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FY25 ANNUAL REPORT

DGL

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DGL is a leading supplier of chemical logistics and services to essential industries in Australia, New Zealand and beyond.

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CONTENTS

01

OPERATING & FINANCIAL REVIEW

- 06 About DGL
- 07 Financial Highlights
- 08 Chairman and CEO Report
- 10 Our Business Model
- 12 Review of Operations
- 16 Group Operating Results
- 19 Key Business Strategies and Outlook
- 22 Key Business Risks
- 24 License, Accreditations and Certificates
- 25 Environment and Community

02

DIRECTORS' REPORT

- 28 Directors
- 30 Shareholdings of directors

03

REMUNERATION REPORT

- 32 Remuneration Policies
- 33 Key Management Personnel
- 34 Remuneration of Executive Directors and other Key Management Personnel
- 35 Directors and KMP Shareholdings
- 36 Long-Term Incentive – Performance Rights

04

FINANCIALS

- 39 Financial Statements
- 43 Notes to Financial Statements
- 80 Director's Declaration
- 81 Independent Auditor's Report
- 87 Additional Shareholder Information
- 89 Corporate Directory



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01

OPERATING & FINANCIAL REVIEW

ABOUT DGL

DGL solves problems for customers by providing formulation and manufacturing for a range of potentially hazardous and reactive chemicals, the warehousing & distribution of these chemicals within a highly licensed transport and warehouse network, and the disposal or recycling required to safely manage the full life cycle of these products.

DGL is continuing to build a diverse business delivering vital chemical and industrial solutions to a broad range of industries in Australia, New Zealand and Internationally. DGL has infrastructure and capabilities built over 25 years, coupled with the expertise to offer a range of specialised services brought together on one platform. No other provider combines chemical logistics, formulation and packaging, secure warehousing services, and waste treatment of complex chemicals and dangerous goods like DGL.

Driven by our respect for quality and commitment to safety, DGL strives for continuous process improvement and develops the expertise of our employees through education and training.



FINANCIAL HIGHLIGHTS

FY25 REVENUE

\$481.5m

FY24 \$466.1m, +3% vs pcp

FY25 CASH FLOW FROM OPERATIONS

\$44.7m

FY24 \$35.2m, +27% vs pcp

FY25 UNDERLYING EBITDA

\$52.1m

FY24 \$64.6m, -19% vs pcp

FY25 UNDERLYING NPAT

\$3.5m

FY24 \$15.7m, -78% vs pcp

FY25 OPERATING CASH CONVERSION¹

110%

FY24 82%, +28% vs pcp

FY25 STATUTORY NPAT

(\$27.9m)

FY24 \$14.3m, -295.3% vs pcp

¹ Cash Conversion Rate is calculated by dividing operating cash flow excluding interest and tax by underlying EBITDA.

CHAIRMAN AND CEO REPORT

FY25 was DGL's 26th year since the business was founded by our CEO Simon Henry in 1999 and DGL's fifth year as an ASX listed company. DGL has become a leading supplier of chemical logistics and services to essential industries in Australia, New Zealand and beyond. We pride ourselves on our reputation for customer service and safety in delivering specialised chemical, material and service solutions to our diverse group of over 5,000 customers.

As indicated at our half year results, FY25 was a transitional year for DGL Group, and it was a mixed year in terms of financial performance. Our earnings were below expectations and below where we want them to be, and we are taking actions to correct our financial performance.

The Company has completed 30 business and asset acquisitions in the last five years which have added significant capacity and capabilities to the group allowing us to offer a compelling and broad service to our customers. While a significant amount of operational integration has occurred, we have recognised the necessity to more fully integrate our diverse operations to reduce costs and improve productivity. This has been a key priority in 2025, which we discuss in more detail below.

Financial performance

Total revenue increased 3.3% to \$481.5 million in FY25, with gross margins improving 0.6% to \$203.9 million. Revenue and margins were driven by a strong performance in Manufacturing, increased Logistics revenues and contribution from acquisitions. DGL's cash flow from operations was strong, generating \$44.7 million in FY25, up 26.8% on FY24. Operating cash conversion was also strong at 110%.

Group earnings were adversely impacted by: increased competition and pricing pressures for used lead acid batteries (ULAB), which resulted in significant losses in that segment; continued price normalisation for Adblue automotive products; and external factors that reduced demand in the mining sector.

As a result, underlying EBITDA in FY25 was \$52.1m down 19% on FY24. Underlying earnings were also impacted by higher costs from growth in headcount and wage inflation, higher occupancy costs and increased finance and depreciation costs as DGL continued to invest for growth.

In response, DGL has discontinued lead battery recycling at its Laverton, Victoria facility, with ULAB recycling operations consolidated at DGL's Unanderra, NSW facility. DGL also rationalised employee and overhead expenses at Unanderra during H2 FY25, to align costs with incoming battery volumes and improve profitability and cash flow.

The restructure costs and other impacts resulted in an underlying statutory net loss after tax of \$27.9 million in FY25 after the impact of \$31.4 million of one-off items. The statutory loss after tax includes significant non-recurring items including the non-cash write-down of purchased goodwill, write-downs of plant and equipment, software write-offs and restructuring costs.

Audit Opinion

The Board acknowledges that the Company has received a Disclaimer of Opinion from our auditor, PKF, for the financial year ended 30 June 2025. The Board recognises the seriousness of this matter and the concerns it raises for our shareholders and other stakeholders.

DGL has made, and continues to make, substantial investments in strengthening its control environment, including being in the process of implementing our new ERP system which will provide enhanced controls and reporting capabilities across the Group. DGL is committed to comprehensively addressing the control issues PKF identified and to maintaining full transparency with our regulators, auditors, and the market.

Strategic focus

DGL maintains a clear strategy. Our core business is to provide specialised chemical logistics and services to a broad range of industries throughout Australia and New Zealand, supported by targeted international logistics services. We provide complete solutions for sourcing, manufacturing, storage and transport, sampling, recycling, and disposal of chemicals.

Our primary focus is on products and sectors which require licences and technical accreditations for the production, handling and disposal of chemicals and other materials.

The increasing burden on businesses in terms of licencing, compliance and safety requirements for the handling chemicals is encouraging all industries to outsource their requirements to professional providers of such services, a key role in which DGL Group specialises.

Strategic developments

As noted above, DGL Environmental faced a challenging year in FY25, with increased competition driving up the cost of used lead acid batteries (ULABs), resulting in losses in these operations in FY25. The consolidation of our ULAB recycling operations at DGL's Unanderra, NSW facility coincides with the recent receipt of approvals to complete the remaining civil works for its new liquid waste treatment plant at that site. Both the civil works and installation of the state-of-the-art plant are progressing well. We expect to complete civil works and plant construction in H1 FY26, with commissioning of key equipment commencing late in that period.

In addition to expanding liquid waste treatment capacity, the new plant will include recycling of plastic packaging as a further revenue stream for the division. Customer interest in this capability remains high, and the new plant is expected to contribute to earnings in H2 FY26.

DGL invested in a new manufacturing facility in QLD and new manufacturing equipment across multiple other locations in FY25. These investments were focused on automation and capacity improvements to achieve more efficient production. We also rationalised a portion of our transport fleet and invested in more efficient trailing equipment.

A key focus in 2025 is the consolidation and full integration of the multitude of systems used by businesses acquired by DGL in recent years. The first phase of implementing three key group-wide systems is expected to be completed by the end of this calendar year. New group ERP & Finance, Logistics Management and HR & Payroll systems will replace over 30 stand-alone systems, leading to significant cost savings, productivity gains, better management information and improved customer service in FY26.

These important restructuring initiatives are expected to improve future profitability materially, but the significant investment required has resulted in high non-recurring costs in FY25.

A key focus in 2025 is the consolidation and full integration of the multitude of systems used by businesses acquired by DGL in recent years.

Property & premises

DGL has continued to optimise its owned and leased property portfolio during FY25 to move from outdated, less efficient premises to larger, more productive facilities. We relocated to larger, newer warehouse premises in NSW and SA and to a new site in WA, with increased capacity next door to our existing Kewdale facility.

Following the end of the financial year DGL entered into unconditional sale contracts for its Tomago and Seven Hills sites in NSW, with operations from those sites consolidated into other Company sites. The Company's Laverton Victoria ULAB recycling site has also been sold, conditional on the transfer of EPA licence and trade waste agreements. The combined sale proceeds exceed the book value of these assets.

Safety

Safety and the highest environmental standards are critical to our success in the sectors we operate in and are a primary focus for our Board and management teams.

Our greatest responsibility to our people is to ensure that their workplace upholds the highest standards of safety so that they can go home safely each day.

Our Group Total Recordable Injury Frequency Rate reduced in FY25. While the improvement in this metric is pleasing, our focus remains on risk reduction with continual enhancements to our systems and process controls, significant investment in training, and in maintenance of our operations for a safe working environment.

Board

We were pleased to announce that Liz Smith joined DGL as an Independent Non-Executive Director of the Company in March 2025. Liz brings strong skills in finance and accounting, strategy, M&A, risk and governance and extensive experience advising businesses with strong growth aspirations.

Our People

Key to our ongoing success is DGL's team of over 900, who have maintained their focus on delivering for our customers, through the safe supply of chemicals and services to our broad customer base across Australia and New Zealand.

We would like to thank our management and staff at all levels and our fellow directors for their efforts throughout the year.

FY26 Outlook

Our company will complete an important transition in FY26, from a group of specialised chemical and logistics businesses to a far more integrated and coordinated industrial operation delivering specialised services to our broad customer base more efficiently and more productively.

We aim to deliver improved results in FY26 through the integration of acquisitions made since listing, the closure of our lossmaking lead recycling activities in Victoria, and the introduction of new manufacturing and processing capacity. We expect to see the benefits of extensive investments in group systems, optimisation of premises and facilities, reduced debt, cost reduction initiatives, and from increased contributions from recent capital investment.

We expect to face ongoing economic and macroeconomic uncertainties in FY26, but with confidence that the diverse nature of our operations and the critical role we play in serving our customers will see DGL continue to grow and create value for our shareholders and other stakeholders.

Finally, we thank our customers who put their trust in us, our suppliers who we work with closely, and our shareholders who support us.



TIM HOSKING
Chairman



SIMON HENRY
Chief Executive Officer

OPERATING & FINANCIAL REVIEW

DGL Group was established in 1999 by its Founder and CEO, Simon Henry. Mr Henry's vision for DGL was to address a gap in the market for a fully integrated end-to-end specialty chemicals and dangerous goods business to service the needs of industry and agriculture.

DGL is now recognised as an industry leader offering a wide range of products and services to its diverse customer base of more than 5,000 customers in Australia, New Zealand and beyond. DGL's service offering includes Chemical Formulation & Manufacturing, Warehousing & Transport, and Environmental Waste Treatment & Recycling. The Group's vision is to leverage its asset base, customer relationships, and trusted brand to further expand the products and services offered across the full chemical lifecycle and ultimately, develop itself as a one stop shop for its customers.

Our Business Model

DGL operates in three interconnected segments:

Procurement, manufacturing, formulation, and packing of specialised chemical and materials product

DGL provides materials and formulations to a wide range of industry sectors, as well as supplying products to end-use consumer and industrial companies. DGL is a specialised operator with a wide range of licenses and accreditations and is skilled in the safe supply of chemicals and other materials.

By outsourcing their chemical manufacturing and supply needs to DGL, our customers benefit from reduced risks, lower capital expenditure and the ability to focus on their core activities such as innovation and marketing. As a specialised manufacturer, DGL offers procurement, formulation, compliance, production, labelling, packaging and logistics services, providing a complete service to customers.

The chemicals and chemical products manufacturing sector in Australia and New Zealand continues to grow, driven by increased demand, technological advancements, and government support.





Logistics and storage of dangerous and specialised goods

DGL is an integrated provider of chemical logistics and related services. Services provided by DGL include domestic and international logistics, transportation and freight management, inventory management, packaging and warehousing of dangerous and specialised goods.

DGL has the required skills and appropriate licenses for the correct storage and handling of dangerous goods and chemicals, being substances that potentially pose a risk to life and health, and the environment. Incorrect storage and handling of such goods and chemicals can result in spills, contamination, explosions, fires, burns, corrosive action and release of toxic fumes/gases.

Hazardous waste management in Australia

The waste management industry provides services to multiple sectors including waste collection, waste transport, processing, recycling, recovery, cleaning and disposal.

DGL's focus in the sector is on liquid waste treatment, recycling end-of-life lead acid batteries, lead smelting and refining. These waste streams are closely aligned and allow for the repurposing of key materials to reduce waste and enable reuse.

Review of operations

The Group comprises three operating segments: Chemical Manufacturing, Logistics, and Environmental Services.

A description of each operating segment is set out below:

Chemical Manufacturing

DGL's service offerings provided in this segment include procurement, full-service turnkey formulations, toll blending and packing services, development of existing formulations and new products as well as integrated label design and supply.

Our manufacturing operations involve a high level of process and product expertise together with intellectual property to deliver chemical formulation solutions tailored to individual customer requirements.

DGL supplies a very broad range of customers primarily in Australia and New Zealand in multiple sectors including crop protection, automotive, construction, mining, and water treatment, including utilities. Through acquisitions and customer growth and product diversification, the segment has further diversified its customer base over the past year.

Key activities

Statutory sales revenue of the Chemical Manufacturing segment has increased from \$274.8m in FY24 to \$284.5 million in FY25 (includes intercompany transactions). Underlying EBITDA declined from \$45.0 million in FY24 to \$37.9 million in FY25 mainly due to lower AdBlue pricing. Underlying EBIT declined from \$35.0 million in FY24 to \$24.6 million in FY25.

DGL's Manufacturing segment has a primary focus on 5 key industries: crop protection, mining, water treatment, automotive and construction. DGL continues to enhance its ability to provide a full service offering across all Australian states, setting the platform for future revenue and volume growth.

DGL leverages its extensive asset base across all Australian states, strengthening relationships with key customers requiring a national service. Northern QLD and WA remain key locations to provide customer's with timely support. DGL's cross-selling model is successful in developing commercial opportunities, with customers seeking services from two or more divisions throughout FY25.

DGL is continuing to expand its product portfolio with the further development of intellectual property in the automotive and crop protection industries. The group has begun supporting customers with domestic manufactured goods, supplied into markets further abroad, including South East Asia and North America.

DGL remains well positioned to continue supporting customers with Manufacturing and Logistics services coupled together. Key Manufacturing locations in VIC, QLD and WA have seen growth for internal Logistics services provided to the existing customer base, which has been supported by expansion of the logistics fleet to support customers, increasing value-add and full-service offering. DGL continues to integrate its freight forwarding and internal shipping services into the manufacturing offering, providing customers with a turnkey solution.

The Manufacturing Division progressed with the implementation of the new group-wide ERP system in FY25. The implementations are complex and require additional resourcing to complete but the system provides increased visibility on financial metrics, stock management, and supply chain performance. This is proving insightful, highlighting areas of improvement and further development in the manufacturing services provided to customers. The ERP investment coupled with continued investment into efficient manufacturing equipment in VIC, QLD and WA, has increased manufacturing capacity in these states.

Overview of expansion

In FY25, DGL increased its footprint in NSW with two additional locations, signing a new strategic lease in Somersby to further increase the water treatment manufacturing offering in NSW. In addition to Somersby, DGL stepped in to assist the Crop Protection industry, aligning with Inhance Technologies to provide fluorinated bottles to the Australian Market, continuing to provide a domestic manufactured product to support turnaround time and reliability to customers.

DGL expanded its Crop Protection Manufacturing capabilities, with additional capacity implemented in VIC, QLD and WA by Q4 of FY25. New manufacturing capacity in QLD will enable penetration of Crop Protection markets in QLD in FY26, whilst expanding capacity for automotive manufacturing solutions with an increased product portfolio. DGL's increased capacity in FY26 will support key national customers requiring broader logistics capabilities to support interstate movement. DGL will continue to invest in its manufacturing division to further optimise its operational capabilities and process efficiencies.

DGL acquired Australian Petro Chemical Storage (ACPS) in October 2024. ACPS expands our service offering of highly regulated Class 3 dangerous goods formulating, storage and distribution. APCS provides the ability to offer Class 3 toll formulating to existing DGL customers, with plans to expand the service offering of APCS in FY26, through investment in additional class 3 formulating and pack down services. This will enable DGL to expand further into the NSW market, whilst providing existing customers with an expanded product portfolio.

DGL has consolidated its manufacturing operations in WA and QLD in FY25. This allows for increased service capabilities, improved manufacturing solutions, increased utilisation of assets and a consolidation of commercial management. Coupled with reduced overheads and occupancy expenses, DGL continues to review and optimise its manufacturing locations, with plans to increase automation in manufacturing to grow capacity and increase margin.

Logistics

DGL's logistics segment offers specialised chemical warehousing and focuses on four forms of transport: global freight, bulk, packaged and container services. DGL's logistics segment is focused on servicing the manufacturing, agricultural, automotive, mining and building sectors across Australia and New Zealand. Key components of the services provided include inventory management, wharf cartage, local, intrastate & interstate transport. DGL has the storage capacity for approximately 205,000 tonnes of chemicals and general products across Australia and New Zealand. Our valued employees are trained and accredited to ensure compliance in the safe handling of all product types, both in and out of the warehouses. All sites have a combination of certified racking and/or block stacked locations, ensuring adequate segregation to both safely and compliantly store the products to both maintain and exceed regulatory compliance. In FY25 DGL expanded its transport asset portfolio in bulk cartage, increasing the bulk fleet trailing equipment with more efficient, specialised assets. This network includes prime movers, rigids, side-loaders, bulk tankers and road –trains and other specialised trailing equipment, servicing interstate, intrastate and local areas across all of Australia and New Zealand. DGL Logistics continues to further integrate its service offerings with both the Chemical Manufacturing and Environmental Services. This provides a significant advantage for customers as it allows for greater assurances over supply and a significant growth opportunity for DGL.

Key activities

Statutory sales revenue of the logistics segment has increased from \$137.8 million in FY24 to \$167.2 million in FY25 (includes intercompany transactions). The underlying EBITDA decreased from \$23.9 million in FY24 to \$23.1 million in FY25. Due to increased depreciation and amortisation, underlying EBIT decreased from \$7.4 million in FY24 to \$5.2 million in FY25.

FY25 presented operational challenges, with rising operational costs and staffing pressures. The warehousing division experienced fluctuations in storage holdings due to shipment timings, customer seasonality and some customers reducing stock levels, resulting in variable warehouse utilisation. Despite this, warehousing had an increase in handling revenue through FY25.

In response to these challenges and to position for future growth, DGL initiated three strategic capacity expansion initiatives: (1) NSW – relocation to larger facility, (2) SA – relocation to larger facility, and (3) WA – new site occupancy. The NSW site relocation of our largest warehousing facility impacted performance through duplicated occupancy expense and operational expense during the transition period.

All three initiatives are expected to be completed by late October 2025, increasing total storage by 1200 pallets in NSW, 2000 pallets in SA and 8000 pallets in WA with growth and productivity benefits expected to be delivered in FY26. Servicing of customers through site relocations is a challenge, but DGL is

confident the changes in locations will benefit customers through improved service and coordination. Demand remains for DGL's national footprint of warehouses, with improvements in DGL's owned and managed logistics software being a key market differentiator from competitors, offering visibility, reporting and coordination across Australian and NZ locations.

Warehousing increased handling revenue through FY25, but continued to see a decrease in storage demand at some locations, resulting in declining utilisation through FY25. Servicing of customers through site relocations is a challenge and DGL is confident the changes in locations will benefit customers through improved service and coordination. Demand remains for DGL's national footprint of warehouses and improvements in DGL's owned and managed logistics software being a key market differentiator from competitors. Offering visibility, reporting and coordination across Aus and NZ locations.

DGL continued to diversify its transport fleet in FY25, with increased revenue and tonnages within the building sector and further integration driven by interstate and local transport. Continued coordination of our transport service offerings with both our manufacturing and environmental divisions resulted in further increased fleet efficiencies and a decrease in the group's subcontractor cost. This will remain a core focus and strategy through FY26.

DGL invested into more efficient trailing equipment for key customers in line with customers increased commitment of tonnages. Supporting DGL's constant effort to be more efficient with our asset base. This included rationalising of some fleet, with DGL developing on our plan of asset management to optimise and update the fleets to optimally service DGL logistics customer base.

Whilst FY25 was marked by operational challenges and lower than expected growth, the outlook of FY26 is positive, with a strategic approach to further integrate internal operations and expansion of the warehouse and transport services. DGL is working to have all logistics services, warehousing and transport on one platform in H1 of FY26, to improve coordination, optimise services and deliver a more streamlined service to customers.

Overview of acquisitions

DGL acquired Enlog Pacific Holdings Pty Ltd on 1 August 2024, contributing to the segment's revenue growth and specialised service offerings.

The acquisition further expanded DGL'S Warehousing and Transport network, offering hazardous goods storage and distribution via its road freight division, global ocean freight logistics and airfreight logistics services for a wide variety of industries. Enlog has extensive experience with the safe transport of time sensitive shipments including short half-life radioisotopes, perishable refrigerated shipments, cryogenic cargo requiring special handling with liquid Nitrogen, and explosives. Enlog maintains a wide range of qualifications, authorities and accreditations

Environmental Services

DGL's Environmental Services segment undertakes resource recovery and hazardous waste management activities. Its core activities comprise of liquid waste treatment, recycling end-of-life lead acid batteries (ULAB), lead smelting and refining of recovered lead.

DGL recycles ULAB's at an EPA licensed recycling facility located in New South Wales. DGL's ULAB recycling facility in Victoria was closed during FY25 with the site sold subsequently. ULAB's are recycled in state-of-the-art highly, automated recycling facilities. The segment relies on an established and mature collection network of suppliers located throughout Australia. The primary outputs from the ULAB recycling process are lead products, scrap plastic, waste and recovered acid. Lead products are sold to overseas smelters, scrap plastic is sold to a local recycler, and the waste streams are further processed and safely disposed in landfill.

DGL Environmental Services has supported the manufacturing and logistics operations to reduce waste expense and improve waste management in the group.

DGL also operates a wastewater treatment plant at the Unanderra site to process liquid waste generated from its end-of-life lead acid batteries recycling plant. The plant also treats liquid waste from industrial customers, who include miners, aluminium extruders, galvanisers and wastewater customers.

DGL is investing in the development of a new state-of-the-art liquid waste treatment plant on the same site capable of treating significantly greater volumes of liquid waste. This investment program is approaching the final construction phase after a multi-year development and approval process and is expected to contribute to earnings in FY26. Customer interest in this capability remains high.

Key activities

Statutory sales revenue of the Environmental Services segment has decreased from \$100.0 million in FY24 to \$77.1 million in FY25 (includes intercompany transactions). The underlying EBITDA result decreased from \$8.1 million in FY24 to \$1.8 million in FY25, corresponding to a decrease in underlying EBIT from \$3.9 million in FY24 to \$3.1 million loss in FY25.

DGL Environmental faced a challenging year in FY25, with the supply and costs of ULAB's being the key driver impacting profitability of the division. As a result, DGL has ceased recycling ULABs at its Victorian facility, with the site and associated assets expected to be sold under a conditional contract following the end of financial year. All future ULAB recycling for the group will be handled at DGL's Unanderra, NSW facility. In addition, employee and overhead expenses at Unanderra were rationalised in H2 FY25 to align expenses, improving profitability and cashflow.

The closure and sale of the Laverton plant and expense reductions at Unanderra are expected to improve profitability in FY26.

DGL received approval to complete remaining Civil works for the new liquid waste treatment plant at Unanderra in H2 FY25. These works are well underway with installation of the state-of-the-art plant. H1 FY26 should see civil construction completed, plant construction and initial commissioning of key equipment. The plant commissioning and operation is expected in early H2 of FY26.

In addition to expanding liquid waste treatment capacity, the new plant will include the shredding of packaging of plastics as a further revenue stream for the division.

DGL Environmental services has supported the group's manufacturing and logistics operations to reduce waste expense and improve waste management in the group. Effective integration of logistics into the environmental division has achieved cost savings, with more efficient services for the finished goods and liquid waste transportation.

DGL has planned growth of bulk logistics services to support the Unanderra Liquid Waste Treatment facility once it is operational in H2 FY26. Supporting key customers with efficient collection, handling and removal of liquid waste to be processed.

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Group Operating Results

The Board acknowledges that the Company has received a Disclaimer of Opinion from our auditor, PKF, for the financial year ended 30 June 2025. The Board recognises the seriousness of this matter and the concerns it raises for our shareholders and other stakeholders.

DGL has made, and continues to make, substantial investments in strengthening our control environment, including being in the process of implementing our new ERP system which will provide enhanced controls and reporting capabilities across the Group. DGL is committed to comprehensively addressing the control issues PKF identified and to maintaining full transparency with our regulators, auditors, and the market.

The consolidated loss for the Group after providing for income tax amounted to \$27.9 million (2024: \$14.3 million profit). On an underlying basis, adjusting for \$31.4 million in one off items, the underlying profit of the Group after providing for income tax amounted to \$3.5 million (2024: \$15.7 million). These one off items included: goodwill impairment \$17.1 million, write downs relating to Property, Plant and Equipment \$12.6 million, software write offs of \$1.7 million, redundancy restructuring costs of \$1.4 million, Chlorine Plant project write downs of \$2.1 million, ERP implementation costs of \$1.1 million, doubled up lease costs relating to relocations of \$0.9 million, acquisition costs of \$0.3 million and the tax impact of these items.

Revenue and gross margin improved slightly for the year ended 30 June 2025. Revenue was \$481 million (2024: \$465 million) and gross margin was \$204 million (2024: \$202 million), improvement of 3.5% and 1.0% respectively.

Key drivers of earnings in FY25 were volume growth, expansion in capacity (across manufacturing, warehousing and transport) and contributions from acquisitions. This was offset by underperformance in the Environmental segment which was impacted by increased domestic competition impacting both price and volume.

Costs were higher in FY25, driven by increased headcount as well as inflation and a tight Australian labour market. The ULAB business was restructured during the second half of FY25 to right size its cost base to adapt to prevailing market conditions.

\$m	FY25	FY24	Variance
Revenue ¹	481.2	465.1	16.1
Cost of sales	(277.6)	(263.4)	(14.2)
Gross Margin	203.6	201.7	1.9
Gross Margin %	42.3%	43.4%	(1.1%)
Other income	1.8	3.5	(1.7)
Expenses	(153.3)	(140.6)	(12.7)
Underlying EBITDA	52.1	64.6	(12.5)
Underlying EBITDA %	10.8%	13.9%	(3.1%)
Depreciation & Amortisation	(34.4)	(30.3)	(4.1)
Underlying EBIT	17.7	34.3	(16.6)
Net finance costs	(12.0)	(11.5)	(0.5)
Underlying Profit before tax	5.7	22.8	(17.1)
Tax expense	(2.2)	(7.1)	4.9
Underlying NPAT	3.5	15.7	(12.2)
Non recurring items ²	(31.4)	(1.4)	(30.0)
Statutory NPAT	(27.9)	14.3	(42.2)

1. Excludes rental income, included at 'Other income'.

2. Non-recurring items are reported on an after-tax basis.

Financial Position

The net assets of the Group have remained steady at \$338.1 million as at 30 June 2025.

Current assets of the Group have decreased by \$2.7 million from \$149.0 million as at 30 June 2024 to \$146.3 million as at 30 June 2025. The decrease in current assets was attributable to lower receivables, down by \$7.0 million, year on year primarily due to normalised cropping conditions. Management continues to focus on working capital management with a focus on cash collection and disciplined inventory management. This was offset by \$7.3 million of assets classified as "Held for Sale" as at 30 June 2025.

Total assets decreased from \$599.7 million to \$598.0 million, a decrease of \$1.7 million. Property, plant and equipment has decreased by \$5.4 million from \$260.1 million to \$254.7 million, mainly due to disposals of non-core property and

reclassification of additional non-core properties as 'held for sale'. Intangibles have decreased by \$11.9 million following the acquisition of 2 businesses in FY25, more than offset by software write offs and impairment of goodwill. Right of use assets have increased by \$18.3 million in line with the Group's footprint expansion which increased the number of leased sites.

Total liabilities increased from \$257.5 million to \$259.9 million, however borrowings decreased from \$133.5 million to \$110.6 million.

The Group's net debt was \$94.6 million as at 30 June 2025, a \$19.2 million reduction year on year.

As at 30 June 2025, DGL remained within covenant limits (capitalisation ratio, fixed charge cover ratio, leverage ratio, Facility B borrowing base ratio) set by its financiers. Further details are provided in Note 20 to the financial statements.

Balance Sheet \$m	FY25	FY24	Variance
Cash	15.9	19.6	(3.7)
Trade Receivables	53.2	60.2	(7.0)
Inventory	41.5	39.5	2.0
Asset held for sale	27.9	20.6	7.3
Other assets	7.8	9.1	(1.3)
Current Assets	146.3	149.0	(2.7)
Property, plant & equipment	254.7	260.1	(5.4)
Intangibles	133.7	145.6	(11.9)
Right of use assets	63.3	45.0	18.3
Non-current assets	451.7	450.7	1.0
Total assets	598.0	599.7	(1.7)
Trade Payables	39.7	36.9	2.8
Borrowings	6.6	3.7	2.9
Right of use liabilities	16.9	14.5	2.4
Other liabilities	17.7	17.6	0.1
Current liabilities	80.9	72.7	8.2
Borrowings	104.0	129.8	(25.8)
Right of use liabilities	49.7	33.0	16.7
Other liabilities	25.3	22.0	3.3
Non-Current liabilities	179.0	184.8	(5.8)
Total liabilities	259.9	257.5	2.4
Net assets	338.1	342.2	(4.1)
Share capital	258.4	258.1	0.3
Retained earnings	68.7	92.2	(23.5)
Reserves	11.0	(8.1)	19.1
Total equity	338.1	342.2	(4.1)

Group Cash Flows

Operating cash flows for the year were \$44.7 million which was \$9.5 million higher than last year. Investing cash outflows of \$6.4 million are comprised of capex items and acquisition outflows relating to the 2 acquisitions completed during FY25, offset by inflows from disposal of non-core properties. Financing cash outflows of \$42.1 million are comprised of debt repayments and repayments of lease liabilities. Total cash & cash equivalents were consequently \$3.8 million lower compared to 30 June 2024. Operating cash conversion remains strong at 110%.

\$m	FY25	FY24	Variance
Operating cash flows	44.7	35.2	9.5
Investing cash flows	(6.4)	(41.8)	35.4
Financing cash flows	(42.1)	(10.8)	(31.3)
Net cash flow	(3.8)	(17.4)	13.5

Dividends Paid or Declared

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

The Company does not intend to declare or pay any dividends in FY26. The current dividend policy of the Company is to reinvest all free cash flows in the business to maximise growth.

Matters Subsequent to the End of the Financial Year

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

On 11 August 2025, the Company entered into an unconditional contract for the sale of its Tomago site for a total consideration of \$2.0 million. Settlement is due on 31 October 2025.

On 14 August 2025, the Company entered into an unconditional contract for the sale of its Seven Hills manufacturing facility for a total consideration of \$16.7 million. The sale will settle on 13 November 2025.

On 16 September 2025, the Company entered into a conditional contract for the sale of its Laverton ULAB recycling site for a total consideration of \$7.5 million. The sale is expected to settle 15 days after transfer of EPA licence and trade waste agreements.

On 16 October 2025, the Group and its Syndicate lenders executed a Waiver Letter in response to the Disclaimer of Opinion issued by its auditor, PKF. It waives certain default triggers subject to the Group meeting specific terms, while all other obligations under the Facility agreement remain unaffected. Please refer to Note 20 for further details.

On 16 October 2025, the Company announced the appointment of Joint Company Secretary, Mr Andrew Draffin on an interim basis whilst the incumbent Company Secretary, Hanna Posa is on maternity leave.

NON-IFRS MEASURES USED IN THIS OFR AS FOLLOWS:

Term	Definition
Gross Margin	Sales revenue less cost of sales
Gross Margin %	Gross margin as a percentage of sales revenue
Underlying EBITDA	Underlying Earnings Before Interest, Tax, Depreciation & Amortisation
Underlying EBITDA %	Underlying Earnings Before Interest, Tax, Depreciation & Amortisation as a percentage of sales revenue
Underlying EBIT	Underlying Earnings Before Interest & Tax
Underlying EBIT %	Underlying Earnings Before Interest & Tax as a percentage of sales revenue
Underlying PBT	Underlying Profit Before Tax
Underlying NPAT	Underlying Net Profit After Tax
Statutory NPAT	Statutory Net Profit After Tax
Working Capital	The net of trade receivables, trade payables and inventory
Net Debt	The net of current and non current borrowings and cash
Capex	Capital expenditure
Operating Cash Conversion	Operating cash flow excluding interest and tax divided by Underlying EBITDA adjusted for non cash items

Key Business Strategies and Outlook

Since before the Company's IPO on the ASX in 2021, DGL has had a clear strategy of focusing its core business on providing specialised chemical products and services to industries throughout Australia and New Zealand. DGL is focused on providing complete solutions for sourcing, manufacturing, storage and transport, sampling, recycling, and disposal of chemicals.

DGL Group Strategy

The Group's strategic focus is on products and sectors where specialised licences and accreditations are required for the production, handling, processing and disposal of chemicals and other materials. Removing the burden from our customers in managing multiple suppliers and agents, DGL Group offers a complete solution to fulfill our customer's needs.

All industries are experiencing increasing licensing, compliance and safety requirements that apply to an expanding range of chemicals and other materials, together with increasingly strict regulatory controls on material handling and environmental impact. These increasingly stringent requirements are driving companies across all industries to seek outsourced solutions for their chemical supply and handling requirements.

During FY25, DGL invested to improve efficiency and coordination of key operations and corporate functions, consolidating and integrating across the group.

As a specialised provider of such services, DGL is seeing increasing demand for its expertise and capabilities from an expanding customer base.

During FY25, DGL invested to improve efficiency and coordination of key operations and corporate functions, consolidating and integrating across the group. Key elements of these were the investment into one ERP and Finance system across the Group's operations. Completion of the first phase of the ERP roll out is expected by 1 January 2026, together with the Payroll and HR system.

Key investments in FY25

Operational investments

DGL remains focused on improving the safety, compliance and operational efficiency of the group. Capital spend to improve safety platforms, guarding and storage equipment was undertaken across multiple locations, with further investment planned in FY26.

DGL identified opportunities to expand to new Warehousing sites in NSW, SA and WA. NSW and SA are relocating to larger and newer facilities, with increased capacity. While WA is a new site, with increased capacity and next door to the existing Kewdale facility. These locations will increase storage capacity and warehouse efficiencies. Reducing costs on site for per pallet storage and improving our operating environment. DGL's warehouses across Australia and NZ service a range of customers from small single storage to large multi-nationals, requiring a coordinated service across a range of DGLs locations.

FY25 provided DGL the opportunity to rationalise a portion of the fleet along with investment into more efficient trailing equipment. Which resulted in a positive impact through H2, setting the fleet up for success into FY26 and beyond. Investment into the logistics management system was undertaken, with benefits expected in H1 through process improvements and routing efficiencies. DGL is targeting to provide customers one logistics software system touch point in FY26, for all transport and warehousing services in the group.

DGL invested into a new QLD manufacturing facility and in new manufacturing equipment across multiple other locations in FY25. These investments were focused on automation and capacity improvements, achieving more efficient production. These investments will continue, with projects under review for further investment to improve production efficiencies and improve margin, as competition remains in commodity sales products but demand for DGL manufacturing services remains strong. Opportunities for site utilisation and optimisation remain, with existing site footprints able to be further utilised before additional overheads are required.

Group Software System Development

DGL has grown rapidly since its IPO in 2021 with multiple acquisitions and organic expansion initiatives. This has resulted in a proliferation of financial and operational systems across the group leading to increased costs and inefficiencies. A key focus in 2025 is the replacement of these various systems with group-wide platforms.

The key system initiatives include:

- a single group-wide financial and ERP system;
- an integrated warehouse management system across all warehousing sites and transport fleets in Australia and New Zealand to deliver a fully integrated logistics service to customers, reducing processing time and improving visibility in service tracking;
- a new centralised HR and payroll system;
- cloud based system management, security and support; and
- Wi-Fi and network upgrades across sites to support increased automation and device use.

The first phase of implementation of these systems will be substantially complete by the end of 2025. This will result in the replacement of more than 30 standalone systems with expectations of substantial cost benefits, efficiency and productivity gains, greatly improved management information and customer service benefits.

The transition to more capable group systems requires a significant investment which has impacted short term profitability but it will benefit productivity and profitability in the medium to long term.

Profitability is expected to benefit from the extensive investments made in FY25 through integration and cost reduction initiatives, together with increased contributions from recent capital investment.

Key Business Risks

1. Risk Management Policy

DGL’s Board and management recognise risk management as an integral aspect of all of the Group’s business operations. Risk Management is the responsibility and duty of all staff at DGL. The process of identifying, reporting, and managing risk remains at the core of all processes to ensure that DGL achieves its strategic goals and objectives in pursuit of its vision.

Strategic context

DGL’s vision is to build a diverse international business capable of delivering a wide range of industrial solutions across the chemical industry. In doing so, we are continuously looking for ways to encourage business process improvement, identify challenges, determine key solutions, and measure the results.

Risk Management is an essential discipline to create and protect value, thereby helping to improve performance, encourage innovation and support the achievement of DGL’s vision. It is therefore important that our core values are kept front of mind when day-to-day tasks are undertaken at DGL, across all the Warehousing & Distribution, Chemical Manufacturing and Environmental Solutions & Services divisions.

Management is focused on the key objectives of the organisation which are:

- To provide a safe working environment for employees and stakeholders
- To adhere to environmental best practice and regulated guidelines;
- To achieve sustainable growth and be a market leader;
- To boost efficiency and collaboration as an integrated team; and
- To deliver innovative and value-added solutions to our customers.

Purpose

The purpose of this policy is to provide guidance to all stakeholders in identifying, reporting, and managing risk. It is important that we promote a culture of risk awareness among staff to understand, assume responsibilities and proactively manage risks. Everyone at DGL should be empowered to identify risk and have the tools available to be able to bring these to the attention of management and the Board. This helps to increase the confidence that any identified risks associated with the key decisions made are managed in a way that achieves our desired outcomes.

This Risk Management Policy is designed to:

- Define clear roles and responsibilities for staff, management, the Audit & Risk Committee and the Board;
- Follow a structured risk management approach with decision-making and reporting lines; and
- Establish a comprehensive risk management framework based on DGL’s risk appetite.

This policy is supported by the Risk Management Framework guided by ISO 31000:2018 Risk Management – Guidelines.

Risk Appetite

The Board is ultimately responsible for DGL’s risk management framework. It has considered the nature and extent of risks it is willing to take in pursuit of DGL’s strategic objectives and vision. The Board has assessed DGL’s risk appetite, which is set at a level that balances opportunities for business development and growth in areas of potentially higher risk, whilst maintaining the continuity of DGL’s operations, reputation and stakeholder satisfaction.

DGL’s overall risk appetite profile, represents a balanced perspective on the management of risk. It takes into account both the value protection and value creation elements of risk and demonstrates the level of risk DGL is willing to accept across each of the nine categories.

Through consultation and collaboration with the group it was identified that the categories below represent the areas of key risk to DGL.

Safety/injury: worker health and safety; public safety

Environment: probability and consequence of an adverse environmental event

Financial: returns to shareholders and long-term financial sustainability; cash flow and financial management; balance sheet strength

Delivery of Services: quality, timeliness and effectiveness of services provided to customers

Legislative Compliance: legal and compliance management

Capability: talent and culture management; fraud and ethical conduct; employee engagement and change management; supplier management

Reputation: trust of our customers, shareholders, and other stakeholders to operate

Time: effective and timely delivery of projects

Vehicle/Property: asset integrity and reliability

Security/IT: physical security and data integrity

2. Risk Management Framework

DGL's risk management methodology is outlined in 5 key steps:

Step 1: Scope, Context and Criteria

It is important to start with a clear understanding of what we are trying to achieve, and the current operating environment. This will help to identify risks that stand in the way of achieving our objectives, assist in defining the scope and purpose of the risk assessment and who is the right person to determine the risk rating criteria for the assessment of risks. The context of the risk management process should be established by considering internal and external factors, in conjunction with the organisation's objectives, plans, projects, processes and activities.

Step 2: Risk Assessment

Consider the threats and uncertainties (the risks) associated with achieving our objectives. Identifying risks should be part of our day-to-day operations as well as conducted systematically. This is an iterative and collaborative process, drawing on the knowledge and views of various stakeholders.

Step 3: Risk Treatment

This refers to the process of selecting and implementing control measures to address the risk identified. Risk treatment is based on the assessment of the residual risk and its corresponding control effectiveness.

Step 4: Recording and Reporting

DGL uses a Risk Register to record and maintain its risks, controls and treatments. Risks should follow the organisational escalation process. Specifically, the following escalation and risk acceptance processes are in place.

Step 5: Monitor and Review

The purpose of monitoring and review is to assure and improve the quality and effectiveness of process design, implementation and outcomes. Monitoring and review should take place in all stages of the process. Monitoring and review includes planning, gathering and analysing information, recording results and providing feedback

To ensure ongoing overview of the Risk Management process, risk reviews are part of standing meetings at the Audit & Risk Committee and Board meetings. Assurance over risk comes from many sources in the organisation.

Licences, Accreditations and Certifications

LICENCE OR ACCREDITATION	
Chemical Manufacturing	
ISO 9001: 2015 quality management system	Ensures products and services are consistently maintained at a high level of quality
ISO 14001 Environmental Certification	Promotes environmental performance through more efficient use of resources and reduction of waste
ISO 45001 WHS Certification	Promotes reduction of occupational injuries and diseases
EPA Environmental Protection Licenses	Required under Australian regulations
Dangerous Goods Storage Licenses	Required under Australian regulations
VDA AdBlue Brand Certification	Ensures products and services are consistently maintained at the high level of quality
Trade Waste Discharge Consents	Enables discharge of treated wastewater from site
Australian Pesticides and Veterinary Medicines Authority	Australian law requires veterinary chemical products to be registered by APVMA
Kosher Accreditation	Verifies that the ingredients, production process including all machinery, and/or food-service process complies with the standards of kashrut
UL/NSF Certification	Ensures certified products, materials, components or services complies with the technical requirements of the referenced standard
Poisons Licenses	Licence to sell or supply by wholesale schedule 7 Poisons
AgSafe Premises Accreditation	Ensures that stores are compliant with all jurisdictional regulations
Australian Organic Certified Operation	Licence to supply or direct the application of the Australian Organic trademark
Australian Pesticides and Veterinary Medicines Authority Registrations (APVMA)	The Australian Pesticides and Veterinary Medicines Authority has a defined role as the regulator of agricultural and veterinary chemicals in Australia. APVMA are the independent statutory authority responsible for assessing and registering pesticides and veterinary medicines proposed for supply in Australia.
Hazardous Location Certificate	Required under New Zealand regulations to store high risk dangerous goods
MPI Transitional Facility	Required under New Zealand regulations to unpack imported sea containers
Logistics	
ISO 9001:2015 quality management system	Ensures products and services are consistently maintained at a high level of quality
Dangerous Goods Storage Licenses	required under Australian regulations
National Heavy Vehicle Accreditation Scheme	demonstrates compliance with general duty requirements under road transport law
HACCP CODEX: 2003	customers who store food grade products at warehouses require this quality accreditation
Biosecurity Approved	required under Australian regulations to handle quarantined goods
Major Hazard Facility, Upper and Lower tier	required under New Zealand regulations to store high risk dangerous goods
MPI NZ (Storage and handling of dangerous	required under New Zealand regulations to store and handle dangerous goods
Poisons Licenses	required under Australian regulations to store poisonous goods
EPA Waste Management & Transport Licenses	required under Australian regulations to transport waste products
Bulk Dangerous Goods Transport	required under Australian regulations to transport dangerous goods

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Environment and Community

The Group's operations are subject to licence requirements issued under the Protection of the Environment Operations Act 1997 (NSW) ("POEO Act") in relation to its business of processing used lead acid battery and industrial residues and manufacturing chemical products including treatment processes, immobilisation of by-products, disposal of effluent streams and transportation of materials that are subject to specific approvals from and close scrutiny by the Commonwealth and State departments.

Adhering to EPA guidelines and other regulations have helped DGL drive innovative, cutting-edge technologies that foster safety across all community levels. Moreover, it has led to improved efficiencies. This innovation in clean technology and associated efficiencies enables better service, partnership, and outcomes. Our approach to corporate social responsibility is authentic, sincere, and focused on delivering continued, positive impacts.

The Group operates in highly regulated industries where there are stringent regulatory and compliance measures in place to ensure safety in operations, and environmental and quality standards. DGL excels in the manufacturing, storage, distribution and disposal of hazardous liquid waste and dangerous goods. As a result, we confidently partner with clients and fulfill our responsibility to facilitate clean land and water for the communities in which we operate and serve.

DGL recognises it is maturing as it progresses on its corporate responsibility journey. The Board and management are committed through FY26 and beyond to achieving best practice outcomes that will support the robust systems and targeted key measures.

Our Corporate Responsibility approach centres on the following United Nations Sustainability Development Goals:



In our role as an end-to-end supply chain service, with ever-growing reach into critical industries such as agriculture, automotive, transport, manufacturing, home and garden, food, and pharmaceutical, we play a role in managing risks and impacts.

DGL Group is committed to maintaining and improving on our corporate responsibility, encompassing of all business units, evidenced by notable achievements and initiatives.

Audit/Non-Audit Services

Auditors' remuneration is disclosed in Note 7. In addition, PKF Melbourne also provided tax compliance and GST compliance services. Refer to Note 7 for further details. The directors are satisfied that the provision of non-audit services during the year are compatible with the general standard of independence for auditors and did not compromise the independence requirements of the Corporations Act 2001.

Indemnifying Officers or Auditor

During the year, the Group entered into an insurance policy to insure certain officers of the Company and its controlled entities. The officers of the Group covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of indemnity and that may be brought against the officers in their capacity as officers of the Group or a related body corporate.

The insurance policy does not contain details of the premium paid in respect of individual officers of the Group. Disclosure of the nature of the liability cover and the premium paid is subject to a confidentiality clause under the insurance policy.

The Group has entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

Neither the Group nor any of its subsidiaries have provided any insurance for any auditor of the Group or a related body corporate.

Capital Raising and Capital Structure

As at 30 June 2025, the Company has 285,225,261 fully paid ordinary shares. During the year, a total of 614,901 fully paid ordinary shares were issued. Please refer to Note 23 for further details.

Summary of Options

There are no options on issue at the date of this report.

Summary of performance rights

There are 1,427,987 performance rights on issue at the date of this report. The performance rights were issued to the Group's Key Management Personnel under the Employee Incentive Securities Plan. The performance rights are subject to certain vesting and conversion conditions with respect to specific earnings and performance hurdles.

Rounding of amounts

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 (Cth) is attached on page 37.

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02

**DIRECTORS'
REPORT**

DIRECTORS' REPORT

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of DGL Group Limited and its controlled entities for the financial year ended 30 June 2025.

Directors

The following persons were directors of DGL Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Tim Hosking

CHAIRMAN AND NON-EXECUTIVE
DIRECTOR

Appointed 31 August 2023

Tim has over 25 years' experience providing strategic, commercial and capital markets advice to public and private companies in Australia, UK and North America. Tim is a trusted adviser to business owners, executives and boards, with extensive experience across a wide range of industries including industrials, technology, biotech and healthcare and financial services. Tim was most recently Managing Director Investment Banking at Canaccord Genuity (Australia), previous roles include Head of Strategy ANZ Institutional Bank, Director JP Morgan Australia, and Head of Strategy AXA Australia. Tim is a graduate member of the Australian Institute of Company Directors and holds a Bachelor of Mechanical Engineering (Hons), and Bachelor of Economics (Accounting) from the University of Adelaide.

Current directorships of other listed companies: N/A

Former directorships of other listed companies (last 3 years): N/A

Simon Henry

FOUNDER, EXECUTIVE DIRECTOR
AND CHIEF EXECUTIVE OFFICER

Appointed 22 May 2012

Simon has been the CEO of the Company since 1999. He has over 35 years' experience in industrial property development, logistics, international trading, manufacturing, and production in Australia, New Zealand and Asia-Pacific.

Current directorships of other listed companies: N/A

Former directorships of other listed companies (last 3 years): N/A

Robert Sushames

EXECUTIVE DIRECTOR

Resigned 1 April 2025

Mr Sushames has over 25 years experience in manufacturing and the crop protection chemical industry. He has experience in global procurement and commercial management as well as operations of chemical processing plants, contract manufacturing and 3PL Warehousing and Logistics.

Current directorships of other listed companies: N/A

Former directorships of other listed companies (last 3 years): N/A

John West

NON-EXECUTIVE DIRECTOR

Appointed 31 August 2023

John has over 50 years' experience in the Transport and Logistics Industry and currently serves as Managing Director of John West Logistics Pty Ltd, which specialises in Contract Logistics, running a fleet of 200+ vehicles throughout Australia and New Zealand.

John has and continues to participate in industry bodies and advisory councils including the Australian Trucking Association, the Australian Road Transport Industrial Organisation and National Road Transport association.

John held a seat on the Queensland Rail board for five years and his input continues to be sought from time to time by Government and other advisory bodies or committees

Current directorships of other listed companies: N/A

Former directorships of other listed companies (last 3 years): N/A

Elizabeth Smith

NON-EXECUTIVE DIRECTOR

Appointed 3 March 2025

Elizabeth (Liz) Smith is an experienced Non-Executive Director. Liz has strong skills in finance and accounting strategy, M&A, risk and governance and extensive experience advising businesses with strong growth aspirations. Liz has worked across a wide range of industries, with businesses ranging from private companies to large ASX listed entities. Liz holds a Bachelor of Commerce from the University of Melbourne and a Master of Business Administration from La Trobe University. She is a Fellow of Chartered Accountants Australia & New Zealand, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute and is a graduate of the Australian Institute of Company Directors.

Other current directorships of listed companies:

Pureprofile (ASX: PPL), Nucheve (ASX: NUC)

Former directorships of other listed companies (last 3 years):

Bikeexchange (ASX: BEX). Resigned 31 July 2024.

Hanna PosaGENERAL COUNSEL AND
COMPANY SECRETARY

Appointed 6 September 2024

Hanna has extensive experience advising ASX-listed companies across various areas including general corporate law, equity capital raisings, mergers and acquisitions, commercial contracting, corporate governance and regulatory compliance. Prior to joining DGL, Hanna spent 10 years in both in-house and private practice roles advising businesses across highly regulated environments and diverse industries, with a proven ability for providing strategic and pragmatic legal advice. Hanna has a Bachelor of Laws and Bachelor of Commerce from the University of Western Australia.

Shareholdings of directors

The interests of each Director, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

	Ordinary Shares	Performance Rights
Tim Hosking	142,000	-
Simon Henry	155,000,000	710,000
Robert Sushames (resigned 1 April 2025)	1,162,595	-
John West	202,000	-
Elizabeth Smith	-	-

Meetings of directors

During the financial year, 14 Board meetings, 4 Audit and Risk Committee meetings and two Remuneration and Nomination Committee meetings were held.

Attendances by each director at both Board and Committee meetings during the year were as follows:

	Board		Audit & Risk		Remuneration & Nomination	
	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended
Tim Hosking	14	14	4	4	2	2
Simon Henry*	14	14	*	*	*	*
Robert Sushames (resigned 1 April 2025)	13	13	2	2	1	1
John West	14	14	4	4	2	2
Elizabeth Smith (appointed 3 March 2025)	4	4	2	2	1	1

1. Number of meetings held during the time the director held office or was a member of the committee during the year.

* Not a member of the relevant committee.

Environmental Reporting

Recent amendments to the Corporations Act 2001 have introduced mandatory sustainability reporting obligations for certain entities in Australia. The Company expects mandatory sustainability reporting will be applicable for DGL for the first time for the year ending 30 June 2027 based on our current size, growth and the reporting thresholds in the Corporations Act.

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03

REMUNERATION REPORT

REMUNERATION REPORT

This remuneration report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

Remuneration Policies

The Group's remuneration policy aims to align Director and Executive objectives with shareholder and business objectives by providing appropriate remuneration packages comprising of a fixed remuneration component and additional discretionary employment benefits. The Board believes the remuneration policy for its Directors and Executives to be appropriate and effective with the remuneration framework for all DGL Group senior executives under continued reviewed by the Board's Remuneration Committee. A balanced scorecard approach for assessing at-risk remuneration to help attract and retain people with necessary qualifications, skills and experience to assist the company in achieving its desired results was introduced in FY25 together with an Employee Incentive Securities Plan ("EISP") which aligns senior executive performance with shareholder and business objectives.

The Group has a Nomination and Remuneration Committee to assist the Board to achieve its objective in the following areas:

- has a Board with effective composition, size and commitment to adequately discharge its responsibilities and duties, having regard to the Board skills matrix;
- has coherent and effective remuneration policies and practices to attract and retain executives and directors who can reasonably be expected to create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Executive Director and Non-Executive Director remuneration is separate and distinct.

Remuneration of Executive Directors and Key Management Personnel

Objective

The Board aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group.

Structure

In determining the level of Executive remuneration, the Board considers external reports on market levels of remuneration for comparable executive roles. The Board adopted an employee incentive scheme in FY25, which ties Executive remuneration to the Company's performance.

The Executive directors and key management personnel have entered into employment contracts with the Company.

Remuneration of Non-Executive Directors

Objective

The Board seeks to set an aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

In accordance with the Company's Constitution, the Board decides the total amount paid to all Directors as remuneration for their services as a Director. However, subject to ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed an aggregate maximum amount of \$800,000 per annum or such maximum amount determined by the Company at a general meeting of shareholders.

Non-Executive Directors may be reimbursed for all business related expenses properly incurred by them in connection with the Company's business.

Non-Executive Directors may be paid such additional remuneration if they, at the request of the Board, perform any extra services above the scope of duties in their role as a Non-Executive Director.

There are no retirement benefit schemes for Non-Executive Directors, other than statutory superannuation contributions.

Key Management Personnel (KMP)

Employment Contracts

Remuneration and other terms of employment for Executive Directors and KMP are formalised in written agreements, the major provisions of which are as follows as at 30 June 2025.

Name	Employment Contract	Remuneration	Executive's (and Company's) notice period
Simon Henry Chief Executive Officer	Permanent ongoing	A\$700,000 (opted out of KiwiSaver contributions), A\$20,000 car allowance, NZD\$7,034.36 health insurance allowance.	6 months ¹
Robert Sushames Executive Director, Director of Manufacturing (resigned 1 April 2025)	Permanent ongoing	A\$383,720 exclusive of superannuation contributions, fully expensed company vehicle.	6 months ¹
Keith Mau GM Environmental Services (resigned 25 April 2025)	Permanent ongoing	A\$266,750 exclusive of superannuation contributions, fully expensed company vehicle.	2 months ¹
Alexander Wing Chief Operating Officer	Permanent ongoing	A\$350,000 exclusive of superannuation contributions. A\$17,400 vehicle allowance.	8 weeks ¹
Hanna Posa General Counsel and Company Secretary (appointed 6 September 2024)	Permanent ongoing	A\$295,000 exclusive of superannuation contributions.	12 weeks ¹
Frank Izzo Chief Financial Officer	Permanent ongoing	A\$300,000 exclusive of superannuation contributions.	12 weeks ¹
Aaron Bardell Director, DGL Warehousing & Distribution (resigned 12 August 2024)	Permanent ongoing	A\$375,000 exclusive of superannuation contributions, fully expensed company vehicle.	8 weeks ¹
Shane Willuweit GM Logistics (appointed 30 June 2025)	Permanent ongoing	A\$275,000 exclusive of superannuation contributions.	12 weeks ¹
Lloyd Colligan GM Manufacturing (appointed 5 May 2025)	Permanent ongoing	A\$270,000 exclusive of superannuation contributions.	8 weeks ¹

1. In the event of fraud or other serious misconduct, the Company may terminate Executive Directors' and KMP employment agreements at any time without notice.

The Directors are not appointed for a fixed term.

Remuneration of Directors and other Key Management Personnel (KMP)

For the Year Ended 30 June 2025.

	Short-term Benefits	Termination Benefits	Post employment Benefits	Share based Benefits	Total	Proportion of remuneration performance related
2025 (\$)	Salaries, fees, allowances		Superannuation/ KiwiSaver	Equity Settled Performance Rights		
Tim Hosking	135,836	-	-	-	135,836	0%
Simon Henry	723,892	-	-	59,622	783,514	8%
Robert Sushames (resigned 1 April 2025)	383,720	-	44,127	-	427,847	0%
John West ¹	89,200	-	-	-	89,200	0%
Elizabeth Smith (appointed 3 March 2025)	29,733	-	-	-	29,733	0%
Alexander Wing	367,400	-	42,251	33,214	442,865	7%
Hanna Posa	295,000	-	33,924	-	328,924	0%
Frank Izzo	288,461	-	33,173	24,952	346,586	7%
Aaron Bardell (resigned 12 August 2024)	51,923	411,485	15,923	-	479,331	0%
Keith Mau (resigned 25 April 2025)	219,213	145,642	25,209	-	390,064	0%
Shane Willuweit (appointed 30 June 2025)	-	-	-	-	-	0%
Lloyd Colligan (appointed 5 May 2025)	46,731	-	5,374	-	52,105	0%
	2,631,109	557,127	199,981	117,788	3,506,005	3%

1. During the period ended 30 June 2025, John West Logistics Pty Ltd of which John West is the Managing Director, was engaged by the Group to provide external services. Refer to note 28 for further details.

For the Year Ended 30 June 2024.

	Short-term Benefits	Termination Benefits	Post employment Benefits	Share based Benefits	Total	Proportion of remuneration performance related
2024 (\$)	Salaries, fees, allowances		Superannuation/ KiwiSaver	Shares		
Tim Hosking (appointed 31 August 2023)	104,467	-	-	-	104,467	0%
Simon Henry	703,469	-	-	-	703,469	0%
Robert Sushames	375,404	-	41,509	-	416,913	0%
John West (appointed 31 August 2023)	66,667	-	7,333	-	74,000	0%
Peter Lowe (resigned 16 October 2023)	36,667	-	-	-	36,667	0%
Denise Brotherton (resigned 31 August 2023)	13,590	-	-	-	13,590	0%
Robert McKinnon (resigned 31 August 2023)	12,177	-	1,339	-	13,516	0%
Ryan Aisher	141,863	-	11,111	-	152,974	0%
Keith Mau	266,750	-	29,343	-	296,093	0%
Alexander Wing	302,450	-	43,269	90,909	436,628	0%
Hanna Posa (appointed 3 April 2024)	71,481	-	7,863	-	79,344	0%
Frank Izzo (appointed 29 April 2024)	47,949	-	5,274	-	53,223	0%
Bill Say (resigned 30 September 2023)	71,188	100,797	7,831	-	179,816	0%
Rob Perkins (resigned 26 April 2024)	271,845	29,615	59,669	100,876	462,005	0%
Aaron Bardell (resigned 12 August 2024)	374,039	-	56,144	136,364	566,547	0%
	2,860,006	130,412	270,685	328,149	3,589,252	0%

Directors and KMP Shareholdings

The number of ordinary shares in DGL Group Limited held by each Director and KMP of the Group during the financial year ended 30 June 2025 are as follows:

	Balance at beginning of year	Shares granted during the year	Options and Rights vested/ exercised during the year	Other changes during the year	Balance at end of year
Tim Hosking	142,000	-	-	-	142,000
Simon Henry	151,348,229	-	-	3,651,771	155,000,000
Robert Sushames (resigned 1 April 2025)	1,150,000	-	-	-	1,150,000
John West	102,000	-	-	100,000	202,000
Keith Mau (resigned 25 April 2025)	5,000	-	-	-	5,000
Alexander Wing	70,073	-	-	-	70,073
Hanna Posa	-	-	-	-	-
Frank Izzo	-	-	-	-	-
Aaron Bardell (resigned 12 August 2024)	232,364	-	-	-	232,364
Elizabeth Smith (appointed 3 March 2025)	-	-	-	-	-
Shane Willuweit (appointed 30 June 2025)	-	-	-	-	-
Lloyd Colligan (appointed 5 May 2025)	-	-	-	-	-

Long-Term Incentive (LTI) – Performance Rights

On 23 January 2025, the Company granted performance rights to the CEO, CFO and COO under the newly established Performance Rights Plan, forming part of their long-term incentive (LTI) opportunity for FY25. The plan is designed to align executive rewards with sustained shareholder value creation.

Summary of FY25 LTI Grant

Executive	Grant Date	Number of Rights	Vesting Date
CEO	17 January 2025	710,000	30 June 2027
CFO	22 January 2025	321,392	30 June 2027
COO	20 January 2025	396,595	30 June 2027

Class A: EPS CAGR Hurdle

Vesting is based on compound annual EPS growth over the three-year period (FY25–FY27):

EPS CAGR	% of Class A Rights that Vest
< 7.5%	0%
7.5% - 15%	Pro-rata (25% - 100%)
>= 15%	100%

Class B: Related TSR Hurdle

TSR is measured relative to a defined ASX 300 peer group (excluding banks, resources, tech, REITs and ETFs):

TSR PERCENTILE	% of Class B Rights that Vest
< 50th percentile	0%
50th - 75th percentile	Pro-rata (25% - 100%)
> 75th percentile	100%

Other Terms

- Each Right entitles the holder to subscribe for one Share upon exercise of the Performance Right.
- Rights expire 12 months after vesting unless exercised earlier.
- Rights are forfeited if vesting conditions are not met or on cessation of employment (subject to Board discretion).
- On a change of control, the Board may determine how unvested rights are treated.

Valuation and Expense Recognition

The fair value of the performance rights granted during the year is calculated using Black Scholes and Monte Carlo simulation model. This approach is appropriate given the market-based nature of the Relative TSR hurdle, and has also been applied to the EPS hurdle for consistency across the grant.

The total fair value of the rights granted will be expensed over the three-year vesting period in accordance with AASB 2 Share-based Payment, with a corresponding increase in the share-based payment reserve.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298 of the Corporations Act 2001.



TIM HOSKING
Chairman

SIMON HENRY
Chief Executive Officer



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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

TO THE DIRECTORS OF DGL GROUP LIMITED

In relation to our audit of the financial report of DGL Group Limited for the year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*, and
- (b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of DGL Group Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'PKF'.

PKF
Melbourne, 17 October 2025

A handwritten signature in black ink that reads 'K. Weldin'.

Kenneth Weldin
Partner

For personnel only

04

FINANCIALS



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

\$000's	Notes	2025	2024
Sales revenue	3	481,496	466,135
Cost of sales		(277,634)	(263,410)
Gross margin		203,862	202,725
Other income	3	1,471	3,128
Acquisition costs relating to business combinations		(340)	(1,551)
Employee benefits expense	4	(114,755)	(101,844)
Share based payments		(118)	-
Administration and general expenses		(21,091)	(20,771)
Legal and professional fees		(2,656)	(4,493)
Occupancy expense		(18,092)	(13,967)
Depreciation and amortisation expense		(34,449)	(30,224)
Finance costs		(12,030)	(11,542)
Write down assets held for sale		(2,167)	-
Write down software assets		(1,690)	-
Write down Property, Plant & Equipment	15	(12,560)	-
Impairment - Goodwill	16	(17,123)	-
Profit/(Loss) before income tax		(31,738)	21,461
Tax benefit/(expense)	5	3,817	(7,133)
Net Profit/(Loss) from continuing operations		(27,921)	14,328
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Gain/(loss) on derivative contract held as hedging instruments, net of tax		(155)	(122)
Exchange differences on translating foreign operations, net of tax		375	(338)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on land and buildings, net of tax		23,194	-
Total other comprehensive income/(loss) for the year		23,414	(460)
Total comprehensive income/(loss) for the year		(4,507)	13,868
Net profit/(loss) attributable to:			
Owners of the parent entity		(27,921)	14,328
		(27,921)	14,328
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(4,507)	13,868
		(4,507)	13,868
Earnings per share			
Basic and diluted earnings/(loss) per share (cents)		(9.79)	5.03

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

\$000's	Notes	2025	2024
ASSETS			
Current Assets			
Cash and cash equivalents	9	15,941	19,630
Trade and other receivables	10	53,208	60,151
Inventories	11	41,477	39,501
Assets held for sale	12	27,930	20,606
Other assets	17	7,783	9,085
Total current assets		146,339	148,973
Non-current Assets			
Property, plant and equipment	15	254,717	260,123
Intangible assets	16	133,739	145,562
Right-of-use assets	18	63,266	44,952
Total non-current assets		451,722	450,637
TOTAL ASSETS		598,061	599,610
LIABILITIES			
Current Liabilities			
Trade and other payables	19	39,717	36,949
Other financial liabilities	13	255	248
Borrowings	20	6,555	3,656
Lease liabilities	18	16,877	14,458
Current tax liabilities	21	7,740	6,520
Provisions	22	9,660	9,575
Deferred income		28	1,244
Total current liabilities		80,832	72,650
Non-Current Liabilities			
Other financial liabilities	13	3,405	3,259
Lease liabilities	18	49,733	32,980
Borrowings	20	104,024	129,804
Deferred tax	21	20,629	16,396
Provisions	22	1,268	1,112
Deferred income		-	1,200
Total current liabilities		179,059	184,751
TOTAL LIABILITIES		259,891	257,401
Net Assets		338,170	342,209
EQUITY			
Issued capital	23	258,462	258,112
Reserves	31	10,961	(8,075)
Retained earnings		68,747	92,172
TOTAL EQUITY		338,170	342,209

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

\$'000's	Share Capital	Retained Earnings	Asset Revaluation Reserve	Cash Flow Hedge Reserve	Merger Acquisition Reserve	Share-based Payments Reserve	Foreign Currency Translation Reserve	Total
Balance as at 1 July 2023	258,364	77,844	48,005	142	(54,230)	-	(1,532)	328,593
Comprehensive income								
Profit for the year	-	14,328	-	-	-	-	-	14,328
Other comprehensive income for the year	-	-	-	(122)	-	-	(338)	(460)
Total comprehensive income	-	14,328	-	(122)	-	-	(338)	13,868
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	191	-	-	-	-	-	-	191
Transaction costs net of tax	(10)	-	-	-	-	-	-	(10)
Shares bought back during the year	(433)	-	-	-	-	-	-	(433)
Total transactions with owners and other transfers	(252)	-	-	-	-	-	-	(252)
Balance at 30 June 2024	258,112	92,172	48,005	20	(54,230)	-	(1,870)	342,209
Balance as at 1 July 2024	258,112	92,172	48,005	20	(54,230)	-	(1,870)	342,209
Comprehensive income								
Loss for the year	-	(27,921)	-	-	-	-	-	(27,921)
Other comprehensive income for the year	-	-	23,194	(155)	-	-	375	23,414
Total comprehensive income	-	(27,921)	23,194	(155)	-	-	375	(4,507)
Transactions with owners, in their capacity as owners, and other transactions								
Shares issued during the year	350	-	-	-	-	-	-	350
Share based payments reserve	-	-	-	-	-	118	-	118
Reclassification of reserves relating to disposed assets	-	4,496	(4,496)	-	-	-	-	-
Total transactions with owners and other transactions	350	4,496	(4,496)	-	-	118	-	468
Balance at 30 June 2025	258,462	68,747	66,703	(135)	(54,230)	118	(1,495)	338,170

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

\$000's	Notes	2025	2024
Cash flows from operating activities			
Receipts from customers		488,980	452,557
Payments to suppliers and employees		(432,939)	(402,430)
Interest received/other income		1,471	2,608
Finance costs		(12,030)	(10,854)
Income tax paid		(793)	(6,643)
Net cash generated by operating activities	26	44,689	35,238
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		10,463	4,000
Proceeds from disposal of assets held for sale		11,075	-
Purchase of property, plant and equipment		(19,908)	(25,994)
Payments for acquisition costs		(340)	(1,551)
Purchase of intangibles		(801)	(3,097)
Purchase of subsidiaries		(7,501)	-
Purchase of business and assets		-	(15,110)
Cash acquired from acquisition of subsidiary		584	-
Net cash used in investing activities		(6,428)	(41,752)
Cash flows from financing activities			
Payments of capital raising costs		-	(10)
Share buy-back payment		-	(433)
Net (repayment)/proceeds from borrowings		(24,072)	5,499
Repayment of principal portion of lease liabilities		(18,021)	(15,895)
Net cash used in financing activities		(42,093)	(10,839)
Net decrease in cash and cash equivalents		(3,832)	(17,353)
Cash and cash equivalents at beginning of financial year		19,630	36,919
Effect of exchange rates on cash holdings in foreign currencies		143	64
Cash and cash equivalents at end of financial year	9	15,941	19,630

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

The Directors of DGL Group Limited and its subsidiaries ("the Group") submit herewith the annual report of the Group for the financial year ended 30 June 2025. The separate financial statements of the parent entity, DGL Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 17 October 2025 by the directors of the company.

1. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board are in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars, which is the Group's functional currency.

(a) Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has reported a loss after tax of \$27.9 million (2024: Profit \$14.3 million) and positive operating cash flows of \$44.7 million (2024: \$35.2 million) for the year ended 30 June 2025.

Adjusting for \$31.4 million (post-tax) in one off items, the underlying profit of the Group after providing for income tax amounted to \$3.5 million (2024: \$15.7 million). The Group has implemented significant cost reduction initiatives during the period, with the full impact of these initiatives expected to be realised in FY26. Continued investment in the fleet, warehousing sites and manufacturing facilities is expected to result in cost efficiencies and margin improvements.

As at 30 June 2025, the Group had a positive net asset value position of \$338.2 million (2024: \$342.2 million) and cash balance of \$15.9 million (2024: \$19.6 million) measured by cash and cash equivalents. The Group's liquidity remains strong and there is sufficient headroom to support the forecasted working capital needs.

During FY25 the Group reviewed its tangible assets and identified \$27.9 million of non-core properties which will be sold subsequent to 30 June 2025. On settlement of these sales, the net proceeds from disposal will be used to reduce debt.

Based on the available information to the Directors at the date of signing this financial report, the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due and accordingly the Directors consider it appropriate for the financial report to be prepared on the going concern basis.

(b) Business combinations under common control

Where the acquisition of entities that are deemed to be under common control occurs, the pooling of interest method is adopted for business combinations under common control.

Existing book values for assets and liabilities at the date of acquisition will be recognised and fair value adjustments including new intangibles or goodwill will not be recognised. Any premium between the fair value of consideration paid and the book value of net assets is debited to a Merger Acquisition Reserve category of equity.

(c) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

DGL assesses impairment of assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These conditions include financial performance, current economic conditions and future revenue growth expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. If indicators exist, assets are tested for impairment through determination of recoverable amounts of assets using the higher of value in use and fair value less cost to sell.

DGL determines whether the brand names and goodwill are impaired on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the brand names or goodwill is allocated.

(d) Revenue and other income

The timing of revenue recognition for the Group's key revenue streams as they relate to specific performance obligations are outlined in the table below:

Segment	Main revenue streams and performance obligations	Revenue recognition pattern
Environmental services	Processing of used lead batteries to recover lead	Point in time (on transfer of control, usually upon container being loaded onto ship at port of departure)
	Liquid Waste Treatment	Over time
Chemical manufacturing	Formulation and packaging of chemical and material products	Point in time (on transfer of control, usually on delivery)
Logistics	Warehousing - storage of customer goods	Over time (related to the period of storage)
	Distribution - delivery of dangerous goods for customers	Point in time (on completion of delivery)

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) Government Grants

Government grants, including non-monetary grants at fair value, are recognised when there is reasonable assurance that:

- (a) the Group will comply with the conditions attaching to them; and
- (b) the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to depreciable assets are recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised.

(f) New and amended accounting policies adopted by the Group

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

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

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials and an appropriate proportion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs.

(h) Intangible assets

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

(i) Sale and leaseback transactions

The accounting treatment for sale and leaseback transactions depends on whether a genuine sale has taken place. If the buyer-lessor has not gained control over the asset (indicating no sale has taken place), the sale and leaseback is viewed as a financing arrangement, with the underlying asset acting as collateral. Substantive repurchase options for the seller or buyer-held put options are considered in determining whether the buyer-lessor has gained control of the asset.

If the asset transfer does not qualify as a sale, the transaction is treated as a financing transaction. The Group (as the seller-lessee) recognises a financial liability, and the underlying asset remains in the Group's statement of financial position as though no sale took place.

(j) Critical Accounting Estimates and Judgements

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

Lease term and option to extend under AASB 16

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

Impairment

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

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

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

Useful lives of depreciable assets

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

Income tax

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

Recovery of deferred tax assets

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

Based on an assessment of the New Zealand entities' performance over the past few years and into the next 12 months, it was considered improbable that future taxable amount will be available. Hence no NZ tax losses have been recognised.

Provisions

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

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Expected credit losses**

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

Business Combinations

On the acquisition of a company or business, a determination of the fair value of assets and liabilities is performed, which requires the application of judgement. Future events could cause the assumptions used by the Group to change which could have an impact on the results and net position of the Group.

Valuation of land and buildings

Land and buildings are stated at fair value. Formal valuations were performed in June 2025 based on a combination of valuations performed by independent professional valuers and directors' valuations in line with the Group's triennial revaluation policy. Observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset are used in performing the valuation.

Valuation of Performance Rights

The cost of the equity-settled performance rights with employees is measured at the fair value of the instruments at grant date. The fair value is determined using the Black Scholes and Monte Carlo simulation models for those share performance rights subject to market performance hurdles.

The cost of equity-settled performance rights is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting reflects the extent to which the vesting period has expired, and the number of awards that, in the opinion of the directors, will vest ultimately.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met, as the effect of those conditions are included in the fair value at grant date. No expense is recognised for awards that do not vest based on non-market conditions.

2. PARENT INFORMATION

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position

\$000's	2025	2024
Assets		
Current Assets	9,477	11,921
Non-current Assets	316,638	355,124
Total Assets	326,115	367,045
Liabilities		
Current Liabilities	24,007	23,330
Non-current Liabilities	107,816	120,785
Total Liabilities	131,823	144,115
Net Assets	194,292	222,930
Equity		
Issued Capital	258,462	258,112
Retained earnings	(80,306)	(61,478)
Reserves	16,136	26,296
Total Equity	194,292	222,930
Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	(34,094)	(24,364)
Other comprehensive income	23,194	-
Total comprehensive loss	(10,900)	(24,364)

The parent entity had no contingent liabilities as at 30 June 2025 (30 June 2024: nil).

The parent entity had contractual commitments of \$1,533,000 as at 30 June 2025 (30 June 2024: \$851,000).

The parent entity had bank guarantees totalling \$2,437,171 (30 June 2024: \$3,290,037) covering rental leases, environmental protections, and export licenses. The parent entity's assets are pledged as collateral against the Group's borrowings. In addition there are cross guarantees entered into by DGL Group Limited as identified in note 33.

3. REVENUE AND OTHER INCOME

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

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

Revenue disaggregation

The revenue is disaggregated by the following segments:

\$000's	2025	2024
Environmental Services	71,451	97,667
Chemical Manufacturing	268,694	256,892
Logistics	141,343	110,488
Corporate - rental income	8	1,088
Total sales revenue	481,496	466,135

4. PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) before income tax from continuing operations includes the following specific expenses:

Expenses (\$000's)	2025	2024
Employee benefits expense		
- Salary and related costs	106,564	94,702
- defined contribution superannuation expense	8,191	7,142
	114,755	101,844

5. TAX BENEFIT/(EXPENSE)

\$000's	Note	2025	2024
The company components of tax tax benefit/(expense) comprise:			
Current tax		(1,817)	(9,043)
Deferred tax	21	5,469	1,910
Prior period adjustment		165	-
		3,817	(7,133)
The prima facie tax on on profit/(loss) from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on on profit/(loss) from ordinary activities before income tax at 30% (2024: 30%)			
- Consolidated group		(9,521)	6,438
Add:			
Tax effect of:			
- non-deductible expenses		5,445	424
- under-provision for income tax in prior years		(165)	-
- unrecognised tax losses		498	-
- other		(74)	303
		(3,817)	7,165
Less:			
Tax effect of:			
- non-taxable income		-	(32)
Income tax attributable to the entity		(3,817)	7,133

1. Unrecognised carried forward tax losses for the NZ Group as at 30 June 2025 were \$4,101,372 (30 June 2024: \$3,600,130).

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is DGL Group Limited.

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Any current tax liabilities (assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax consolidated group. Any difference between these amounts and amounts payable (receivable) under the tax funding agreement is recognised by the head entity as an equity injection or distribution.

6. KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2025.

The total remuneration paid to KMP of the company and the Group during the year are as follows:

\$	2025	2024
Short term employee benefits	2,631,109	2,860,006
Termination benefits	557,127	130,412
Post-employment benefits	199,981	270,685
Share-based benefits - Shares	-	328,149
Share-based benefits - Equity-settled Performance Rights	117,788	-
Total KMP compensation	3,506,005	3,589,252

6. KEY MANAGEMENT PERSONNEL COMPENSATION (continued)**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Termination benefits

These amounts are comprised of financial compensation and support provided to employees when their employment is terminated, including annual leave, long service leave payout and other entitlements.

Post-employment benefits

These amounts are the current year's costs of providing for the KMP's superannuation contributions made during the year and post-employment life insurance benefits.

Share-based benefits - Shares

These amounts are share-based compensation issued in lieu of cash-based bonuses and not tied to any performance conditions.

Share-based benefits - Equity-settled Performance Rights

This is an equity settled share-based payment to eligible KMPs who hold Performance Rights that were granted during FY25. The disclosed amount is based on the fair value of the performance rights determined using Black Scholes and Monte Carlo simulation models.

Other transactions

For details of other transactions with KMP, refer to note 28.

7. AUDITOR'S REMUNERATION

\$	2025	2024
Remuneration of the auditor for:		
- auditing or reviewing the financial statements of the Group	261,450	261,000
- auditing or reviewing the financial statements of subsidiaries	-	11,000
	261,450	272,000
<i>Non-audit services - PKF Melbourne</i>		
Tax compliance and GST compliance services	115,000	171,439
	115,000	171,439

8. EARNINGS PER SHARE

\$000's	2025	2024
Reconciliation of earnings to profit or loss from continuing operations		
Profit/(Loss)	(27,921)	14,328
Earnings used in the calculation of dilutive EPS	(27,921)	14,328

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	285,226	284,642
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	285,226	284,642
Basic and diluted earnings per share from continuing operations (cents)	(9.79)	5.03

9. CASH AND CASH EQUIVALENTS

\$000's	2025	2024
Cash at bank and on hand	15,941	19,630
	15,941	19,630

The Group has bank guarantees in place totalling \$8,373,596 with Australia and New Zealand Banking Group Limited. These guarantees are in place covering the rental leases, environmental protections, and export licenses. The Australia and New Zealand Banking Group Limited guarantees are secured against the assets of the Group pledged with the Australia and New Zealand Banking Group Limited.

10. TRADE AND OTHER RECEIVABLES

\$000's	2025	2024
Current		
Trade receivables	52,825	59,586
Provision for impairment	(899)	(906)
	51,926	58,680
Other receivables	1,282	1,471
Total current trade & other receivables	53,208	60,151

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the Group is considered to relate to the class of assets described as 'trade & other receivables'.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. For receivables that are not past due as at 30 June 2025, an assessment has been made of the level of provisioning required based on historical debt write offs, and the current level of provisioning level is considered appropriate.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

\$000's	Days past due				Total
	< 30	30 - 60	60 - 90	> 90	
2025					
Expected loss rate	-	-	-	47.0%	1.7%
Gross carrying amount	47,598	2,821	494	1,912	52,825
Loss allowance	-	-	-	(899)	(899)
2024					
Expected loss rate	-	-	-	54.8%	1.4%
Gross carrying amount	53,150	4,018	764	1,654	59,586
Loss allowance	-	-	-	(906)	(906)

Financial Assets Measured at Amortised Cost

\$000's	Note	2025	2024
Trade & other Receivables			
- Total current		53,208	60,151
Total financial assets measured at amortised cost less provision for impairment		53,208	60,151

11. INVENTORIES

\$000's	2025	2024
Current		
At cost:		
Raw materials and spares	27,300	24,189
Work in progress	664	857
Finished goods	13,815	14,388
Stock in transit	1	154
Less:		
Stock provision	(303)	(87)
	41,477	39,501

12. ASSETS HELD FOR SALE

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

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

- On 11 August 2025, the Company entered into an unconditional contract for the sale of its Tomago site for a total consideration of \$2.0 million. The sale is expected to settle on 31 October 2025.
- 11 Boden Road, Seven Hills is located in New South Wales (metropolitan Sydney). It is a site the Company dedicated to manufacturing water products. On 14 August 2025, the Company entered into an unconditional contract for its sale for a total consideration of \$16.7 million. The sale will settle on 13 November 2025.
- On 16 September 2025, the Company entered into a conditional contract for the sale of its Laverton ULAB recycling site for a total consideration of \$7.5 million. The sale will settle 15 days after transfer of EPA licence and trade waste agreement.
- Nambour is a work in progress project and relates to a chlorine manufacturing plant, formerly in partnership with Unity Water. DGL now owns 100% of the project, along with associated intellectual property. Due to material changes in the operating environment, DGL is actively negotiating with potential buyers to dispose of the project assets in their immediate condition. During the year, the carrying value of the asset was written down by \$2.1 million.
- 38 Seaview Place is a non-core DGL site which sold for NZD\$12.5 million, and settled on 10 October 2024.

13. OTHER FINANCIAL LIABILITIES

\$000's	2025	2024
<i>Current</i>		
Leaseback liability	255	248
	255	248
Other Financial Liabilities		
<i>Non-Current</i>		
Derivative cashflow hedge	167	12
Leaseback liability	3,238	3,247
	3,405	3,259

During FY24 DGL sold a non-core property at Carole Park, then entered a sale and leaseback agreement to continue occupying the site as a tenant. Whilst the transaction terms and conditions were constructed as a sale and leaseback contract, the terms did not meet the recognition criteria under AASB15 Revenue from Contract with Customers to be recognised as a genuine sale because of the commercially advantageous terms negotiated by DGL. These terms were assessed as limiting the buyer's ability to direct the use of the property. The proceeds from sale have been recorded as a leaseback liability which will be amortised over the term of the lease.

14. INTERESTS IN SUBSIDIARIES**Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		2025	2024
DGL Manufacturing Pty Ltd	Australia	100%	100%
Flexichem Australia Pty Ltd	Australia	100%	100%
Australian Petro Chemical Storage Pty Ltd	Australia	100%	-
DGL Warehousing & Distribution Pty Ltd	Australia	100%	100%
DGL Industries Pty Ltd	Australia	100%	100%
DGL Global Logistics Pty Ltd	Australia	100%	100%
DGL Townsville Pty Ltd (formerly known as NLW Group Pty Ltd)	Australia	100%	100%
Enlog Pacific Holdings Pty Ltd	Australia	100%	-
DGL Manufacturing Australia Pty Ltd	Australia	100%	100%
Labels Connect Pty Ltd	Australia	100%	100%
Triox Pty Ltd	Australia	100%	100%
DGL (NZ) Limited ¹	New Zealand	100%	100%
DGL Operations Ltd ¹	New Zealand	100%	100%
DGL Warehousing NZ Limited	New Zealand	100%	100%
DGL AusBlue Pty Ltd	Australia	100%	100%
Opal Australasia Pty Ltd	Australia	100%	100%
AusTech Chemicals Pty Ltd	Australia	100%	100%
Total Bio Group Pty Ltd	Australia	100%	100%
Total Coolant Management Solutions Pty Ltd	Australia	100%	100%
Aquadex Pty Ltd	Australia	100%	100%
BTX Group Pty Ltd	Australia	100%	100%
Acacia Ridge Container Park Pty Ltd	Australia	100%	100%
DGL North America Pty Ltd	Australia	100%	100%
DGL Group Inc	United States of America	-	100%

1. On 17 January 2025, DGL Manufacturing Limited was renamed as DGL Operations Ltd. On 1 February 2025, the assets, liabilities and business operations of DGL (NZ) Limited were transferred to DGL Operations Limited. Following the transfer of its assets, liabilities and business operations, DGL (NZ) Limited effectively became a dormant company.

On 10 November 2024, the Group wound up DGL Group, Inc., an entity incorporated in the United States of America.

Significant Restrictions

Other than the following, there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

All borrowings are secured by a charge over the assets of DGL Group. DGL Group is in full compliance with the financial covenants set by its lenders.

15. PROPERTY, PLANT AND EQUIPMENT

\$000's	2025	2024
Land & Buildings		
<i>Freehold land at:</i>		
Fair value	99,371	94,099
Total land	99,371	94,099
<i>Buildings at:</i>		
Fair value	60,100	59,794
Accumulated depreciation	(6,507)	(4,772)
Total buildings	53,593	55,022
Total land & buildings	152,964	149,121
Plant & equipment:		
<i>Leasehold improvements</i>		
At cost	3,521	1,713
Accumulated depreciation	(422)	(253)
	3,099	1,460
<i>Plant and equipment</i>		
At cost	80,527	79,794
Accumulated depreciation	(44,951)	(37,192)
	35,576	42,602
<i>Motor Vehicles</i>		
At cost	58,049	54,224
Accumulated depreciation	(15,785)	(10,063)
	42,264	44,161
<i>Plant under construction</i>		
At cost	20,839	22,788
Accumulated amortisation	(25)	(9)
	20,814	22,779
Total plant & equipment	101,753	111,002
Total property, plant & equipment	254,717	260,123

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

15. PROPERTY, PLANT AND EQUIPMENT (continued)

\$'000's	Land	Buildings	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Plant Under Construction	Total
Group							
Balance at 1 July 2023	99,151	52,874	1,217	38,093	35,992	19,092	246,419
Additions	3,126	3,337	353	8,942	11,988	12,889	40,635
Disposals	-	(60)	-	(744)	(404)	-	(1,208)
Write-offs	-	-	-	-	-	(103)	(103)
Acquisitions through business combinations	2,227	4,630	-	1,537	1,786	-	10,180
Depreciation expense	-	(1,741)	(110)	(8,018)	(5,209)	(2)	(15,080)
Reclassification	(10,159)	(3,847)	-	2,707	10	(9,114)	(20,403)
Movement in foreign currency	(246)	(171)	-	85	(2)	17	(317)
Balance at 30 June 2024	94,099	55,022	1,460	42,602	44,161	22,779	260,123
Balance at 1 July 2024	94,099	55,022	1,460	42,602	44,161	22,779	260,123
Additions	693	2,115	980	5,423	4,205	8,378	21,794
Disposals	(7,508)	(398)	-	(251)	(643)	(1,251)	(10,051)
Write-offs	-	-	-	(2)	-	(253)	(255)
Acquisitions through business combinations	-	-	826	80	249	-	1,155
Depreciation expense	-	(1,735)	(169)	(7,759)	(5,722)	(16)	(15,401)
Reclassification ¹	(22,259)	(251)	-	5,541	31	(8,155)	(25,093)
Movement in foreign currency	302	292	2	(112)	(17)	(191)	276
Asset Revaluation - ARR	34,104	625	-	-	-	-	34,729
Asset Revaluation - P&L ²	(60)	(2,077)	-	-	-	-	(2,137)
PPE Impairment ²	-	-	-	(9,946)	-	(477)	(10,423)
Balance at 30 June 2025	99,371	53,593	3,099	35,576	42,264	20,814	254,717

1. Reclassification includes \$23.5m reclass from Land, Building, and Plant & Equipment to Assets Held for Sale, \$8.1m reclass from WIP to Plant & Equipment (offset by \$1.6m deferred grant income).

2. The below write downs to the carrying values of items of Property, Plant & Equipment were recorded at 30 June 2025.

Assets (\$'000's)	Land & Buildings revaluation	PPE Impairment	Total
Maddington, Narangba & Katanning	2,137	-	2,137
Chlor-Alkali Project	-	477	477
11 Boden Rd, Seven Hills	-	2,776	2,776
19 Little Boundary Rd, Laverton	-	7,055	7,055
25 School Drive, Tomago	-	115	115
Total write down	2,137	10,423	12,560

Property

Freehold land & buildings are carried at their fair value, based on periodic valuations by independent professional valuers and directors' valuations, less accumulated impairment losses and accumulated depreciation for buildings.

Plant & equipment

Plant & equipment are carried at cost less accumulated depreciation and any accumulated impairment.

15. PROPERTY, PLANT AND EQUIPMENT (continued)**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Property, plant and equipment, excluding freehold land and assets under construction, are depreciated over the estimated useful economic life of specific assets as follows:

Class of Fixed Asset	Depreciation Rate	
	Straight line	Diminishing value
Buildings	2.0% - 25.0%	2.0% - 25.0%
Plant and equipment	4.0% - 67.0%	2.5% - 67.0%
Office equipment	10.0% - 67.0%	5.0% - 67.0%
Leasehold improvements	2.0% - 25.0%	-
Motor vehicles	10.0% - 40.0%	5.0% - 25.0%

16. INTANGIBLE ASSETS

\$000's	2025	2024
Goodwill		
Cost	147,136	141,062
Accumulated impairment losses	(17,967)	(844)
	129,169	140,218
Trademarks and certification		
Cost	373	373
Accumulated amortisation	(171)	(147)
	202	226
Software		
Cost	1,775	1,378
Accumulated amortisation	(1,068)	(986)
	707	392
Software under development		
Cost	864	1,946
Accumulated amortisation	-	-
	864	1,946
Hydroproc Process		
Cost	2,271	2,217
Accumulated amortisation	(1,590)	(1,554)
	681	663
Registrations and brands		
Cost	2,189	2,207
Accumulated amortisation	(73)	(90)
	2,116	2,117
Total intangible assets	133,739	145,562

16. INTANGIBLE ASSETS (continued)

Consolidated Group

\$000's	Goodwill	Trademarks and Certification	Software	Software under development	Intellectual Property	Hydroproc Process	Registration and Brands	Total
Year ended 30 June 2024								
Balance at the beginning of the year	139,087	249	453	1,479	-	663	2,170	144,101
Additions	-	1	-	717	-	-	-	718
Disposals	-	-	(18)	-	-	-	-	(18)
Acquisitions through business combinations	1,197	-	36	-	-	-	-	1,233
Amortisation	-	(24)	(97)	-	-	-	(53)	(174)
Reclassification	-	-	18	(248)	-	-	-	(230)
Movement in foreign currency	(66)	-	-	(2)	-	-	-	(68)
Closing value at 30 June 2024	140,218	226	392	1,946	-	663	2,117	145,562
Year ended 30 June 2025								
Balance at the beginning of the year	140,218	226	392	1,946	-	663	2,117	145,562
Additions	-	-	214	534	-	18	35	801
Write off	-	-	(242)	(1,448)	-	-	-	(1,690)
Acquisitions through business combinations (see note 33)	5,965	-	-	-	-	-	-	5,965
Amortisation	-	(24)	(82)	-	-	-	(36)	(142)
Reclassification	-	-	235	(177)	-	-	-	58
Movement in foreign currency	109	-	190	9	-	-	-	308
Impairment - goodwill	(17,123)	-	-	-	-	-	-	(17,123)
Closing value at 30 June 2025	129,169	202	707	864	-	681	2,116	133,739

Impairment disclosures

Goodwill impairment assessment

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

\$000's	2025	2024
Environmental Services	2,225	19,347
Chemical Manufacturing	106,302	102,096
Logistics	20,642	18,775
Total	129,169	140,218

The value in use calculations use cash flow forecasts based on financial budgets approved by Management and the Board covering a five-year period. The FY26 budget takes into account the full year impact of acquisitions undertaken in FY25 as well as growth expected from capital investments in existing businesses and the current market trading conditions. Budgeted growth beyond FY26 is based on cumulative past performance and management's expectations of market development. Significant cost reduction initiatives have been implemented during the period in the ULAB business within the Environmental Services CGU. The full impact of these initiatives are expected to be realised in FY26.

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

16. INTANGIBLE ASSETS (continued)

	Revenue Growth Rate		Discount Rate		Terminal Growth Rate	
	2025	2024	2025	2024	2025	2024
Environmental Services	5.1% ¹	5.80%	11.00%	8.57%	2.50%	2.50%
Chemical Manufacturing	4.00%	5.00%	9.25%	8.57%	2.50%	2.50%
Logistics	4.50%	6.00%	9.00%	8.60%	2.50%	2.50%

1. Underpinned by the new liquid waste treatment plant at Unanderra, NSW, revenue is forecast to increase by 11.4% in FY27, normalising to 3% over the remaining forecast period until FY30.

Chemical Manufacturing CGU

The estimated recoverable amount of the Chemical Manufacturing CGU is greater than its carrying value at 30 June 2025. The carrying value is not sensitive to a +/- 1% change in growth rates, nor is it sensitive to a change in discount rate of +/- 1%, with headroom remaining under these scenarios. Break even growth rate in revenue is 2.4%.

Logistics CGU

The estimated recoverable amount of the Logistics CGU is greater than its carrying value at 30 June 2025. The carrying value is not sensitive to a +/- 1% change in growth rates, nor is it sensitive to a change in discount rate of +/- 1%, with headroom remaining under these scenarios. Break even growth rate in revenue is 3.5%.

Environmental Services CGU

The estimated recoverable amount of the Environmental Services CGU is less than the carrying value at 30 June 2025 prior to an impairment being recognised. As a result an impairment to the goodwill balances of the underperforming businesses (Envirostore, BTX, Aquadex and Acacia Ridge) was recognised. This has resulted in a \$17.1 million impairment recognised in the Environmental Services CGU.

The calculation of value in use for cash generating units was based on the following key assumptions by Management:

- Discontinued operations and sale of Laverton assets (treated as 'Held for Sale' assets and written down to recoverable amount of \$7.5 million as at 30 June 2025). No operating cashflows relating to Laverton are included in the Environmental Services CGU cashflows.
- Construction completion and production commencement of the Liquid Waste Treatment Plant (LWTP) in the Environmental Services CGU during FY26. This is a key project which is expected to deliver significant revenue upside for minimal incremental cost with the LWTP being 'fed' by battery acid waste from ULAB processing and additional revenue generating waste products from customers.
- Environmental Services earnings growth in FY26 is driven by the full year impact of the cost base restructure which occurred at the Unanderra site during H2 FY25.
- Management has overcome significant delays since announcing the Liquid Waste Treatment Plant project at Unanderra during the FY23 AGM. Construction of the plant has now commenced and Management has high confidence that the plant will be operational in H2 FY26, with a full earnings contribution from the new plant expected in FY27.

17. OTHER ASSETS

\$000's	2025	2024
Current		
Prepayments	6,502	7,908
Bond and security deposits	1,181	1,177
Others	100	-
	7,783	9,085

18. RIGHT-OF-USE ASSETS

The Group's lease portfolio predominantly relates to land & buildings. These leases have an average of 6.1 years remaining in their lease term (if all available options are taken up).

Options to extend or terminate

The option to extend or terminate is contained in several of the property leases of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the lease liability and by extension, the right of use asset.

The short-term lease and low value lease exemptions have been adopted whereby payments associated with these leases are expensed through the profit or loss.

AASB 16 related amounts recognised in the Consolidated Statement of Financial Position

\$000's	2025	2024
Right-of-use assets		
Cost	127,847	92,546
Accumulated depreciation	(64,581)	(47,594)
Total right-of-use asset	63,266	44,952
Lease Liabilities		
Current	16,877	14,458
Non-current	49,733	32,980
Total lease liabilities	66,610	47,438
Movements in carrying amounts of Right-of-use assets		
Leased buildings:		
Opening net carrying amount	44,952	43,871
Acquisitions through business combinations ¹	-	5,407
Additions	37,111	11,707
Depreciation expense	(18,879)	(15,999)
Movement in foreign exchange	82	(34)
Net carrying amount	63,266	44,952

1. Refer to Note 32: Business Combinations for further information.

AASB 16 related amounts recognised in the statement of profit or loss

\$000's	2025	2024
Depreciation charge related to right-of-use assets	18,879	15,999
Interest expense on lease liabilities	3,207	2,171
Rental expense related to low value and short-term leases	841	573
Total cash outflows for leases	21,228	17,994

19. TRADE AND OTHER PAYABLES

\$000's	Note	2025	2024
Current			
<i>Unsecured liabilities</i>			
Trade payables		26,416	29,975
Sundry payables and accrued expenses		13,301	6,574
Contingent consideration		-	400
		39,717	36,949

The contingent consideration relates to a government grant funding that was novated to DGL as part of the Aquadex acquisition. During the period, DGL received the remaining grant funding and subsequently recognised the deferred consideration.

20. BORROWINGS

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

\$000's		2025	2024
Total current and non-current secured borrowings:			
Bank loans		108,304	131,273
Other loans		2,275	2,187
		110,579	133,460

Collateral provided

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

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

Facility B's purpose is to provide financing of working capital and general corporate purposes.

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

Facilities drawn as at 30 June 2025:

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

During the year, the Group reduced its commitment amount for Facility A from \$115.0 million to \$65.5 million.

20. BORROWINGS (continued)

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

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

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

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

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

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

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

- The Leverage Ratio of the Group is no more than 3:1
- The Fixed Charge Cover Ratio of the Group is at least 2:1

On 16 October 2025, the Group and its Syndicate lenders executed a Waiver Letter in response to the Disclaimer of Opinion issued by its auditor, PKF. The Waiver outlines the following:

- The Disclaimer of Opinion from PKF and the ASX Suspension, to the extent it continues for 10 or more consecutive trading days, will not constitute an Event of Default under the current terms of the Facility Agreement
- This waiver is conditional on the Group meeting specific obligations and terms. Failure to meet these obligations will be an immediate Event of Default under the Facility Agreement.
- Except for the waived items, all rights, obligations, and enforceability under the Facility Agreement remain fully intact and unaffected.

21. TAX

\$000's	2025	2024
Current		
Income tax payable	7,740	6,520
	7,740	6,520

\$000's	Opening Balance	Recognised in Profit & Loss	Charged directly to Equity	Exchange Differences	Closing Balance
Deferred tax liabilities					
Property, plant & equipment					
- tax allowance	11,694	(989)	-	-	10,705
Land & buildings revaluation	10,662	-	-	-	10,662
Other	1,188	(120)	-	-	1,068
Balance at 30 June 2024	23,544	(1,109)	-	-	22,435
Property, plant & equipment					
- tax allowance	10,705	(5,790)	-	-	4,915
Land & buildings revaluation	10,662	4	10,160	-	20,826
Other	1,068	278	-	-	1,346
Balance at 30 June 2025	22,435	(5,508)	10,160	-	27,087
Deferred tax assets					
Provisions and accruals	3,582	1,112	-	-	4,694
Transaction costs on equity issue	755	-	(435)	-	320
Other	778	247	-	-	1,025
Balance at 30 June 2024	5,115	1,359	(435)	-	6,039
Provisions and accruals	4,694	(209)	-	-	4,485
Transaction costs on equity issue	320	(201)	-	-	119
Other	1,025	829	-	-	1,854
Balance at 30 June 2025	6,039	419	-	-	6,458

22. PROVISIONS

\$000's	Note	2025	2024
Current			
Employee benefits		9,227	9,233
Site cleanup and disposal of battery acid and other chemicals		173	285
Others		260	57
Total		9,660	9,575
Non-Current			
Employee benefits		1,268	1,112
Total		1,268	1,112
Analysis of Total Provisions			
Current		9,660	9,575
Non-current		1,268	1,112
Total		10,928	10,687

23. ISSUED CAPITAL

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

	2025		2024	
	Number	\$000's	Number	\$000's
Ordinary Shares				
At the beginning of the reporting period	284,610,360	258,112	284,911,205	258,364
Shares issued during the year	614,901	350	245,256	191
Less: share buy back	-	-	(546,101)	(433)
Less: capital raising costs	-	-	-	(10)
At the end of the reporting period	285,225,261	258,462	284,610,360	258,112

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

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements other than bank covenants by funding partners.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

\$000's	Note	2025	2024
Total borrowings and lease liabilities		177,189	180,898
Trade & other payables		39,717	36,549
Less cash & cash equivalents	9	(15,941)	(19,630)
Net debt		200,965	197,817
Total equity		338,170	342,209
Total net debt and equity		539,135	540,026
Gearing ratio		59%	58%

24. SHARE-BASED PAYMENTS

Employee Incentive Security (EIS) Plan

During the year ended 30 June 2025, the Company granted performance rights to the CEO, CFO and COO under the Performance Rights Plan as part of their long-term incentive arrangements. The rights were granted for nil consideration and will vest subject to the achievement of specific performance conditions over a three-year period.

Number of PRS awards	2025	2024
PRS on issue at the beginning of the financial year	-	-
Granted during the financial year	1,427,987	-
Expired during the year	-	-
Forfeited during the financial year	-	-
PRS on issue at the end of the financial year	1,427,987	-
PRS exercisable at the end of the financial year	-	-

Methodology	Tranche 1 Performance Rights			Tranche 2 Performance Rights		
	Black Scholes			Monte Carlo		
Number of iterations	n/a			100,000		
Grant date	17 January 2025	20 January 2025	22 January 2025	17 January 2025	20 January 2025	22 January 2025
Vesting date	30 June 2027			30 June 2027		
Base price to calculate RSR (\$)	n/a			0.5431		
Share price at grant date (\$)	0.570	0.570	0.535	0.570	0.570	0.535
Exercise price (\$)	nil			nil		
Risk-free rate (%)	3.874	3.846	3.839	3.874	3.846	3.839
Volatility (%)	70			70		
Dividend yield (%)	nil			nil		
Fair value per security (\$)	0.570	0.570	0.535	0.399	0.393	0.355
Number	355,000	198,298	160,696	355,000	198,297	160,696
Total value (\$)	202,350	113,030	85,972	141,534	77,895	57,141

The Tranche 1 Performance Rights are subject to a non-market vesting condition and were valued using the Black-Scholes option valuation method. The RSR condition on the Tranche 2 Performance Rights is a market based vesting condition. Monte Carlo simulation was used to incorporate a probability-based value impact of the market condition to determine the fair value of the Tranche 2 Performance Rights.

In determining the expected volatility of DGL share returns for the purpose of valuing equity-settled share-based payments under AASB 2 Share-based Payment, both historical share price volatility over a period commensurate with the expected life of the performance rights, as well as prevailing trends in share price volatility, were considered.

The historical annualised volatility of DGL shares over the three-year periods ended 17 January 2025, 20 January 2025, and 22 January 2025 was 69.31%, 69.39%, and 69.37% respectively. In addition, the rolling annualised volatility based on weekly closing prices for the year ended 22 January 2025 was 70.14%.

Based on this analysis, an expected volatility assumption of 70% has been adopted for valuation purposes.

The fair value of performance rights granted is recognised as an employee benefit expense over the vesting period with a corresponding increase in equity. The total expense recognised for the financial year ended 30 June 2025 in relation to these performance rights was \$117,788.

25. OPERATING SEGMENTS

General Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment; and
- the type or class of customer for the products or service.

Types of products and services by segment

(i) Environmental Services

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

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

During the period, the Group discontinued ULAB recycling operations at the Laverton, Victoria, facility.

The segment operates a waste water treatment plant at its New South Wales ULAB recycling plant to process liquid waste generated from its own plant and from external customers. During FY26, the Group expects to complete construction of a new liquid waste treatment plant at this site which is expected to deliver significantly increased throughput.

(ii) Chemical Manufacturing

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

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

(iii) Logistics

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

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

(iv) Corporate costs

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

Intersegment transactions

An internally determined transfer price is set for all intersegment sales. This price is reset biannually and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment.

Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

25. OPERATING SEGMENTS (continued)

Segment performance

\$000's	Environmental Services	Chemical Manufacturing	Logistics	Corporate Costs	Eliminations	Total
Year ended 30 June 2025						
REVENUE						
External sales	71,451	268,694	141,343	8	-	481,496
Inter-company revenue	5,608	15,833	25,810	1,892	(49,143)	-
Total segment revenue	77,059	284,527	167,153	1,900	(49,143)	481,496
Underlying EBITDA	1,757	37,943	23,072	(7,463)	(3,253)	52,056
Depreciation & amortisation	(4,875)	(13,386)	(17,912)	(934)	2,658	(34,449)
Underlying EBIT	(3,118)	24,557	5,160	(8,397)	(595)	17,607
<i>Reconciliation of segment result to group net profit/loss before tax</i>						
Finance costs						(12,030)
Restructuring						(1,419)
Software Development						(1,068)
Write down of software assets						(1,690)
Gain/Loss on Property Sale						(50)
Acquisition costs						(340)
Write down of Property, Plant & Equipment						(12,560)
Doubled up costs on site relocations						(898)
Write down of assets held for sale						(2,167)
Impairment of goodwill						(17,123)
Net profit/(loss) before tax from continuing operations						(31,738)
Year ended 30 June 2024						
REVENUE						
External sales	97,667	256,892	110,488	1,088	-	466,135
Inter-company revenue	2,349	17,860	27,341	6,683	(54,233)	-
Total segment revenue	100,016	274,752	137,829	7,771	(54,233)	466,135
Underlying EBITDA	8,135	44,973	23,928	(10,273)	(1,987)	64,776
Depreciation & amortisation	(4,283)	(9,963)	(16,511)	(2,116)	2,649	(30,224)
Underlying EBIT	3,852	35,010	7,417	(12,389)	662	34,552
<i>Reconciliation of segment result to group net profit/loss before tax</i>						
Finance costs						(11,542)
Acquisition costs						(1,549)
Net profit before tax from continuing operations						21,461

25. OPERATING SEGMENTS (continued)**Segment assets and liabilities**

\$000's	Environmental Services	Chemical Manufacturing	Logistics	Corporate	Eliminations	Total
30 June 2025						
Segment assets	76,026	276,565	91,487	164,937	(10,954)	598,061
Segment liabilities	(28,664)	(69,205)	(66,603)	(102,312)	6,893	(259,891)
Segment asset include:						
- Additions to non-current assets (other than financial assets and deferred tax)	(6,778)	(14,979)	(7,337)	(19,944)	-	(49,038)
30 June 2024						
Segment assets	143,957	242,968	78,616	149,121	(15,052)	599,610
Segment liabilities	(34,473)	(57,052)	(30,516)	(149,170)	13,810	(257,401)
Segment asset include:						
- Additions to non-current assets (other than financial assets and deferred tax)	8,467	7,907	13,511	6,463	-	36,348

Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the selling entity.

\$000's	2025	2024
Australia	448,750	434,709
New Zealand	32,746	30,796
United States of America	-	630
Total revenue	481,496	466,135

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

\$000's	2025	2024
Australia	537,334	519,968
New Zealand	60,729	79,634
United States of America	-	7
Total assets	598,063	599,610

26. CASH FLOW INFORMATION

\$000's	2025	2024
Reconciliation of Cash Flows from Operating Activities with Profit/(Loss) after Income Tax		
Profit/(Loss) after income tax	(27,921)	14,328
<i>Non-cash flows in profit/(loss):</i>		
Depreciation and amortisation	34,449	30,224
Tomago provision	-	(1,019)
Write down software assets	1,690	-
Write down of assets held for sale	2,167	-
Write down Property, Plant & Equipment	12,560	-
Gain on sale of fixed assets	(412)	-
Impairment - Goodwill	17,123	-
Share based payment expense	118	-
<i>Non-operating cash flows in profit/(loss):</i>		
Acquisition costs	340	1,551
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease/(Increase) in trade and term receivables	6,943	(7,706)
Decrease/(Increase) in prepayments	1,306	(1,405)
Decrease/(Increase) in inventories	(1,976)	(2,127)
Increase/(Decrease) in trade payables and accruals	2,768	1,373
Increase/(Decrease) in income taxes payable	1,220	2,524
Increase in deferred taxes payable	(5,927)	(2,033)
Increase/(Decrease) in provisions	241	(472)
Net cash generated by operating activities	44,689	35,238

27. EVENTS AFTER THE REPORTING PERIOD

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

- On 2 July 2025, the Company completed purchase settlement on vacant land located on 27 Mania road, Christchurch for a total consideration of \$1.9 million.
- On 11 August 2025, the Company entered into an unconditional contract for the sale of its Tomago site for a total consideration of \$2.0 million. The sale is expected to settle on 31 October 2025.
- 11 Boden Road, Seven Hills is located in New South Wales (metropolitan Sydney). It is a site the Company dedicated to manufacturing water products. On 14 August 2025, the Company entered into an unconditional contract for its sale for a total consideration of \$16.7 million. The sale will settle on 13 November 2025.
- On 16 September 2025, the Company entered into a conditional contract for the sale of its Laverton ULAB recycling site for a total consideration of \$7.5 million. The sale will settle 15 days after transfer of EPA licence and trade waste agreement.
- On 16 October 2025, the Group and its Syndicate lenders executed a Waiver Letter in response to the Disclaimer of Opinion issued by its auditor, PKF. It waives certain default triggers subject to the Group meeting specific terms, while all other obligations under the Facility agreement remain unaffected. Please refer to Note 20 for further details.
- On 16 October 2025, the Company announced the appointment of Joint Company Secretary, Mr Andrew Draffin on an interim basis whilst the incumbent Company Secretary, Hanna Posa is on maternity leave.

28. RELATED PARTY TRANSACTIONS**The Group's main related parties are as follows:****1. Key Management Personnel:**

The Board, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Executive Managers who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to note 6.

2. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

\$	2025	2024
Transactions with Simon Henry & his controlled entities		
Administration revenue charged to Simon Henry and his controlled entities	49,637	149,090
Rental and related expenses charged by Simon Henry and his controlled entities	12,761	197,068
Transactions with other related parties		
Company secretarial fees and reimbursement of expenses, paid to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin (former Company Secretary of DGL Group Ltd) is a director and shareholder. DW Accounting & Advisory Pty Ltd is a shareholder of DGL Group Limited.	147,361	254,511
Due diligence and professional training fees paid to BDO Australia, of which Denise Brotherton is a Partner	-	16,500
Rental and related expenses charged by entities that Mr Robert Sushames or his close family members have an interest in.	1,148,670	1,123,398
Cleaning services provided by D&A Enterprise in which a close relative of Aaron Bardell has an interest	4,189	26,358
Upgrading LMS system, processes, training and advice provided by John West Logistics Pty Ltd which John West is the Managing Director	175,000	-

All transactions noted above have been carried out on an arms-length basis.

29. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of cash and cash equivalents, leases, borrowings, trade and other receivables and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

\$000's	Note	2025	2024
Financial Assets			
Financial assets at amortised cost			
- cash & cash equivalents	9	15,941	19,630
- trade & other receivables	10	53,208	60,151
Total Financial Assets		69,149	79,781
Financial Liabilities			
Financial liabilities at amortised cost			
- lease liabilities (premises)	18	66,610	47,438
- sale and leaseback liability	13	3,493	3,495
- trade & other payables	19	39,717	36,549
- borrowings	20	110,579	133,460
Financial liabilities at fair value			
- contingent consideration	19	-	400
- derivative cashflow hedge	13	167	12
Total Financial Liabilities		220,566	221,354

Financial Risk Management Policies

The Audit & Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The ARC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to financial risk. The ARC meets on a quarterly basis and minutes of the ARC are reviewed by the Board.

The ARC's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 7 to 90 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the ARC has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

29. FINANCIAL RISK MANAGEMENT (continued)

Significant increase in credit risk for financial instruments

The Group evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Group takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available. Prospective information taken into consideration includes the future volatility of the industries in which the Group's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information that Group's core operations can relate to.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees given to third parties in relation to obligations under its bank facility.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group has significant credit risk exposures to Australia and New Zealand given the substantial operations in those regions. Details with respect to credit risk of trade and other receivables is provided in note 10.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at note 10.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

\$'000's	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Group								
Financial liabilities due for payment								
Bank overdrafts and loans	6,555	3,656	104,024	129,804	-	-	110,579	133,460
Trade & other payables	39,717	36,949	-	-	-	-	39,717	36,949
Lease liabilities	16,877	14,458	44,046	30,561	5,687	2,419	66,610	47,438
Total expected outflows	63,149	55,063	148,070	160,365	5,687	2,419	216,906	217,847

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to note 20 for further details.

29. FINANCIAL RISK MANAGEMENT (continued)**(C) Market risk****Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows and earnings volatility on floating rate instruments. The Group does not hold any financial liabilities at fair value through profit and loss, as such any reasonable change in interest rates as at 30 June would not impact the results of the Group.

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

The Group does not currently enter into interest rate hedges. Management regularly assesses funding arrangements to ensure it maintains access to necessary liquidity and manages cashflow volatility arising from interest rate changes.

Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are held in other currencies than the AUD functional currency of the Group.

The Group has entered into foreign exchange forward contracts to manage a portion of the foreign currency risk associated with booked purchase transactions in USD.

With overseas operations in New Zealand, fluctuations in the NZ Dollar to AU Dollar exchange rate will impact the Group's equity.

Sensitivity Analysis

The following table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible as at 30 June.

These sensitivities assume that the movement in a particular variable is independent of other variables.

\$000's	Profit	Equity
Year ended 30 June 2025		
AUD strengthens 10% against the USD	(6)	(145)
AUD weakens 10% against the USD	13	178
AUD strengthens 10% against the NZD	(181)	3,497
AUD weakens 10% against the NZD	221	(4,274)
Year ended 30 June 2024		
AUD strengthens 10% against the USD	(7)	(143)
AUD weakens 10% against the USD	15	174
AUD strengthens 10% against the NZD	(335)	2,616
AUD weakens 10% against the NZD	577	(3,197)

Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities. The price of lead affects the Group's environmental segment. The Group held no financial instruments at 30 June 2025 (30 June 2024: nil) that would be impacted by a change in the price of lead.

Fair Values**Fair value estimation**

The fair values of financial assets and financial liabilities are compared to their carrying amounts as presented in the statement of financial position. Refer to note 30 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

Management do not believe there are any material differences between carrying values of financial assets and their fair value.

30. FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through other comprehensive income;
- freehold land and buildings;
- contingent consideration;
- derivatives in foreign exchange; and
- Asset held for sale on a non-recurring basis

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring and non-recurring basis after initial recognition and their categorisation within the fair value hierarchy.

\$000's	Note	Level 1	Level 2	Level 3	Total
Recurring & Non-recurring fair value measurements 2025					
<i>Assets and Liabilities measured at fair value</i>					
Assets					
Freehold land	15	-	99,371	-	99,371
Buildings	15	-	53,593	-	53,593
Asset held for sale	12	-	27,930	-	27,930
Total assets		-	180,894	-	180,894
Liabilities					
Derivative Liabilities	13	-	167	-	167
Total Liability		-	167	-	167
Recurring fair value measurements 2024					
<i>Assets and Liabilities measured at fair value</i>					
Assets					
Freehold land	15	-	94,099	-	94,099
Buildings	15	-	55,022	-	55,022
Derivative Assets	13	-	-	-	-
Total assets		-	149,121	-	149,121
Liabilities					
Derivative Liabilities	13	-	12	-	12
Total Liability		-	12	-	12

(b) Valuation techniques and inputs used to measure Level 2 fair values

Non-financial assets

Freehold land (i) Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology

Buildings (i) Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology

(i) The fair value of freehold land and buildings is determined periodically based on valuations by an independent valuer. At the end of each intervening period, the directors will review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies or seek updated independent valuations.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

31. RESERVES**Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of land and buildings.

Cash Flow Hedge Reserve

The asset revaluation reserve records revaluations of hedging instruments.

Share-based Payment Reserve

The share-based payment reserve records equity-settled performance rights.

Merger Acquisition Reserve

When the Company acquired DGL Manufacturing Pty Ltd, DGL Warehousing & Distribution Pty Ltd, DGL (NZ) Limited, DGL Manufacturing Limited and DGL Warehousing NZ Limited, the transactions were assessed as a transaction involving entities under common control.

In accordance with the accounting policy adopted, all assets and liabilities will be recorded at their book value at the date of acquisition.

The remaining difference between the fair value of the consideration paid and the book value of the net assets acquired is allocated to equity.

32. BUSINESS COMBINATIONS**Summary of Business Combinations during the financial year**

During the financial period, the Group acquired 100% of the shares of 2 companies. A summary of the combinations are as follows:

\$000's	Fair Value
Purchase consideration	
Cash	7,502
Ordinary shares	350
	7,852
Less	
Cash and cash equivalents	584
Intangibles	-
Other assets	372
Property, plant and equipment	1,206
Trade and other receivables	1,302
Provisions	(690)
Trade and other payables	(985)
Current tax assets	37
Deferred tax assets	61
Identifiable assets acquired and liabilities assumed	1,887
Goodwill provisionally accounted for	5,965

32. BUSINESS COMBINATIONS (continued)**Acquisition of Australian Petro Chemicals Storage Pty Ltd**

On 1 October 2024, DGL Manufacturing purchased 100% of the shares of Australian Petro Chemical Storage Pty Ltd, a privately owned operator of a major hazardous facility on a licensed storage site at Ingleburn, NSW.

The total acquisition price was \$5,500,000 which was settled by cash.

\$000's	Fair Value
Purchase consideration	
Cash	5,500
Ordinary shares	-
	5,500
Less	
Property, plant and equipment	922
Trade and other receivables	561
Cash and cash equivalents	365
Trade and other payables	(301)
Current tax assets	37
Deferred tax assets	61
Provisions	(243)
Identifiable assets acquired and liabilities assumed	1,402
Goodwill provisionally accounted for	4,098

Acquisition of Enlog Pacific Holdings Pty Ltd

On 1 August 2024, DGL Warehousing & Distribution purchased 100% of the shares of Enlog Pacific Holdings Pty Ltd, a specialist logistics business covering highly regulated materials and industrial services, subject to regulatory approvals.

The total acquisition price was \$2,352,000 of which \$350,000 was settled by issue of shares in DGL Group Ltd.

\$000's	Fair Value
Purchase consideration	
Cash	2,002
Ordinary shares ¹	350
	2,352
Less	
Cash and cash equivalents	219
Intangibles	-
Other assets	372
Property, plant and equipment	284
Trade and other receivables	741
Provisions	(447)
Trade and other payables	(684)
Identifiable assets acquired and liabilities assumed	485
Goodwill provisionally accounted for	1,867

1. The consideration paid to acquire 100% of the share capital of Enlog Pacific Holdings Pty Ltd includes 614,901 fully paid ordinary shares issued in the Group. The number of shares issued in the Group has been determined based on the current market price of the shares at the date of acquisition.

33. DEED OF CROSS GUARANTEE

On the 5 June 2023 DGL Group Limited entered into a Deed of Cross Guarantee with the following wholly owned entities:

- DGL Manufacturing Pty Ltd
- Flexichem Australia Pty Ltd
- DGL Warehousing & Distribution Pty Ltd
- DGL Industries Pty Ltd
- DGL Global Logistics Pty Ltd
- DGL Townsville Pty Ltd
- DGL Manufacturing Australia Pty Ltd
- Labels Connect Pty Ltd
- DGL AusBlue Pty Ltd
- Opal Australasia Pty Ltd
- AusTech Chemicals Pty Ltd
- Total Bio Group Pty Ltd
- Total Coolant Management Solutions Pty Ltd
- Aquadex Pty Ltd
- BTX Group Pty Ltd
- Acacia Ridge Container Park Pty Ltd

Under the deed each company guarantees the debts of the others. 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.

The above companies represent a 'closed group' for the purposes of the instrument and as there are no other parties to the deed of cross guarantee that are controlled by DGL Group Limited, they also represent the 'extended closed group'.

Set out below are a consolidated statement of financial positions, a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2025 of the closed group assuming all members of the group were members from 1 July 2024 or, if at a later date, from the date DGL Group Limited gained control of the entity.

33. DEED OF CROSS GUARANTEE (continued)**Statement of Profit or Loss and Other Comprehensive Income**

\$000's	2025	2024
Sales revenue	434,993	433,655
Cost of sales	(256,080)	(249,782)
	178,913	183,873
Other income	2,312	3,231
Acquisition costs relating to business combinations	(293)	(1,340)
Employee benefits expense	(102,095)	(92,711)
Administration and general expenses	(17,171)	(17,894)
Legal and professional fees	(2,396)	(4,044)
Occupancy expense	(14,769)	(12,409)
Depreciation and amortisation expense	(31,696)	(27,112)
Write down of assets held for sale	(2,167)	-
Write down of software assets	(1,398)	-
Finance costs	(11,680)	(8,541)
Share based payments	(118)	-
Write down of Property, Plant & Equipment	(12,560)	-
Impairment of goodwill	(17,123)	-
Profit/(Loss) before income tax	(32,241)	23,053
Tax benefit/(expense)	3,817	(7,133)
Net profit/(loss) from continuing operations	(28,424)	15,920
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss when specific conditions are met:</i>		
Exchange differences on translating foreign operations, net of tax	-	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Revaluation gain on land and buildings, net of tax	23,194	-
Total other comprehensive income/(loss) for the year	23,194	-
Total comprehensive income/(loss) for the year	(5,230)	15,920

33. DEED OF CROSS GUARANTEE (continued)**Consolidated Statement of Financial Position**

\$000's	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	13,512	18,403
Trade and other receivables	49,701	56,303
Asset held for sale	27,930	-
Inventories	32,883	33,139
Other assets	4,516	7,925
Total Current Assets	128,542	115,770
Non-Current Assets		
Investments in subsidiaries	55,244	44,480
Inter-company receivables	8,536	26,937
Property, plant and equipment	217,267	221,801
Intangible assets	116,627	138,523
Right-of-use assets	57,486	41,183
Total Non-Current Assets	455,160	472,924
Total Assets	583,702	588,694
Liabilities		
Current Liabilities		
Lease liabilities	14,537	13,198
Trade and other payables	34,853	32,622
Other financial liabilities	3,635	-
Borrowings	4,290	1,490
Current tax liabilities	8,433	6,886
Provisions	8,767	9,042
Deferred Income	30	1,243
Total Current Liabilities	74,545	64,481
Non-Current Liabilities		
Lease liabilities	45,989	30,214
Borrowings	104,024	130,251
Deferred tax liabilities	20,507	16,394
Provisions	1,086	1,083
Deferred Income	-	1,200
Total Non-Current Liabilities	171,606	179,142
Total Liabilities	246,151	243,623
Net Assets	337,551	345,071
Equity		
Issued capital	258,462	258,112
Reserves	47,840	27,286
Retained earnings	31,249	59,673
Total Equity	337,551	345,071
Summary of Movements in Consolidated Retained Earnings		
Opening retained earnings	59,673	43,753
Profit/(Loss) for the year	(28,424)	15,920
Closing retained earnings	31,249	59,673

34. CONTINGENT LIABILITIES

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

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

35. CAPITAL COMMITMENT

The table below reflects the capital commitments the Group had entered into as at the end of the financial year.

\$000's	2025
Purchase of land at 27 Mania Road, Christchurch, NZ	1,903
Development works at 27 Mania Road, Christchurch, NZ	4,031
Development works - 42 Magnesium, Narangba, QLD	61
Plant and Equipment (Steam Boiler) at 8 Berger Wingfield, SA	935
Liquid Waste Treatment Plant at 201 Five Islands Rd, Unanderra NSW	1,533
Site works and installation of plant and equipment at Sommersby & St. Marys	600
	9,063

36. COMPANY DETAILS

The registered office of the company is:

DGL Group Limited

Level 1, Suite 2, 80 George Street
Parramatta NSW 2150
Australia

The principal places of business are:

DGL Warehousing and Distribution

739 Progress Road
Wacol QLD 4076
Brisbane, Australia

DGL Environmental Solutions

201 Five Islands Road
Unanderra NSW 2526
Wollongong, Australia

DGL Chemical Manufacturing

120 Fulton Drive
Derrimut VIC 3026
Melbourne, Australia

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	Trustee, partner, or participant in JV	% share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
DGL Group Limited	Body Corporate	N/A	100	Australia	Australian	N/A
Acacia Ridge Container Park Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Aquadex Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Austech Chemicals Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
BTX Group Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL (NZ) Limited	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
DGL Ausblue Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Global Logistics Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Group Inc ¹	Body Corporate	N/A	100	United States of America	Foreign	United States of America
DGL Industries Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Manufacturing (Australia) Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Operations Ltd ²	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
DGL Manufacturing Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL North America Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Townsville Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Warehousing & Distribution Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Warehousing (NZ) Limited	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
Flexichem Australia Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Labels Connect Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Opal Australasia Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Total Bio Group Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Total Coolant Management Solutions Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Triox Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Australian Petro Chemical Storage Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Enlog Pacific Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A

1. On 10 November 2024, the Group wound up DGL Group, Inc., an entity incorporated in the United States of America.

2. On 17 January 2025, DGL Manufacturing Limited was renamed as DGL Operations Ltd. On 1 February 2025, the assets, liabilities and business operations of DGL (NZ) Limited were transferred to DGL Operations Limited.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of DGL Group Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 38 to 78, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (c) give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Group;
2. In the directors' opinion 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
3. In the directors' opinion, the consolidated entity disclosure statement is true and correct
4. The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.
5. At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 33 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33.

For and on behalf of the board:



TIM HOSKING
Chairman

17 October 2025



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DGL GROUP LIMITED

Report on the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of DGL Group Limited, (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors' declaration of the Company and of the Group comprising the Company and the subsidiaries it controlled at the year end or during the financial year.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

Our risk identification and assessment process is iterative and dynamic. Our understanding of the Group and its environment, and the Group's system of internal control are interdependent with the requirements to identify and assess the risks of material misstatement. In obtaining the understanding required by Australian Auditing Standard ASA 315 *Identifying and Assessing the Risks of Material Misstatement* our initial expectations of risks were developed. Our risk assessment substantially changed throughout the audit process as a result of failures identified in the system of internal control and oversight processes which we have concluded are pervasive to the financial report of the Group.

The failures identified specifically relate to the potential for management override of controls as a result of the weaknesses in the systems of internal control and corporate governance processes allied to complex accounting and reporting systems. Additional issues were identified relating to the existence and valuation of inventory, which was in part impacted by the implementation of a new Group-wide ERP system during year end.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventories, and any other elements compromising the consolidated statement of financial position as at 30 June 2025, the consolidated the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements.

PKF Melbourne Audit & Assurance Pty Ltd is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Disclaimer of Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed this matter
<p>Impairment of goodwill and other intangible assets</p> <p>As at 30 June 2025, the carrying value of goodwill and indefinite life intangibles is as disclosed in note 16 of the financial report. The accounting policy in respect of these assets is outlined in note 1 (h) Intangible assets. Goodwill of \$5.97m was recognised on the acquisitions during the year as noted above.</p> <p>An annual impairment test of goodwill and other indefinite life intangibles is required under AASB 136 <i>Impairment of Assets</i>. Management's testing has been performed using a discounted cash flow model (impairment model) to estimate the value-in-use of the Cash Generating Unit (CGU) to which the intangible assets have been allocated.</p> <p>The evaluation of the recoverable amount requires the Group to exercise significant judgement in determining key assumptions, which include:</p> <ul style="list-style-type: none"> • 5-year cash flow forecast • growth rate and terminal growth factor • discount rate <p>The outcome of the impairment assessment could vary if different assumptions were applied. As a result, the evaluation of the recoverable amount of goodwill and other intangibles in accordance with the requirement of AASB 136 <i>Impairment of Assets</i> is a Key Audit Matter.</p>	<p>Our procedures included, but were not limited to, assessing and challenging:</p> <ul style="list-style-type: none"> • the appropriateness of Management's determination of the CGUs to which goodwill and indefinite life intangibles are allocated. • the application of an indefinite useful life to these intangible assets. • the reasonableness of the financial year 2026 budget approved by the Directors, comparing to current actual results, and considering trends, strategies and the current economic climate. • the inputs used in the impairment model, including the approved budget. • the determination of the discount rate applied in the impairment model, comparing to available industry data. • the short to medium term growth rates applied in the forecast cash flow, considering historical results and available industry data. • the arithmetic accuracy of the impairment model. • Management's sensitivity analysis around the key drivers of the cash flow projections, to consider the likelihood of such movements occurring sufficient to give rise to an impairment. • the appropriateness of the disclosures including those relating to sensitivities in assumptions used in note 16.



Key audit matter

How our audit addressed this matter

Impairment of capital assets

As at 30 June 2025, the carrying value of capital assets (excluding land and buildings) is as disclosed as plant under construction assets of \$20.8m (FY24: \$22.8m) in note 15 as well as asset held for sale of \$4.4m (FY24: \$6.5m) under note 12 of the financial report. The accounting policy in respect of these assets is outlined in note 1 (c) Impairment of assets.

Capital assets held for use are classified as plant under construction assets while capital assets held for sale are classified as asset held for sale.

The outcome of the impairment assessment could vary if different assumptions were applied. As a result, the evaluation of the recoverable amount of capital assets held for use and held for sale in accordance with the requirement of AASB 136 *Impairment of Assets* and AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* respectively is a Key Audit Matter.

Our procedures included, but were not limited to, the following:

- assessing the appropriateness and accuracy of expense capitalisation to these assets.
- evaluating the recoverable amount of assets held for use requires the Group to exercise significant judgement in determining key assumptions, which include: Management's business case for these capital assets; forecasted sales and profit margin generated by these assets when operational; and progress in approvals for permits and certifications.
- evaluating the recoverable amount of assets held for sale requires the Group to exercise significant judgement in determining key assumptions, which include: Management's commitment and plan to sell the asset which is actively marketed at a price that is reasonable in relation to its fair value less cost of disposals to ensure the sale is highly probable.
- assessing Management's rationale on the completeness of impairment charged against these capital assets.
- reviewing disclosures in note 12 and 15 within the financial report in line with the requirements under relevant accounting standards.

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Key audit matter

Classification and disclosure of borrowings

As outlined in note 20 of the financial report, Management has classified the borrowings under a syndicated financing agreement split between current and non-current liabilities.

Due to the materiality of the facility and judgement required to consider the accuracy of the classification and completeness of disclosures in relation to borrowings, we have considered this a Key Audit Matter.

How our audit addressed this matter

Our procedures included, but were not limited to, the following:

- inquiring of the lenders their interpretation of the syndicated financing agreement, inclusive of their assessment of whether a disclaimer of opinion represents a Review Event.
- confirming the loan balances held through direct third-party confirmation from the lenders.
- reviewing and considering the quality and timing of the documentation and related audit evidence supporting the classification of the borrowings between current and non-current liabilities as at 30 June 2025.
- reviewing correspondence between the lenders and Management during and subsequent to year end.
- assessing the completeness and accuracy of management's covenant calculations and supporting evidence as well as the reasonableness of their assumptions as at 30 June 2025 as well as the forecast covenant position for the next 12-month period.
- reviewing disclosures within the financial report in line with the requirements under relevant accounting standards.

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Key audit matter

How our audit addressed this matter

Revenue recognition

The Group's sales revenue amounted to \$481.5m during the year (FY24: \$466.1m). Note 3 provides a breakdown of this revenue.

Note 1 (d) Revenue and Other Income describes the accounting policies applicable to the following distinct revenue streams in accordance with AASB 15 *Revenue from Contracts with Customers*:

- Formulation and packaging of chemical and material products
- Processing of used lead acid batteries to recover lead
- Liquid waste treatment
- Storage of customer goods
- Delivery of dangerous goods for customers
- Rental income

The recognition of revenue and associated unearned revenue is considered a Key Audit Matter due to the varied timing of revenue recognition relative to the different revenue streams, consideration of business combinations, and the relative complexity of processes supporting the accounting for each.

Our procedures included, but were not limited to, the following:

- assessing the accuracy of revenue cut-off and completeness of revenue deferred in accordance with the principles of AASB 15 as of the year-end.
- assessing the reasonableness against expectation of recognised revenue through each of the revenue streams, using data analytics and comparison to prior year and budgeted results.
- for a sample of contracts across each revenue stream - with emphasis on new revenue streams acquired during the period - evaluating the contracts and agreeing revenue amounts to the records accumulated as inputs to the financial statements, including supporting billing systems and bank records; these procedures enabled our assessment of the values recorded and the timing of revenue recognition as appropriate to the completion of performance obligations and the timeframe of product delivery.
- assessing the consistency of design of the Group's accounting policies in respect of revenue recognition against the criteria prescribed by AASB 15.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our disclaimer of opinion on the financial report extends to the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon. This disclaimer also extends to the content of the Remuneration Report.

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible:

- (a) For the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) For the preparation of the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and
- (c) For such internal control as the Directors determine is necessary to enable the preparation of:
 - i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the Group's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. We are independent of the Group in accordance with 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.

A handwritten signature in black ink that reads 'PKF'.

PKF
Melbourne, 17 October 2025

A handwritten signature in black ink that reads 'Kenneth Weldin'.

Kenneth Weldin
Partner

ADDITIONAL SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 17 September 2025.

Number of security holders

At the specified date, there were 4,210 holders of ordinary shares and three holders of performance rights (unquoted) over ordinary shares. These were the only classes of equity securities on issue.

Distribution of equity securities

Analysis of number of equity security holders (shareholders) by size of holding:

Holding ranges	Holders	Ordinary shares	
		Total shares	% of total shares issued
1 to 1,000	1,345	672,349	0.24
1,001 to 5,000	1,386	3,712,265	1.30
5,001 to 10,000	517	3,978,575	1.39
10,001 to 100,000	817	25,589,590	8.97
100,001 and over	145	251,272,482	88.10
Total	4,210	285,225,261	100

The number of shareholders holding less than a marketable parcel of 1,041 securities (being based on a share price of \$0.48) is 1,364 holders.

Analysis of number of unquoted equity security holders (performance rights holders) by size of holding:

Holding ranges	Holders	Performance rights	
		Total performance rights	% of total performance rights issued
1 to 1,000	0	0	0
1,001 to 5,000	0	0	0
5,001 to 10,000	0	0	0
10,001 to 100,000	0	0	0
100,001 and over	3	1,427,987	100
Total	3	1,427,987	100

Distribution of equity securities

As at 17 September 2025, there were no fully paid ordinary shares which are subject to ASX mandatory escrow arrangements.

Distribution of equity securities

Twenty largest quoted equity security holders

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

Shareholder name	Ordinary shares	
	Number of shares	% of total shares issued
Mr Simon Henry	155,000,000	54.34
Citicorp Nominees Pty Limited	18,828,494	6.60
Dr Steven CiWen Cai	8,834,768	3.10
Mr Kenneth Joseph Hall ATF Hall Park A/C	5,679,093	1.99
Aveley Investments Pty Ltd ATF Oryx A/C	4,480,000	1.57
Spalding Holdings Pty Ltd ATF Sushames Family No 2 A/C	4,104,878	1.44
BNP Paribas Nominees Pty Ltd ATF IB AU Noms Retail Client	3,278,574	1.15
4tiges Capital Pty Ltd	3,225,355	1.13
BNP Paribas Noms (NZ) Ltd	2,812,036	0.99
HSBC Custody Nominees (Australia) Limited	2,132,762	0.75
Mr Raymond James Allan	1,855,102	0.65
Sharesies Australia Nominee Pty Limited	1,632,802	0.57
WJ & GF Shaw Ltd ATF the Shaw Family A/C	1,059,205	0.37
Nine Lions Pty Ltd ATF	1,007,194	0.35
Mr Robert William Sushames ATF Sushames Family A/C	1,000,000	0.35
Contract Services Pty Ltd ATF Eugenia A/C	981,309	0.34
Melcarbay Pty Ltd ATF JM No 2 A/C	981,308	0.34
Netscience Pty Ltd	947,374	0.33
Darling & Co Pty Ltd	900,000	0.32
Mr John Anthony Dell	868,864	0.30
Total 20 largest shareholders' shares	219,609,118	76.98

Substantial shareholders

As at 17 September 2025, DGL Group Limited has the following substantial shareholder.

Shareholder name	Ordinary shares	
	Number of shares	% of total shares issued
Mr Simon Henry	155,000,000	53.34
Citicorp Nominees Pty Ltd	18,828,494	6.60

Voting rights

All fully paid ordinary shares carry one vote per share. There are no voting rights attached to performance rights until exercised.

On market buy-back

During part of the reporting period, the Company undertook an on-market buy-back, opening on 30 August 2023 and closing on 30 August 2024. There is no currently on-market buy-back.

CORPORATE DIRECTORY**Directors**

Tim Hosking – Chair and Non-Executive Director
Simon Henry – CEO and Executive Director
John West – Non-Executive Director
Elizabeth Smith – Non-Executive Director

Company Secretary

Hanna Posa
Andrew Draffin (joint)

Registered office

Level 1, 80 George Street,
Parramatta, NSW 2000
Tel: +61 2 9615 4750

Principal place of business

Level 1, 80 George Street,
Parramatta, NSW 2000
Tel: +61 2 9615 4750

Share registry

Link Market Services
Liberty Place
Level 41
161 Castlereagh Street
Sydney NSW 2000
Tel: +61 1300 55 44 74

Auditor

PKF Melbourne
Level 15, 500 Bourke Street
Melbourne, VIC 3000
Tel: +61 3 9679 2222

Stock Exchange Listing

DGL Group Limited shares are listed on the Australian Securities Exchange (ASX:DGL).

Website

www.dglgroup.com

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