cash flow hedges* | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Balance at 1 July | (73) | 263 |
| Revaluation of outstanding hedges | (1,158) | (106) |
| Transfer to inventory (settled hedges) | 105 | (376) |
| Net deferred tax impact | 289 | 146 |
| Balance at 30 June | **(837)** | **(73)** |

The hedging reserve is used to record gains or losses on hedging instruments that are designated as cash flow hedges and are therefore recognised directly in equity, as described in Note 35 (r). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

## NOTE 27. ACCUMULATED LOSSES

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Balance at 1 July | (63,667) | (69,331) |
| Net profit for the year attributable to the members of the Company | 9,797 | 11,469 |
| Dividends paid | (9,537) | (5,805) |
| **Accumulated losses at the reporting date** | **(63,407)** | **(63,667)** |

## NOTE 28. DIVIDENDS

Dividends paid or declared by the Company during, and since the end of the financial year, along with comparative period information, are summarised below:

| | FY25 FINAL | FY25 INTERIM | FY24 FINAL | FY24 INTERIM | FY23 FINAL | FY23 INTERIM |
|---|---|---|---|---|---|---|
| Cents per ordinary share | 10.00 | 10.00 | 13.00 | 9.00 | 5.00 | 2.00 |
| Franked amount (%) | 100 | 100 | 100 | 100 | 100 | 100 |
| Total amount ($m) | 4.1 | 4.1 | 5.4 | 3.7 | 2.1 | 0.8 |
| Payment date | 19 Sept 2025 | 28 March 2025 | 20 Sept 2024 | 22 March 2024 | 22 Sept 2023 | 24 March 2023 |

In total, dividends of 20 cents per share will be paid to shareholders in respect of the financial year ended 30 June 2025, compared to the 22 cents of dividends paid in relation to the year ended 30 June 2024.

## NOTE 29. KEY MANAGEMENT PERSONNEL DISCLOSURES

**Directors**
The names of the directors who have held office at any time during the financial year are:

| NON-EXECUTIVE DIRECTORS | EXECUTIVE DIRECTORS |
|---|---|
| Harry Hodge (Chairman) | Stephen Hill |
| | Peter Hill |

**Other key management personnel**
The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly during the year:

| NAME | POSITION | EMPLOYER |
|---|---|---|
| Matthew Hill | Chief Executive Officer | Osata Enterprises Inc. |
| Karen Browne | Chief Financial Officer | Globe International Limited |
| Gary Valentine | Chief Operating Officer and President - North America | Osata Enterprises Inc. |
| Matthew Wong | President - Globe Product | Globe International Limited |
| Jon Moses | President - Australasia | Globe International Limited |
| Dane Ward | Directeur Général | Globe Europe SAS |

**Director and key management personnel compensation**

| | NOTES | 2025 $ | 2024 $ |
|---|---|---|---|
| Short-term employee benefits | (a) | 5,874,353 | 6,277,073 |
| Post-employment benefits | | 154,956 | 134,709 |
| | | **6,029,308** | **6,411,782** |

(a) Short-term employee benefits are comprised predominantly of base salary and short-term incentives, as outlined in the Remuneration Report, on pages 41 to 51 of the Directors' Report. KMP's have the choice to elect to receive a portion of their short-term incentives in shares in lieu of cash, up to a maximum number of shares in any given financial year. Short term incentives have historically been settled in cash and have been accounted for as such and taken as an expense to profit or loss for the 2025 financial year, measured at the total accrued entitlement of $0.6 million (2024: $1.0 million).

# NOTE 30. AUDITORS' REMUNERATION

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **(a) Audit services** | | |
| *PricewaterhouseCoopers Australia:* | | |
| Audit and review of financial reports | 307,800 | 293,600 |
| *Overseas PricewaterhouseCoopers firms:* | | |
| Audit and review of financial reports | 55,839 | 55,658 |
| | **363,639** | **349,258** |
| **(b) Non-audit services** | | |
| *PricewaterhouseCoopers Australia:* | | |
| Taxation services | - | 68,040 |
| | **-** | **68,040** |
| **(c) Non-PricewaterhouseCoopers audit firms** | | |
| Audit and review of financial reports | 9,332 | 8,820 |
| Taxation services | - | - |
| | 9,332 | 8,820 |
| **Total auditors' remuneration** | **372,971** | **426,118** |

# NOTE 31. RELATED PARTY DISCLOSURES

**(a) Parent entity**
The ultimate parent entity of the consolidated entity is Globe International Limited. For financial information relating to the parent, refer to Note 33.

**(b) Subsidiaries**
Interests in subsidiaries are set out in Note 32.

**(c) Key Management Personnel**
Disclosures relating to directors and key management personnel are set out in Note 29.

**(d) Transactions with related parties**
From time to time the consolidated entity may engage in transactions with directors, key management personnel and their related entities where the transaction presents a commercial opportunity for the consolidated entity. Such transactions occur on the condition that they are based on arms-length terms and conditions. Where such transactions are on a fixed contractual basis (such as property lease contracts), approval is required from the independent non-executive Chairman of the board prior to the execution of the contract. Such approval is only granted where management is able to provide evidence that the transaction is commercially relevant and has been made on an arm's length basis. For property leases, such evidence includes independent professional advice with regards to the appropriate valuation of the leased property.

During the year, the following transactions occurred with related parties:

| | NOTES | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| *Commercial property lease* | | | |
| Payments for office and warehouse rent made to a director related entity | | 962,049 | 941,834 |
| *Sales and Purchase of inventory* | | | |
| Purchases of inventory from other related party | 16 | 1,796,661 | 1,648,834 |
| Sales of inventory to a director related entities | | 3,575 | 31,588 |
| Purchases of inventory from director related entities | | 939,398 | 408,844 |
| | | 2,739,634 | 2,089,266 |
| *Fees paid to director related parties* | | | |
| Payments for services performed under contractor relationships | | 71,712 | 70,000 |
| Brand royalties paid in accordance with License Agreements | | 12,670 | 14,237 |

## NOTE 31. RELATED PARTY DISCLOSURES (continued)

### (e) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

| | NOTES | 2025 $ | 2024 $ |
|---|---|---|---|
| Current payables (purchase of inventory) – other related party | 16 | 412,418 | 304,749 |
| Current payables (purchase of inventory and brand royalties) – director related entities | | - | 4,490 |
| Current receivables (sale of inventory) – director related entities | | 19,609 | 25,118 |
| | | **432,027** | **334,357** |

### (f) Terms and conditions

Payments for the purchase of inventory from the other related party are due within 90 days from shipment date.

Rent is paid to the director related entity one month in advance under terms of the lease and is due and payable on the first of every month. Sale of goods to the director related entities are on arms-length terms, and amounts are due 30 days from statement date. Payments for the purchase of inventory from directed related entities are on arms-length terms, and are generally settled within 30 days of invoice. Payments under contractor relationships are made monthly in arrears and royalties are payable every 6 months, in arrears, in accordance with the License Agreement.

## NOTE 32. SUBSIDIARIES

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 35 (b):

| NAME | COUNTRY | OWNERSHIP INTEREST | |
|---|---|---|---|
| | | 2025<br>% | 2024<br>% |
| ***The Company*** | | | |
| Globe International Limited* | Australia | | |
| ***Entities under the control of Globe International Ltd*** | | | |
| Hardcore Enterprises Pty Ltd* | Australia | 100 | 100 |
| ***Entities under the control of Hardcore Enterprises Pty Ltd*** | | | |
| WINT Enterprises Pty Ltd* | Australia | 100 | 100 |
| KIDD Consolidated Pty Ltd* | Australia | 100 | 100 |
| Globe International Nominees Pty Ltd* | Australia | 100 | 100 |
| Globe International (NZ) Ltd | New Zealand | 100 | 100 |
| PSC Skateboarding Pty Ltd* | Australia | 100 | 100 |
| Osata Enterprises, Inc. | United States | 100 | 100 |
| Globe Europe SAS | France | 100 | 100 |
| ***Entities under the control of PSC Skateboarding Pty Ltd*** | | | |
| CASE Enterprises Pty Ltd* | Australia | 100 | 100 |
| ***Entities under the control of Osata Enterprises, Inc.*** | | | |
| Diaxis LLC | United States | 100 | 100 |
| Chomp Inc | United States | 100 | 100 |
| Project Snack, Inc. | United States | 100 | 100 |
| ***Entities under the control of Globe International Nominees Pty Ltd*** | | | |
| Globe International (Asia) Limited | Hong Kong | 100 | 100 |

* Party to Deed of Cross Guarantee dated 29 June 2001 – relief from preparing financial statements obtained under ASIC Class Order 2016/785.


FXD

# NOTE 33. PARENT ENTITY FINANCIAL INFORMATION

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Balance sheet** | | |
| Current assets | 38,270 | 42,610 |
| Total assets | 105,147 | 105,377 |
| Current liabilities | 17,689 | 17,529 |
| Total liabilities | 25,088 | 26,264 |
| *Shareholders equity* | | |
| Issued capital | 144,223 | 144,223 |
| Treasury shares | (487) | (487) |
| Reserves | (447) | (87) |
| Retained earnings | (63,230) | (64,536) |
| **Total Equity** | **80,059** | **79,113** |
| **Statement of comprehensive income** | | |
| Net profit for the year before tax | 15,630 | 16,148 |
| Net profit for the year after tax | 10,842 | 11,294 |
| Total comprehensive income | 10,484 | 10,934 |

### (b) Guarantees entered into by the parent entity

The parent entity has not extended any guarantees on behalf of its subsidiaries, with the exception of the cross guarantee given by Globe International Limited to its 100% owned Australian subsidiaries, as described in Note 34 *Deed of Cross Guarantee*.

### (c) Contingent liabilities and contractual commitments for the acquisition of property, plant or equipment

The parent entity has no capital commitments, or contingent liabilities (2024: nil).

## NOTE 34. DEED OF CROSS GUARANTEE

A deed of cross guarantee between Hardcore Enterprises Pty Ltd, WINT Enterprises Pty Ltd, Globe International Nominees Pty Ltd, CASE Enterprises Pty Ltd, KIDD Consolidated Pty Ltd, PSC Skateboarding Pty Ltd ("the subsidiaries") and Globe International Limited was entered into on 29 June 2001. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Under the deed each entity guarantees to support the liabilities and obligations of the others. The income statement and balance sheet for the closed consolidated entity, which is also the extended closed consolidated entity, comprising Globe International Limited and the subsidiaries is as follows:

| INCOME STATEMENT | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **Revenue from contracts with customers** | **94,938** | **108,659** |
| Other Income | 5,772 | 6,680 |
| Changes in inventories of finished goods and work in progress | (1,897) | (2,692) |
| Inventories purchased | (47,524) | (55,428) |
| Employee benefits expense | (14,934) | (14,919) |
| Variable selling expenses | (2,545) | (7,545) |
| Distribution costs | (3,422) | (3,344) |
| Other sales and administration expenses | (19,311) | (18,912) |
| Depreciation, amortisation and impairment expense | (1,535) | (1,457) |
| Finance costs | (520) | (590) |
| **Profit before income tax** | **9,022** | **10,450** |
| Income tax expense | (2,865) | (3,204) |
| **Net profit after tax** | **6,157** | **7,246** |

## NOTE 34. DEED OF CROSS GUARANTEE (continued)

| BALANCE SHEET | 2025 $'000 | 2024 $'000 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | 3,902 | 7,747 |
| Trade and other receivables | 12,173 | 13,276 |
| Inventories | 20,532 | 19,303 |
| Prepayments | 1,664 | 1,700 |
| Current tax assets | - | 584 |
| **Total current assets** | **38,271** | **42,610** |
| **Non current assets** | | |
| Trade and other receivables | 9,344 | 9,045 |
| Property, plant and equipment | 13,548 | 13,767 |
| Right-of-use assets | 1,590 | 2,248 |
| Intangible assets | 450 | 650 |
| Other assets | 16,767 | 16,767 |
| Deferred tax assets | 1,087 | 1,136 |
| **Total non current assets** | 42,786 | 43,613 |
| **Total assets** | **81,057** | **86,223** |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Trade and other payables | 13,259 | 13,957 |
| Lease liabilities | 986 | 864 |
| Borrowings | 546 | 517 |
| Derivative financial instruments | 638 | 126 |
| Current tax liabilities | 350 | - |
| Provisions | 2,113 | 2,267 |
| **Total current liabilities** | **17,892** | **17,731** |
| **Non current liabilities** | | |
| Trade and other payables | - | 250 |
| Lease liabilities | 786 | 1,587 |
| Borrowings | 6,485 | 7,032 |
| Provisions | 126 | 116 |
| **Total non-current liabilities** | 7,397 | 8,985 |
| **Total liabilities** | **25,289** | **26,716** |
| **NET ASSETS** | **55,768** | **59,507** |
| **Equity** | | |
| Contributed equity | 144,223 | 144,223 |
| Treasury Shares | (487) | (487) |
| Reserves | (447) | (87) |
| Accumulated losses | (87,521) | (84,142) |
| **TOTAL EQUITY** | **55,768** | **59,507** |

# NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity, consisting of Globe International Limited and its subsidiaries.

## (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Globe International Limited is a for-profit entity for the purpose of preparing the financial statements. The financial statements have been prepared on the basis that the consolidated entity's business is a going concern.

*Compliance with IFRS*

The consolidated financial statements of Globe International Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*Adoption of standards*

The consolidated entity has adopted all relevant applicable standards that were effective for the financial year ended 30 June 2025. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

## (b) Principles of Consolidation

*(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Globe International Limited as at 30 June 2025 and the results of all subsidiaries for the year then ended. Globe International Limited and all its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities over which the consolidated entity has control. The consolidated entity controls an entity when it 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 consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity (refer Note 35 (k)). All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

*(ii) Employee Share Trust*

The consolidated entity has formed a trust to administer the consolidated entity's Executive Incentive Plans which may be settled in shares. The trust is consolidated as the substance of the relationship is such that the trust is controlled by the consolidated entity. Shares held by the trust were all purchased on-market, are disclosed as Treasury Shares, and the acquisition value is deducted from equity.

## (c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by:

- changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements;
- the utilisation or derecognition of tax assets associated with net operating losses, temporary differences and foreign tax credits;
- prior year adjustments between the tax provided and the tax return ultimately lodged; and
- provisions for estimated tax liabilities in relation to on-going tax audits or disputes with tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### (c) Income Tax (continued)

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities shall be set off if, and only if:

(a) there is a legally recognised right to set off current tax assets and liabilities, and

(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:

i. the same taxable entity, or

ii. different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (d) Foreign currency translation

*(i) Functional and presentation currency*
Items included in the financial statements of each entity of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Globe International Limited's functional and presentation currency.

*(ii) Transactions and balances*
Foreign currency transactions are translated into the 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

*(iii) Group companies*
The assets and liabilities of overseas controlled entities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at average exchange rates during the year. Exchange differences arising on translation are taken directly to foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings are repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

**(e) Revenue recognition**

Revenue from the sale of goods is recognised when control of the goods has been transferred to the customer and the customer has accepted the product. For wholesale transactions, this occurs when goods have been delivered to a customer pursuant to a sales order. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. For retail transactions, this occurs when the transaction is processed at the point of sale and payment is received.

The amount of revenue to be recognised is based on the consideration the consolidated entity received or expects to receive in exchange for its goods. Amounts disclosed as revenue are net of invoiced discounts, goods and services tax (GST) and other sales taxes and expected future retail returns and wholesale credit notes and rebates. A liability (included in trade and other payables) is recognised for expected credit notes, returns and refunds. Revenue is recognised to the extent it is highly probable there will not be a significant reversal of revenue. The validity of this assumption and the estimated amount of credit notes and returns is reassessed at each reporting date.

**(f) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

**(g) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred and include interest on bank overdrafts, receivables financing facilities and any other short or long term borrowings.

**(h) Leases**

The consolidated entity leases various offices, warehouses, retail stores, equipment and cars. Rental contracts are typically made for fixed periods of 3 to 8 years, but may have extension options available beyond this point. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Where the consolidated entity has entered into a lease contract for the right to control the use of an asset over the lease term, the present value of future lease commitments is recognised as a liability on the balance sheet at commencement date, with the corresponding asset recognised as a right-of-use asset.

The lease liability represents the present value of the expected future lease payments, discounted at the consolidated entity's regional external borrowing rates. To determine the value of expected future lease payments, the consolidated entity considers:

- The lease term, which includes the non-cancellable period of the lease plus any options available that the consolidated entity is reasonably certain to exercise; and
- Those lease payments which must be factored into the value of the liability, including:
  - Fixed payments, net of any lease incentives receivable;
  - Variable lease payments that are based on an index or a rate; and
  - Payment of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance costs. Any change to the valuation of the future lease payments (due to change in discount rate, variable lease payments based on an index or rate, or the lease term) results in the re-measurement of both the lease liability and the right-of-use asset.

The right-of-use assets are classified as leases of property or plant and equipment and are carried at cost less accumulated depreciation and impairment loss. The assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Where leases are short term or where the underlying asset is of low value, we have elected to apply the exemption requirements of AASB 16 and as such, amounts are expensed as incurred.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### (i) Other income

The consolidated entity has several sources of other income which are outlined below.

Royalty revenue is recognised in the period in which underlying sales are made by the licensee and disclosed as other income.

Interest revenue is recognised on a proportional basis using the effective interest rate method and disclosed as other income.

### (j) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation, and other 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. The recoverable amount is determined based on either fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are consolidated at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that have suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

### (k) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. Consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred; liabilities incurred; equity instruments issued; the fair value of any contingent asset or liability; and the fair value of any pre-existing equity instruments in the subsidiary. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit and loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### (l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### (m) Trade and other receivables

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost, less a loss allowance. Trade receivables are principally on 30 to 60 day terms. Cash flows relating to trade receivables are generally not discounted as the effect of discounting is immaterial. Other receivables consist of amounts receivable under a factoring arrangement and amounts due under license agreements and other arrangements.

The consolidated entity applies the AASB 9 simplified approach to measuring expected credit losses which applies a lifetime expected loss allowance against all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on payment profiles of sales over a period of 36 months before reporting date and the corresponding credit losses experienced within the reporting period. The historical loss rates are adjusted, where required, to reflect current and forward looking information on macroeconomic factors affecting the ability of the customer to settle the receivable. The consolidated entity has identified industry conditions and country by country macro-economic factors as the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these.

Due to the nature of the impairment loss, management judgement is required to estimate the value of the provision - as outlined in Note 35 (ae). The amount of the loss allowance is recognised in the income statement.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

**(n) Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable expenditure (including freight costs and duties). Cost comprises the cost of purchase, the cost of conversion and other costs incurred in bringing the goods to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling costs. Estimated selling costs include all costs likely to be required to make the sale including items such as freight and handling costs, sales commissions, processing fees and any direct marketing campaigns required to generate the sale. A provision for inventory is included to write down the value of inventory to net realisable value, when required. Management judgement is used to estimate the value of the provision – as outlined in Note 35 (ae). The amount of the provision is recognised in the income statement.

**(o) Other assets**

Other assets relate to a non-controlling investment in a production facility. The asset was initially recognized at fair value plus transaction costs and is subsequently measured at fair value unless the fair value cannot be reliably measured, in which case they are carried at cost less impairment losses. Other assets are assessed for impairment at each balance date on a forward looking basis. A significant or prolonged decline in the future benefit to be recovered from the asset is considered as an indicator that the asset is impaired. Impairment losses on other assets are recognised directly in the income statement.

**(p) Property, plant and equipment**

Property, plant and equipment are carried at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All subsequent costs, including repairs and maintenance, are expensed as incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate cost, net of the residual value, over estimated useful lives as follows:

| CLASS OF ASSET | USEFUL LIFE | CLASS OF ASSET | USEFUL LIFE |
|---|---|---|---|
| Land | Infinite life | Plant & Equipment | 4-10 years |
| Buildings | 25 - 40 years | Office Equipment, Furniture and Fittings | 4-10 years |
| Leasehold Improvements | Period of Lease | Computer Equipment | 3 years |
| Motor Vehicles | 7-12 years | | |

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 35 (j)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

**(q) Intangible assets**

Trademarks that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 1 to 15 years. Where the consolidated entity has a partial ownership in a trademark, it recognises its share in that trademark to the extent of the amount invested.

Trademarks that have an indefinite useful life are carried at cost less impairment losses. These assets are assumed to have nil tax cost bases, unless specific deductions are available. These assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that an asset may be impaired (Note 35 (j)).

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

**(r) Derivatives**

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. 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. The consolidated entity designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the hedge relationship, the consolidated entity documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item. It documents its risk management strategy for undertaking various hedge transactions and its assessment of whether the designated derivatives have been, and will continue to be, highly effective.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. For hedges of foreign currency purchases, the consolidated entity enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, so the assessment of effectiveness is made on a qualitative basis.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 10. Movements in the hedging reserve in shareholders' equity are shown in Note 26. The credit risk and foreign exchange risk exposures associated with these instruments is discussed in Note 1.

*Cash flow hedges that qualify for hedge accounting*

When forward contracts are used to hedge forecast transactions, the consolidated entity generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in fair value of the forward contract are recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion, if any, is recognised immediately in the income statement. Ineffectiveness may arise if the timing or value of the forecast transaction changes significantly from what was originally estimated.

Amounts accumulated in equity are reclassified in the periods when the hedged item will affect profit or loss. As the consolidated entity's cash flow hedges all relate to non-financial assets (inventory), the gains and losses previously deferred in equity are transferred from equity and are included in the measurement of the initial cost of that inventory. They are subsequently transferred to profit and loss upon the sale of that inventory.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

*Derivatives that do not qualify for hedge accounting*

Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

**(s) Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts that are unpaid are generally payable within 30 – 90 days of recognition.

**(t) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case the amounts are classified as non-current liabilities.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### (u) Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are recognised at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where an estimate of the likely obligation is not possible, the value of the provision may be calculated based on the weighted probability of the potential outcomes. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. Where relevant, the increase in the provision due to the passage of time is recognised as interest expense.

### (v) Employee Benefits

Employee benefits expense includes all amounts paid directly to employees, including base salaries and wages, allowances, incentives and any paid leave, and the on-costs associated with those payments. In addition, it includes any non-monetary benefits that are provided directly to, or on behalf of, employees. In Australia, on-costs include contributions made to various accumulating employee superannuation funds. All superannuation costs are charged as expenses when incurred. The consolidated entity does not contribute to any defined benefit funds.

Liabilities for salaries and wages, including non-monetary benefits, are recognised as outlined below:

*Salaries and wages*
Liabilities for any outstanding salaries and wages, on-costs and any non-monetary benefits, are recognized as payables.

*Annual leave and sick leave*
Liabilities for annual leave are recognised as provisions in respect of employee's services up to the reporting date and are measured at the nominal value of amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The consolidated entity has no accumulated sick leave liabilities.

*Long Service Leave*
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by Australian 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

*Superannuation*
The consolidated entity makes contributions to various accumulating employee superannuation funds, or foreign equivalent funds, which are charged as expenses when incurred. The consolidated entity does not contribute to any defined benefit funds.

*Short-term incentive plans*
The consolidated entity recognises a liability and an expense for bonuses payable under various short-term incentive plans. Short term incentive plans are generally based on the achievement of targeted performance levels set at the beginning of each financial year. Further information relating to the incentive plans for executives is included in the Remuneration Report which is set out on pages 41 to 51 of the Directors' Report. The consolidated entity recognises a liability to pay short term incentives when contractually obliged based on the achievement of the stated performance levels, where there is a past practice that has created a constructive obligation, or where the amount of the STI payable has been determined prior to the end of the financial year.

### (w) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. If the entity acquires its own equity instruments as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit and loss and the consideration paid including any directly attributable incremental costs, net of tax, is recognised directly in equity.

### (x) Earnings per share

*Basic earnings per share*
Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

**(y) Dividends**
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

**(z) Goods and services tax ("GST")**
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or 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 taxation authority is included within other receivables or payables in the balance sheet.

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

**(aa) Rounding of amounts**
The Company has applied relief available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly amounts in the financial report have been rounded off to the nearest one thousand dollars or, in certain cases, to the nearest dollar.

**(ab) Comparative figures**
Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where reclassifications have been made in the current year to improve the way information is reported, the prior year comparatives have been adjusted for consistency where the change is not material.

**(ac) Parent entity financial information**
The financial information for the parent entity, Globe International Limited, disclosed in Note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below:

*(i)* *Investments in subsidiaries*
Investments in subsidiaries are accounted for at cost less impairment losses.

*(ii)* *Accumulated profits reserves*
Annual profits are held in separate accumulated profits reserves, rather than being off-set against retained earnings. Dividends are paid out of the accumulated profits reserves.

*(iii)* *Tax consolidation legislation*
Globe International Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 1 July 2003. The head entity, Globe International Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone tax payer in its own right.

In addition to its own current and deferred tax amounts, Globe International Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Globe International Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Globe International Limited for any current tax payable assumed and are compensated by Globe International Limited for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to Globe International Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. Assets or liabilities arising under tax funding agreements within the tax consolidated group are recognised as amounts receivable or payable to other entities in the consolidated entity. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

## NOTE 35. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

**(ad) New and amended accounting standards**

There are no new or amended accounting standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Certain new accounting standards, amendments or interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the consolidated entity.

**(ae) Critical Accounting estimates**

Accounting estimates are assumptions that are used to determine the financial performance and position at a point in time. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Included below are details of significant management estimates and assumptions.

***(1) Estimates and assumptions with potentially material impacts on the financial statements in future periods***

*i. Estimates of credit loss allowance against trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowance. The loss allowance is raised upon recognition of a trade receivable which is an estimate of the expected credit loss for that balance. A combination of accounting policy and management judgement is used to estimate the value of the loss allowance.

- Initially, each receivable is classified individually or collectively based on shared credit risk characteristics and the days past due. This includes the grouping of all receivables which are considered “bad”, which carry a credit loss allowance of 100% of the value of the receivable.
- In line with the application of the AASB 9 simplified approach, the consolidated entity then applies a lifetime expected loss allowance against all other receivables. The expected loss allowance is based on historical credit loss rates, and is subject to change from year to year. Currently the rates are between 0.5% and 25%, depending on the days past due.
- Management judgement is then used to determine whether the loss allowance required against each group of accounts or an individual account, if applicable, should be adjusted to reflect current and forward-looking factors. Management uses a number of factors to assess this, including recent communication with the customer, the age of the receivable, the presence of and adherence to payment plans, external information with regards to the financial viability of the customer and general market conditions within the industry and or the economic region in which the customer resides.

*ii. Estimates of the provision for inventories*

Inventories are valued at the lower of cost and net realisable value. A provision for inventory is included to write down the value of inventory to net realisable value, when required. The provision is calculated based on the consolidated entity’s accounting policy which states that inventory of a certain age must have a specific provision against it – the level of provisioning increases as the age of the inventory increases. Inventory ageing is based on the last selling season in which the inventory was available for sale. This policy is determined based on historical levels of inventory obsolescence. In addition to the provision calculated based on the policy, management judgement is required to adjust the provision based on known market factors. For example, where there is significant excess inventory in a certain category, or a particularly poor selling style, size or colourway, management may determine that an extra provision (over and above the policy) is required to reflect the heavier discounting than normal which may be required to clear that inventory.

***(2) Changes in accounting estimates***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| NAME OF ENTITY | TYPE OF ENTITY | TRUSTEE, PARTNER, OR PARTICIPANT IN JV | % OF SHARE CAPITAL | PLACE OF BUSINESS/ COUNTRY OF INCORPORATION | AUSTRALIAN RESIDENT OR FOREIGN RESIDENT | FOREIGN JURISDICTION OF FOREIGN RESIDENTS |
|---|---|---|---|---|---|---|
| Globe International Limited | Company | - | - | Australia | Australian | n/a |
| Hardcore Enterprises Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| WINT Enterprises Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| KIDD Consolidated Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| Globe International Nominees Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| Globe International (NZ) Ltd | Company | - | 100 | New Zealand | Australian | n/a |
| PSC Skateboarding Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| Osata Enterprises, Inc. | Company | - | 100 | United States | Foreign | United States |
| Globe Europe SAS | Company | - | 100 | France | Foreign | France |
| CASE Enterprises Pty Ltd | Company | - | 100 | Australia | Australian | n/a |
| Diaxis LLC | Company | - | 100 | United States | Foreign | United States |
| Chomp Inc | Company | - | 100 | United States | Foreign | United States |
| Project Snack, Inc. | Company | - | 100 | United States | Foreign | United States |
| Globe International (Asia) Ltd | Company | - | 100 | Hong Kong | Foreign | n/a * |

* This entity is incorporated in Hong Kong. As Hong Kong does not have domestic laws relating specifically to tax residency, a foreign residency determination in accordance with the Corporations Act requirements is not possible.

### Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

### Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001)*.



Impala Skate

## DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes, as set out on pages 54 to 110, and remuneration disclosures on pages 41 to 51, are in accordance with the *Corporations Act 2001*, including;

   (a) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2025, and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the consolidated entity disclosure statement on page 111 is true and correct; and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed consolidated entity identified in Note 34 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 34.

The directors draw attention to Note 35 (a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial reporting period ending 30 June 2025.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5) of the *Corporations Act 2001*.

Dated 21 August 2025

Harry Hodge

.......................................................

Harry Hodge<br>
Chairman

# Independent auditor's report

To the members of Globe International Limited

## Report on the audit of the financial report

### Our opinion

In our opinion:

The accompanying financial report of Globe International Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. 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 then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006,
GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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

### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

### Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

pwc

## 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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Board of Directors.

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Inventory Valuation**<br>(Refer to note 12)<br>As at 30 June 2025 inventory was $39.2 million and is presented net of an inventory provision of $2.3 million.<br>Judgement and estimation are required by the Group to identify inventory that may not be saleable or that may need to be discounted below cost to sell. The future performance of individual brands is inherently judgemental due to the uncertainty of their forecast demand and estimated sales price.<br>This was considered a key audit matter due to the financial significance of the carrying value of the inventory to the consolidated balance sheet and judgements outlined above in determining the recoverable amount. | To assess the valuation of inventory with regards to provisioning, we performed the following procedures amongst others:<br>• Selected a sample of inventory items held at 30 June 2025 and examined the recent sales invoices to determine whether any items were sold below cost price.<br>• Tested the accuracy of a sample of inventory items within the inventory ageing report and recalculated the percentages applied compared to the Group's inventory provisioning policy.<br>• Assessed the sales history by brand to identify any performance trends that need to be considered within the inventory provision analysis.<br>• Held discussions with management to determine whether any plans to discontinue or discount individual product lines had been considered in calculating the inventory provision.<br>• Evaluated the related financial statement disclosures for consistency with Australian Accounting Standards requirements. |

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Accounts Receivable Valuation**<br>(Refer to note 11)<br>The Group had trade receivables of $33.8 million as at 30 June 2025, which is presented in the balance sheet net of a loss allowance of $1.5 million.<br>We considered the valuation of receivables to be a key audit matter as judgement is required by the Group in determining the loss allowance on receivables based on the Group's assessment of the ability of customers to pay their outstanding debts. | To assess the valuation of receivables we performed the following procedures amongst others:<br>• Tested the accuracy of the trade receivables ageing report by agreeing relevant information of outstanding invoices captured in the report to a sample of the corresponding sales invoices.<br>• Recalculated the loss allowance to determine whether it had been calculated in accordance with the Group's policy.<br>• Compared the ageing profile to the prior year to identify any deterioration in the overall ageing of trade receivables.<br>• Compared total accounts receivable written off in the current year against the loss allowance recorded in the prior year to assess the accuracy of the provisioning policy.<br>• Evaluated the related financial statement disclosures for consistency with Australian Accounting Standards requirements. |

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material 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 have 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 the 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 at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Globe International 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.

PricewaterhouseCoopers

David Patterson
Partner

Melbourne
21 August 2025

**THE INFORMATION BELOW WAS APPLICABLE AT 22 AUGUST 2025**

| **TOP 20 SHAREHOLDERS** | NUMBER OF FULLY PAID SHARES | PERCENTAGE OF ISSUED SHARES |
|---|---|---|
| MR STEPHEN DAVID HILL | 12,675,549 | 30.57% |
| MR PETER JOHN HILL | 12,436,009 | 29.99% |
| MR MATTHEW PATRICK HILL | 3,495,965 | 8.43% |
| POLYTOWN PTY LTD | 2,436,022 | 5.88% |
| LAWN VIEWS PTY LTD | 963,000 | 2.32% |
| BOND STREET CUSTODIANS LIMITED | 603,737 | 1.46% |
| CPU SHARE PLANS PTY LTD | 580,801 | 1.40% |
| DOG FUNDS PTY LTD | 353,973 | 0.85% |
| GOTTERDAMERUNG PTY LIMITED | 343,512 | 0.83% |
| BOXER INVESTMENTS PTY LTD | 277,245 | 0.67% |
| MR FRANK JENS THOMAS DAMMENHAYN & MRS MARGARET MARY CAINE-DAMMENHAYN | 271,236 | 0.65% |
| ARMAFORCE PTY LTD | 265,749 | 0.64% |
| LLIENO PTY LTD | 251,573 | 0.61% |
| MR JESSE CONNERY HILL | 245,835 | 0.59% |
| NOBSF PTY LTD | 245,447 | 0.59% |
| MR MICHAEL FILIPOVIC | 200,000 | 0.48% |
| MR MICHAEL FILIPOVIC & MRS ROSETTA FILIPOVIC | 200,000 | 0.48% |
| VELKOV FUNDS MANAGEMENT PTY LTD | 171,500 | 0.41% |
| MARTEHOF PTY LTD | 162,976 | 0.39% |
| ROMIFI COMPANY PTY LTD | 160,000 | 0.39% |
| | | |
| **TOTAL TOP 20** | **36,340,129** | **87.64%** |
| **TOTAL ISSUED CAPITAL** | **41,463,818** | **100.00%** |
| | | |
| **SUBSTANTIAL HOLDERS** | | |
| MR STEPHEN DAVID HILL | 12,675,549 | 30.57% |
| MR PETER JOHN HILL | 12,436,009 | 29.99% |
| MR MATTHEW PATRICK HILL | 3,495,965 | 8.43% |
| POLYTOWN PTY LTD | 2,436,022 | 5.88% |
| | | |
| **DISTRIBUTION OF HOLDINGS** | **NUMBER OF HOLDERS** | **NUMBER OF SHARES** |
| 1 - 1,000 shares | 406 | 142,768 |
| 1,001 - 5,000 shares | 271 | 642,994 |
| 5,001 - 10,000 shares | 54 | 407,630 |
| 10,001 - 100,000 shares | 76 | 2,532,531 |
| 100,000 or more shares | 41 | 37,737,895 |
| **TOTAL SHARES** | **848** | **41,463,818** |

The number of security holdres holding less than a marketable parcel is 136 and they hold 11,080 securities.

## UNQUOTED EQUITY SECURITIES

The Company has no unquoted securities at the date of this report.

## ANNUAL REPORT

The Company has elected to distribute its Annual Report online, by making it available on its website at: www.globecorporate.com. Hard copies of the Annual Report will only be sent to those shareholders who have elected to receive one.

## YOU CAN DO SO MUCH MORE ONLINE

Did you know that you can access – and even update – information about your holdings in Globe International Limited via the internet?

You can access your information securely online via our share registry website: au.investorcentre.mpms.mufg.com using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as well as your surname (or company name) and postcode (must be the postcode recorded on your holding record).

It's fast and it's easy. You can:

- Check your current and previous holding balances
- Choose your preferred annual report option
- Update your address details
- Update your bank details
- Confirm whether you have lodged your Tax File Number (TFN), Australian Business Number (ABN) or exemption
- Enter your email address and update your communications preferences
- Subscribe to email announcements
- Check transaction and dividend history
- Check the share prices and graphs
- Download a variety of instruction forms.

**Don't miss out on your dividends;**

Dividend cheques that are not banked are required to be handed over to the State Trustee under the Unclaimed Monies Act,so you are reminded to bank cheques immediately.

**Better still, why not have us bank your dividend payments for you?**

How would you like to have immediate access to your dividend payments? Your dividend payments can be credited directly into any nominated bank, building society or credit union account in Australia. Not only can we do your banking for you dividends paid by direct credit can reach your account as cleared funds, allowing you to access them on the payment date.

**Contact Information**

You can contact the Share Registry by phone, email, in person, or in writing:

MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235

Telephone (within Australia): 1300 554 474
International: +61 1300 554 474
Facsimile: +61 3 9287 0303
Email: support@cm.mpms.mufg.com


Globe Brand

## DIRECTORS

| | |
|---|---|
| Harry Hodge | Chair & Independent Non-Executive Director |
| Stephen Hill | Executive Director and Founder |
| Peter Hill | Executive Director and Founder |

## SENIOR MANAGEMENT

| | |
|---|---|
| Matt Hill | Chief Executive Officer |
| Karen Browne | Chief Financial Officer |
| Gary Valentine | Chief Operating Officer / President North America |
| Jon Moses | President Australasia |
| Matt Wong | President Global Product |
| Dane Ward | President Europe |

## PRINCIPAL REGISTERED OFFICE

1 Fennell Street
Port Melbourne VIC 3207
Australia
Tel: +61 3 8534 9999

## COMPANY SECRETARY

Samantha Cook
1 Fennell Street
Port Melbourne VIC 3207
Australia
Tel: +61 3 8534 9999

## SHARE REGISTRY

MUFG Corporate Markets
Level 10, Tower 4
727 Collins Street
Melbourne VIC 3008
Tel: 1300 554 474
Tel: +61 1300 554 474
Fax: +61 2 9287 0303
*au.investorcentre.mpms.mufg.com*

## AUDITORS

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

## CORPORATE WEBSITE

*www.globecorporate.com*

## STOCK EXCHANGE LISTINGS

Globe International Ltd shares are listed on the Australian Securities Exchange.
Ticker: GLB

PRINTED ON ECOSTAR+ 100% RECYCLED PAPER STOCK
DOWNLOAD THE ONLINE VERSION
BETTER FOR THE ENVIRONMENT:
*https://globecorporate.com/annual-reports/*

globecorporate.com