25 August 2026

ASX Announcement

Appendix 4E and FY26 Annual Report

HighCom Limited (ASX: HCL) (**HighCom** or t**he Company**) attaches its Appendix 4E and Annual Report for HighCom Limited (HCL) for the financial year ended 30 June 2026.

HighCom's Executive Chairman, Geoff Knox, Chief Financial Officer, Martyn Dominy, will host a **live Investor Call today, the 25th of August 2026,** at **11:00 am (AEST)**.

To join the Presentation, you must pre-register using the link below:

https://events.teams.microsoft.com/event/a01789e6-8020-4b7e-b569-8ef5b0642969@85784846-c081-496e-b7cb-727701ad4ee0?source=copyLinkLegacyShareEventDialog

Investors can submit questions via email to investors@highcom.group.
This ASX Announcement has been authorised for release by the Board of Directors.

For General & Media Enquiries:
Geoff Knox
Executive Chairman & Group CEO
T: +61 2 6163 5588
E: investors@highcom.group

Learn more about HighCom: www.highcom.group

HighCom Limited

And Controlled Entities

ABN 90 103 629 107

APPENDIX 4E

For the Year Ended **30 June 2026**

Given to the ASX Under Listing Rule 4.3a

Current period:	**1 July 2025 to 30 June 2026**
Prior corresponding period:	1 July 2024 to 30 June 2025

Results For Announcement To The Market

Key Information	2026 $'000	2025 $'000	Change %
Revenue from ordinary activities	**29,586**	**48,109**	Down 39%
(Loss)/Profit after tax from continuing operations	**(8,880)**	**(1,206)**	Down 636%
(Loss)/Profit after tax from discontinued operations	**-**	**17**	Down 100%
Net (Loss)/Profit from ordinary activities after tax attributable to members[1]	**(8,880)**	**(1,189)**	Down 647%

Dividends	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Record date for determining entitlements to dividend		Not applicable

Profit per share attributable to the ordinary equity holders of the company	2026 Cents	2025 Cents
Continuing operations		
Basic (loss)/profit per share	(7.68)	(1.17)
Diluted (loss)/profit per share	(7.68)	(1.17)
Discontinued operations		
Basic (loss)/profit per share	0.00	0.02
Diluted (loss)/profit per share	0.00	0.02
Total Basic and diluted (loss) earnings per share	**(7.68)**	**(1.15)**

Net tangible asset backing per share	2026 Cents	2025 Cents
Net tangible asset backing per share	17.45	26.88

Control gained over entities	Date control gained
HighCom Armor Asset Management LLC	16 September 2025
HighCom Armor Direct LLC	16 September 2025

[1] *Profit/(Loss) after tax from ordinary activities of $663,466 related to US business in 2022 and 2023*

Results For Announcement To The Market - continued

Loss of control over entities	Date control lost
Not applicable.	-

Dividend reinvestment plans

Not applicable.

Details of associates and joint venture entities

Not applicable.

Foreign entities

Details of origin of accounting standards used in compiling report:

Not applicable.

Audit qualification or review

Details of audit/review dispute or qualification (if any):

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

Attachments

Details of attachments (if any):
The Annual Report of HighCom Limited for the year ended 30 June 2026 is attached.

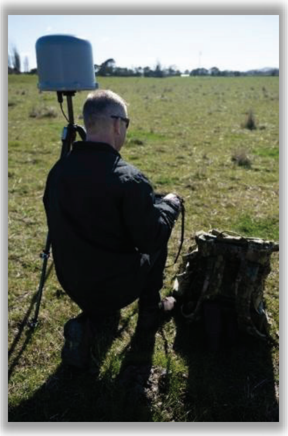
HIGHCOM

ANNUAL REPORT

2026

HighCom Limited

"Protecting first and front-line responders"



Contents

This Annual Report contains forward-looking statements regarding HighCom Limited's activities, financial position, business strategy and future performance. Forward-looking statements are based on management's current expectations, assumptions and estimates and are subject to risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied.

Forward-looking statements are provided as a general guide only and should not be relied upon as a guarantee of future performance. Except as required by applicable law, the ASX Listing Rules or other regulatory requirements, HighCom undertakes no obligation to update or revise any forward-looking statements.

Past performance is not a reliable indicator of future performance, and nothing in this Annual Report should be construed as a representation or guarantee of future financial performance or share price performance.
For a listed company such as HighCom, this is usually sufficient for an annual report while avoiding the lengthy investor presentation style disclaimer.

Executive Chairman's Report

Dear Shareholders,

FY26 was a year of two halves for the Highcom Group. The US Government shutdown reduced HighCom Armour (HCA) product volumes by more than 60% against normal trading levels in H1, driving the Group to a net loss of $8.9m for the year on revenue of $29.6m.

The industry wide impact of the US Government shutdown was evident from late Q1 in FY26, however, pleasingly, HCA volumes recovered strongly in Q4 FY26, and the Group ended the year with cash reserves of $9.7m and a stronger balance sheet than twelve months earlier, supported by a capital raise.

Despite the disruption, FY26 was a foundational year. The Board and global leadership team were strengthened, our strategic focus was tightened, and we made real progress in the ongoing development of our core businesses. In summary, during the year we:

- Strengthened the Board and global leadership team
- Strengthened the balance sheet and grew cash reserves.
- Refined HCA customer pricing to support improved margins.
- Re-baselined our key global partnerships.
- Globalised our product offerings in response to worldwide demand.
- Operationalised the XTclave™ process at full commercial load and delivered sales to customers in FY26, with follow on delivery in FY27.
- Successfully launched our new lightweight, form-fit armour products; and
- Entered the growing counter-unmanned aerial systems (CUAS) and tethered-unmanned aerial systems (TeUAS) markets.

HighCom Armour (HCA)
During the year, HCA reset its sales pipeline process, growing valid opportunities to more than US$800m, including potential multi-year contracts. The pipeline is now genuinely global, with opportunities across the Americas, Europe and Asia Pacific. Together with a more focused conversion process and team, this supports HCA's positioning for FY27 and beyond.

Our Research & Development team reset its new product development focus to reflect the more global and multi-domain nature of our opportunity set, expanding our product focus to cover land, air and sea applications. We now have 40 products certified and tested across 3 regions (North America, South America and Europe), including female-fit body armour. The team has also built valuable expertise in extracting maximum material strength and performance from the XTclave™ process, including for complex shapes.

We continued our R&D collaboration with US DEVCOM, a high-value and growing relationship that keeps HCA at the leading edge of US Department of War programs, and we expanded our reach into critical material suppliers worldwide to ensure we have access to the latest ballistic material technologies.

Market interest in our lightweight XTclave™ armour products, plates, helmets and shields has been encouraging and consistent. Customers have responded positively to their light weight and ballistic performance compared with current market offerings and our female-form, light weight, body armour has attracted global attention. As soldiers carry an increasing load of CUAS, battlefield control, communications systems and associated power supplies, our lightweight armour offers a pathway to reduce total carried load to more sustainable levels while remaining price competitive, supported by the production cost advantages of our process over more traditional manufacturing.

The shutdown hit HCA at an inopportune time, but the leadership team responded well. Costs were reduced, the commissioning of the XTclave™ and new product development programs were rescheduled to conserve cash, and in H2, the business was returned to full, more efficient production, aided by new AI-enabled production systems later into H2 FY26.

Highcom Technology (HCT)

HCT outperformed, with revenue of $16.3m and EBITDA of $2.8m, while also expanding its partner and product portfolio to include CUAS, tethered drones and control systems. HCT further positioned itself as a high-value technology integrator in the local Australian and broader markets.

The team is at the forefront of the growing drone, counter-drone and control systems fields globally, working closely with key partners and clients to help shape their forward technology decisions. As an agnostic technology integrator, HCT has purposely positioned itself, to work with clients in selecting best of breed UAS and CUAS systems that best meet their needs.

HCT continues to develop its platform commissioning, training, service and maintenance capabilities, ensuring our technology solutions remain ready for active duty, while also reducing fleet capital requirements by keeping solutions in active service longer.

Market Outlook

The global defence environment continues to strengthen, driven by rearmament in Europe, a more hostile domestic and international security environment for the United States, rising defence and law enforcement spending across South America, and increasing regional tensions driving higher spend across Asia Pacific. These factors combine to provide strong tailwinds for both our core HCA and HCT product sets.

Both businesses are now well placed to take advantage of these stronger markets, and we look forward to demonstrating this growth potential over FY27 and beyond.

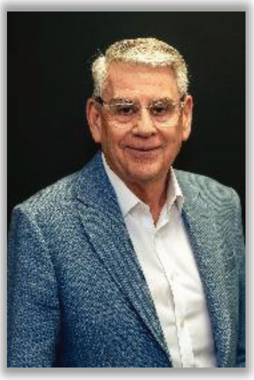
Thank You

On behalf of the Board, I would like to thank our management team and employees across the Group for their resilience and hard work through a genuinely difficult trading period, for the discipline shown in returning HCA to more normal capacity by year end and for the efforts made by the HCT team as they successfully grew their partner and product ranges. I would also like to thank my fellow Directors for their contribution during a year of considerable change for the Board, and our shareholders for their continued support.

We look forward to updating you on our progress through FY27.

Yours sincerely,

Geoff Knox
Chief Executive Officer
Highcom Limited



Key Snapshot for FY26

- Revenue for the FY26 was $29.6m (down $18.5m on pcp) with EBITDA at ($8.9m) down $7.7m on pcp.
- H2 landed mid-range on guidance provided to market on 22 June 2026
- Cash at 30 June 2026 was $9.7m. Debt was $3.4m the end of the period. There is currently $1.1m of available facilities in place which the Company can draw on.
- Inventory at 30 June 26 was $12.2m vs $14.4m at 30 June 25.
- For the full year ending 30 June 2026, the net loss after income tax expense was ($8.9m) vs ($1.2m) in FY25.

Summary Income Statement		**FY24**	**FY25**	**FY26**
Revenue	A$m	45.3	48.1	29.6
COS	A$m	(31.9)	(37.1)	(24.1)
Gross Profit	A$m	13.4	11.0	5.5
Gross margin	A$m	30%	23%	18%
EBITDA	A$m	(9.6)	0.2	(6.8)
Net Profit/(Loss)	A$m	(12.0)	(1.2)	(8.9)
Other key metrics		**FY24**	**FY25**	**FY26**
Cash Balance	A$m	6.2	5.8	9.7
Market Capitalisation (30 June)	A$m	12.3	31.8	14.9

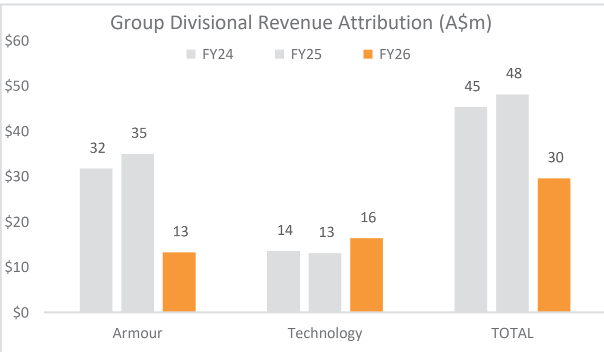
Revenue
$29.6m
Down by $18.5m on FY25

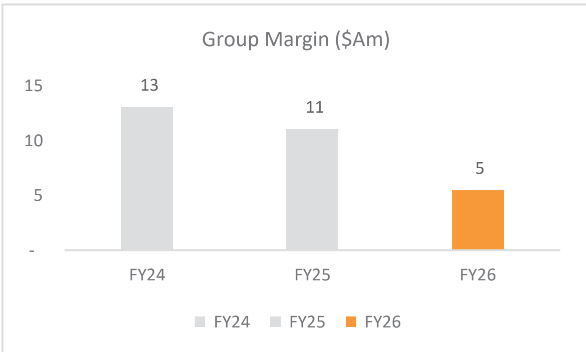
Gross Profit
$5.5m
Down by $5.5m, on FY25

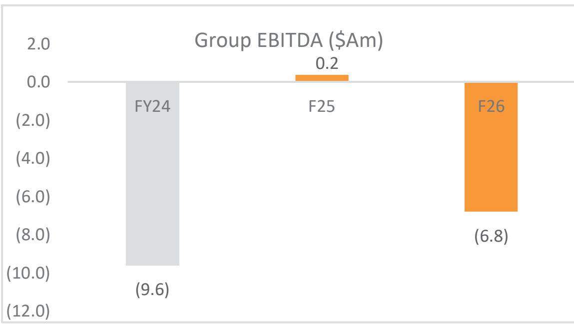
EBITDA
($6.8m)
Down by $7.0m on FY25

NPAT/(LOSS)
($8.9m)
Down by $7.7m on FY25

Cash Balance
$9.7m
Up by $3.8m on FY25







Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of HighCom Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The names of Directors who held office during the financial year ended 30 June 2026 and to the date of this report, are:

- Mr Benjamin Harrison (Chairman from 31 July 2024 until 13 January 2026)
- Mr Geoff Knox, Executive Chairman (from 14 January 2026)
- Mr Mark Smethurst
- Ms Adelaide McDonald
- Hon. Christopher Pyne (Retired on 28 November 2025)

Particulars of the Director's experience and qualifications are set out later in this report.

Principal Activities

During the financial year, the principal activities of the consolidated entity consisted of:

HighCom Armor Solutions, Inc. is a U.S. based manufacturer of advanced ballistic armour systems for military, law enforcement, and security professionals worldwide. The Company owns the proprietary XTclave™ light weight armour manufacturing process and is committed to innovation, rigorous testing, and manufacturing excellence for supply worldwide.

HighCom Technology is focused on the provision of integrated uncrewed aerial systems (UAS), counter-UAS (C-UAS) solutions and associated command and control systems, working in close collaboration with it's sister division, HighCom Armor Solutions, supporting the Company's mission of "protecting first and front-line responders".

Dividends

In line with the Capital Management Policy, no dividends were declared on or before or subsequent to the end of the financial year. Priority for FY26 is the reinvestment of capital to support revenue growth and profitability.

Review of Operations:

HighCom Group

Mr Todd Ashurst resigned as Chief Executive Officer (CEO) 14 January 2026. Mr Geoff Knox was appointed at the Executive Chairman and CEO on 14 January 2026.

HighCom Armor HCA:

HCA has concentrated on streamlining operating costs, optimising inventory, establishing its XTclave process and products in the market and driving global sales growth. Fiscal Year 2026 was positioned as a preparatory period to ready the business for sustained future expansion.

HighCom Technology HCT:

HCT remained focused on servicing existing multi-year contracts for UAS with Defence, promoting a broader range of AeroVironment products for future sales opportunities in the small and medium drone categories, expanding into the growing counter-unmanned aerial systems (CUAS) and entering untethered-unmanned aerial systems (TeUAS) markets. It is expected that further parts orders to support the current defence contract throughout the capability's life will continue during the contracted multi-year period.

Financial Overview

The full year ending 30 June 2026 resulted in a negative EBITDA of $6.8m down from an EBITDA profit of $0.2m in FY25. For the full year ending 30 June 2026, the loss after income tax expense was $8.9m compared to $1.2m loss in FY25. Group revenue for the period to 30 June 2026 is $29.6m down from $48.1m in FY25. The Group's combined gross margins in FY26 were 18%, compared to 23% in FY25.

Inventories on 30 June 26 was $12.2m, down from $14.4m at 30 June 2025.

Cash at 30 June 2026 was $9.7m, up from $5.8m at 30 June 2025. The Company had debt of $3.4m at 30 June 2026, up from nil in FY25. There are currently $1.1m of available credit facilities in place which the Company can draw on.

Significant changes in the state of affairs

- On 14 January 2026 Mr Todd Ashurst resigned as Group Chief Executive Officer.
- On 14 January 2026 Mr Geoff Knox was appointed as Executive Chairman and Group CEO
- On 15 May 2026 Mr Bede Galvin was appointed as President, HighCom Technology Pty Ltd
- On 20 October 2025 Mr Ryan Edwards was appointed as the President HighCom Armor Solutions, Inc. .
- On 2 April 2026 the Group completed a Capital raise issuing 38,972,500 shares for a total of $7,691,877.
- On 27 May 2026 the Group rolled over and increased its total loan facility to $4.5m with the Commonwealth Bank of Australia, and closed the debt facility of US$1.5m with the PNC Bank in the US.

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of HighCom, the results of those operations, or the state of affairs of HighCom in future financial years.

Material Business Risks

The Group operates in a dynamic global defence and security environment and maintains an enterprise risk management framework to identify, assess and manage risks that may impact the achievement of its strategic objectives. Risks are reviewed regularly by management and the Board and are categorised across market, strategic, operational, people, cyber and information security, legal and regulatory, financial, and health and safety domains.

Risk Appetite

The Group has no appetite for breaches of legal, regulatory or governance obligations, fraud, corruption, unethical conduct, or actions that compromise the health and safety of employees, contractors, customers, or the community. The Group also maintains a low appetite for risks relating to cyber security, intellectual property, confidential information and business reputation. A moderate appetite for risk is accepted in pursuing strategic growth, innovation, market expansion and business transformation initiatives, provided these risks are appropriately assessed and managed.

Principal Risks and Mitigation

Market and Revenue Risk

The Group operates in highly competitive domestic and international defence markets and may be affected by changes in customer demand, contract renewals, partner relationships, geopolitical factors and broader economic conditions. To mitigate these risks, the Group continues to diversify its customer base, geographic focus, product offerings, distribution channels and strategic partnerships, while maintaining strong engagement with key customers and industry stakeholders.

Operational and Supply Chain Resilience

Manufacturing operations rely on critical production equipment, specialist facilities, key suppliers and effective supply chain management. Disruptions arising from equipment failure, component shortages, logistics constraints or facility interruptions could impact production and customer delivery schedules. The Group mitigates these risks through preventive maintenance programs, supplier management, contingency planning and ongoing investment in manufacturing capability and operational resilience.

Cyber Security, Information and Intellectual Property Protection

The Group's operations depend on secure information systems and the protection of sensitive data and intellectual property. Cyber incidents, unauthorised access, data breaches or loss of proprietary information could adversely affect operations, regulatory compliance and reputation. The Group continues to strengthen its cyber security posture through enhanced security controls, system monitoring, access management, staff awareness training and ongoing cyber maturity improvement initiatives.

Legal and Regulatory Compliance

The Group operates within complex regulatory environments across multiple jurisdictions, including defence, security, trade control, import/export and corporate governance requirements. Failure to comply with these obligations could adversely affect operations, reputation and future business opportunities. Dedicated compliance resources, policies, training programs and external specialist advisers support the Group's compliance framework.

People and Capability

The Group's success depends on attracting, developing and retaining skilled personnel in a competitive labour market. The loss of critical skills, leadership capability or key employees may impact operational performance and growth objectives. Succession planning, remuneration reviews, professional development, employee engagement initiatives and workforce planning are key elements of the Group's mitigation strategy.

Health, Safety and Wellbeing

The Group is committed to providing a safe and healthy workplace across all operations. Manufacturing activities involve inherent workplace hazards that could result in injury, operational disruption or regulatory action. The Group maintains comprehensive health and safety management systems, training, monitoring and continual improvement activities to support its Vision Zero commitment and compliance with applicable safety regulations.

Financial Risk Management

The Group manages financial risks relating to liquidity, cash flow, foreign investment, credit exposure and business continuity through prudent financial management, regular forecasting, Board oversight and established financial controls. Further information on financial risk management is provided in Note 35 to the Financial Statements.

Information relating to the Directors and Company Secretary during the reporting period

Mr Geoff Knox - Executive Chairman - Appointed 14 January 2026

Experience

Mr Knox is a globally experienced director and leader with over 40 years' experience in the Defence, Infrastructure, Mining and Metals, Transport and Oil and Gas industries. Mr Knox has held senior executive leadership roles for major enterprises such as BHP, Hatch Associates, Downer EDI, General Electric, and Eptec Pty Ltd. Mr Knox has also held multiple board roles over the last 20 years and is an investor and board member of AI startup Mimesis Laboratories, delivering AI tools to streamline housing and development planning application systems.

Mr Knox is recognised for his outstanding zero harm, strategic, cultural, commercial, major project delivery and enterprise growth skills, having established and led successful programs across multiple enterprises over the last 45 years.

Interest in Shares

250,000 shares as at 30 June 2026

Special Responsibilities

Nil

Other Directorships

Director & investor, Mimesis Labs Pty Ltd

Mr Benjamin Harrison - Director (Non-Executive) – Appointed 23 February 2022

Experience

Benjamin has over 18 years' experience in advising and investing in companies. He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia.

The later moved into investment banking, working for a leading corporate advisory house where over a 5 year period he executed over $2.0 billion in capital market transactions and $5.5 billion of public M&A transactions.

Benjamin is a founder and chief investment officer of Altor Capital and is active in the private credit and private equity sectors in Australia. He currently holds board and advisory roles for a number of private and public companies. Benjamin's extensive investment, financial background and board experience provides key leadership to the HighCom Board

Interest in Shares

250,000 as at 30 June 2026

Special Responsibilities

Member Finance, Audit and Risk Committee

Other Directorships

None to Report

Mr Mark Smethurst - Director (Non-Executive) – Appointed 29 April 2021

Experience

Mr. Smethurst's significant Defence experience spans over a 35 year career in the Australian Army, with 27 years as a Senior Special Forces Officer. Mr Smethurst holds a variety of board and advisory roles with several private and public companies. Through his business and military experience, current contacts and other business interests, he is well positioned to support the HighCom Group both within the Australian and internationally.

Interest in Shares

72,460 ordinary shares as at 30 June 2026

Special Responsibilities

Chair Nominations and Remuneration Committee

Other Directorships

Non-Executive Director of the KORD Group, XRG and Aura Clean Energy

Ms Adelaide McDonald - Director (Non-Executive) – Appointed 24 August 2022

Experience

Ms McDonald has over 18 years' experience in corporate advisory and equity research. Ms McDonald has held roles as a Director at KPMG in the Merger and Acquisition practice with previous roles at Wilson HTM and BDO Kendalls. Adelaide graduated from the University of Queensland with a Bachelor of Commerce, with majors in Accounting and Finance, and a Bachelor of Business Management, majoring in Business Economics. Ms. McDonald has completed the CFA Program and has been awarded the CFA Charter.

Interest in Shares

100,000 as at 30 June 2026

Special Responsibilities

Chair Finance, Audit and Risk Committee, Member Nomination and Remuneration Committee

Other Directorships

Non-Executive Director of Regal Partners Global Investments Ltd (ASX:RG1), Regal Partners Asian Investments Ltd (ASX:RG8), Future Generation Global Ltd (ASX:FGG)

Mr Adam Gallagher

Company Secretary, appointed 24 May 2024

Meetings of Directors

The number of meetings of the company's Board of Directors ("the Board") and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board		Finance, Audit & Risk Committee		Nominations & Remuneration Committee	
	Attended	Number Eligible to attend	Attended	Number Eligible to [1]attend	Attended	Number Eligible to [1]attend
Mr Geoff Knox	8	8	-	-	-	
Mr Ben Harrison	13	13	3	3	-	-
Ms Adelaide McDonald	12	13	3	3	3	3
Hon Christopher Pyne	5	5	-	-	2	2
Mr Mark Smethurst	13	13	-	-	3	3

[1] The members of the respective Board Committees meet on a regular basis throughout the year, prior to board meetings, at which relevant recommendations and formal resolutions are recorded during the board meetings.

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Options Rights Granted as Remuneration
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

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

- competitiveness and reasonableness
- acceptability to shareholders

- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

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

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

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

Non-executive directors remuneration

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

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 29 November 2019, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration

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

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits

- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

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

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2026.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM')

At the 2025 AGM, 93% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

2026	Short-term Benefits			Post Employment Benefits		Long-term Benefits	Total	Perf. Related
Key Management Personnel (KMP)	**Fees and Leave[1]**	**Bonuses[2]**	**Term-ination Benefits**	**Super-annuation**	**Other**	**LSL[3]**		
	$	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors:								
Ben Harrison[4]	100,125	-	-	-	-	-	100,125	-
Hon. Christopher Pyne[5]	28,438	-	-	-	-	-	28,438	-
Mark Smethurst	69,938	-	-	-	-	-	69,938	-
Adelaide McDonald	69,938	-	-	-	-	-	69,938	-
Executive Chairman								
Geoff Knox[6]	270,000	-	-	-	-	-	270,000	-
Other Key Management Personnel								
Todd Ashurst[7]	192,508	-	177,932	41,823	-	-	412,263	-
Martyn Dominy	310,615	-	-	33,231	-	-	343,846	-
Adam Gallagher	113,750	-	-	-	-	-	113,750	-
Total KMP	1,155,312	**-**	**177,932**	**75,054**	-	**-**	**1,408,298**	**-**

Notes:

(1) Salary, fees and leave are per payroll summary or invoices received. These payments may vary from the employment contract due to employee benefits, voluntary salary reductions, additional pay, back pay and annual leave.

(2) The FY26 cash bonuses was nil (FY25: $24,216), related to Short-Term Incentive Plan (STIP). There were no share-based payments in FY26 accrued for STIP (FY25: Nil) and nil share based payments for the Long-Term Incentive Plan (FY25: Nil).

(3) Amounts included for long service leave are movements in accrued entitlements for the relevant twelve-month period.

(4) Remuneration for Non-Executive Chairman 1 July 2025 to 13 January 2026 and Non-Executive Director from 14 January 2026 to 30 June 2026.

(5) Remuneration from 1 July 2025 to 28 November 2025.

(6) Remuneration from 14 January 2026 to 30 June 2026. Annualised fee for Executive Chairman role is $120,000. Annualised fee for CEO role $420,000

(7) Remuneration from 1 July 2025 to 14 January 2026.

2025	Short-term Benefits			Post Employment Benefits		Long-term Benefits	Total	Perf. Related
Key Management Personnel (KMP)	Fees and Leave(1)	Bonuses(2)	Termination Benefits	Superannuation	Other	LSL(3)		
	$	$	$	$	$	$	$	%
Non-Executive Directors:								
Ben Harrison(4)	115,687	-	-	-	-	-	115,687	-
Hon. Christopher Pyne	68,250	-	-	-	-	-	68,250	-
Mark Smethurst	68,250	-	-	-	-	-	68,250	-
Adelaide McDonald	68,250	-	-	-	-	-	68,250	-
Executive Chairman								
Mark Stevens(5)	16,800	-	-	-	-	-	16,800	-
Other Key Management Personnel								
Todd Ashurst(6)	288,269	13,333	-	33,150	-	1,099	335,852	4%
Martyn Dominy(7)	28,846	-	-	3,317	-	-	32,163	-
Adam Gallagher	65,200	-	-	-	-	-	65,200	-
Jacqueline Myers(8)	341,509	10,883	-	36,844	-	-	389,236	3%
Total KMP	**1,061,061**	**24,216**	**-**	**73,312**	-	**1,099**	**1,159,689**	**2.1%**

Notes:
(1) Salary, fees and leave are per payroll summary or invoices received. These payments may vary from the employment contract due to employee benefits, voluntary salary reductions, additional pay, back pay and annual leave.
(2) The FY25 cash bonuses of $13,333 were accrued (FY24: $4,045), related to Short-Term Incentive Plan (STIP). There were no share-based payments in FY25 accrued for STIP (FY24: Nil) and $10,883 share based payments for the Long-Term Incentive Plan (FY24: Nil).
(3) Amounts included for long service leave are movements in accrued entitlements for the relevant twelve-month period.
(4) Remuneration for Non-Executive Director from 1 July 2024 to 31 July 2024 and Non-Executive Chairman 1 August 2025 to 30 June 2025.
(5) Remuneration from 1 July 2024 to 31 July 2024.
(6) Remuneration for Chief Operating Officer from 1 July 2024 to 2 March 2025 and Chief Executive Officer from 3 March 2025 to 30 June 2025.
(7) Remuneration from 19 May 2025 to 30 June 2025.
(8) Remuneration from 1 July 2024 to 30 May 2025.

Options Rights Granted as Remuneration

There were no new issues of share options or share performance rights during FY26 (FY25 nil). Any share options or share performance rights issued by the parent company have lapsed. During the year no shares were issued as a result of the exercise of options or share performance rights by staff.

Service Agreements

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

Name:	**Geoff Knox**
Title:	Executive Chairman and Chief Executive Officer
Agreement commenced:	14 January 2026
Term of agreement:	Ongoing
Details:	Base fee for the year ending 30 June 2026 of $540,000 (Annualised Fee for Executive Chairman role is $120,000 and CEO role is $420,000) plus GST (full-time equivalent), to be reviewed annually by the Human Resources and Remuneration Committee. 6-month termination notice by either party, non-solicitation and non-compete clauses, eligible for Short Term Incentive Plan as per Human Resource and Remuneration Committee approval and KPI achievement.

Name:	**Martyn Dominy**
Title:	Group Chief Financial Officer
Agreement commenced:	19 May 2025
Term of agreement:	Ongoing
Details:	Base salary for the year ending 30 June 2026 of $310,615 plus superannuation, to be reviewed annually by the Human Resources and Remuneration Committee. 6-month termination notice by either party, non-solicitation and non-compete clauses, eligible for Company Long Term Incentive Plan and Short-Term Incentive Plan as per Human Resource and Remuneration Committee approval and KPI achievement.

Name:	**Todd Ashurst**
Title:	Group Chief Executive Officer
Agreement commenced:	3 March 2025
Term of agreement:	Resigned 14 January 2026
Details:	Base salary for the year ending 30 June 2026 of $310,000 plus superannuation (full-time equivalent), to be reviewed annually by the Human Resources and Remuneration Committee. 6-month termination notice by either party, non-solicitation and non-compete clauses, eligible for Short Term Incentive Plan as per Human Resource and Remuneration Committee approval and KPI achievement.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ben Harrison	-	-	250,000	-	250,000
Mark Smethurst	72,460	-	-	-	72,460
Adelaide McDonald	-	-	100,000	-	100,000
Geoff Knox	-	-	250,000	-	250,000
Martyn Dominy	-	-	-	-	-
Total	**72,460**	**-**	**600,000**	**-**	**672,460**

Other transactions with key management personnel and their related parties

During the financial year there were no transaction with key management personnel and there related parties.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2026/183, 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 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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors,

Geoff Knox
Executive Chairman
Highcom Limited
25th day of August 2026

RSM

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of HighCom Limited and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Rsm Australia Partners

RSM AUSTRALIA PARTNERS

Canberra, Australian Capital Territory
Dated: 25 August 2026

RODNEY MILLER
Partner

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 30 June 2026

Continuing Operations	Notes	2026 $	2025[2] $
Revenue	3(a)	29,586,203	48,109,454
Cost of Sales		(24,139,690)	(37,125,774)
Gross Profit		**5,446,513**	**10,983,680**
Other income	3(b)	76,438	385,731
Employee Benefits	4	(6,755,845)	(7,204,275)
Administrative expenses	5	(5,144,874)	(5,223,502)
Finance costs	6	(250,521)	(131,711)
Selling and marketing expenses	7	(315,895)	(313,700)
Depreciation and Amortisation	8	(1,249,699)	(1,356,467)
Impairment Reversal/(loss)	9	(22,698)	1,654,232
(Loss)/Profit before income tax expense from continuing operations		**(8,216,581)**	**(1,206,012)**
Income tax expenses	10	(663,466)	-
(Loss)/Profit after income tax expense from continuing operations		(8,880,047)	(1,206,012)
(Loss)/Profit after income tax expense from discontinued operations	39	-	16,953
(Loss)/Profit after income tax expense for the year		**(8,880,047)**	**(1,189,059)**
Other Comprehensive Income (Loss), Net Of Tax			
Items that may be reclassified subsequently to Profit or Loss:			
Foreign operations – foreign currency translation differences		(856,158)	172,463
Total comprehensive (loss) income for the period		**(9,736,205)**	**(1,016,596)**

Earnings Per Share	Notes	2026 Cents	2025 Cents
Earnings per share – continuing operations			
Basic earnings per share	30	(7.68)	(1.17)
Diluted earnings per share	30	(7.68)	(1.17)
Earnings per share – discontinued operations			
Basic earnings per share	30	0.00	0.02
Diluted earnings per share	30	0.00	0.02
Total Basic and Diluted (loss)/earnings per share			
Basic earnings per share	30	**(7.68)**	**(1.15)**
Diluted earnings per share	30	**(7.68)**	**(1.15)**

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

[2] *Prior period comparatives restated related to Employee Benefits and Contractors*

Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	2026 $	2025 $
ASSETS			
Current Assets			
Cash and cash equivalents	15	9,708,186	5,811,893
Trade and other receivables	16	3,819,044	3,993,497
Contract assets	17	15,858	497
Inventories	18	12,158,364	14,366,185
Income tax receivable	10	-	358,374
Other assets	19	198,242	1,395,924
Total Current Assets		**25,899,694**	**25,926,370**
Non-Current Assets			
Goodwill	20	1,402,346	1,402,346
Intangibles	21	1,310,811	781,751
Right of use assets	22	1,964,062	1,421,450
Property, plant and equipment	23	10,748,052	10,904,918
Total Non-Current Assets		**15,425,271**	**14,510,465**
TOTAL ASSETS		**41,324,965**	**40,436,835**
LIABILITIES			
Current Liabilities			
Trade and other payables	24	7,381,796	8,520,636
Lease liabilities	25	431,861	382,019
Provisions	26	463,033	429,243
Contract liabilities	27	453,894	127,516
Total Current Liabilities		8,730,584	9,459,414
Non-Current Liabilities			
Borrowings	28	3,389,146	-
Lease liabilities	25	1,711,257	1,155,538
Provisions	26	61,316	35,786
Contract liabilities	27	-	-
Total Non-Current Liabilities		5,161,719	1,191,324
TOTAL LIABILITIES		**13,892,303**	**10,650,738**
NET ASSETS		**27,432,662**	**29,786,097**
EQUITY			
Contributed equity	29	60,309,926	52,927,156
Reserves	37 a.	563,444	1,419,602
Accumulated Losses	37 b.	(33,440,708)	(24,560,661)
TOTAL EQUITY		**27,432,662**	**29,786,097**

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

Consolidated Statement Of Changes In Equity

For The Year Ended 30 June 2026

	Issued Capital $	Foreign Exchange Translation Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2025	52,927,156	1,419,602	(24,560,661)	29,786,097
Net loss for the Year	-	-	(8,880,047)	(8,880,047)
Other Comprehensive Income	-	(856,158)	-	(856,158)
Total Comprehensive Loss for the year	**-**	**(856,158)**	**(8,880,047)**	**(9,736,205)**
Transactions With Owner Recognised Directly in Equity				
Equity-settled share-based payment	**-**	**-**	**-**	**-**
Issuance of Ordinary Shares	7,691,877			7,691,877
Share based payment reserve	-	-	-	-
Transaction costs associated with share raising	(309,107)	-	-	(309,107)
Total contributions and distributions	7,382,770	-	-	7,382,770
Changes in Ownership				
Deregistration of subsidiary	-	-	-	-
Total changes in ownership interests	-	-	-	-
Total transactions with owners of the Company	**7,382,770**	**-**	**-**	**7,382,770**
Balance as at 30 June 2026	**60,309,926**	**563,444**	**(33,440,708)**	**27,432,662**
Balance as at 1 July 2024	**52,927,156**	**1,247,139**	**(23,371,602)**	**30,802,693**
Net loss for the Year	-	-	(1,189,059)	(1.189,059)
Other Comprehensive Income	-	172,463	-	172,463
Total Comprehensive Loss for the year	**-**	**172,463**	**(1,189,059)**	**(1,016,596)**
Transactions With Owner Recognised Directly in Equity				
Equity-settled share-based payment	-	-	-	-
Share based payment reserve	-	-	-	-
Transaction costs associated with share raising	-	-	-	-
Total contributions and distributions	**-**	**-**	**-**	**-**
Changes in Ownership				
Deregistration of subsidiary	-	-	-	-
Total changes in ownership interests	-	-	**-**	**-**
Total transactions with owners of the Company	**-**	**-**	**-**	**-**
Balance as at 30 June 2025	**52,927,156**	**1,419,602**	**(24,560,661)**	**29,786,097**

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

Statement of Cash Flows

For The Year Ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from (used in) operating activities			
Receipts from customers		30,864,323	47,771,473
Payments to suppliers and employees – continuing operations		(34,702,938)	(44,918,252)
Payments to suppliers and employees – discontinued operations		-	(561)
		(3,838,615)	**2,852,660**
Interest received	3(b)	76,438	108,669
Finance costs		(153,807)	(116,390)
Income tax refund/(paid)		(305,092)	-
VAT refunds – discontinued operations		-	17,514
Net cash flows from (used in) operating activities		**(4,221,076)**	**2,862,453**
Cash flows (used in) from investing activities			
Proceeds from sale of assets		-	-
Payments for intangible assets		(772,333)	(55,751)
Payments for property, plant, and equipment	23	(510,191)	(3,107,831)
Net cash flows (used in) investing activities		**(1,282,524)**	**(3,163,582)**
Cash flows from financing activities			
Proceeds from issued share capital	29(a)	7,691,877	-
Payment of transaction costs associated with issued share capital		(309,107)	
Repayment of lease liabilities		(519,897)	(489,748)
Proceeds from borrowings		5,679,223	1,500,000
Repayment of borrowings		(2,290,076)	(1,500,000)
Net cash flows from (used in) financing activities		**10,252,020**	**(489,748)**
Net increase (decrease) in cash and cash equivalents		4,748,420	(790,877)
Exchange rate impact on cash		(852,127)	422,460
Cash and cash equivalents at beginning financial year		5,811,893	6,180,310
Cash and cash equivalents at end of year	15	**9,708,186**	**5,811,893**

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

Notes to the Financial Statements

For the Year Ended 30 June 2026

1. Material accounting policies

The principal accounting policies adopted in the preparation of the preliminary final report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 39.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Highcom Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Highcom Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Operating segments

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Highcom Limited's functional and presentation currency. Each entity within the Group determines its own functional currency, and amounts included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into

Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

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

Other revenue

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Income tax

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

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

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

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

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

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

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Contract Assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Inventories

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

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

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Property and equipment	2-10 years
Office furniture and equipment	3-7 years
Motor vehicles	5-7 years
Demonstration equipment	3-5 years
Leasehold improvements	3-10 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directory to retained profits.

Right-of-use assets

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

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

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

Intangible assets

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

Goodwill

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

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Patents and certifications

Significant costs associated with patents and certifications are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-5 years.

Impairment of non-financial assets

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

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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

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

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre- tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

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

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

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

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

Issued capital

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of HighCom Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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

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

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

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

Rounding of amounts

The company is of a kind referred to in the Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting judgements, estimates and assumptions

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

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 16 for further information.

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

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

Income tax

The consolidated entity is subject to income taxes in the 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 consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity'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 consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

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

Incremental borrowing rate

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. Revenue and Other Income

(a) Revenue from operations

	2026 $	2025 $
HighCom Armor	13,255,169	34,996,927
HighCom Technology	16,331,034	13,112,527
Total Revenue	**29,586,203**	**48,109,454**
(b) Other Income		
Interest Income	76,438	108,669
Foreign exchange gain net	-	199,528
Other Income	-	77,534
Total Other Income	**76,438**	**385,731**
Total Revenue and Other Income	**29,662,641**	**48,495,185**

Disaggregation of Revenue

The disaggregation of revenue from contracts with customers is as follows:

	2026 $	2025 $
Timing of revenue recognition		
Goods transferred at a point in time	26,234,979	44,090,350
Services transferred over time	3,351,224	4,019,104
	29,586,203	**48,109,454**

4. Employee Benefits

	2026 $	2025[3] $
Salaries and wages	4,517,818	5,123,853
Superannuation contributions	454,225	374,712
Payroll tax	657,306	717,574
Other employee expenses	487,671	794,436
Contractors	638,825	193,700
Total Employee Benefits	**6,755,845**	**7,204,275**

[3] *Prior period comparatives restated related to Contractors classified under Employee Benefits reclassified from Consulting Fees.*

5. Administrative Expenses

	2026 $	2025[4] $
Consultancy fees	835,177	562,114
Insurance	853,367	773,363
Information and Communication Technologies	724,073	929,621
Director's fees[5]	604,540	438,244
Travel and accommodation	709,540	501,345
Occupancy Expenses[6]	171,139	603,496
Accounting and Audit fees	233,831	658,138
Share Registry	152,476	110,623
Bank Charges	62,496	92,221
R&D Expenses[7]	168,068	274,574
Foreign Exchange loss net	305,161	-
Other expenses	325,006	279,763
Total Administrative expenses	**5,144,874**	**5,223,502**

6. Finance Costs

	2026 $	2025 $
Interest on lease liabilities	96,714	15,321
Short term borrowing interest expense	153,807	116,390
Total Finance Costs	**250,521**	**131,711**

7. Selling and Marketing expenses

	2026 $	2025 $
Marketing and trade shows	315,895	313,700
Total selling and marketing expenses	315,895	313,700

[4] *Prior period comparatives restated to classify Contractors under Employee Benefits.*
[5] *Includes fees for combined Executive Chairman and CEO role (Annualised at $120,000 for Executive Chairman and $420,000 for CEO role)*
[6] *Reallocation of utilities to cost of goods sold of $100,264*
[7] *Research & Development costs research related, not capitalised*

8. Depreciation and Amortisation

	2026 $	2025 $
Depreciation		
-Plant and equipment	375,292	420,645
-Motor vehicles	40,472	28,203
-Office furniture and equipment	35,956	55,911
-Demonstration equipment	70,015	60,710
-Leasehold property improvements	12,483	37,800
-Right to use assets	486,132	500,860
Amortisation		
-Computer software	32,991	35,386
-Intangible – plate development	140,542	161,724
-Intangible – certifications	55,816	55,228
Total Depreciation and Amortisation	**1,249,699**	**1,356,467**

9. Impairment

	2026 $	2025 $
Impairment – Inventory reversal[8]	(2,235,534)	(2,589,597)
Impairment - Inventory[9]	2,258,232	935,365
Total Impairment	**22,698**	**(1,654,232)**

10. Income Tax Expense

	2026 $	2025 $
Current tax expense		
Current tax (benefit)/expense (US operations)	-	-
Prior period overs / unders[10]	663,466	-
Deferred tax (income)/expense	-	-
Income tax (benefit)/expense	**663,466**	**-**

[8] *Inventory previously impaired has been reversed to the value of $2.2m*
[9] *New impairment of $2.2m*
[10] *Tax expense related to 2022 and 2023 years for the US business*

a. Reconciliation of Income Tax to Accounting Profit

	2026 $	2025 $
Loss	(8,880,047)	(1,189,059)
Tax	30%	30%
	(2,664,014)	(356,718)
Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Capital raising cost amortised	(248,400)	(282,930)
Capital expenditure incurred	48,517	49,632
Non-deductible entertainment	2,361	-
Non-deductible donations	317	-
Assessable government grant	-	-
Losses not brought to account	2,788,191	598,279
Timing differences not brought to account	73,028	(8,263)
Prior period overs / unders	663,466	-
Income Tax Expense	**663,466**	**-**

b. Deferred Tax Assets and Liabilities

	2026 $	2025 $
Deferred tax liabilities		
Deferred tax assets		
Accrued wages	7,147	-
Accrued expenses	36,599	13,462
Bonus	-	4,000
Superannuation	10,277	32,763
Employee leave entitlements	142,717	139,509
Deferred revenue	1,129	2,258
Unrealised foreign exchange losses	65,644	(107,291)
Lease assets	3,244	7,392
Capitalised assets	6,123	2,482
Intangible assets	15,585	-
Minor assets	4,390	-
Potential tax losses	11,504,922	11,244,683
Potential capital tax losses	472,427	472,427
Prepayments	281	-
Provision for FBT	196	-
Deferred tax assets from US operations	1,274,869	1,274,869
Deferred differences and losses not recognised	(13,545,550)	(13,086,554)
Total deferred tax assets and liabilities	-	-

c. Income tax receivable

	2026 $	2025 $
Income tax receivable	-	358,374

d. Tax Losses

The Parent Company and Australian subsidiaries are consolidated for taxation purposes.

The Group has capital losses for which no deferred tax asset is recognised on the Balance Sheet that arise in Australia of $1,556,260 (2025: $1,556,260) and are available indefinitely for offset against future capital gains of a similar nature subject to continuing to meet relevant loss recoupment tests.

The Group has accumulated tax losses for which no deferred tax asset has been recognised on the Balance Sheet and arise in Australia of $38,349,740 (2025: $37,482,275).

The deferred tax asset associated with the loss will only be realisable in the future in the event of sufficient taxable profits being available to utilise the losses, subject to loss recoupment rules.

e. Unrecognised Temporary Differences

At 30 June 2026, there are no unrecognised temporary differences associated with the Parent Company's investments in subsidiaries as the Parent has no liability for additional taxation should unremitted earnings be remitted (2025: nil).

f. Foreign subsidiary income tax paid

The income tax refund (paid) for HighCom Holdings Inc. for 30 June 2026 amounts to ($663,466) (2025: nil).

11. Key Management Personnel Remuneration

Refer to the remuneration report in the Directors’ report for details of remuneration paid or payable to each member of the Group’s key management personnel for the year ended 30 June 2026. Key management personnel remuneration included within employee expenses for the year is shown below:

	2026 $	2025 $
Short-term employee benefits	1,155,312	1,085,278
Post-employment benefits	75,054	73,313
Termination benefits	177,932	-
Other long-term benefits	-	1,099
Total key management personnel remuneration	**1,408,298**	**1,159,690**

12. Auditors' Remuneration

	2026 $	2025 $
Audit and review services		
Auditors of the Group – RSM Australia Partners		
Audit and review of financial statements – Group	200,000	115,872
Auditors of the 2025 HighCom Inc US – RSM Australia Partners	-	73,585
Auditors of the 2024 HighCom Inc US – RSM US Partners	-	132,619
	200,000	**322,076**
Other services		
Accounting Services 2024 HighCom Inc US – RSM US Partners	-	17,494
	-	**17,494**

13. Dividends

Ordinary shares

No dividends were declared on or before or subsequent to the end of the financial year.

Franking Account

	2026 $	2025 $
The franking credits available for subsequent financial years	981,110	981,110

The above available balance is based on the dividend franking account at year-end adjusted for:

a. Franking credits that will arise from the payment of the current tax liabilities
b. Franking debits that will arise from the payment of dividends recognised as a liability at the year-end; and
c. Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

14. Operating Segments

Segment Information

Identification of reportable segments

The consolidated entity is organised into two operating segments based on differences in products and services provided; Armour Division and Technology Division. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information is reported to the CODM on a monthly basis.

Operating Segment information

	2026 $	2025 $
Segment revenues - continuing operations		
Armour division	13,255,169	34,996,927
Technology division	16,331,034	13,112,527
Total of all segments	29,586,203	48,109,454
Segment results - continuing operations		
Armour division	(5,263,938)	1,270,359
Technology division	2,834,232	3,569,869
Unallocated holding company costs[11]	(4,363,093)	(4,649,778)
EBITDA	(6,792,799)	190,450
Depreciation and amortisation	(1,249,699)	(1,356,467)
Interest expense	(250,521)	(131,711)
Interest income	76,438	108,669
(Loss)/Profit before income tax expense	(8,216,581)	(1,189,059)
Income tax expense	(663,466)	-
(Loss)/Profit after income tax expense from continuing operations	**(8,880,047)**	**(1,189,059)**

Segment EBITDA is the measure reported to the Chief Operating Decision Maker (CODM). EBITDA represents earnings before net finance costs, income tax, depreciation and amortisation. EBITDA is a non-IFRS financial measure and is not prescribed by Australian Accounting Standards. Accordingly, it may not be comparable with similarly titled measures reported by other entities.

Geographical information

In presenting information, the segment revenue is based on the geographical location of the Group's customers.

	2026 $	2025 $
North America	9,151,295	23,382,602
Australia and Asia Pacific	16,383,094	13,355,583
Europe	1,817,588	10,398,841
Others	2,234,226	972,428
	29,586,203	**48,109,454**

15. Cash and Cash Equivalents

	2026 $	2025 $
Cash at bank and in hand	**9,708,186**	**5,811,893**

[11] *Unallocated holding company costs includes non-cash foreign exchange expense of $305,161 for the period to 30 June 2026.*

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2026 $	2025 $
Cash and cash equivalents	9,708,186	5,811,893
Balance as per statement of cash flows	**9,708,186**	**5,811,893**

16. Trade and Other Receivables

	2026 $	2025 $
Current		
Trade receivables	3,393,875	3,993,497
Other receivables	425,169	-
Total current trade and other receivables	**3,819,044**	**3,993,497**

At 30 June 2026, the ageing analysis of trade receivables is as follows:

	2026 $	2025 $
Not impaired <30 days	2,955,678	3,976,306
Past due but not impaired (days overdue) 31-60	422,508	2,102
Past due but not impaired (days overdue) 61-90	15,689	3,420
Past due but not impaired (days overdue) >90	-	11,669
Not impaired gross amount	**3,393,875**	**3,993,497**

45.55% of all trade receivables at 30 June 2026 were received subsequently.
The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables in the financial statements.

17. Contract Assets

	2026 $	2025 $
Contract Assets	15,858	497
Reconciliation Reconciliation of the written down values at the beginning and end of the contract previous financial year are set out below:		
Opening Balance	497	-
Additions	15,858	497
Transfer to trade receivables	(497)	-
Closing Balance	**15,858**	**497**

18. Inventories

	2026 $	2025 $
Current		
Work in progress	11,369	12,934
Products and spare parts	12,146,995	14,353,251
Total Inventories	**12,158,364**	**14,366,185**

In FY26, the inventory comprises of 58% raw materials and 42% finished goods (FY25: 57%, 43%)

19. Other Current Assets

	2026 $	2025 $
Current		
Prepayments	194,577	266,004
Vendor deposits - Inventory	-	1,054,716
Other Assets	3,665	75,204
Total Other Current Asset	**198,242**	**1,395,924**

20. Goodwill

	2026 $	2025 $
Goodwill	1,402,346	1,402,346
Total Goodwill	**1,402,346**	**1,402,346**

Goodwill acquired through business combinations have been allocated to the following cash-generating unit.

	2026 $	2025 $
HighCom Armor Solutions Inc.	1,402,346	1,402,346
Total Goodwill	**1,402,346**	**1,402,346**

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in- use calculation using a discounted cash flow model, based on a 1 year projection period approved by directors and extrapolated for a further 4 years using an average rate of 10% per annum projected

EBIT. The discounted cash flow model used a 15% pre-tax discount rate. The long-term growth rate represents the rate relevant to market conditions and business plans. The long-term growth rate in the terminal value in calculating the value in use for the CGU was 2%.

Based on the above, the recoverable amount of the cash generating unit exceeded the carrying amount, therefore no impairment is recorded.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 10% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to 25% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The recoverable amount of HighCom Armor exceeded the carrying amount by $32.2m.

21. Intangibles

30 June 2026	Computer Software $	Plate Development $	Patents and Certification $	Total $
Cost				
At 1 July 2025	254,966	808,633	427,326	1,490,925
Additions	11,648	-	760,685	772,333
Disposals	(22,396)	-	-	(22,396)
At 30 June 2026	**244,218**	**808,633**	**1,188,011**	**2,240,862**
Accumulated Amortisation				
At 1 July 2025	182,183	377,315	149,676	709,174
Amortisation	32,991	140,542	55,816	229,349
Disposals	(8,472)	-	-	(8,472)
At 30 June 2026	206,702	517,857	205,492	930,051
Net Carrying Value	**37,516**	**290,776**	**982,519**	**1,310,811**

30 June 2025	Computer Software $	Plate Development $	Patents and Certification $	Total $
Cost				
At 1 July 2024	200,118	808,633	426,423	1,435,174
Additions	54,848	-	815	55,663
Exchange differences	-	-	88	88
At 30 June 2025	254,966	808,633	427,326	1,490,925
Accumulated Depreciation				
At 1 July 2024	146,796	215,591	93,993	456,380
Depreciation	35,387	161,724	55,781	252,892
Disposal – write-off	-	-	-	-
Exchange differences	-	-	(98)	(98)
At 30 June 2025	182,183	377,315	149,676	709,174
Net Carrying Value	72,783	431,318	277,650	781,751

22. Right of Use Assets

30 June 2026	2026 $	2025 $
Right of use lease assets		
Cost		
As at 1 July	2,446,885	2,686,232
Additions	1,084,663	1,506,311
Disposals	-	(1,760,441)
Exchange differences	(69,954)	14,783
At 30 June	**3,461,594**	**2,446,885**
Accumulated Depreciation		
At 1 July	1,025,435	2,092,571
Depreciation	486,132	497,799
Disposals	-	(1,577,518)
Exchange differences	(14,035)	12,583
At 30 June	1,497,532	1,025,435
Net Carrying Value	**1,964,062**	**1,421,450**

The right of use asset represents the lease of the Canberra head office, which has a remaining lease term of 57 months with an option to extend after this period and the lease of an office in the US which has a remaining lease term of 39 months.

23. Property, Plant and Equipment

30 June 2026	Plant and Equipment $	Office Furniture and Equipment $	Motor Vehicles $	Demonstration Equipment $
Cost				
As at 1 July 2025	3,338,333	727,067	146,950	217,325
Additions	16,792	30,130	-	97,814
Disposals	(11,682)	(33,369)	(44,819)	-
Foreign exchange movement	(42,975)	-	-	-
Assets reclassified	-	-	-	-
At 30 June 2026	**3,300,468**	**723,828**	**102,131**	**315,139**
Accumulated Depreciation				
At 1 July 2025	2,614,057	653,064	85,294	121,347
Depreciation expense	375,292	35,956	40,472	70,015
Disposals	(9,017)	(33,367)	(43,452)	-
Disposal – write-off	-	-	-	-
Foreign exchange movement	-	-	-	-
Assets reclassified	-	-	-	-
At 30 June 2026	**2,980,332**	**655,653**	**82,314**	**191,362**
Net Carrying Value	**320,136**	**68,175**	**19,817**	**123,777**

30 June 2026	Leasehold Improvement $	Assets Under Construction[12] $	Total $
Cost			
As at 1 July 2025	342,863	10,888,282	**15,660,820**
Additions	96,965	268,490	**510,191**
Disposals	(73,318)	-	**(163,188)**
Disposal – write-off	-	-	**-**
Foreign exchange movement	-	(85,831)	**(128,806)**
Assets reclassified	-	-	**-**
At 30 June 2026	**366,510**	**11,070,941**	**15,879,017**
Accumulated Depreciation			
At 1 July 2025	231,165	1,050,976	**4,755,903**
Depreciation expense	12,483	-	**534,218**
Disposals	(73,320)	-	**(159,156)**
Disposal – write-off	-	-	**-**
Foreign exchange movement	-	-	**-**
Assets reclassified	-	-	**-**
At 30 June 2026	**170,328**	**1,050,976**	**5,130,965**
Net Carrying Value	**196,182**	**10,019,965**	**10,748,052**

[12] XTClave ownership transferred to HighCom Ltd in FY26.

30 June 2025	Plant and Equipment $	Office Furniture and Equipment $	Motor Vehicles $	Demonstration Equipment $
Cost				
As at 1 July 2024	3,233,128	704,971	145,873	264,935
Additions	127,569	38,145	1,077	-
Disposals	(25,559)	(16,050)	-	(47,610)
Disposal – write-off	-	-	-	-
Foreign exchange movement	3,195	1	-	-
Assets reclassified	-	-	-	-
At 30 June 2025	3,338,333	727,067	146,950	217,325
Accumulated Depreciation				
At 1 July 2024	2,191,115	610,237	56,814	113,203
Depreciation expense	420,645	55,911	28,203	60,710
Disposals	(22,373)	(16,050)	-	(47,610)
Disposal – write-off	-	-	-	-
Foreign exchange movement	24,670	2,966	277	(4,957)
Assets reclassified	-	-	-	-
At 30 June 2025	2,614,057	653,064	85,294	121,347
Net Carrying Value	724,276	74,003	61,656	95,979

30 June 2025	Leasehold Improvement $	Assets Under Construction $	Total $
Cost			
As at 1 July 2024	245,606	8,069,848	**12,664,361**
Additions	122,606	2,818,434	**3,107,831**
Disposals	(885)	-	**(90,103)**
Disposal – write-off	-	-	**-**
Foreign exchange movement	(24,464)	-	**(21,268)**
Assets reclassified	-	-	**-**
At 30 June 2025	342,863	10,888,282	**15,660,820**
Accumulated Depreciation			
At 1 July 2024	203,362	1,039,261	**4,213,992**
Depreciation expense	37,800	-	**603,270**
Disposals	(885)	-	**(86,918)**
Disposal – write-off	-	-	**-**
Foreign exchange movement	(9,112)	11,715	**25,558**
Assets reclassified	-	-	**-**
At 30 June 2025	231,165	1,050,976	**4,755,902**
Net Carrying Value	111,698	9,837,306	**10,904,918**

24. Trade and Other Payables

	2026 $	2025 $
Current		
Trade and other payables	5,887,693	7,768,923
GST payable	419,807	39,566
Sundry payable and accrued expenses	1,074,296	712,147
Total trade and other payables	**7,381,796**	**8,520,636**

25. Lease Liabilities

	2026 $	2025 $
Current		
Lease liability – Current	431,861	382,019
	431,861	382,019
Non-current		
Lease liability – Non-Current	1,711,257	1,155,538
	1,711,257	1,155,538
Total lease liabilities	**2,143,118**	**1,537,557**

Lease maturity information is disclosed at Note 35. The leases relate to office buildings and manufacturing facilities and warehouses.

26. Provisions

	2026 $	2025 $
Current Liabilities		
Annual leave provision	274,026	243,623
Long service leave	189,007	185,620
	463,033	429,243
Non-current liabilities		
Long service leave	61,316	35,786
	61,316	35,786
Total provisions	**524,349**	**465,029**

27. Contract Liabilities

	2026 $	2025 $
Current		
Customer deposits	453,894	127,516
	453,894	127,516
Non-current		
Customer deposits	-	-
	-	-
Total contract liabilities	**453,894**	**127,516**

28. Interest Bearing Liabilities

	Effective interest rate	2026 $	2025 $
Current			
Bank loan – interest bearing	-	-	-
		-	-
Non-current			
Bank loan – interest bearing	8.3%	3,389,146	-
Total borrowings		**3,389,146**	**-**

Financing arrangements

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

	2026 $	2025 $
Total facilities		
Bank loan – interest bearing	4,500,000	3,790,076
	4,500,000	3,790,076
Used at the reporting date		
Bank loan – interest bearing	3,389,146	-
	3,389,146	-
Unused at the reporting date		
Bank loan – interest bearing	1,110,854	3,790,076
	1,110,854	3,790,076

Assets pledged as security

The bank loan is secured by first mortgages over the consolidated entity's assets.

Loan covenants

The bank loans are subject to certain financial covenants, and these are assessed at the end of financial year (The first measurement period being 30 June 2027). 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.

29. Issued Capital

	2026 $	2025 $
Ordinary shares	60,309,926	52,927,156
Total	**60,309,926**	**52,927,156**

a. Movement in Ordinary Shares

	2026 No.	2026 $	2025 No.	2025 $
Opening balance	102,682,672	52,927,156	102,682,672	52,927,156
Shares issued	38,972,500	7,691,877	-	-
Transaction cost in relation to capital	-	(309,107)	-	-
Total	**141,655,172**	**60,309,926**	**102,682,672**	**52,927,156**

b. Expired Options and Share Performance Rights

There were no options on issue at 30 June 2026 (30 June 2025: nil). There were no share performance rights exercisable at the end of any prior year.

As at 30 June 2026 there were no unissued shares nor were there any at the end of any prior year.

c. Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.
No dividends were declared on or before or subsequent to the end of the financial year.

30. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company (after declaring interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all potential shares into ordinary shares.

(a) Basic earnings per share

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(i) **Loss attributable to ordinary shareholders (basic)**

	2026 $	2025 $
Loss for the year from continuing operations	(8,880,047)	(1,206,012)
Loss for the year from discontinuing operations	-	16,953
Earnings used in the calculation of basic EPS	(8,880,047)	(1,189,059)

(ii) **Weighted-average number of ordinary shares (basic)**

	2026 No.	2025 No.
Weighted-average number of ordinary shares (basic) at 30 June	115,626,314	102,682,672

(b) Diluted earnings per share

The calculation of diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

(i) **Profit/(loss) attributable to ordinary shareholders (diluted)**

	2026 $	2025 $
Profit/(loss) for the year from continuing operations	(8,880,047)	(1,206,012)
Profit/(loss) for the year from discontinuing operations	-	16,953
Earnings used in the calculation of dilutive EPS	(8,880,047)	(1,189,059)

(ii) **Weighted-average number of ordinary shares (diluted)**

	2026 No.	2025 No.
Weighted-average number of ordinary shares (diluted) at 30 June	115,626,314	102,682,672

Options and share performance right

Options and share performance rights granted to employees and Directors that are considered to be potential ordinary shares have been included in the determination of diluted earnings per share to the extent to which they are dilutive. As at reporting date, the options and share performance rights have not been included in the determination of basic earnings per share.

Share Issuance

The issued capital of Highcom Limited & controlled entities at 30 June 2026 comprised 141,655,172 (2025: 102,682,672) fully paid Ordinary Shares. There were no issued options as at 30 June 2026 (2025 nil).

31. Cash Flow Information

	2026 $	2025 $
(Loss)/Profit for the year	(8,880,047)	(1,189,059)
Adjustments for:		
Depreciation and amortisation – continuing operations	1,249,699	1,356,467
Foreign exchange gain net	305,161	(199,528)
Impairment losses/ reversals on inventories	22,698	(1,654,232)
Net finance costs – lease	96,714	15,321
Trade and other receivables	586,613	(364,980)
Contract assets	(15,361)	(497)
Inventories	2,022,692	5,119,600
Prepayments	785,523	(1,090,086)
Trade and other payables	(1,138,841)	1,102,792
Contract liabilities	326,378	14,582
Provision for income tax	358,374	-
Provisions and employee benefits	59,320	(247,927)
Net cash flow from (used in) operating activities	(4,221,077)	2,862,453

32. Share Based Payments

During the year ended 30 June 2026, there were nil ordinary shares issued as part of staff incentive plans for employees of the company (FY25: Nil).

Employee Share Ownership Plans

The Company provides benefits to employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (‘equity settled transactions’).

There are currently two plans in place:

- the Highcom Ltd Employee Incentive Plan; and
- the Employee Tax Exempt Share Plan, which provides benefits to all eligible employees.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they were granted.

Share Options and Share Performance Rights

There were no unlisted options at 30 June 2026 (2025: nil). There were no options or share performance rights in the hands of staff issued at the start of financial year 2026 or the prior year. There were no options or share performance rights in the hands of staff exercisable at the end of the year or any prior year.

Employee/Director Share Issue

The Board may approve a bonus comprising cash and fully paid ordinary shares separate from the LTIP – note 3(s). No non-executive director bonus was paid in FY26 (FY25 – nil).

Weighted Average Share Price

The weighted average market price at 30 June 2026 was 27.13 cents (2025: 21.71 cents).

33. Events Occurring after the Reporting Date

The financial report was authorised for issue on the 25th Day of August 2026 by the Board of Directors.

No other matters or circumstances has arisen since 30 June 2026 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.

34. Related Parties

Parent Entity

HighCom Limited is the parent entity.

Subsidiaries

Interest in subsidiaries are set in note 40.

Key Management Personnel

Disclosures relating to key management personnel are set out in note 11 and the remuneration report included in the directors' report.

Transactions with related parties(subsidiaries)

The following transactions occurred with related parties:

	2026 $	2025 $
Payment of goods to subsidiaries	3,537,264	12,566
Payment of goods from subsidiaries	-	96,127
Interest related to borrowings from subsidiaries	179,321	109,374

Receivable from and payable to related parties (subsidiaries)

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

	2026 $	2025 $
Receivable from subsidiaries for the purchase of goods	-	948,434
Receivable from subsidiaries for the purchase of assets	1,114,930	6,650,698
Loan receivable from subsidiaries	3,142,770	2,398,068
Loan receivable related to borrowings to HighCom Armor Sp. z o.o. from HighCom Armor Solutions Inc	382,918	366,465

Terms and Conditions

All transactions were made on normal commercial terms and conditions and at market rates.

35. Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments. The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk, currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Group are described below.

- Cash at bank/Bank overdraft
- Trade receivables
- Trade and other payables
- Credit facilities

Summary Table

	2026 $	2025 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	9,708,186	5,811,893
Trade and other receivables	3,406,885	3,993,497
Total financial assets	13,115,071	9,805,390
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	7,381,796	8,520,636
Lease liabilities	2,143,118	1,537,557
Borrowings	3,389,146	-
Total financial liabilities	12,914,060	10,058,193

Objectives, policies and processes

The Company's Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The HighCom Group does not engage in the trading of financial assets for speculative purposes. Mitigation strategies for specific risks faced are described below.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The Group's liabilities have contractual maturities which are summarised below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group could encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and credit card facilities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell non-financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180 day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The Group's liabilities have contractual maturities which are summarised below:

2026	**Weighted average interest rate**	**1 Year or Less**	**Between 1 and 2 Years**	**Between 2 and 5 Years**	**Remaining Contractual maturities**
Financial liabilities					
Trade and other payables	-	7,381,796	-	-	-
Lease Liability	6.0%	431,861	547,362	1,163,625	-
Borrowings	8.3%	-	3,389,146	-	-
Total financial liabilities	**-**	**7,813,657**	**3,936,508**	**1,163,625**	**-**

2025	Weighted average interest rate	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Remaining Contractual maturities
Financial liabilities					
Trade and other payables	-	8,520,636	-	-	-
Lease Liability	5.4%	382,019	273,074	882,464	-
Borrowings	-	-	-	-	-
Total financial liabilities	**-**	**8,902,655**	**273,074**	**882,464**	**-**

2026	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Remaining Contractual maturities
Maturity profile of contractual undiscounted cash flows				
Lease liability	562,504	634,790	1,239,511	-
Total undiscounted lease liabilities	**562,504**	**634,790**	**1,239,511**	**-**

2025	1 Year or Less	Between 1 and 2 Years	Between 2 and 5 Years	Remaining Contractual maturities
Maturity profile of contractual undiscounted cash flows				
Lease liability	466,772	339,372	951,699	-
Total undiscounted lease liabilities	**466,772**	**339,372**	**951,699**	**-**

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure being equal to the carrying amount of these instruments. Exposure at statement of financial position date is addressed in each applicable note.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The Group minimises concentrations of credit risk in relation to trade and other receivables by undertaking transactions with a large number of government entities.

It is the Group's policy that all non-government customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience and industry reputation.

In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

The Group has transactional currency exposures. Such exposure arises from sales or purchases by the Group in currencies other than the Group's functional currency.

The following sensitivity analysis is based on the foreign currency risk exposures in the Statement of Financial Position as they relate to the Parent Entity. Movements in the value of the assets of the foreign subsidiary have no immediate impact on the profit/loss of the Group as variations in the exchange rate impact the foreign exchange reserve (see Note 36 (a)) not the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2026 USD	2025 USD
Trade and other receivables	4,240,482	2,345,956
Trade and other payables	(1,526,754)	(1,896,346)
Net statement of financial position exposure	2,713,728	449,610
Next six months' forecast sales	11,700,000	7,924,161
Next six months' forecast purchases	(9,820,042)	(5,715,488)
Net forecast transaction exposure	1,879,958	2,208,673
Net exposure	**4,593,686**	**2,658,283**
Sensitivity analysis:		
Effect on Profit/ Loss (post tax)		
USD (10% Strengthening)	459,369	265,828
EUR (10% Strengthening)	-	-
USD (10% Weakening)	(459,369)	(265,828)
EUR (10% Weakening)	-	-

Exposure to foreign exchange rates vary during the year depending on the volume of overseas trading transactions. Nonetheless, the analysis table is considered to be representative of the Group's exposure to foreign currency risk through the year.

In order to minimise HighCom's exposure to currency fluctuation, the Group is increasingly negotiating with government customers for them to accept invoices in the source currency of the manufacturer. This provides a natural offset in the invoicing and cost base.

(ii) Interest Rate Risk

The Group's exposure to market interest rates relates primarily to the cash at bank and borrowings. At reporting date, the Company had financial assets comprising cash and cash equivalents totalling $9,708,186 (2025: $5,811,893) and borrowings of $3,389,146 (2025: nil) exposed to variable interest rate risk that are not designated in cash flow hedges.

The following sensitivity analysis is based on the interest rate risk exposures in existence at reporting date. At 30 June 2026, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the post-tax net profit/(loss) for the period and equity would have been affected as below.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

For cash held

	2026		2025	
	+1.00%	-1.00%	+1.00%	-1.00%
	$	$	$	$
Net results	97,082	(97,082)	58,119	(58,119)
Equity	97,082	(97,082)	58,119	(58,119)

For borrowings

	2026		2025	
	+1.00%	-1.00%	+1.00%	-1.00%
	$	$	$	$
Net results	33,891	(33,891)	-	-
Equity	33,891	(33,891)	-	-

36. Fair Value Measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

The consolidated entity had no assets and liabilities measured at fair value for the period ended 30 June 2026.

37. Grants

There were no grants recognised in FY26 (FY25-nil).

38. Reserves and Retained (losses)/profits

a. Movement in reserves

	2026 $	2025 $
Foreign Exchange Reserve		
Balance at the beginning of the year	1,419,602	1,247,139
Creation on consolidation of foreign subsidiaries	(856,158)	172,463
Balance Foreign Exchange Reserve	563,444	1,419,602
Balance at the end of the year	**563,444**	**1,419,602**

b. Accumulated Losses

	2026 $	2025 $
Movement in accumulated profit/(losses) were as follows:		
Balance at the beginning of the year	(24,560,661)	(23,371,602)
(Loss)/Profit for the year	(8,880,047)	(1,189,059)
Balance at the end of the year	**(33,440,708)**	**(24,560,661)**

39. Discontinued Operation

(i) Result of the discontinued operation

	2026 $	2025 $
Revenue	-	-
Elimination of inter-segment revenue	-	-
External revenue	-	-
Expenses/(Other income)		(16,953)
External expenses	-	(16,953)
Results from operating activities	-	16,953
Income tax	-	-
Results from operating activities, net of tax	-	16,953
Loss on deregistration of discontinued operation	-	-
Income tax on gain on sale of discontinued operation	-	-
Profit/(Loss) from discontinued operations, net of tax	-	**16,953**
Basic Profit/(loss) per share (cents)	-	0.02
Diluted Profit/(loss) per share(cents)	-	0.02

(ii) Cash flows from (used in) discontinued operation

	2026 $	2025 $
Net cash used in operating activities	-	16,953
Net cash from investing activities	-	-
Net cash flows for the year	-	**16,953**

40. Parent Entity

As at and throughout, the financial year ended 30 June 2026 the parent entity of the Group was HighCom Limited.

	2026 $	2025 $
Result of parent entity		
Loss for the period	(4,628,378)	(1,147,728)
Total comprehensive income for the period	(4,628,378)	**(1,147,728)**
Financial position of parent entity at year end		
Current assets	4,789,144	14,535,356
Non-current assets	18,295,298	6,354,302
Total assets	**23,084,442**	**20,889,658**
Current liabilities	1,564,346	5,627,004
Non-current liabilities	3,538,837	35,786
Total liabilities	**5,103,183**	**5,662,790**
Total equity of the parent entity comprising of:		
Share capital	60,309,926	52,927,156
Retained earnings	(42,328,667)	(37,700,288)
Total equity	**17,981,259**	**15,226,868**

The parent entity and its subsidiaries are not party to any deeds of cross guarantee under which each company guarantees the debts of the others.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for investments in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.

41. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country Incorporated	Ownership interest 2026 %	2025 %
HighCom Holding Inc	USA	100%	100%
HighCom Armor Solutions Inc	USA	100%	100%
HighCom Armor Asset Management LLC	USA	100%	-
HighCom Armor Direct LLC	USA	100%	-
HighCom Armor Sp. z o.o	Poland	100%	100%
HighCom Technology Pty Ltd	Australia	100%	100%

HighCom Armor Asset Management LLC and HighCom Armor Direct LLC were registered on 16 September 2025.

42. Contingencies

There were no contingent liabilities at 30 June 2026 (At 30 June 2025 – nil).

43. Business Combination

There were no new business combinations in FY26 (FY25 – nil).

44. Statutory Information

The principal registered office and place of business of the company is:
HighCom Limited
3 Faulding Street
Symonston ACT 2609

Consolidated Entity Disclosure Statement

The consolidated financial statements incorporate the assets, liabilities and results of the following parent entity and wholly-owned subsidiaries, in accordance with the accounting policy described in note 1:

Entity name	Entity Type	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax residency	Jurisdiction for Foreign tax residency
HighCom Ltd	Body corporate	Australia	100.00%	Australia	N/A
HighCom Holdings, Inc.	Body corporate	USA	100.00%	Foreign	USA
HighCom Armor Solutions Inc	Body corporate	USA	100.00%	Foreign	USA
HighCom Armor Asset Management LLC	Body corporate	USA	100.00%	Foreign	USA
HighCom Armor Direct LLC	Body corporate	USA	100.00%	Foreign	USA
HighCom Armor Sp. z o.o.	Body corporate	Poland	100.00%	Foreign	Poland
HighCom Technology Pty Ltd	Body corporate	Australia	100.00%	Australia	N/A

Directors' Declaration

In accordance with a resolution of the Directors at HighCom Limited, the Directors declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and;
   a. Comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   b. Give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date for the consolidated group.
2. In the Directors' opinion there are reasonable grounds to believe that the group will be able to pay its debts as and when they fall due;
3. The consolidated entity disclosure statement required by subsection (3A) is true and correct; in accordance with s295 (4) (da) of the Corporations Act 2001; and
4. The Directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Group Chief Financial Officer.

On behalf of the Board,

Geoff Knox
Executive Chairman
Dated this 25th day of August 2026

RSM

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of HighCom Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of HighCom Limited. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of 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 material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

RSM

Key Audit Matter	How our audit addressed this matter
Valuation of Inventory Refer to Note 18 in the financial statements	
We have identified a Key Audit Matter (KAM) related to the valuation of inventory in the audit of HighCom Limited. The significant volume of inventory on hand increases the risk of impairment. This KAM highlights the crucial audit area that required significant attention and professional judgement. Inventory is a significant asset for HighCom Limited, and its valuation directly impacts the financial statements.	Our audit procedures in relation to the management's impairment assessment included: • Assessed the appropriateness of the inventory valuation method used by management. Examined whether it is consistent with the applicable accounting standards. • Performed detailed testing to verify the existence and completeness of the inventory recorded in the financial statements. This included attendance at the year-end stock take procedures at Columbus, Ohio USA. We assessed the adequacy of management's controls to ensure that stock takes were carried out adequately, and we validated the accuracy of the counts for a sample of items by comparing our count results with the results of the counts performed by the management and reconciliation with supporting documentation. • Performed a net realisable value test to verify that inventories are being held at the lower of cost and net realisable value. • Assessed the inventory obsolescence provisioning methodology and its compliance with applicable accounting standards, testing the accuracy and completeness of inventory ageing reports, and assessing management's process for identifying slow-moving and obsolete stock and ensured the adequacy of the year-end provision.

RSM

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 2026, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

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

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

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 14 to 20 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of HighCom Limited., for the year ended 30 June 2026, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RODNEY MILLER
Partner

RSM Australia Partners

RSM Australia Partners

Canberra, Australian Capital Territory

25 August 2026

Additional Information

1. The following information set out below was applicable as at 14 August 2026.
2. Shareholding

a) Distribution of Shareholders

Range	Total Holders	Units	% Unites
1 – 1,000	316	137,488	0.10
1,000 – 5,000	906	2,451,311	1.73
5,001 – 10,000	418	3,300,840	2.33
10,001 – 100,000	805	26,913,655	19.00
100,001 and over	205	108,851,878	76.84
Rounding			0
Total	2,650	141,655,172	100.00

b) Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.1050 per unit	4,792	1,140	2,180,598

c) Top Holders (Grouped) as at14 August 2026.

	Name	Units	% Units
1	ACM AEPF PTY LTD <ALTOR EMERGING PIPE FUND A/C>	8,635,006	6.10
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	6,652,353	4.70
3	JWT HOLDINGS PTY LIMITED <JWT A/C>	5,214,403	3.68
4	ACE PROPERTY HOLDINGS PTY LTD	3,600,000	2.54
5	RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	3,250,000	2.29
6	UDB PTY LIMITED <THE BOETTCHER FAMILY A/C>	3,000,000	2.12
7	LION NOMINEES PTY LTD <JB PARNCUTT FAMILY S/F A/C>	2,914,076	2.06
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,663,763	1.88
9	FAIRLANE MANAGEMENT PTY LTD	2,096,097	1.48
10	WAVET FUND NO 2 PTY LTD <WAVET SUPER FUND NO 2 A/C>	2,076,140	1.47
11	CITICORP NOMINEES PTY LIMITED	1,922,128	1.36
12	ALL OTHERS PTY LTD <ALL OTHERS A/C>	1,779,011	1.26
13	EMALYN HOLDINGS <JOHN KENNEDY TESTAMENTARY AC>	1,666,666	1.18
14	BNP PARIBAS NOMS PTY LTD	1,406,806	0.99
15	BAJKOR NOMINEES PTY LTD <M & G BAJKOR P/L SF 1978 A/C>	1,305,358	0.92
16	FORDHOLM CONSULTANTS PTY LTD <DIANA BOEHME SUPER FUND A/C>	1,300,000	0.92
17	UBS NOMINEES PTY LTD	1,266,776	0.89
18	BISSAPP SOFTWARE PTY LTD <BISAPP SOFTWARE SF A/C>	1,182,351	0.83
19	MISS PENELOPE PRINGLE ROBERTSON	1,094,928	0.77
20	BLACK BASS PTY LTD	1,000,000	0.71
20	MR JOHN LOUIS GARVIN + MRS ANNA GARVIN <A & J GARVIN S/FUND A/C>	1,000,000	0.71
20	GOWING BROS LTD	1,000,000	0.71
20	MR ROBERT VELLETRI + MRS FRANCINE VELLETRI <ROBERT VELLETRI S/F A/C>	1,000,000	0.71
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	57,025,862	40.26
	Total Remaining Holders Balance	84,629,310	59.74

Corporate Directory

Directors

Mr Geoff Knox (Appointed Executive Chairman 14 January 2026)
Mr. Ben Harrison (Appointed 23 February 2022)
Mr. Mark Smethurst (Appointed 29 April 2021)
Ms. Adelaide McDonald (Appointed 24 August 2022)

Secretary

Adam Gallagher (Appointed Company Secretary 24 May 2024)

Principal Registered Office in Australia

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Email:
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Shareholder/investors: investors@highcom.group
Website: www.highcom.group

Australian Securities Exchange Listing

Australian Securities Exchange Limited
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Auditor

RSM Australia Partners
Equinox Building 4, Level 2, 70 Kent Street DEAKIN ACT 2600 Australia
Share Registry

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street Abbotsford VIC 3067 Australia

Solicitors

Minter Ellison
Collins Arch
447 Collins Street
Melbourne VIC 3000 Australia