

**SDI Limited**

**ABN 27 008 075 581**

**Interim Report - 31 December 2025**

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## Commentary - Half-year results

**MELBOURNE, Australia – SDI Limited** (ASX: SDI). Net profit after tax (NPAT) decreased by 2.0% to \$3.75 million for the six months ending 31 December 2025, compared to \$3.83 million for the previous corresponding period (pcp). After adjusting for a \$0.5 million (after tax) provision for a doubtful debt, reported NPAT declined by 15.2% to \$3.25 million.

Summary financials (AUD)	HY2026	HY2025	Change %
Sales (\$m)	52.928	51.541	2.7%
Gross product margin (%)	65.6	63.5	+210 bps
Underlying EBITDA (\$000)	8,518	8,619	-1.2%
Reported EBITDA (\$000)	7,823	8,619	-9.4%
Reported NPAT (\$000)	3,245	3,827	-15.2%
Normalised NPAT (\$000)	3,749	3,827	-2.0%
Earnings per share (cents)	2.73	3.22	-15.2%
Normalised EPS (cents)	3.15	3.22	-2.2%

### 1H FY26 Highlights

- Total sales of \$52.9 million, up 2.7% on the previous corresponding period (“pcp”), with good growth in the Australian Direct Export markets driven by the Middle Eastern market, however offset by the continual decline in Amalgam product sales.
- Product margin improvement to 65.6%, up 210 bps on pcp, reflecting operational efficiencies, geographical and product mix, and favourable currency movements.
- Underlying operating expenses of \$28.9 million, excluding a \$0.7 million doubtful debt provision, up 3.9% on pcp and up 9.0% after including the one-time item.
- EBITDA decreased by 9.3% to \$7.8 million (HY25 \$8.6 million).
- Earnings per share (‘EPS’) decreased by 15.2% to 2.73 cents compared to 3.22 cents for the pcp. Normalised EPS was 3.15 cents a decrease of 2.2% on pcp.

Commenting on the result, Chief Executive Officer Samantha Cheetham said: *“I am pleased with the overall performance over the half year and happy to see the rebound in sales from the Middle East but particularly pleased to see continued growth of our Aesthetic products.”*

*“After allowing for the doubtful debt provision, expenses were well managed along with improved product margins largely from ongoing operational efficiencies. The continuing weakness in Amalgam sales, while not unexpected as this product gets closer to its end of life in many markets, was most significant in the North American market where this product has the greatest share of sales, despite stronger performances in other product categories this decline was not fully offset.”*

### Key product category sales

Category	\$000 AUD	Change in local currency %	Change in AUD %	Total AUD sales %
Aesthetics	29,449	4.5	9.2	55.6
Equipment	2,629	(12.5)	(8.9)	5.0
Whitening	15,644	(0.8)	3.1	29.6
Amalgam	5,206	(23.1)	(20.2)	9.8
<b>Total</b>	<b>52,928</b>	<b>(1.5)</b>	<b>2.7</b>	<b>100.0</b>

In local currencies, Aesthetics sales continued to show good growth, up 4.5% on pcp. Aesthetics sales increased across all regions. Whitening sales decreased by 0.8% with good increases in the Australian Direct export markets up 17%, offset by an 8.9% decrease in the EU market due to a registration issue for a product which has subsequently been resolved. Generally, this category reflects movements in discretionary spending. Equipment sales, SDI’s smallest product category and largely a complimentary product, fell by 12.5% reflecting significant decline in various markets. Amalgam sales decreased by 23.1%, due to significant declines in most markets particularly in the EU where Amalgam was banned on 1 January 2025 except for special circumstances.

## Sales by business unit

Business unit	\$000 AUD	Growth/(decline) in local currency %	Growth/(decline) in AUD %	Total AUD sales %
Australia (including direct exports)	17,633	11.9	9.2	33.3
North America	9,715	(9.2)	(8.7)	18.4
Europe	21,819	(2.5)	5.7	41.2
Brazil	3,761	(13.9)	(8.3)	7.1
<b>Total</b>	<b>52,928</b>	<b>(1.5)</b>	<b>2.7</b>	<b>100.0</b>

## Product sales by business unit adjusted for currency movements

Business unit	Amalgam		Non-amalgam	
	% Change	% Of Total sales	% Change	% of Total sales
Australia (including direct exports)	(15.8)	5.0	9.8	94.9
Brazil	(78.2)	5.0	2.2	95.0
Europe	(20.9)	9.1	(0.2)	90.9
North America	(19.1)	22.1	(5.8)	77.9

The business unit performance reflects unfavourable currency movements and strong growth in the Australian direct export business.

European sales were down 2.5% in local currencies, driven by a registration issue for a Whitening product which has now been fixed. Additionally, Amalgam was banned in the EU on 1 January 2025 except for special circumstances.

North American sales decreased by 9.2% on pcp, primarily due to a 19.1% decline in Amalgam sales which represents 22.1% of its total sales.

Australian sales, which include Australian domestic and direct export markets, were up by 11.9%, with Australian direct exports reflecting an equivalent increase when adjusted for currency movements, driven by increased sales from the Middle Eastern region.

Brazilian sales decreased by 13.9% on pcp in local currencies reflecting deliberate delays in shipments due to short term issues relating to customer payments from its direct export market.

## Sales by region

Region	HY 2026 (\$000 AUD)	HY 2025 (\$000 AUD)	Growth/(decline) in AUD %
APAC	10,062	9,419	6.8
Middle East / Africa	4,726	4,288	10.2
South America	5,793	5,476	5.8
North America	9,715	10,645	(8.7)
Europe	22,632	21,713	4.2
<b>Total</b>	<b>52,928</b>	<b>51,541</b>	<b>2.7</b>

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

## Gross profit margins

Product margins in Australian dollars increased by 210 bps to 65.6%, driven by operational efficiencies, good growth in the Aesthetic products and favourable currency movements. Product and geographical sales are a significant influence on the gross margin, with sales growth in Aesthetics in the European market attracting higher product margins.

## Expenses

Operating expenses in Australian dollars up 9.0% on pcp. After adjusting for currency movements and the additional doubtful debt provision, operating expenses increased by 3.9% compared to pcp, reflecting ongoing inflationary pressures, particularly relating to employment costs and increased marketing expenditure on new product releases.

## Tax expense

Tax expense decreased to 24.6% compared to 29.4% for the pcp. The lower than historical tax rate reflects a prior year tax adjustment relating to an over payment from the Company's USA entity.

## Balance sheet

- Cash decreased by \$4.4 million after investing \$1.40 million in property, plant and equipment, and \$2.2 million in product development expenditure, increasing inventory by \$1.6 million and reducing debt by \$0.9 million for the six months ending 31 December 2025. The Company has unused working capital bank facility of \$10 million, \$23 million of unused building construction facility, and \$4.6 million cash in bank.

## Strategy and outlook

The Company remains focused on its strategic priorities:

- **Aesthetics and Whitening products** continue to be the focus for new product development. The Company's Aesthetic product 'Stela', originally designed as an Amalgam replacement product, will compete in the wider Aesthetic categories due to its natural tooth colour and strength.
- **Achieving manufacturing and logistic efficiencies.** In FY23 the Company purchased a six-acre property for \$19 million which has an existing 4,000 sqm warehouse and has relocated its current warehousing. Final planning and costings are currently in progress with the aim of commencing construction in April 2026. It is expected that the current manufacturing operations will be relocated by December 2027. The construction and refurbishing costs are expected to be approximately \$26 million.
- **Investment in production automation** and processes to achieve operating efficiencies and manage new and existing future product growth. The Company has recently purchased several high-speed production machines which have started showing returns. Other machines are on order for delivery over the next 6 to 12 months which will result in further efficiencies and increase future production capacity.
- **On-going investment in research and development** of new products. New product launches are planned to launch one to two new products every year. The team will continue to focus on ensuring European regulatory requirement deadlines are met. SDI embraces the stringent regulatory requirements as these provide high barriers to entry and a competitive advantage.
- **Environmental, Social, and Governance (ESG)** – The Company has made a commitment, including the creation of an internal working group, to make significant progress in establishing a risk framework for sustainability and has appointed a consultant to assist in this process.

## 1. Company details

Name of entity:	SDI Limited
ABN:	27 008 075 581
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

## 2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	2.7% to	52,928
Profit from ordinary activities after tax attributable to the owners of SDI Limited	down	15.2% to	3,245
Profit for the half-year attributable to the owners of SDI Limited	down	15.2% to	3,245

### Dividends

	Amount per security - Cents	Franked amount per security - Cents
Final dividend for the year ended 30 June 2025 paid on 22 September 2025	1.90	1.90

### Comments

The profit for the consolidated entity after providing for income tax amounted to \$3,245,000 (31 December 2024: \$3,827,000).

Earnings before interest, tax, depreciation and amortisation ('EBITDA') decreased by 9.4% to \$7,823,000 (31 December 2024: \$8,632,000). The directors consider EBITDA to reflect the core earnings of the consolidated entity.

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

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

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Profit after tax	3,245	3,827
Add: taxation	1,062	1,597
Add: interest expense	523	793
Add: depreciation and amortisation	2,993	2,415
<b>EBITDA</b>	<b>7,823</b>	<b>8,632</b>

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

## 3. Net tangible assets

	Reporting period 31 Dec 2025 Cents	Previous period 30 Jun 2025 Cents
Net tangible assets per ordinary security	58.03	58.23

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

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Net assets	103,438	102,674
Less: Intangible assets	(34,465)	(33,456)
Net tangible assets	<u>68,973</u>	<u>69,218</u>
	<b>Number</b>	<b>Number</b>
Total shares issued	<u>118,865,530</u>	<u>118,865,530</u>

#### 4. Dividends

##### *Current period*

	Amount per security - Cents	Franked amount per security - Cents
Final dividend for the year ended 30 June 2025 paid on 22 September 2025	1.90	1.90

##### *Previous period*

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

#### 5. Dividend reinvestment plans

*The following dividend or distribution plans are in operation:*

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

#### 6. Audit qualification or review

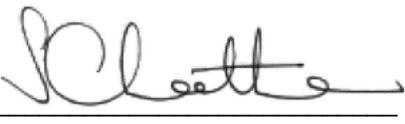
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

#### 7. Attachments

The Interim Report of SDI Limited for the half-year ended 31 December 2025 is attached.

#### 8. Signed

Authorised by the Board of Directors.

Signed 

Date: 27 February 2026

Samantha Jane Cheetham  
Managing Director  
Melbourne

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The Directors present their report, together with the financial statements, on the consolidated entity consisting of SDI Limited (referred to hereafter as the 'Company', 'SDI' or 'parent entity') and the entities it controlled at the end of, or during, the financial half-year ended 31 December 2025 (referred to hereafter as the 'consolidated entity').

### Directors

The following persons were Directors of SDI Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jeffery James Cheetham OAM - Chairman  
Samantha Jane Cheetham  
John Joseph Slaviero  
Dr Geoffrey Macdonald Knight AM  
Gerald Allan Bullon  
Cameron Neil Allen  
Gerard Desmond Kennedy

### Principal activities

During the financial half-year, the principal activities of the consolidated entity consisted of the manufacture and distribution of dental restorative materials, whitening systems, other dental materials and product research and development.

### Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Final dividend for the year ended 30 June 2025 of 1.90 (2024: 1.90 cents) per ordinary share	2,258	2,258

### Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$3,245,000 (31 December 2024: \$3,827,000).

Highlights of the results from operations for the financial half-year ended 31 December 2025 are provided below:

Net profit after tax decreased by 15.2% to \$3,245,000 compared to \$3,827,000 for the previous half-year. Profit before tax decreased by 20.6% to \$4,307,000 compared to \$5,424,000 for the previous half-year.

	31 Dec 2025 \$'000	31 Dec 2024 \$'000	Change \$'000	Change %
Net profit	3,245	3,827	(582)	(15.2%)
PBT	4,307	5,424	(1,117)	(20.6%)
EBITDA	7,823	8,632	(809)	(9.4%)

Earnings per share for the half-year ended 31 December 2025 decreased by 0.49 cents to 2.73 cents compared to 3.22 cents for the same period last half-year.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for specific items. The directors consider EBITDA to represent the underlying earnings measure of the consolidated entity.

EBITDA decreased by 9.4% to \$7,823,000 (31 December 2024: \$8,632,000).

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

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Profit after tax	3,245	3,827
Add: taxation	1,062	1,597
Add: interest expense	523	793
Add: depreciation and amortisation	2,993	2,415
EBITDA	<u>7,823</u>	<u>8,632</u>

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

### Matters subsequent to the end of the financial half-year

The company is in advanced discussions with a global producer in the dental materials sector for it to potentially acquire all of the shares in SDI via scheme of arrangement. Implementation of the potential transaction would be subject to entry by the parties into binding transaction documents, Foreign Investment Review Board approval, foreign regulatory approvals, and other customary conditions precedent, including shareholder and court approvals.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) 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.

### Auditor's independence declaration

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

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Samantha Jane Cheetham  
 Managing Director

27 February 2026  
 Melbourne

27 February 2026

The Board of Directors  
SDI Limited  
5-7 Brunsdon Street  
Bayswater VIC 3153

Dear Board Members

## SDI Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of SDI Limited.

As lead audit partner for the review of the interim financial report of SDI Limited for the half year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

  
DELOITTE TOUCHE TOHMATSU



Rachel Smith  
Partner  
Chartered Accountants

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**SDI Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2025**



	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Revenue</b>			
Sales revenue	4	52,928	51,541
Cost of goods sold		(18,232)	(18,814)
Gross profit		<u>34,696</u>	<u>32,727</u>
Other (losses)/gains	5	(275)	556
<b>Expenses</b>			
Selling and administration expenses		(26,443)	(25,169)
Research and development costs		(1,194)	(838)
Impairment of receivables		(724)	(8)
Other expenses		(1,230)	(1,051)
Finance costs	6	(523)	(793)
Total expenses		<u>(30,114)</u>	<u>(27,859)</u>
<b>Profit before income tax expense</b>		4,307	5,424
Income tax expense		(1,062)	(1,597)
<b>Profit after income tax expense for the half-year attributable to the owners of SDI Limited</b>		3,245	3,827
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign controlled entities		(223)	555
Other comprehensive (loss)/income for the half-year, net of tax		(223)	555
<b>Total comprehensive income for the half-year attributable to the owners of SDI Limited</b>		<u><u>3,022</u></u>	<u><u>4,382</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7	2.73	3.22
Diluted earnings per share	7	2.73	3.22

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

Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<b>Assets</b>		
<b>Current assets</b>		
	4,559	8,981
8	16,432	20,886
	29,429	27,788
	425	-
	3,142	3,086
	<u>53,987</u>	<u>60,741</u>
<b>Non-current assets</b>		
9	45,702	45,437
	1,676	1,557
10	34,465	33,456
	5	7
	<u>81,848</u>	<u>80,457</u>
	<u>135,835</u>	<u>141,198</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
	8,288	11,517
11	1,105	1,726
	650	708
	289	2,385
	3,768	3,988
	<u>14,100</u>	<u>20,324</u>
<b>Non-current liabilities</b>		
11	14,050	14,300
	763	648
	3,189	2,961
	295	291
	<u>18,297</u>	<u>18,200</u>
	<u>32,397</u>	<u>38,524</u>
	<u>103,438</u>	<u>102,674</u>
<b>Equity</b>		
12	12,890	12,890
13	2,193	2,416
	88,355	87,368
	<u>103,438</u>	<u>102,674</u>

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

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2024	12,890	1,835	79,249	93,974
Profit after income tax expense for the half-year	-	-	3,827	3,827
Other comprehensive income for the half-year, net of tax	-	555	-	555
Total comprehensive income for the half-year	-	555	3,827	4,382
<i>Transactions with owners in their capacity as owners:</i>				
Capital reserve	-	(350)	350	-
Dividends paid (note 14)	-	-	(2,258)	(2,258)
Balance at 31 December 2024	12,890	2,040	81,168	96,098

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2025	12,890	2,416	87,368	102,674
Profit after income tax expense for the half-year	-	-	3,245	3,245
Other comprehensive loss for the half-year, net of tax	-	(223)	-	(223)
Total comprehensive (loss)/income for the half-year	-	(223)	3,245	3,022
<i>Transactions with owners in their capacity as owners:</i>				
Dividends paid (note 14)	-	-	(2,258)	(2,258)
Balance at 31 December 2025	12,890	2,193	88,355	103,438

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		57,589	57,423
Payments to suppliers and employees		(50,680)	(46,999)
		<u>6,909</u>	<u>10,424</u>
Interest received		5	13
Interest and other finance costs paid		(523)	(793)
Income taxes paid		(3,353)	(2,000)
		<u>3,038</u>	<u>7,644</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(1,529)	(1,920)
Payments for intangibles	10	(2,476)	(2,610)
Proceeds from disposal of property, plant and equipment		36	366
		<u>(3,969)</u>	<u>(4,164)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		250	-
Repayment of borrowing		(1,121)	(2,109)
Repayment of lease liabilities		(407)	(324)
Dividends paid	14	(2,258)	(2,258)
		<u>(3,536)</u>	<u>(4,691)</u>
Net cash used in financing activities		<u>(3,536)</u>	<u>(4,691)</u>
Net decrease in cash and cash equivalents		(4,467)	(1,211)
Cash and cash equivalents at the beginning of the financial half-year		8,981	6,275
Effects of exchange rate changes on cash and cash equivalents		45	(193)
		<u>4,559</u>	<u>4,871</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>4,559</u></u>	<u><u>4,871</u></u>

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

## Note 1. General information

The financial statements cover SDI Limited as a consolidated entity comprising of SDI Limited ('Company' or 'parent entity') and its subsidiaries (collectively referred to as the 'consolidated entity').

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

### Registered office

5 - 9 Brunson Street  
Bayswater VIC 3153

### Principal place of business

3 - 15 Brunson Street  
Bayswater VIC 3153

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2026. The Directors have the power to amend and reissue the financial statements.

## Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

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

## Note 3. Operating segments

### Identification of reportable operating segments

The consolidated entity's operations consist of the manufacture of dental restorative products, tooth whitening systems and small dental equipment for sale to dental distributors, dental dealers and dentists worldwide. Refer to note 4 for revenue from product lines.

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

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

### Note 3. Operating segments (continued)

The information reported to the CODM is on a monthly basis.

#### Reportable segments

The consolidated entity's reportable segments are as follows:

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

#### Intersegment transactions

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

#### Intersegment receivables, payables and loans

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

#### Major customers

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

#### Operating segment information

31 Dec 2025	Australia \$'000	Europe \$'000	USA \$'000	Brazil \$'000	Total \$'000
<b>Revenue</b>					
Sales to external customers	17,633	21,819	9,715	3,761	52,928
Intersegment sales	15,929	2,692	-	-	18,621
Total sales revenue	33,562	24,511	9,715	3,761	71,549
Total segment revenue	33,562	24,511	9,715	3,761	71,549
Intersegment eliminations					(18,621)
<b>Total revenue</b>					52,928
<b>Segment results before tax and adjustments below</b>					
Intersegment adjustments	5,924	388	1,041	(17)	7,336
Depreciation and amortisation	482	-	-	-	482
Interest revenue	(2,533)	(277)	(101)	(82)	(2,993)
Finance costs	4	-	-	1	5
Profit/(loss) before income tax expense	(504)	(8)	(4)	(7)	(523)
Income tax expense	3,373	103	936	(105)	4,307
<b>Profit after income tax expense</b>					3,245
<b>Assets</b>					
Segment assets	121,064	8,841	19,943	6,908	156,756
Intersegment eliminations					(20,921)
<b>Total assets</b>					135,835
<b>Liabilities</b>					
Segment liabilities	27,755	1,133	13,254	4,803	46,945
Intersegment eliminations					(14,548)
<b>Total liabilities</b>					32,397

**Note 3. Operating segments (continued)**

31 Dec 2024	Australia \$'000	Europe \$'000	USA \$'000	Brazil \$'000	Total \$'000
<b>Revenue</b>					
Sales to external customers	16,154	20,641	10,645	4,101	51,541
Intersegment sales	14,234	3,614	-	-	17,848
Total sales revenue	30,388	24,255	10,645	4,101	69,389
Total segment revenue	30,388	24,255	10,645	4,101	69,389
Intersegment eliminations					(17,848)
<b>Total revenue</b>					<b>51,541</b>
<b>Segment results before tax and adjustments below</b>					
Intersegment adjustments	9,296	1,033	404	191	10,924
Depreciation and amortisation	(2,305)	-	-	-	(2,305)
Interest revenue	(1,983)	(293)	(105)	(34)	(2,415)
Finance costs	11	-	-	2	13
	(771)	(15)	(6)	(1)	(793)
<b>Profit before income tax expense</b>	<b>4,248</b>	<b>725</b>	<b>293</b>	<b>158</b>	<b>5,424</b>
Income tax expense					(1,597)
<b>Profit after income tax expense</b>					<b>3,827</b>

**30 Jun 2025**

<b>Assets</b>					
Segment assets	125,963	20,987	8,763	7,047	162,760
Intersegment eliminations					(21,562)
<b>Total assets</b>					<b>141,198</b>
<b>Liabilities</b>					
Segment liabilities	32,412	14,733	1,374	4,802	53,321
Intersegment eliminations					(14,797)
<b>Total liabilities</b>					<b>38,524</b>

**Note 4. Sales revenue**

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Sales revenue	52,928	51,541
<b>Major product lines</b>		
Aesthetics	29,449	26,960
Amalgam	5,206	6,525
Equipment	2,629	2,886
Whitening	15,644	15,170
	52,928	51,541
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	52,928	51,541

Refer to note 3 for disaggregation of revenue from contracts with customers based on geographical regions.

**Note 5. Other (losses)/gains**

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Net foreign exchange (loss)/gain	(448)	313
Net gain/(loss) on disposal of property, plant and equipment	36	(27)
Interest revenue	5	13
Other	132	257
	<hr/>	<hr/>
Other (losses)/gains	(275)	556

**Note 6. Expenses**

Profit before income tax includes the following specific expenses:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
<i>Depreciation</i>		
Buildings	103	97
Plant and equipment	1,079	1,017
Right-of-use-assets	344	377
	<hr/>	<hr/>
Total depreciation	1,526	1,491
<i>Amortisation</i>		
Product development costs	1,007	638
Intellectual property	460	286
	<hr/>	<hr/>
Total amortisation	1,467	924
	<hr/>	<hr/>
Total depreciation and amortisation	2,993	2,415
<i>Employee benefit expense</i>		
Employee costs other than superannuation expense	21,451	20,464
Superannuation expenses	1,581	1,451
	<hr/>	<hr/>
Total employee benefit expense	23,032	21,915
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	504	769
Interest and finance charges paid/payable on lease liabilities	19	24
	<hr/>	<hr/>
Total finance costs	523	793

**Note 7. Earnings per share**

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Profit after income tax attributable to the owners of SDI Limited	3,245	3,827
	<hr/> <hr/>	<hr/> <hr/>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	118,865,530	118,865,530
Weighted average number of ordinary shares used in calculating diluted earnings per share	118,865,530	118,865,530

**Note 7. Earnings per share (continued)**

	Cents	Cents
Basic earnings per share	2.73	3.22
Diluted earnings per share	2.73	3.22

**Note 8. Trade and other receivables**

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current assets</i>		
Trade receivables	16,451	20,151
Less: Allowance for expected credit losses	(784)	(82)
	<u>15,667</u>	<u>20,069</u>
Other receivables	765	817
	<u>16,432</u>	<u>20,886</u>

*Allowance for expected credit losses*

The consolidated entity has recognised a loss of \$724,000 (31 December 2024: loss of \$8,000) in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2025. This has been raised in accordance with accounting policy, however management continue to pursue recovery of all debts.

Other receivables relate to prepaid taxes.

**Note 9. Property, plant and equipment**

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Non-current assets</i>		
Land and buildings - at cost	32,053	31,961
Less: Accumulated depreciation	(2,612)	(2,495)
	<u>29,441</u>	<u>29,466</u>
Plant and equipment - at cost	51,353	50,096
Less: Accumulated depreciation	(35,092)	(34,125)
	<u>16,261</u>	<u>15,971</u>
	<u>45,702</u>	<u>45,437</u>

*Reconciliations*

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

	Land and Building \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2025	29,466	15,971	45,437
Additions	78	1,369	1,447
Disposal	-	-	-
Depreciation expense	(103)	(1,079)	(1,182)
Balance at 31 December 2025	<u>29,441</u>	<u>16,261</u>	<u>45,702</u>

## Note 10. Intangibles

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Non-current assets</i>		
Product development costs - at cost	41,052	39,753
Less: Accumulated amortisation	(19,234)	(18,228)
	<u>21,818</u>	<u>21,525</u>
Intellectual property - at cost	10,234	9,986
Less: Accumulated amortisation	(8,393)	(7,939)
	<u>1,841</u>	<u>2,047</u>
Development work in progress - at cost	<u>10,806</u>	<u>9,884</u>
	<u><u>34,465</u></u>	<u><u>33,456</u></u>

### Reconciliations

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

	Product development costs \$'000	Intellectual property \$'000	Development work in progress \$'000	Total \$'000
Balance at 1 July 2025	21,525	2,047	9,884	33,456
Additions	1,300	254	922	2,476
Disposals	-	-	-	-
Amortisation expense	(1,007)	(460)	-	(1,467)
Balance at 31 December 2025	<u><u>21,818</u></u>	<u><u>1,841</u></u>	<u><u>10,806</u></u>	<u><u>34,465</u></u>

## Note 11. Borrowings

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
<i>Current liabilities</i>		
Bank loans (i)	1,000	1,000
Short term borrowings (ii)	105	726
	<u>1,105</u>	<u>1,726</u>
<i>Non-current liabilities</i>		
Bank loans (i)	<u>14,050</u>	<u>14,300</u>
	<u><u>15,155</u></u>	<u><u>16,026</u></u>

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

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

### Note 11. Borrowings (continued)

- The fully drawn loan facility of \$15,050,000 was used to fund the recent purchase of properties in the FY24 financial year;
- An unused loan facility of \$23,000,000 is in place to fund the future building costs for 77-79 Canterbury Rd. Montrose, Victoria; and
- There is an unused working capital facility of \$10,000,000 in place as at 31 December 2025.

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

#### Loan covenants

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

#### Financing arrangements

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

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Total facilities		
Bank loans	48,300	48,300
Short term borrowings	105	726
	<u>48,405</u>	<u>49,026</u>
Used at the reporting date		
Bank loans	15,050	15,300
Short term borrowings	105	726
	<u>15,155</u>	<u>16,026</u>
Unused at the reporting date		
Bank loans	33,250	33,000
Short term borrowings	-	-
	<u>33,250</u>	<u>33,000</u>

### Note 12. Issued capital

	31 Dec 2025 Shares	30 Jun 2025 Shares	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Ordinary shares - fully paid	118,865,530	118,865,530	12,890	12,890

#### Ordinary shares

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

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

#### Share buy-back

There is no current on-market share buy-back.

### Note 13. Reserves

	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Foreign currency reserve	1,723	1,944
Capital profits reserve	470	472
	<u>2,193</u>	<u>2,416</u>

#### Movements in reserves

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

	Foreign currency \$'000	Capital profits \$'000	Total \$'000
Balance at 1 July 2025	1,944	472	2,416
Foreign currency translation	(223)	-	(223)
Balance at 31 December 2025	<u>1,721</u>	<u>472</u>	<u>2,193</u>

### Note 14. Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Final dividend for the year ended 30 June 2025 of 1.90 (2024: 1.90 cents) per ordinary share	<u>2,258</u>	<u>2,258</u>

### Note 15. Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2025 and 30 June 2025.

### Note 16. Events after the reporting period

The company is in advanced discussions with a global producer in the dental materials sector for it to potentially acquire all of the shares in SDI via scheme of arrangement. Implementation of the potential transaction would be subject to entry by the parties into binding transaction documents, Foreign Investment Review Board approval, foreign regulatory approvals, and other customary conditions precedent, including shareholder and court approvals.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

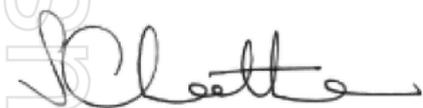
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Samantha Jane Cheetham  
Managing Director

27 February 2026  
Melbourne

## Independent Auditor's Review Report to the Members of SDI Limited

### *Conclusion*

We have reviewed the half-year financial report of SDI Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' Declaration as set out on page 23.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to our audit of the annual financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Rachel Smith  
Partner  
Chartered Accountants

Melbourne, 27 February 2026

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