HIGHCOM

HighCom Limited
ANNUAL REPORT

2025

HighCom Group

HighCom Limited is an ASX Listed
International Defence Industry Company

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Important Information
Information in this annual report is for general information purposes only, and is not an offer or invitation for subscriptions, purchase of recommendation of securities in HighCom. Certain statements in this document regarding the Company's financial position, business strategy and objectives may contain forward looking statements (rather than being based on historical or current facts).

Future Performance
This annual report contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "anticipate", "estimate", "intend", "target" "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings, financial position and performance or production are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this annual report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings, estimates or production targets (if any), are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This annual report contains statements that are subject to risk factors associated with HighCom's business activities including but not limited to those set out in this annual report. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks.

No representation, warranty, or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including HighCom or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this annual report will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this Presentation speak only as of the date of this Presentation. Subject to any continuing obligations under applicable law or regulation (including the listing rules of ASX), HighCom disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this annual report to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Past Performance
Prospective investors should note that past performance, including past share price performance, of HighCom cannot be relied upon as an indicator of (and provides no guidance as to) future performance including future share price performance.

HIGHCOM VISION STATEMENT

Our Vision

To be globally recognised as a trusted leader in ballistic protection and integrated technology systems—delivering innovation, reliability, and enduring partnerships across defence, law enforcement, and security sectors.

Our Strategy

To reinforce success through excellence in operations, invest in the pursuit of innovation and continued product enhancement that results in expansion through opportunities and adjacencies while increasing global sales and delivering sustained growth and profitability. The strategic approach is:

1. **Reinforce Success.** Invest in the areas of our business that have been successful and have the potential for continued enhancement and growth.
2. **Seek adjacencies.** Find new business opportunities that extend our reach and can draw on our expertise
3. **Create our future.** Invest in organic and inorganic expansion opportunities to create new products and service offerings for sustained future growth and profitability.

OUR FOCUS

To grow our global sales and revenue through a diversified approach through a wider opportunity pool to expand current and generate new markets for our high-performance ballistic products and technology solutions.

OUR VALUES

Customer Focus

Listen to and understand the needs of our customers, ensuring that solutions provided are effective, safe, of the highest quality and practical.

Integrity

Accept responsibility and deliver on our commitments guided by ethical business practices, accountability, transparency, and compliance with international regulations.

Respect

Embrace openness, trust, teamwork, and diversity where we treat each other and our customers, suppliers and partners with respect and professionalism.

Sustainability

Put health and safety first through managing risks, being environmentally responsible, and supporting our people.

Innovation

Strive for continual improvement at the forefront of technology to provide the highest quality solutions to those who defend, protect, and serve.

Performance

Achieve superior business results by optimising our capabilities focusing efforts on the things that matter most.

We are successful when:

- Our people start each day with a sense of purpose and end the day with a sense of accomplishment.
- Our customers and suppliers value their relationships with us and are better off for our presence.
- Our products and services are highly sought after and valued.
- Our operational discipline and financial strength enable our future growth.
- Our shareholders receive a superior return on their investment.

HighCom Armor

Research, designs, manufacturers, and supplies global military, law enforcement, and first responder customers and world-class, advanced personal protection ballistic products and solutions for:

- Body Armour
- Ballistic Helmets
- Shields
- Composite Armour Panels and Platform Structures

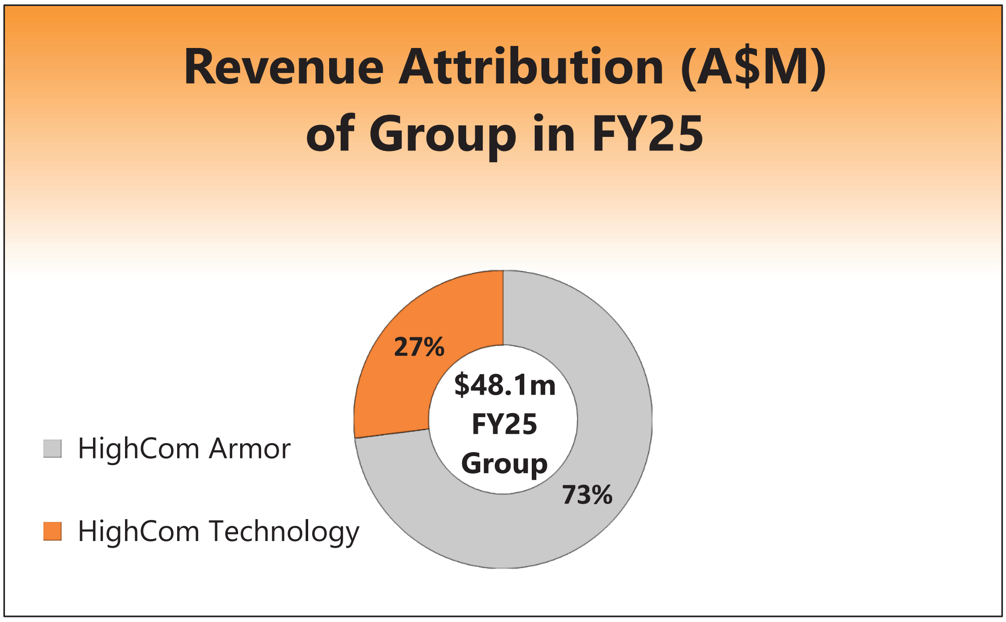
HighCom Armor's goal is to be the global leader in advanced ballistic protection, ensuring the safety of those who protect us, through continuous innovation and excellence in product quality.

HighCom Technology

Supplies and supports global Defence, Security and Law Enforcement agencies with world leading Counter Uncrewed Aerial Systems (CUAS), control systems, and sensors. Provides expert support services that includes:

- Integration
- Project management
- Engineering
- Repair and maintenance services
- Product support
- Training.

HighCom Technology's goal is to be the trusted partner of choice in supplying, supporting and integrating capabilities for use by Defence, Security and Law Enforcement agencies.



Chairman's Report

Dear Shareholders,

FY25 marked a year of significant transformation and stabilisation for HighCom. Following a challenging FY24, the business returned to positive EBITDA of $0.2 million, an improvement of $9.8 million from the prior year.

While revenue increased to $48.1 million, gross margins were impacted by the strategic clearance of superseded inventory and sales to large volume partners at discounted rates.

Pleasingly and importantly, the Group successfully executed a leadership transition and business restructure, setting a solid foundation for sustainable growth.

Operationally, we saw meaningful progress across both divisions. The recommissioning of our proprietary XTclave™ technology in the United States is a strategic milestone, enabling HighCom to develop next-generation armour solutions that are lighter, thinner, and stronger. This positions us to enhance margins through a refreshed, three-tier product portfolio in H2 FY26. In parallel, HighCom Technology delivered $3.6 million EBITDA on $13 million revenue, reflecting the strength of our support and integration offerings, and highlighting the long-term opportunity in domestic and allied defence markets.

FY25 was also a year of disciplined execution. We reduced our inventory from $17 million to $14 million, maintained full capacity of our borrowings, and held a cash at bank of $5.8 million. Our team implemented efficiencies across the supply chain and realigned the sales function in our Armor Division to reach broader markets. These changes have not only improved operational agility but have also positioned us to capture upcoming opportunities in government procurement, B2B partnerships, and new product development.

We were particularly pleased to secure a role in the Australian Department of Defence's L156 CUAS project, which underscores our credibility in delivering combat-proven counter-drone solutions.

While some near-term uncertainty remains around US government procurement cycles, we remain confident in our long-term strategy. Increasing global defence expenditure continues to support a favourable macro backdrop for HighCom's Armour and Technology Divisions.

On behalf of the Board, I would like to thank our executive team and dedicated employees for their resilience, adaptability, and commitment throughout the year. With a clear strategic roadmap, a stabilised cost base, and a pipeline of high-margin technologies coming online, we are optimistic about FY26 and beyond. We remain focused on delivering long-term value for our shareholders through disciplined growth, innovation, and continued operational improvement.

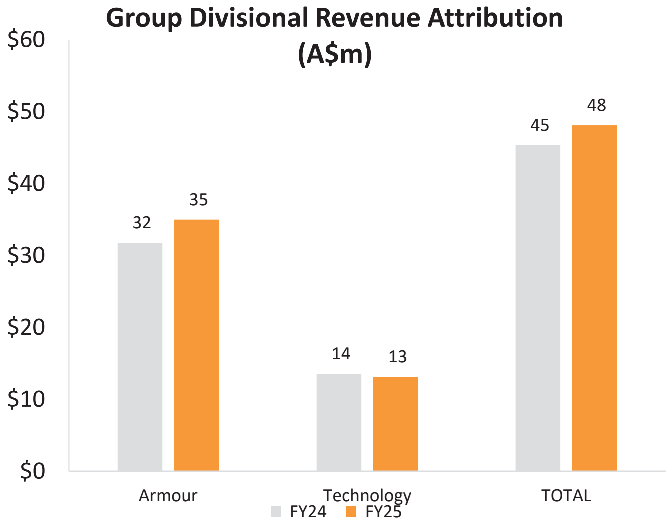
Yours sincerely,

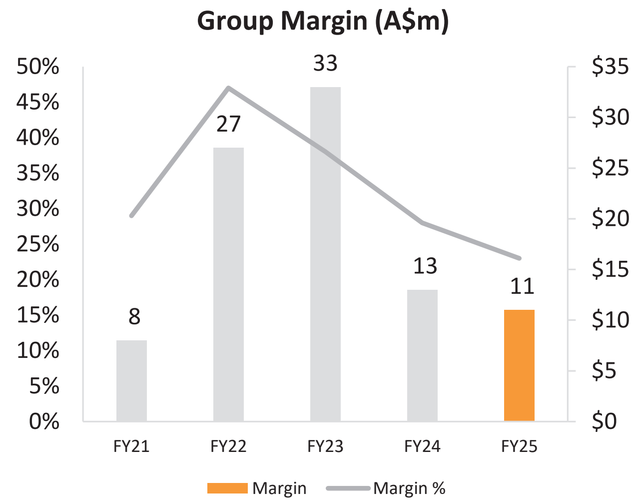
Benjamin Harrison
Chairman
Highcom Limited

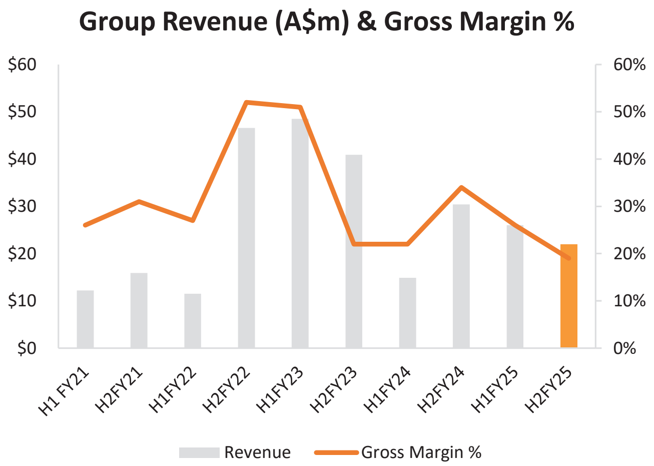
Key Snapshot for FY25

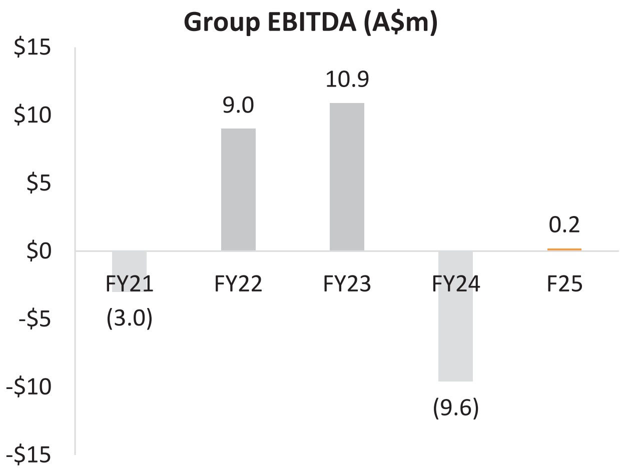
- Revenue for the FY25 was $48.1m (up 6% on pcp) with EBITDA at ($0.2m) up 102% on pcp.
- Cash at 30 June 2025 was $5.8m. No debt at the end of the period having repaid its line of credit facilities in full. There is currently $3.8m of available facilities in place which the Company can draw on.
- Inventories on 30 June 25 was $14.4m vs $17.8m at 30 June 24.
- For the full year ending 30 June 2025, the net loss after income tax expense was ($1.2m) vs ($11.5m) in FY24.

Revenue	Gross Profit	EBITDA	NPAT/(LOSS)	Cash Balance
$48.1m	**$11.0m**	**$0.2m**	**($1.2m)**	**$5.8m**
Up by 6% on FY24	Down by $2.4m on FY24	Up by $9.8m on FY24	Up by $10.86m on FY24	Down by ($0.4m) on FY24









Group CEO's Report

Introduction

The financial year FY25 was marked by significant reform, restructuring, and comprehensive change management initiatives designed to return the company to profitability. Our primary objectives centred on stabilising operations, implementing efficiencies, and reducing operating costs and overheads, all aimed at delivering a strong turnaround. The dedication and hard work of our staff enabled us to achieve a rapid return to positive EBITDA from a prior loss position, which is a remarkable accomplishment. As the new Group Chief Executive Officer, I am pleased to present this report, which outlines our key achievements in the turnaround, the challenges we encountered, and our strategic direction for future growth. Throughout this period, our commitment to delivering value for shareholders, customers, and communities has remained unwavering and is central to our mission.

Operational Performance

In FY25, we undertook robust operational performance reviews across all divisions, which were instrumental in driving a successful turnaround from the significant loss experienced in FY24. This achievement was a direct result of a comprehensive business review whose execution, and implementation will continue into FY26.

Our major focus was on enhancing operational efficiencies and practising disciplined cost management. We also undertook product range reduction and segmentation to prepare for the introduction of advanced XTclave™ technology. Adopting a business development approach, alongside traditional sales, enabled us to gather vital market intelligence and laid the foundation for directly competing for contracts and growing direct sales in FY26, rather than relying predominantly on partner sales. By prioritising digital transformation and customer needs, we've simplified purchasing, boosted repeat sales, and will be further expanding online sales channels from H2 FY26.

Like many organisations, we encountered short-term macroeconomic challenges, including the transition of the US Administration, reductions in real government expenditure during Q3 and Q4, and rising costs alongside inflationary pressures. Our teams responded with agility and determination, upholding the highest quality standards while further strengthening our risk management frameworks to proactively identify and address emerging risks. Looking ahead, the commencement of the new US Government fiscal year on 1 October 2025 and renewed commitments to increased defence spending among most Western militaries signal a more favourable macroeconomic outlook from H2 FY26.

Financial Highlights

- **Revenue**: The Group achieved revenue of $48 million, reflecting 6% growth over FY24.
- **EBITDA**: FY25 marked a significant improvement and turnaround in EBITDA performance, with the Group returning to break-even.
- **Gross Margin**: The Group Gross Margin was 23%, down from 30% in the prior period. This decline was due to several factors:
  - US Armor:
    - Delivered sales of $35 million (EBITDA of $1.3 million), representing a 10% increase in revenue. Most products produced in FY25 were from oven-based technology, resulting in heavier and thicker products from ageing product lines. Sales to large volume partners were then discounted on these low margin products to gain production throughput.
    - Lower prices were also set to move previously impaired inventory, impacting gross profit margins by 3%.
  - Technology: Delivered $13 million (EBITDA of $2.7 million) in products and services. Growth was flat due to the absence of larger orders compared to FY24. Most income was derived from sustainment, spare parts, and training under existing support contracts.

Cash Flow: The Group was debt-free at the end of FY25, having self-funded the recommissioning of the XTclave™ ($2.9 million). Cash flow remained relatively consistent throughout the year, closing at $5.8 million.

Summary Income Statement		FY23	FY24	FY25
Revenue	A$m	89.4	45.3	48.1
COS	A$m	(55.7)	(31.9)	(37.1)
Gross Profit	A$m	33.7	13.4	11.0
Gross margin	A$m	38%	30%	23%
EBITDA	A$m	10.9	(9.6)	0.2
Net Profit/(Loss)	A$m	6.1	(12.0)	(1.2)
Other key metrics		**FY23**	**FY24**	**FY25**
Cash Balance	A$m	6.9	6.2	5.8
Market Capitalisation (30 June)	A$m	43.8	12.3	31.8

Strategic Initiatives

During FY25, we concentrated on three key strategic initiatives: stabilisation, efficiencies, and turnaround.

Stabilisation

- A new Group Executive Team was established from March 2025, with my appointment as Group CEO and Martyn Dominy as Group CFO from May 2025.
- Operating costs and overheads were reduced.
- Movement of superseded inventory was achieved, converting stock into cash.
- Total inventory was reduced from $17 million to $14 million.

Efficiencies

- The business streamlined its processes, becoming leaner and more operationally efficient.
- Processes were streamlined, with clear accountabilities and procedures put in place.
- A revised product management lifecycle model was implemented, alongside clear prioritisation for research and development which will deliver new products during H2 FY26.
- Supply chain planning was improved, optimising both current and future inventory requirements and reducing costs.
- Investment was made in digital Business-to-Business platforms to boost efficiency, lower ordering costs, and enhance customer engagement.

Positioned for Growth

- The Research and Development Team was expanded, commencing work on ten new product lines.
- XTclave™ recommissioning was completed in June 2025, with a focus on product lines previously manufactured in Australia and the development of new products.
- The AeroVironment product range was expanded under HighCom's Exclusive Reseller Agreement to include Medium UAS (MUAS) systems, broadening offerings to customers.
- Product diversification included entry into Counter Uncrewed Aerial Systems (CUAS) under Defence Project L156.

Outlook for FY26

We are well positioned to benefit from expected US budget spending in the second half of FY26. The global geopolitical environment remains volatile, sustaining a positive outlook for the defence sector and offering substantial growth opportunities. Worldwide trends indicate rising defence spending, which is expected to further strengthen HighCom's prospects in the coming year. Increasing civil unrest and domestic disturbances are projected to drive up law enforcement agency spending, while urban security concerns—especially in high-crime or politically unstable regions—are fuelling demand from private security and civilian markets. There is also a growing emphasis on autonomous solutions, such as uncrewed and counter-uncrewed systems, and integrated payloads for surveillance, electronic warfare, and communications.

Our strategic priorities for FY26 include expanding our product portfolio by leveraging the recommissioned XTclave™ technology, with research and development already well advanced on ten new products, each designed to offer lighter, thinner, and stronger solutions for our customers. As we transition from R&D to full-scale production over FY26, our teams are focused on ensuring comprehensive support and servicing capabilities for these offerings, including full system integration, training, and after-sales service to maximise customer value and satisfaction. These new products will enable HighCom to compete at the upper end of the market, improving competitiveness and allowing us to secure higher margins. Our dedication to operational excellence and customer-centricity positions us to support the deployment and lifecycle management of these innovations across our core markets.

To reinforce our national market presence and better address the needs of a diverse customer base, the Group has strategically realigned the sales team for FY26. This realignment involved moving from a US East Coast-centric approach to a distributed model, with team members now based across five key regions in the United States. By redistributing sales resources to core markets, we have enhanced our ability to engage locally with customers, respond more rapidly to market opportunities, and build deeper relationships with partners nationwide. This approach supports scalable growth, operational efficiency, and improved customer outcomes, positioning the Group for continued expansion in FY26 and beyond.

Conclusion

I would like to extend my gratitude to our employees for their dedication and hard work, the Board for their guidance, and our customers and shareholders for their ongoing support. Together, we will continue to drive growth, foster innovation, and deliver positive outcomes in the years ahead.

Yours sincerely,

Todd Ashurst
Group Chief Executive Officer
Highcom Limited

Board of Directors

Mr Benjamin Harrison
Non-Executive Director (Appointed Non-Executive Chairman 31 July 2024)

Mr Benjamin Harrison has 15 years of 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 South East Asia.

Benjamin later moved into investment banking, working for a leading corporate advisory house where he executed over $2.0 billion in capital market transactions and $5.5 billion of public M&A transactions. He is a partner and Chief Investment Officer of Altor Capital and is active in the private equity and private credit sectors in Australia.

Benjamin currently holds board and advisory roles with several private and public companies. Benjamin's extensive investment, financial background and experience provides key leadership to the HighCom Board.

Hon Christopher Pyne
Independent Non-Executive Director

Hon Christopher Pyne brings a wealth of commercial, political and global defence experience to HighCom, having served as a Member for Parliament (MP) for over 25 years. Christopher served as the 54th Australian Defence Minister and was responsible for delivering the $200 billion build-up of Australia's military capability, the largest in Australia's peacetime history.

Christopher was elected to Parliament in 1993 and served as the Member for Sturt for 26 years. During this time, he was in the Liberal Party Leadership Group for ten years, Leader of the House of Representatives for six years, and served in Cabinet for six years. Christopher has worked to ensure the growth and sustainment of Australia's Defence Industry.

Christopher is the current Executive Chairman of Pyne and Partners, consulting to business in the domain of government and political engagement.

They are headquartered in Adelaide, South Australia but operate nationally and globally. He is an Industry Professor at the Adelaide University specialising in Defence and Space. Before entering Parliament, Christopher practised as a solicitor at Corrs Chambers Westgarth and Thomson Geer.

Mr Mark Smethurst DSC, AM
Independent Non-Executive Director

Mr Mark Smethurst's significant Defence experience spans over 35 years in the Australian Army, with 27 years as a Senior Special Forces Officer commanding at all levels including the Deputy Commander of the Australian Special Forces. He commanded the NATO Special Forces in Afghanistan during 2011/12 and was the Deputy Chief of Operations for the US Special Operations Command in 2013/14.

Mark holds a variety of board and advisory roles with several private and public companies and is an Advisor to the Global SOF Foundation and Chairman of the Commando Welfare Trust. Through his other business interests, he remains well positioned to support the HighCom Group in Australia and international markets.

Ms Adelaide McDonald
Independent Non-Executive Director

Ms Adelaide McDonald has over 17 years' experience in corporate advisory and equity research. Adelaide is currently a Non-Executive Director of VGI Partners Global Investments Ltd (ASX:VG1), Regal Partners Asian Investments Ltd (ASX:RG8) and Future Generation Global Ltd (ASX:FGG). In addition, Adelaide has held roles as a Director at KPMG in the Mergers and Acquisitions 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. Adelaide has completed the CFA Program and has been awarded the CFA Charter.

Mr Adam Gallagher
Company Secretary

Mr Adam Gallagher was appointed as Company Secretary, effective 24 May 2024.

Adam is a highly experienced company secretary, director and executive with a broad corporate skillset and provides governance services to listed companies through his firm Applied Corporate Governance Partners. Adam holds a Bachelor of Economics, Master in Commerce, Graduate Diploma in Information Systems and Graduate Diploma in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia.

Corporate Leadership

Mr Todd Ashurst
Group Chief Executive Officer

Todd Ashurst, DSM joined the Highcom Group after 32 years of military service with the Australian Defence Force where he advanced through the ranks to become a Brigadier (One Star General). He had several senior command and executive positions, including Head of Australian Army Logistics and Director General Support at Headquarters Joint Operations Command. Todd was the final Australian commander of Task Group Afghanistan (Operation HIGHROAD) in addition to being the NATO Resolute Support Mission - Chief of Combined Joint Operations where he was responsible for the planning and execution of NATO's daily operations across Afghanistan.

Todd is a strategic leader known for his values-driven approach, collaborative stakeholder engagement, change management, critical thinking, and problem-solving skills. He has successfully managed multi-billion-dollar budgets, projects, and contracts, often delivering outcomes within tight timeframes.

Todd is a Distinguished Graduate of the United States Army War College, where he earned a Master of Strategic Studies. He also holds a Master of Arts from Kings College London and a Bachelor of Professional Studies from the University of New England. Additionally, he is a graduate of the Joint Services Command and Staff College in the United Kingdom and the Australian Institute of Company Directors (GAICD).

In recognition of his exemplary leadership and dedication, Todd was awarded the Distinguished Service Medal (DSM) in the 2022 Queen's Birthday Honours List for achieving significant operational effects and strategic outcomes in Afghanistan. His service has also been acknowledged internationally with several prestigious awards, including the United States Legion of Merit (Officer) and the NATO Meritorious Service Medal, in honour of his decisive leadership, planning, execution, and strategic contributions to multi-national operations, demonstrating a sustained commitment to excellence and effective collaboration in complex environments.

Todd joined HighCom Ltd in September 2023, was appointed Group Chief Operating Officer in February 2024, and was selected as Group Chief Executive Officer from 03 March 2025.

Martyn Dominy
Group Chief Financial Officer

Martyn was appointed as Highcom's Group Chief Financial Officer overseeing financial custodianship of the Australian and US operations. As an experienced senior executive, Martyn has successfully worked across multiple infrastructure sectors including defence manufacturing, aviation, rail, shipping and property where he supported Boards and Executive teams through turnaround and growth plans.

During his career he has managed investment portfolios and led capital raisings across both debt and equity. He has assisted aviation and rail infrastructure businesses to refinance major debt portfolios of over $3.0b, that were used to fund expansion programs of growth asset infrastructure. He has also led organisations through extensive capital structure reviews and most recently assisted an ASX listed defence manufacturer through an off-market take-over acquisition.

Martyn is a Certified Practicing Accountant (CPA Australia) and holds a Bachelor of Commerce from the University of Canberra.

People, Environmental, Social and Governance

The HighCom Board and Management acknowledge the critical importance of robust Environmental, Social, and Governance (ESG) practices as part of their commitment to shareholders, employees, clients, and the communities in which HighCom operates. HighComs ESG strategy is built around three key focus areas identified as material to both our business and stakeholders. These include:

People, Culture and Ethical Conduct

HighCom is committed to ensuring that its people-related functions not only deliver effective human resource outcomes but also foster a supportive and inclusive work environment. This includes cultivating a positive organisational culture that aligns with HighComs strategic objectives and core values. Key focus areas include:

- People and culture, building a workplace that promotes collaboration, respect, and continuous development.
- Remuneration, ensuring fair, competitive, and performance-aligned compensation practices.
- Diversity, Equity, and Inclusion, creating an environment where all individuals feel valued, respected, and empowered to contribute.
- Employment of Veterans, supporting the transition of veterans into meaningful civilian roles and recognising the unique skills they bring.
- Commitment to Ethical Exports and Human Rights – Upholding responsible business practices that respect human rights and comply with international standards.
- Leadership development, investing in the growth of current and future leaders to drive sustainable success.
- Employee engagement and feedback, encouraging open dialogue and continual improvement through regular feedback and engagement initiatives.
- Talent acquisition and retention, attracting and retaining high-performing individuals who align with HighComs mission and values.
- Training and capability building, providing ongoing learning opportunities to enhance skills, knowledge, and career progression.

Sustainability in our Business Operations

HighCom is committed to managing environmental and social impacts responsibly across its operations. This includes integrating sustainability principles into everyday decision-making and fostering a culture of accountability and care for the environment and communities in which we operate. Key focus areas include:

- Commitment to Quality, ensuring products and services meet high standards of performance, safety, and reliability.
- Climate Change mitigation and adaptation, supporting initiatives that reduce carbon emissions and build resilience to climate-related risks.
- Work Health and Safety (WHS) and wellbeing, promoting a safe, healthy, and supportive workplace for all employees.
- Resource efficiency, minimising waste and optimising the use of energy, water, and materials across operations.
- Sustainable procurement, engaging suppliers who align with HighComs environmental and social standards.
- Compliance and improvement, adhering to relevant environmental regulations and striving for ongoing improvement in sustainability performance.
- Employee engagement and training, empowering staff through education and involvement in sustainability initiatives.

Client and Customer Experience

The Board and Shareholders hold themselves mutually accountable for the company's activities and the outcomes of its conduct. This includes a commitment to transparency in communicating strategic direction, financial performance, and other key developments to shareholders and stakeholders. HighCom places strong emphasis on:

- Client and customer satisfaction, ensuring consistent delivery of high-quality products and services that meet or exceed expectations.
- Transparent communication and fair dealing, fostering trust through ethical, honest, and equitable engagement with all stakeholders.
- Regular and clear reporting to shareholders, including updates on financial results, strategic initiatives, and operational performance.
- Active stakeholder engagement, maintaining open channels for feedback and collaboration with clients, partners, and communities.
- Ethical business practices, upholding integrity, compliance, and responsible decision-making across all levels of the organisation.
- Continual improvement and accountability, using performance metrics and stakeholder input to refine processes and drive better outcomes.
- Risk management and governance oversight, ensuring that risks are identified, assessed, and managed in alignment with corporate objectives and stakeholder expectations.

People, Culture and Ethical Conduct

HighCom recognises that the achievement of its strategic objectives relies on the capability, commitment, and engagement of a highly skilled workforce. We are dedicated to attracting, developing, and retaining talented individuals who contribute to our culture of excellence and innovation. Through targeted recruitment, ongoing professional development, and a supportive work environment, we continue to build a resilient and high-performing team that drives sustainable growth across the organisation.

Employee Experience and Workplace Practices

We are actively implementing initiatives to strengthen our workplace culture, including:

- **Policy and Compliance**: Ensuring our policies and procedures are legally compliant and effective—covering employee records, wage laws, overtime regulations, and fair treatment.
- **Retention and Engagement:** Continuously improving work practices, benefits, and policies to support employee retention.
- **Performance Management**: Implementing systems to evaluate performance, set goals, conduct reviews, and support individual development plans.
- **Positive Workplace Culture**: Creating opportunities for connection, professional development, and a motivating environment.
- **Career Development**: Supporting skill growth and career progression through training, mentoring, and new role opportunities.
- **Employee wellbeing and Mental Health:** We provide access to Employee Assistance Programs (EAP's), offering counselling and mental health resources to help employees navigate personal and professional challenges.
- Work-Life Balance: Accommodating family needs through flexible employment, work hours, and arrangements.

Remuneration

We design and manage compensation and benefits to provide stability and certainty for our people. The Remuneration and Nominations Committee conducts annual reviews of salaries, employment conditions, remuneration relativities, and succession planning in alignment with company performance and strategic objectives.

Diversity, Equity and Inclusion

HighCom is an equal-opportunity employer that values the contributions, regardless of age, disability, gender identity, marital status, pregnancy, breastfeeding, race, religion, sexual orientation, or intersex status. Our commitment includes:

- Non-discriminatory job advertising and recruitment practices.
- Fair and merit-based applicant evaluation.
- Inclusive interview processes and decision-making.
- Ongoing development of policies to prevent discrimination and harassment.

Work Health, Safety (WHS) and Wellbeing

In 2025, HighCom maintained a strong focus on the health and safety of employees and contractors. We are committed to providing a safe and healthy environment across all locations and ensuring our operations do not pose risks to the surrounding community.

Our Vision Zero goal aims to eliminate workplace injuries and enhance wellbeing and productivity, particularly within our manufacturing and technology subsidiaries. This is supported by:

1. Demonstrating leadership and commitment to safety.
2. Identifying hazards and implementing effective controls.
3. Setting clear safety targets and developing improvement programs.
4. Maintaining well-organised safety systems.
5. Ensuring safe equipment and workplaces through preventive maintenance.
6. Enhancing employee qualifications and competencies.
7. Motivating and engaging staff through participation and investment in people.

Grievance Mechanisms and Whistleblower Protections

HighCom upholds strong Grievance and Whistleblower policies as part of its commitment to integrity and transparency.

The Whistleblower Policy aligns with the Corporations Act 2001 (Cth) and provides robust protections for individuals who disclose misconduct or Reportable Conduct. These protections extend to current and former employees, directors, officers, contractors, suppliers, consultants, associates, and their immediate family members, as well as individuals seeking legal advice regarding whistleblower protections.

Disclosures can be made confidentially via phone, email, or in person to an Eligible Recipient, which includes directors, officers, senior managers, or appointed external auditors and actuaries.

In addition, HighCom recognises the importance of providing employees with a clear and effective process to raise and resolve employment-related concerns. Open communication is encouraged, and informal discussions with managers are designed to generate timely and constructive outcomes.

Where informal resolution is not sufficient, employees are supported in submitting formal grievances in writing. These are investigated thoroughly, with meetings arranged at a reasonable time and location. Outcomes are communicated in writing, typically within ten working days, reflecting our commitment to fairness, accountability, and continuous improvement in workplace practices.

Employment of Veterans

Veterans bring a unique blend of leadership, decision-making, and problem-solving skills developed in high-pressure environments. As a Defence Industry company, HighCom proudly supports and employs veterans and reservists. We offer:

- Attractive support packages for reservist leave.
- A safe, flexible, and supportive workplace.
- A commitment to being the employer of choice for veterans, reservists, and their families.

Our Commitment to Ethical Exports and Human Rights

HighCom operates under Australian and U.S. export controls designed to uphold human rights globally. We are committed to:

- Respecting human rights as outlined in our Employee Health and Safety Handbook.
- Addressing modern slavery risks—including forced and child labour—through internal practices and supplier evaluations.
- Investigating all allegations of forced labour and taking immediate action, including termination of business relationships if necessary.
- Ensuring our staff complete training programs on anti-bribery, corruption, data privacy, security and ethical conduct.

We also comply with multilateral export control regimes and assess export applications against human rights and international obligations. U.S. export controls under the International Traffic in Arms Regulations (ITAR) apply in addition to Australian regulations.

Sustainability in our Business Operations

HighCom is committed to protecting and preserving the environment while maintaining high standards of environmental care. We aim to contribute to a sustainable future through responsible business practices and continual improvement.

Quality

We are dedicated to delivering high-quality products and services through a culture of continual improvement and "right first time" performance. Our commitment is supported by a robust Business Management System certified to ISO 9001 that includes:

1. Standardised processes and procedures across the Group.
2. Increased inspections and internal audits to drive improvement.
3. Reduction of production scrap rates and product returns.
4. Compliance with applicable government regulations (including ITAR and EAR), distributor requirements, and customer expectations across domestic and international markets.

Environmental and Social Risk (ESR) Integration

Environmental and social risks are managed through our Environmental, Social & Sustainability and WHS policies, which are regularly updated to reflect emerging issues and opportunities for improvement. Our approach includes:

1. Minimising environmental hazards in operations.
2. Promoting fair labour practices and a safe, inclusive workplace.
3. Fostering a culture of sustainability and resource efficiency.
4. Implementing digital solutions to reduce paper use and waste.
5. Reviewing and refining waste management practices annually, embracing the principles of redesign, reduce, reuse, and recycle.
6. Maintaining a controlled program of machinery repair and preventive maintenance across all sites to ensure optimal performance and reliability.

Climate Change Risk Management

HighCom acknowledges that climate-related risks have the potential to influence a broad spectrum of material business risks. In alignment with our Environmental, Social and Sustainability Policy, we continue to strengthen our approach to identifying, assessing, monitoring, and reporting climate risks within our integrated risk management framework. In response to recent amendments to ISO 9001:2015, we have formally incorporated climate change considerations into our quality management system. This includes evaluating the relevance of climate change within our operational context and recognising stakeholder expectations related to environmental impacts. These enhancements reflect our commitment to responsible governance, regulatory alignment, and long-term business resilience.

Sustainable Innovation

As a subsidiary of HighCom, HighCom Armor continues to demonstrate its commitment to environmental stewardship and sustainable business practices. The company is certified to ISO 14001, an internationally recognised standard for environmental management systems, which reflects its proactive approach to minimising environmental impact across operations. In alignment with HighComs broader Environmental, Social and Sustainability Policy, HighCom Armor is investing in research and development initiatives that prioritise sustainable product design and packaging innovation. These efforts not only support regulatory compliance but also contribute to long-term sustainability goals, reinforcing the group's dedication to responsible manufacturing and environmental accountability.

Client and Customer Experience

Customer-First Approach

HighCom is committed to a customer-first approach, ensuring that client needs and expectations are clearly understood, translated into actionable requirements, and consistently met to enhance customer satisfaction.

Customer requirements are identified and addressed through regular engagement with clients. Feedback is captured through various channels, including meeting minutes, contract scorecards, emails, letters, audit reports, and entries in the HighCom Customer Relationship Management (CRM) system.

Client and Customer Satisfaction

Customer feedback is a key metric used to drive improvements in both product and process quality. HighCom conducts regular internal meetings with sales and customer support teams to review client interactions and feedback, ensuring that insights are used to enhance service delivery and customer experience.

Transparent Communication and Fair Dealing

As a publicly listed company, HighCom is committed to maintaining transparency and fostering trust through clear and open communication. This is essential to maintaining market confidence and building shareholder value.

HighCom communicates with shareholders through four primary channels:

1. Market releases via the ASX
2. The Company's website
3. Direct communications with shareholders
4. General meetings of the Company

In line with our obligations under the ASX Listing Rules, HighCom complies with both continuous and periodic disclosure requirements. Unless exempted, we will promptly notify the ASX of any information:

1. That a reasonable person would expect to have a material impact on the price or value of the Company's securities; and
2. That would likely influence investors in deciding whether to acquire or dispose of the Company's securities.

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 2025.

Directors

The names of Directors who held office during the financial year ended 30 June 2025 and to the date of this report, are:

- Mr Benjamin Harrison (Non-Executive Chairman from 31 July 2024)
- Mr Mark Smethurst
- Hon. Christopher Pyne
- Ms Adelaide McDonald
- Mr Mark Stevens (resigned 31 July 2024)

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 (US Operation):

The US based operation was focused on the design, manufacture and sale of personal ballistic armour protection equipment. End users of the products include global military, US law enforcement agencies and first responders. The products are also sold to the international market outside of the US. Ballistic products sold by HighCom include Body Armour, Ballistic Helmets, and Ballistic Shields.

HighCom Technology (Australian Operations):

The Australian-based operations oversee the supply, integration, management, training, maintenance, and logistical support for military-grade equipment across the ANZ region. This encompasses small and medium-sized Uncrewed Aerial Systems (UAS) and Counter Uncrewed Aerial Systems (CUAS). Additionally, HighCom Technology represents HighCom Armor products to international markets in APAC and the Middle East. In the pursuit of Technological alignment and innovation, the Group established HighCom Technology Pty Ltd, a wholly owned subsidiary. This strategic initiative is designed to leverage synergies across the Technology portfolio and strengthen the Groups position within the advanced defence and aerospace sectors.

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 FY25 is on reinvestment of capital to drive revenue growth and profitability.

Review of Operations:

HighCom Group

During the reporting period, the business has moved forward with a change in Executive Leadership. Mr Todd Ashurst was appointed as Group Chief Executive Officer in March 2024 and Mr Martyn Dominy was appointed as Group Chief Financial Officer in May 2025.

The new executive leadership team has prioritised stabilising the business and working with the Board on a growth strategy for sustainable progress. FY25 focused on achieving turning around the business while laying the groundwork for future growth.

HighCom Armor (US Operation):

The US operation has concentrated on managing operating costs, optimising inventory, and driving sales growth. This strategic focus has led to a notable improvement in EBITDA performance, with positive trends anticipated to continue into future financial years. Fiscal Year 2025 is positioned as a preparatory period to ready the business for sustained future expansion.

The XTclaveTM was successfully assembled during FY25 and handed over to the US operation in July 2025. The recommissioning of the XTclaveTM has fast-tracked research and development activities for new product lines which are expected to be available for sale in FY26. The cost to relocate and recommission the XTclaveTM has been circa AUD$4.1m.

HighCom Technology (Australian operations):

The Australian operation remains focused on servicing existing multi-year contracts for UAS with Defence, while promoting a broader range of AeroVironment products for sale opportunities in the small and medium categories. 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.

During the period the L129 contract reached its end-of-life cycle and ended on 30 June 2025.

HighCom Technology successfully bid for Project L156 in the dismounted space and marks a pivotal moment of strategy execution to expand its business into CUAS. These battle-proven CUAS systems enable real-time threat monitoring and tactical awareness and will be part of Defence trials during H1 of FY26.

Financial Overview

The company wide review to improve the Company's profitability continues, with the full year ending 30 June 2025 resulting in a positive EBITDA of $0.2m up from an EBITDA loss of $9.6m in FY24. For the full year ending 30 June 2025, the loss after income tax expense was $1.2m including a $1.7m reversal of impairments for inventories and equipment, an improved result compared to $12m loss in FY24. Group revenue for the period to 30 June 2025 is $48.1m up from $45.3m in FY24. The Group's combined blended gross margins have decreased in FY25 to 23% from 30% in FY24, due primarily to the sale of discounted excess inventory at low margins.

Inventories on 30 June 25 was $14.4m, down from $17.8m at 30 June 2024.

Cash at 30 June 2025 was $5.8m, down from $6.2m at 30 June 2024. The Company had no debt at 30 June 2025. There is currently $3.8m of available credit facilities in place which the Company can draw on.

Significant changes in the state of affairs

- On 31 July 2024 Mr Mark Stevens resigned as Executive Chairman and Mr Benjamin Harrison was appointed Non-Executive Chairman (previously a Director).
- On 3 March 2025 Mr Todd Ashurst was appointed as Group Chief Executive Officer.
- On 19 May 2025 Mr Martyn Dominy was appointed as Group Chief Financial Officer.
- On 30 May 2025 Ms Jacqueline Myers resigned as Group Chief Financial Officer.

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.

Likely developments and expected results of operations

The overall outlook for FY26 remains positive and will provide management with the opportunity to lead the business towards future growth, market expansion and EBITDA improvement. Local market conditions in the US have seen a softer start to FY26, which is attributed to a slow-down in US Government spending on the previous US Administration programs. This is expected to change in Q2, based on the legislative bill funded from 1 October.

The XTclave™ is currently operating under engineering control conducting research and development on new product lines. The next step will be full commercialisation of the XTclave™ through further capital investment to maximise capacity and enable full-rate production of the new product lines. The new products should see HighCom Armor compete in areas of the market previously unrepresented which should increase market share, group revenue, and EBITDA.

HighCom Technology is currently in active sales cycles to support local defence activities in the UAS, CUAS, and armour space throughout FY26. The business unit is also focused on maintaining and servicing existing contracts and has successfully supplied a new product range (CUAS) to the Australian Government in FY26.

Material Business Risks

Our operating environment continues to evolve, resulting in changes to the risks and uncertainties that we face. We regularly review risks and measures to mitigate risks and support the delivery of our purpose and strategy. Key and material risks identified of the Group's activities are categorised into eight (8) Key Areas within which risks will be managed/mitigated and resolved as appropriate:

1. Market Risk (including geo-political, macro-economic, and competition)
2. Strategic program prioritisation and execution
3. Operational
4. People
5. IT, data management, cyber and security
6. Legal and Regulatory
7. Financial
8. Health, Safety and wellbeing

Relative Risk Appetite

The enterprise risks for which the Group has the lowest appetite:

- Non-compliance with legal, governance and regulatory requirements.
- fraud, unethical behaviour, or corruption
- Health, Safety and wellbeing of our people
- Cyber security, protection of IP and of confidential or personal information

There is zero appetite for non-compliance with legal, professional, regulatory requirements, fraud, unethical behaviour or corruption.

There is a low appetite for risks that may negatively impact on our cyber security, IP protections and information in addition to the health, safety and wellbeing of our people, the community and/or reputation.

There is a moderate to high appetite for risk in the pursuit of strategic program and execution in order to achieve outcomes to gain benefit toward achieving the Group's vision, while actively managing the risks.

Group Material Risks

The material risks faced by the Group and the approach to their management are set out below.

Fully Commercialising Proprietary XTclave™ Technology

Delays in fully commercialising the recently commissioned XTclave™ technology could hinder the shift to full production. To mitigate this, HighCom has proactively engaged experienced staff and contractors and initiated early design work. This strategic approach aims to expedite the development and operationalisation of the technology, thereby effectively capitalising on the growing interest in XTclave™ products.

Technology Obsolescence and Competitive Disadvantage

The core value of HighComs armour business and XTclave™ technology lies in its ability to design and manufacture the lightest and strongest products in the market. A failure to continue to invest in research and development, or to maintain an active innovation strategy aligned with technological advancements, poses a risk of product obsolescence and loss of market competitiveness. HighComs executive and management teams remain closely engaged with supplier innovations and customer needs, and actively monitor competitor activity to ensure timely and strategic responses.

Sales and Partner

HighCom's sales have historically depended exclusively on its "go-to-market" strategy through a network of distribution partners. To drive greater growth, management recognised the need to diversify the sales strategy beyond its traditional partner-based model. In diversifying, there are new risks that could emerge that need to be carefully managed including losing partners from our network, inconsistent messaging, customer experience or brand positioning, increased logistical, technological and administrative complexity putting a strain on internal resources, initial investment may not yield immediate returns impacting cash flow or profitability and new regulatory requirements that must be understood and adhered to.

It is critical that the HighCom sales team maintains strong engagement with all existing partners to prevent channel conflict, reinforce their ongoing value and importance, and continue pursuing joint opportunities—even as we expand our sales strategy—to ensure sustained revenue and strategic alignment.

Cyber/Information Technology Infrastructure Disruption

HighCom's operations are heavily reliant on the performance, reliability, and availability of its technology platforms, data centres, and systems, including those managed by third-party providers. A significant disruption to these systems could adversely affect business continuity, reputation, and financial stability. To mitigate this risk, the Group maintains a strong internal focus on technology resilience and continues to engage expert personnel and trusted third-party service providers.

Legal/Regulatory Risks

HighCom is subject to a broad range of regulatory and legal obligations across Australia, the United States, and Europe, including but not limited to import and export permits, and compliance with ITAR (International Traffic in Arms Regulations) and EAR (Export Administration Regulations). To ensure timely and effective compliance, the Group has employed suitably qualified personnel and engages professional consultants as needed to identify, manage, and mitigate these regulatory risks.

Work Health and Safety Risks

HighCom Limited operates in environments involving industrial machinery, equipment, and contractor management, which carry inherent health and safety risks. A failure to maintain a safe and compliant workplace could result in injury, regulatory breaches, reputational damage, and operational disruption, with potential impacts extending to the local community. To mitigate this risk, HighCom is committed to its Vision Zero goal and proactively implements and maintains robust safety management systems. This includes ongoing review and refinement of WHS procedures, engagement of qualified personnel to oversee contractor safety, and strict adherence to relevant WHS and OSHA regulations, ensuring the protection of employees, visitors, and surrounding communities.

Financial Risk Management

Financial Risk Management is disclosed in Note 34 to the financial statements.

Risk Management Goals

The organisation's risk management goals are to:

1. Strengthen our enterprise risk framework by fully integrating risk management into strategic planning and decision-making processes.
2. Enhance regulatory compliance oversight. Ensuring full compliance with import/export regulations, including ITAR, EAR, and local permit requirements across Australia, the US, and Europe.
3. Improve cyber security and data protection through the implementation of advance cybersecurity protocols.
4. Increase risk awareness and culture by delivering targeted risk training across all levels of the organisation, and embedding risk ownership into performance metrics for managers and team leads.
5. Strengthening third-party risk management through the establishment of a formal third-party risk assessment framework for suppliers, contractors, and technology providers and increased annual reviews of critical vendor performance and compliance.
6. Improve Crisis and Business Continuity preparedness by regularly updating and testing business continuity and disaster recovery plans across all sites and conducting scenario-based risk simulations involving key stakeholders.
7. Monitor and respond to market and financial risks by developing early warning indicators for capital constraints, commodity price volatility, and geopolitical shifts and maintaining flexible funding strategies to support growth and resilience.

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

Mr Benjamin Harrison	**Director (Non-Executive) – Appointed 23 February 2022** **Chairman (Non-Executive) Appointed 31 July 2024**
Experience	Mr Harrison has 15 years of 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. Mr Harrison later moved into investment banking, working for a leading corporate advisory house where he executed over $2 billion in capital market transactions and $5.5 billion of public M&A transactions. He is a partner and Chief Investment Officer of Altor Capital and is active in the private equity and private credit sectors in Australia. Mr Harrison holds board and advisory roles with several private and public companies. Mr Harrison's extensive investment, financial background and board experience provides key leadership to the HighCom Board.
Interest in Shares	Nil
Special Responsibilities	Member Finance, Audit and Risk Committee
Other Directorships	Non-Executive Director of Propell Holdings Limited

Hon Christopher Pyne	**Director (Non-Executive) – Appointed 30 November 2020**
Experience	Christopher Pyne brings a wealth of commercial, political, and global defence experience to HighCom, having served as a Member for Parliament (MP) for over 25 years, from which he retired in 2019. Christopher served as the 54th Australian Defence Minister and was responsible for delivering the $200 billion build-up of Australia's military capability, the largest in Australia's peacetime history. Christopher was elected to Parliament in 1993 and served as the Member for Sturt for 26 years. During this time, he was in the Liberal Party Leadership Group for ten years, Leader of the House of Representatives for six years and served in Cabinet for six years. He has worked to ensure the growth and sustainment of Australia's Defence Industry, and thus implemented Australia's Defence Export Strategy, Defence Industrial Capability Plan, and the Naval Shipbuilding Plan. Christopher also created the Defence Cooperative Research Centre, the Centre for Defence Industry Capability, the Defence Innovation Hub, and the Next Generation Technology Fund. Additionally, he was the driving force behind the recent establishment of the Australian Space Agency. Christopher is the Executive Chairman of Pyne and Partners, consulting to business in the domain of government and political engagement. Headquartered in Adelaide, South Australia, and operating nationally with a presence in Sydney, Canberra, Melbourne, Brisbane, and internationally in Washington DC and London. He is an Industry Professor in the Adelaide University Business School specialising in Defence and Space. Before entering Parliament, Christopher practiced as a solicitor at Corrs Chambers Westgarth and Thomson Geer.
Interest in Shares	38,461 as at 30 June 2025
Special Responsibilities	Member Nominations and Remuneration Committee
Other Directorships	Christopher is a Member of the Advisory Board of the NIOA Group and the Australian Missile Corporation, Neishlos Capital and the Orygen Institute. He is Chair of COTA Australia, Vision2020 and Co-Chair of the Australia UAE Business Council. He is Executive Chairman of government relations consulting firm Pyne and Partners Pty Ltd and a Director of Newpin Advisory Pty Ltd and the International Centre for Democratic Partnerships.

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 at 30 June 2025
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 17 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. Ms. McDonald 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	Nil
Special Responsibilities	Chair Finance, Audit and Risk Committee, Member Nomination and Remuneration Committee
Other Directorships	Non-Executive Director of VGI Partners Global Investments Ltd (ASX:VG1), Regal Partners Asian Investments Ltd (ASX:RG8), Future Generation Global Ltd (ASX:FGG)

Ms Jacqueline Myers	Joint Company Secretary, appointed 11 December 2024, resigned 30 May 2025
Mr Adam Gallagher	Company Secretary, appointed 24 May 2024
Mr Mark Stevens	Director (Non-Executive Chairman) appointed 23 February 2023 to 12 February 2024, Executive Chairman from 14 February 2024, resigned 31 July 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 2025, 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 Ben Harrison	12	12	3	3	-	-
Ms Adelaide McDonald	12	12	3	3	2	2
Hon Christopher Pyne	10	12	-	-	2	2
Mr Mark Smethurst	12	12	-	-	2	2

[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 persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including all directors.

The Human Resources 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 it's directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

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	Super-annuation	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**	**0.7%**

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.

2024 Key Management Personnel (KMP)	Short-term Benefits			Post Employment Benefits		Long-term Benefits	Total	Perf. Related
	Fees and Leave[1]	Bonuses[2]	Termination Benefits	Super-annuation	Other	LSL[3]		
	$	$	$	$	$	$	$	%
Non-Executive Directors:								
Ben Harrison	59,719	-	-	-	-	-	59,719	-
Hon. Christopher Pyne	59,719	-	-	-	-	-	59,719	-
Mark Smethurst	59,719	-	-	-	-	-	59,719	-
Adelaide McDonald	59,719	-	-	-	-	-	59,719	-
Chris Fullerton[4]	28,438	-	-	-	-	-	28,438	-
Executive Chairman								
Mark Stevens[5]	105,000	-	-	-	-	-	105,000	-
Other Key Management Personnel								
Scott Basham[6]	309,807	-	100,000	49,363	-	(3,697)	455,473	-
Lawrence Gardiner[7]	107,303	4,045	-	12,232	-	(2,625)	120,955	3%
Jacqueline Myers	354,471	-	-	40,658	-	1,008	396,137	-
Todd Ashurst[8]	175,214	-	-	17,807	-	-	193,021	-
Total KMP	**1,319,109**	**4,045**	**100,000**	**120,060**	-	**(5,314)**	**1,537,900**	**0.3%**

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) For FY24, cash bonuses of $4,045 were accrued (FY23 $151,144), related to the Short-Term Incentive Plan (STIP). There were no share-based payments accrued for STIP or Long-Term Incentive Plan (LTIP) in FY24.
(3) Amounts included for long service leave are movements in accrued entitlements for the relevant twelve-month period.
(4) Remuneration from 1 July 2023 to 23 November 2023
(5) Remuneration for Non-Executive Chairman from 1 July 2023 to 12 February 2024, and Executive Chair from 13 February 2024 to 30 June 2024
(6) Remuneration 1 July 2023 to 13 February 2024
(7) Remuneration 1 July 2023 to 11 December 2024
(8) Remuneration 11 September 2023 to 30 June 2024

Options Rights Granted as Remuneration

There were no new issues of share options or share performance rights during FY25 (FY24 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:	**Todd Ashurst**
Title:	Group Chief Executive Officer
Agreement commenced:	3 March 2025
Term of agreement:	Ongoing
Details:	Base salary for the year ending 30 June 2025 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.

Name:	**Jacqueline Myers**
Title:	Group Chief Financial Officer, Company Secretary
Agreement commenced:	28 November 2022
Term of agreement:	Resigned 30 May 2025
Details:	Base salary for the year ending 30 June 2025 of $340,000 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:	**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 2025 of $300,000 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.

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 a liability incurred by the auditor.

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

Proceedings on behalf of the company

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

Non-audit services

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

Rounding of amounts

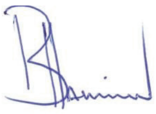
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars, or in certain cases,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



Benjamin Harrison
Chairman
Highcom Limited
29th day of September 2025

For personal use only

Auditor's Independence Declaration

RSM Australia Partners

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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 2025, 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: 29 September 2025

RODNEY MILLER
Partner

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 30 June 2025

Continuing Operations	Notes	2025 $	2024 $
Revenue	3(a)	48,109,454	45,319,192
Cost of Sales		(37,125,774)	(31,909,174)
Gross Profit		**10,983,680**	**13,410,018**
Other income	3(b)	385,731	316,282
Employee Benefits	4	(7,010,575)	(9,134,227)
Administrative expenses	5	(5,417,202)	(7,762,910)
Finance costs	6	(131,711)	(255,430)
Selling and marketing expenses	7	(313,700)	(342,386)
Depreciation and Amortisation	8	(1,356,467)	(1,897,580)
Impairment Reversal/(loss)	9	1,654,232	(5,910,080)
(Loss)/Profit before income tax expense from continuing operations		**(1,206,012)**	**(11,576,313)**
Income tax expenses	10	-	-
(Loss)/Profit after income tax expense from continuing operations		(1,206,012)	(11,576,313)
Loss)/Profit after income tax expense from discontinued operations	37	16,953	(441,795)
(Loss)/Profit after income tax expense for the year		**(1,189,059)**	**(12,018,108)**
Other Comprensive Income (Loss), Net Of Tax			
Items that may be reclassified subsequently to Profit or Loss:			
Foreign operations – foreign currency translation differences		172,463	221,902
Total comprehensive (loss) income for the period		**(1,016,596)**	**(11,796,206)**

Earnings Per Share	Notes	2025 Cents	2024 Cents
Earnings per share – continuing operations			
Basic earnings per share	29	(1.17)	(11.31)
Diluted earnings per share	29	(1.17)	(11.31)
Earnings per share – discontinued operations			
Basic earnings per share	29	0.02	(0.43)
Diluted earnings per share	29	0.02	(0.43)
Total Basic and Diluted (loss)/earnings per share			
Basic earnings per share	29	**(1.15)**	**(11.74)**
Diluted earnings per share	29	**(1.15)**	**(11.74)**

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

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Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	2025 $	2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	15	5,811,893	6,180,310
Trade and other receivables	16	3,993,497	3,628,517
Contract assets	17	497	-
Inventories	18	14,366,185	17,831,553
Income tax receivable	10	358,374	358,041
Other assets	19	1,395,924	306,171
Total Current Assets		**25,926,370**	**28,304,592**
Non-Current Assets			
Goodwill	20	1,402,346	1,402,346
Intangibles	21	781,751	978,794
Right of use assets	22	1,421,450	593,661
Property, plant and equipment	23	10,904,918	8,450,369
Total Non-Current Assets		**14,510,465**	**11,425,170**
TOTAL ASSETS		**40,436,835**	**39,729,762**
LIABILITIES			
Current Liabilities			
Trade and other payables	24	8,520,636	7,417,844
Lease liabilities	25	382,019	485,649
Provisions	26	429,243	692,795
Contract liabilities	27	127,516	101,645
Total Current Liabilities		9,459,414	8,697,933
Non-Current Liabilities			
Lease liabilities	25	1,155,538	197,686
Provisions	26	35,786	20,161
Contract liabilities	27	-	11,289
Total Non-Current Liabilities		1,191,324	229,136
TOTAL LIABILITIES		**10,650,738**	**8,927,069**
NET ASSETS		**29,786,097**	**30,802,693**
EQUITY			
Contributed equity	28	52,927,156	52,927,156
Reserves	36 a.	1,419,602	1,247,139
Accumulated Losses	36 b.	(24,560,661)	(23,371,602)
TOTAL EQUITY		**29,786,097**	**30,802,693**

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 2025

	Issued Capital $	Equity-based Payments Reserve $	Foreign Exchange Translation Reserve $	Accumulated Losses $	Total $
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**
Balance as at 1 July 2023	**52,502,403**	**1,882**	**1,025,237**	**(11,425,376)**	**42,104,146**
Net loss for the Year	-	-	-	(12,018,108)	(12,018,108)
Other Comprehensive Income	-	-	221,902	-	221,902
Total Comprehensive Loss for the year	**-**	**-**	**221,902**	**(12,018,108)**	**(11,796,206)**
Transactions With Owner Recognised Directly in Equity					
Equity-settled share-based payment	428,250	-	-	-	428,250
Share based payment reserve	-	(1,882)	-	1,882	-
Transaction costs associated with share raising	(3,497)	-	-	-	(3,497)
Total contributions and distributions	**424,753**	**(1,882)**	**-**	**1,882**	**424,753**
Changes in Ownership					
Deregistration of subsidiary	-	-	-	70,000	70,000
Total changes in ownership interests	-	-	-	**70,000**	**70,000**
Total transactions with owners of the Company	**424,753**	**(1,882)**	**-**	**71,882**	**494,753**
Balance as at 30 June 2024	**52,927,156**	**-**	**1,247,139**	**(23,371,602)**	**30,802,693**

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 2025

	Notes	2025 $	2024 $
Cash flows from (used in) operating activities			
Receipts from customers		47,771,473	67,098,907
Payments to suppliers and employees – continuing operations		(44,918,252)	(66,337,767)
Payments to suppliers and employees – discontinued operations		(561)	(239,416)
		2,852,660	**521,724**
Interest received	3(b)	108,669	140,349
Finance costs		(116,390)	(198,372)
Income tax refund/(paid)		-	194,233
VAT refunds – discontinued operations		17,514	-
Net cash flows from (used in) operating activities		**2,862,453**	**657,934**
Cash flows (used in) from investing activities			
Proceeds from sale of assets		-	477,290
Payments for intangible assets		(55,751)	-
Payments for property, plant, and equipment	23	(3,107,831)	(1,117,938)
Net cash flows (used in) investing activities		**(3,163,582)**	**(640,648)**
Cash flows from financing activities			
Payment of transaction costs associated with issued share capital	28(a)	-	(3,497)
Repayment of lease liabilities		(489,748)	(780,815)
Proceeds from borrowings		1,500,000	1,500,000
Repayment of borrowings		(1,500,000)	(1,500,000)
Net cash flows from (used in) financing activities		**(489,748)**	**(784,312)**
Net increase (decrease) in cash and cash equivalents		(790,877)	(767,026)
Exchange rate impact on cash		422,460	52,758
Cash and cash equivalents at beginning financial year		6,180,310	6,894,578
Cash and cash equivalents at end of year	15	**5,811,893**	**6,180,310**

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 2025

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.

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 38.

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 2025 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 transactions.

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.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. 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.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 28 for further information.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. There is no allowance for expected credit losses, for the financial year ended 30 June 2025. The actual credit losses in future years may be higher or lower.

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

	2025 $	2024 $
HighCom Armor	34,996,927	31,751,517
HighCom Technology	13,112,527	13,567,675
Total Revenue	**48,109,454**	**45,319,192**
(b) Other Income		
Interest Income	108,669	140,349
Gain on sale of assets	-	64,104
Foreign exchange gain net	199,528	71,866
Other Income	77,534	39,963
Total Other Income	**385,731**	**316,282**
Total Revenue and Other Income	**48,495,185**	**45,635,474**

Disaggregation of Revenue

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

	2025 $	**2024 $**
Timing of revenue recognition		
Goods transferred at a point in time	39,055,619	40,786,179
Services transferred over time	9,053,835	4,533,013
	48,109,454	**45,319,192**

4. Employee Benefits

	2025 $	**2024 $**
Salaries and wages	5,123,853	7,107,842
Superannuation contributions	374,712	567,558
Payroll tax	717,574	801,711
Other employee expenses	794,436	657,116
Total Employee Benefits	**7,010,575**	**9,134,227**

5. Corporate and Administrative Expenses

	2025 $	**2024* $**
Consultancy fees	755,814	1,601,595
Insurance	773,363	855,294
Information and Communication Technologies	929,621	1,059,352
Director's fees	438,244	355,513
Travel and accommodation	501,345	731,394
Occupancy Expenses	603,496	586,417
Accounting and Audit fees	658,138	701,269
Share Registry	110,623	108,496
Bank Charges	92,221	76,032
R&D Expenses	274,574	924,614
Freight	-	272,441
Lease makegood	-	217,383
Other expenses	279,763	273,110
Total Administrative expenses	**5,417,202**	**7,762,910**

**Prior period comparatives have been reclassified*

6. Finance Costs

	2025 $	2024 $
Interest on lease liabilities	15,321	57,058
Short term borrowing interest expense	116,390	198,372
Total Finance Costs	**131,711**	**255,430**

7. Selling and Marketing expenses

	2025 $	2024 $
International sales commission (to 3rd party for armour sales)	-	2,363
Marketing and trade shows	313,700	340,023
Total selling and marketing expenses	313,700	342,386

8. Depreciation and Amortisation

	2025 $	2024 $
Depreciation		
-Plant and equipment	420,645	748,776
-Motor vehicles	28,203	29,573
-Office furniture and equipment	55,911	82,140
-Demonstration equipment	60,710	99,740
-Leasehold property improvements	37,800	94,712
-Right to use assets	500,860	585,607
Amortisation		
-Computer software	35,386	44,496
-Intangible – plate development	161,724	161,724
-Intangible – certifications	55,228	50,812
Total Depreciation and Amortisation	**1,356,467**	**1,897,580**

9. Impairment

	2025 $	2024 $
Impairment – Inventory reversal	(2,589,597)	-
Impairment - Inventory	935,365	4,199,634
Impairment – Property, plant & equipment	-	1,155,906
Impairment – ROU assets	-	26,971
Impairment – Trade Debtors	-	-
Impairment – Intangibles	-	527,569
Total Impairment	**(1,654,232)**	**5,910,080**

10. Income Tax Expense

	2025 $	2024 $
Current tax expense		
Current tax (benefit)/expense (US operations)	-	-
Deferred tax (income)/expense	-	-
Income tax (benefit)/expense	-	-

a. Reconciliation of Income Tax to Accounting Profit

	2025 $	2024 $
Loss	(1,189,059)	(12,018,108)
Tax	30%	30%
	(356,718)	(3,605,432)
Add:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Capital raising cost amortised	(282,930)	(105,779)
Capital expenditure incurred	49,632	70,838
Assessable government grant	-	-
Losses not brought to account	594,579	2,663,635
Timing differences not brought to account	(8,263)	(679,270)
Non-assessable foreign subsidiary income	3,700	1,656,008
Income Tax Expense	-	-

Note: The tax position is reconciled to the position of the parent company, for which no tax is payable.

b. Deferred Tax Assets and Liabilities

	2025 $	2024 $
Deferred tax liabilities		
Deferred tax assets		
Accrued expenses	13,462	21,355
Bonus	4,000	1,224
Superannuation	32,763	35,583
Employee leave entitlements	139,509	137,884
Deferred revenue	2,258	3,387
Unrealised foreign exchange losses	(107,291)	(307,285)
Lease assets	7,392	28,860
Capitalised assets	2,482	11,552
Potential tax losses	11,244,683	10,506,470
Potential capital tax losses	472,427	466,878
Deferred tax assets from US operations	1,274,869	2,281,086
Deferred differences and losses not recognised	(13,086,554)	(13,186,994)
Total deferred tax assets and liabilities	-	-

c. Income tax receivable

	2025 $	2024 $
Income tax receivable	358,374	358,041

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 (2024: $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 $37,482,275 (2024: $35,021,566).

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 2025, 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 (2024: nil).

f. Foreign subsidiary income tax paid

The income tax refund (paid) for HighCom Holdings Inc. for 30 June 2025 amounts to nil (2024: refund $194,233).

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 2025.

Key management personnel remuneration included within employee expenses for the year is shown below:

	2025 $	2024 $
Short-term employee benefits	1,085,278	1,323,154
Post-employment benefits	73,313	120,060
Termination benefits	-	100,000
Other long-term benefits	1,099	(5,314)
Total key management personnel remuneration	**1,159,690**	**1,537,900**

12. Auditors' Remuneration

	2025 $	2024 $
Audit and review services		
Auditors of the Group – RSM Australia Partners		
Audit and review of financial statements – Group	115,872	126,960
Auditors of the 2025 HighCom Inc US – RSM Australia Partners	73,585	77,500
Auditors of the 2024 HighCom Inc US – RSM US Partners	132,619	139,674
	322,076	**344,134**
Other services		
Accounting Services 2024 HighCom Inc US – RSM US Partners	17,494	18,685
	17,494	**18,685**

13. Dividends

Ordinary shares

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

Franking Account

	2025 $	2024 $
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

	2025 $	2024 $
Segment revenues - continuing operations		
Armour division	34,996,927	31,751,517
Technology division	13,112,527	13,567,675
Total of all segments	48,109,454	45,319,192
Segment results - continuing operations		
Armour division	1,270,359	(6,577,274)
Technology division	3,569,869	1,448,724
Unallocated holding company costs	(4,649,778)	(4,435,102)
EBITDA	190,450	(9,563,652)
Depreciation and amortisation	(1,356,467)	(1,897,580)
Interest expense	(131,711)	(255,430)
Interest income	108,669	140,349
(Loss)/Profit before income tax expense	(1,189,059)	(11,576,313)
Income tax expense	-	-
(Loss)/Profit after income tax expense from continuing operations	**(1,189,059)**	**(11,576,313)**

Geographical information

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

	2025 $	2024 $
North America	23,382,602	17,328,433
Australia and Asia Pacific	13,355,583	18,998,345
Europe	10,398,841	7,973,561
Others	972,428	1,018,853
	48,109,454	**45,319,192**

15. Cash and Cash Equivalents

	2025 $	2024 $
Cash at bank and in hand	**5,811,893**	**6,180,310**

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:

	2025 $	2024 $
Cash and cash equivalents	5,811,893	6,180,310
Balance as per statement of cash flows	**5,811,893**	**6,180,310**

16. Trade and Other Receivables

	2025 $	2024 $
Current		
Trade receivables	3,993,497	3,628,517
Total current trade and other receivables	**3,993,497**	**3,628,517**

At 30 June 2025, the ageing analysis of trade receivables is as follows:

	2025 $	2024 $
Not impaired <30 days	3,976,306	571,102
Past due but not impaired (days overdue) 31-60	2,102	2,998,179
Past due but not impaired (days overdue) 61-90	3,420	58,306
Past due but not impaired (days overdue) >90	11,669	930
Not impaired gross amount	**3,993,497**	**3,628,517**

97.24% of all trade receivables at 30 June 2025 were received by 29 August 2025.
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

	2025 $	2024 $
Contract Assets	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	-	3,007,469
Additions	497	-
Transfer to trade receivables	-	(3,007,469)
Closing Balance	**497**	**-**

18. Inventories

	2025 $	2024 $
Current		
Work in progress	12,934	28,272
Products and spare parts	14,353,251	17,803,281
Total Inventories	**14,366,185**	**17,831,553**

In FY25, the inventory comprises of 57% raw materials and 43% finished goods (FY24: 55%, 45%)

19. Other Current Assets

	2025 $	2024 $
Current		
Prepayments	266,004	248,077
Vendor deposits - Inventory	1,054,716	-
Other Assets	75,204	58,094
Total Other Current Asset	**1,395,924**	**306,171**

20. Goodwill

	2025 $	2024 $
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.

	2025 $	2024 $
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 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
Disposals	-	-	-	-
Exchange differences	-	-	(97)	(97)
At 30 June 2025	182,183	377,315	149,677	709,175
Net Carrying Value	**72,783**	**431,318**	**277,649**	**781,750**

30 June 2024	Computer Software $	Plate Development $	Patents and Certification $	Total $
Cost				
At 1 July 2023	761,309	808,633	427,862	1,997,804
Disposal – write-off	(561,191)	-	(1,530)	(562,721)
Exchange differences	-	-	91	91
At 30 June 2024	200,118	808,633	426,423	1,435,174
Accumulated Depreciation				
At 1 July 2023	135,923	53,867	44,821	234,611
Depreciation	44,496	161,724	50,812	257,032
Disposal – write-off	(33,623)	-	(1,531)	(35,154)
Exchange differences	-	-	(109)	(109)
At 30 June 2024	146,796	215,591	93,993	456,380
Net Carrying Value	53,322	593,042	332,430	978,794

22. Right of Use Assets

	2025 $	2024 $
Right of use lease assets		
Cost		
As at 1 July	2,686,232	3,268,720
Additions	1,506,311	199,383
Disposals	(1,760,441)	(529,436)
Exchange differences	14,783	1,220
Adjustment	-	(253,655)
At 30 June	**2,446,885**	**2,686,232**
Accumulated Depreciation		
At 1 July	2,092,571	1,830,466
Depreciation	497,799	666,662
Disposals	(1,577,518)	(422,427)
Exchange differences	12,583	(3,543)
Impairment	-	21,413
Adjustment	-	-
At 30 June	1,025,435	2,092,571
Net Carrying Value	**1,421,450**	**593,661**

23. Property, Plant and Equipment

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[1] $	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 2024	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**

30 June 2024	Plant and Equipment $	Office Furniture and Equipment $	Motor Vehicles $	Demonstration Equipment $
Cost				
As at 1 July 2023	11,498,328	851,894	174,398	706,347
Additions	144,365	16,834	-	151,399
Disposals	(732,327)	(160,185)	(28,611)	-
Disposal – write-off	(582,858)	(3,868)	-	(592,811)
Foreign exchange movement	2,921	296	86	-
Assets reclassified	(7,097,301)	-	-	-
At 30 June 2024	3,233,128	704,971	145,873	264,935
Accumulated Depreciation				
At 1 July 2023	2,969,626	677,007	46,108	191,307
Depreciation expense	748,776	82,140	29,573	99,740
Disposals	(369,299)	(145,716)	(18,692)	-
Disposal – write-off	(115,407)	(3,035)	-	(177,844)
Foreign exchange movement	(3,320)	(159)	(175)	-
Assets reclassified	(1,039,261)	-	-	-
At 30 June 2024	2,191,115	610,237	56,814	113,203
Net Carrying Value	1,042,013	94,734	89,059	151,732

30 June 2024	Leasehold Improvement $	Assets Under Construction[(1)] $	Total $
Cost			
As at 1 July 2023	858,397	-	**14,089,364**
Additions	19,663	785,677	**1,117,938**
Disposals	(58,396)	-	**(979,519)**
Disposal – write-off	(574,094)	-	**(1,753,631)**
Foreign exchange movement	36	186,870	**190,209**
Assets reclassified	-	7,097,301	**-**
At 30 June 2024	245,606	8,069,848	**12,664,361**
Accumulated Depreciation			
At 1 July 2023	442,296	-	**4,326,344**
Depreciation expense	94,712	-	**1,054,941**
Disposals	(32,626)	-	**(566,333)**
Disposal – write-off	(300,766)	-	**(597,052)**
Foreign exchange movement	(254)	-	**(3,908)**
Assets reclassified	-	1,039,261	**-**
At 30 June 2024	203,362	1,039,261	**4,213,992**
Net Carrying Value	42,244	7,030,587	**8,450,369**

Note:
(1) Assets under construction relates to the XTclave™ production system being reassembled in Columbus, Ohio USA. In FY23, the XTclave was located in Adelaide, Australia and was classified as Plant and Equipment.

24. Trade and Other Payables

	2025 $	2024 $
Current		
Trade and other payables	7,768,923	6,592,255
GST payable	39,566	103,936
Sundry payable and accrued expenses	712,147	721,653
Total trade and other payables	**8,520,636**	**7,417,844**

25. Lease Liabilities

	2025 $	2024 $
Current		
Lease liability – Current	382,019	485,649
	382,019	485,649
Non-current		
Lease liability – Non-Current	1,155,538	197,686
	1,155,538	197,686
Total lease liabilities	**1,537,557**	**683,335**

Lease maturity information is disclosed at Note 34. The leases relate to office buildings and manufacturing facilities and warehouses.

26. Provisions

	2025 $	2024 $
Current Liabilities		
Annual leave provision	243,623	528,466
Long service leave	185,620	164,329
	429,243	692,795
Non-current liabilities		
Long service leave	35,786	20,161
	35,786	20,161
Total provisions	**465,029**	**712,956**

27. Contract Liabilities

	2025 $	2024 $
Current		
Customer deposits	127,516	101,645
	127,516	101,645
Non-current		
Customer deposits	-	11,289
	-	11,289
Total contract liabilities	**127,516**	**112,934**

28. Issued Capital

	2025 $	2024 $
Ordinary shares	52,927,156	52,927,156
Total	**52,927,156**	**52,927,156**

a. Movement in Ordinary Shares

	2025 No.	2025 $	2024 No.	2024 $
Opening balance	102,682,672	52,927,156	101,761,703	52,502,403
Shares issued	-	-	920,969	428,250
Transaction cost in relation to capital	-	-	-	(3,497)
Total	**102,682,672**	**52,927,156**	**102,682,672**	**52,927,156**

b. Expired Options and Share Performance Rights

There were no options on issue at 30 June 2025 (30 June 2024: nil). There were no share performance rights exercisable at the end of any prior year.

As at 30 June 2025 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.

29. 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) **Profit/(loss) attributable to ordinary shareholders (basic)**

	2025 $	2024 $
Profit/(loss) for the year from continuing operations	(1,206,012)	(11,576,313)
Profit/(loss) for the year from discontinuing operations	16,953	(441,795)
Earnings used in the calculation of basic EPS	(1,189,059)	(12,018,108)

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

	2025 No.	2024 No.
Weighted-average number of ordinary shares (basic) at 30 June	102,682,672	102,370,650

(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)**

	2025 $	2024 $
Profit/(loss) for the year from continuing operations	(1,206,012)	(11,576,313)
Profit/(loss) for the year from discontinuing operations	16,953	(441,795)
Earnings used in the calculation of dilutive EPS	(1,189,059)	(12,018,108)

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

	2025 No.	2024 No.
Weighted-average number of ordinary shares (diluted) at 30 June	102,682,672	102,370,650

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.

The issued capital of HighCom Ltd at 30 June 2025 comprises 102,682,672 fully paid Ordinary Shares. At 30 June 2025 there were no options on issue.

Share Issuance

The issued capital of Highcom Limited & controlled entities at 30 June 2025 comprised 102,682,672 (2024: 102,682,672) fully paid Ordinary Shares. There were no issued options as at 30 June 2025 (2024 nil).

30. Cash Flow Information

	2025 $	2024 $
(Loss)/Profit for the year	(1,189,059)	(12,018,108)
Adjustments for:		
Depreciation and amortisation – continuing operations	1,356,467	1,897,580
Depreciation and amortisation – discontinuing operations	-	81,055
Net loss (gain) on disposal of non-current assets & Other Revenue	-	(64,104)
Loss on closure of discontinued operation, net of tax	-	70,000
Foreign exchange gain net	(199,528)	(35,528)
Impairment losses/ reversals on inventories	(1,654,232)	4,199,634
Impairment losses on property, plant & equipment	-	1,155,906
Impairment losses on intangible assets	-	527,569
Impairment losses on Right of Use Assets	-	26,971
Net finance costs – lease	15,321	72,044
Equity-settled share-based payment transactions	-	428,250
Change in operating assets and liabilities:		
Trade and other receivables	(364,980)	21,039,518
Contract assets	(497)	3,007,469
Inventories	5,119,600	3,704,851
Prepayments	(1,090,086)	780,718
Trade and other payables	1,102,792	(23,807,530)
Contract liabilities	14,582	(182,344)
Provisions and employee benefits	(247,927)	(226,017)
Net cash flow from (used in) operating activities	2,862,453	**657,934**

31. Share Based Payments

During the year ended 30 June 2025, there were nil ordinary shares issued as part of staff incentive plans for employees of the company (FY24: 920,969 ordinary shares issued).

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 2025 (2024: nil). There were no options or share performance rights in the hands of staff issued at the start of financial year 2025 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 FY25 (FY24 – nil).

Weighted Average Share Price

The weighted average market price at 30 June 2025 was 21.71 cents (2024: 26.94 cents).

32. Events Occurring after the Reporting Date

The financial report was authorised for issue on the 29th Day of September 2025 by the Board of Directors.

No other matters or circumstances has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

33. Related Parties

Parent Entity

HighCom Limited is the parent entity.

Subsidiaries

Interest in subsidiaries are set in note 39.

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

The following transactions occurred with related parties:

	2025 $	2024 $
Payment of goods to subsidiaries	12,566	1,097,578
Payment of goods from subsidiaries	96,127	3,280,817
Interest related to borrowings from subsidiaries	109,374	209,831
Payment of advisory services to former Company Secretary Mr. Lawrence Gardiner	-	31,506

Receivable from and payable to related parties

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

	2025 $	2024 $
Receivable from subsidiaries for the purchase of goods	948,434	1,053,891
Receivable from subsidiaries for the purchase of assets	6,650,698	6,369,513
Loan receivable from subsidiaries	2,398,068	2,264,823
Loan receivable related to borrowings to HighCom Armor Sp. z o.o. from HighCom Armor Solutions Inc	366,465	361,917

Terms and Conditions

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

34. 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

	2025 $	2024 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	5,811,893	6,180,310
Trade and other receivables	3,993,497	3,628,517
Total financial assets	9,805,390	9,808,827
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	8,520,636	7,417,844
Total financial liabilities	8,520,636	7,417,844

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:

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**	**-**

2024	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	-	3,628,517	-	-	-
Lease Liability	4.7%	492,167	201,157	-	-
Borrowings	-	-	-	-	-
Total financial liabilities	**-**	**4,120,684**	**201,157**	**-**	**-**

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**	**-**

2024	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	398,179	168,743	-	-
Total undiscounted lease liabilities	**398,179**	**168,743**	**-**	**-**

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:

	2025 USD	2024 USD
Trade and other receivables	2,345,956	691,191
Trade and other payables	(1,896,346)	(2,372,271)
Net statement of financial position exposure	449,610	(1,681,080)
Next six months' forecast sales	7,924,161	2,691,938
Next six months' forecast purchases	(5,715,488)	(2,134,999)
Net forecast transaction exposure	2,208,673	556,939
Net exposure	**2,658,283**	**(1,124,141)**
Sensitivity analysis:		
Effect on Profit/ Loss (post tax)		
USD (10% Strengthening)	265,828	(112,414)
EUR (10% Strengthening)	-	-
USD (10% Weakening)	(265,828)	112,414
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. At reporting date, the Company had financial assets comprising cash and cash equivalents totalling $5,811,893 (2024: $6,180,310) 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 2025, 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

	2025		2024	
	+1.00% $	-1.00% $	+1.00% $	-1.00% $
Net results	58,119	(58,119)	61,803	(61,803)
Equity	58,119	(58,119)	61,803	(61,803)

35. Grants

There were no grants recognised in FY25 (FY24-nil).

36. Reserves and Retained (losses)/profits

a. Movement in reserves

Equity based payments reserve of $1,882 in FY24 relates to premiums paid on the purchase of Simmersion Holdings Pty Ltd during FY16 which has been deregistered on 01 November 2023.

	2025 $	2024 $
Foreign Exchange Reserve		
Balance at the beginning of the year	1,247,139	1,025,237
Creation on consolidation of foreign subsidiaries	172,463	221,902
Balance Foreign Exchange Reserve	1,419,602	1,247,139
Equity Based Payment Reserve		
Balance at the beginning of the year	-	1,882
Transfer to Retained Earnings	-	(1,882)
Balance Equity Based Payment Reserve	-	-
Balance at the end of the year	**1,419,602**	**1,247,139**

b. Accumulated Losses

	2025 $	2024 $
Movement in accumulated profit/(losses) were as follows:		
Balance at the beginning of the year	(23,371,602)	(11,425,376)
(Loss)/Profit for the year	(1,189,059)	(12,018,108)
Deregistration of subsidiary	-	70,000
Transfer to Retained Earnings	-	1,882
Balance at the end of the year	**(24,560,661)**	**(23,371,602)**

37. Discontinued Operation

(i) Result of the discontinued operation

	2025 $	2024 $
Revenue	-	-
Elimination of inter-segment revenue	-	-
External revenue	-	-
Expenses	(16,953)	371,795
External expenses	(16,953)	371,795
Results from operating activities	16,953	(371,795)
Income tax	-	-
Results from operating activities, net of tax	16,953	(371,795)
Loss on deregistration of discontinued operation	-	(70,000)
Income tax on gain on sale of discontinued operation	-	-
Loss from discontinued operations, net of tax	**16,953**	**(441,795)**
Basic loss per share (cents)	0.02	(0.42)
Diluted loss per share(cents)	0.02	(0.42)

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

	Notes $	Notes $
Net cash used in operating activities	16,953	(239,416)
Net cash from investing activities	-	-
Net cash flows for the year	**16,953**	**(239,416)**

38. Parent Entity

As at and throughout, the financial year ended 30 June 2025 the parent entity of the Group was HighCom Limited.

	2025 $	2024 $
Result of parent entity		
Loss for the period	(1,147,728)	(6,498,081)
Total comprehensive income for the period	**(1,147,728)**	**(6,498,081)**
Financial position of parent entity at year end		
Current assets	14,535,356	17,318,526
Non-current assets	6,354,302	4,522,453
Total assets	**20,889,658**	**21,840,979**
Current liabilities	5,627,004	5,257,407
Non-current liabilities	35,786	208,975
Total liabilities	**5,662,790**	**5,466,382**
Total equity of the parent entity comprising of:		
Share capital	52,927,156	52,927,156
Retained earnings	(37,700,288)	(36,552,559)
Total equity	**15,226,868**	**16,374,597**

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 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

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.

39. 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 2025 %	2024 %
HighCom Holding Inc	USA	100%	100%
HighCom Armor Solutions Inc	USA	100%	100%
HighCom Armor Sp. z o.o	Poland	100%	100%
HighCom Technology Pty Ltd	Australia	100%	0%

Highcom Technology Pty Ltd was registered by Australian Securities and Investments Commission (ASIC) on 18 September 2024.

40. Contingencies

There were no contingent liabilities at 30 June 2025 (At 30 June 2024 – nil).

41. Business Combination

There were no new business combinations in FY25 (FY24 – nil).

42. 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 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 2025 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,

Ben Harrison
Chairman
Dated this 29th day of September 2025

Independent Auditor's Report

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 2025, 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 2025 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 critical 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. 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. • Given the significant volume of inventory on hand, we specifically assessed the existence of any indicators of impairment. Our procedures included evaluating the assumptions and estimates used in management's impairment assessment, reviewing the methodology applied in determining the inventory impairment provision, and testing 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 2025, 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.

RSM

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 25 to 28 of the directors' report for the year ended 30 June 2025.

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

Responsibilities

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

RODNEY MILLER
Partner

RSM Australia Partners

RSM Australia Partners

Canberra, Australian Capital Territory

29 September 2025

Corporate Governance Statement

Commensurate with the letter and spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition), HighCom (the 'Company') has adopted each recommendation where the Board has deemed it appropriate, taking into account the Company's size, the composition of the Board, available resources, and the nature of its operations. Where the Company's corporate governance practices depart from the recommendations, the Board has disclosed the nature and reason for the departure.

The Board periodically reviews and develops its governance policies and practices as the Company grows in size and complexity.

This Corporate Governance Statement was authorised for issue by the Board on 29th September 2025.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: A listed entity should disclose the respective roles and responsibilities of Board and Management and those matters expressly reserved to the Board and those delegated to Management

To assist the Board in carrying out its functions, it has adopted a formal Board charter (in this section "the Charter") which outlines the Board's roles and responsibilities. The Charter delineates matters reserved for the Board and those delegated to management. It is the role of senior management to manage the Company in accordance with the Board's direction and delegations, and it is the Board's responsibility to oversee management's activities in carrying out these delegated duties.

In fulfilling its governance responsibilities, the primary role of the Board is to oversee and guide the Company's performance. The Board is also responsible for ensuring compliance with all contractual, statutory and legal obligations, including those imposed by relevant regulatory authorities. Ultimately, the Board holds overall accountability for the Company's successful operations. The Board Charter is supported by the Company Code of Conduct, which provides guidance to Directors, the Company Secretary, Group and Divisional executives and officeholders, and other employees in the execution of their duties.

Role of Senior Executives

Mr Mark Stevens resigned from the role of Executive Chairman on 31 July 2024 and Mr Benjamin (Ben) Harrison was appointed as non-executive Chairman. Mr Todd Ashurst (senior executive) led the executive team as Group Chief Operations Officer and on 3 March 2025 was formally appointed as Group Chief Executive Officer.

Senior executives collaborate with the Board to develop the corporate strategy and vision, and oversee the implementation of the strategy and management of the Company to achieve the agreed-upon vision in accordance with the policies and programs set by the Board.

Responsibilities include:

- Formulating and reviewing, with the Board, the vision and strategy and developing actions and plans to achieve the vision and implement the strategy. Reporting to the Board on the progress against those actions and plans;
- Appointing the management team and negotiating terms and conditions for approval by the Human Resource and Remuneration Committee of the Board. Providing leadership to and overseeing the senior management team, ensuring employees are properly instructed to achieve a safe workplace, ensuring compliance with laws and Company policies and that a high level of ethical behaviour is practised;
- Reporting to the Board on various matters, including all matters requiring review or approval, significant changes to the risk profile, certification to the Board on the fairness of the financial statements and adequacy of policies regarding risk management, monthly reporting on the performance of businesses and continual education of Directors of the Company, its business environment and relevant changes of law;
- Acting within delegated authority levels for capital expenditure, sale of assets, appointment and termination of executives.

Responsibilities of the Board of Directors

The Board holds overall responsibility and authority for determining the Company's policies, practices, management, and operations. It is empowered to take all necessary actions to carry out the Company's objectives.

While this overarching role is not limited, the Board's key functions and responsibilities include:

- Leadership of the Company: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

- Strategy Formulation: working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long-term budgets.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: overseeing the Company's risk management, compliance, control and accountability systems and reviewing the effectiveness and directing the financial and operational performance of the Company.
- Company Finances: approving expenses more than those approved under the Company Delegation Policy process and approving and monitoring acquisitions, divestitures and financial and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Company Secretary, senior executives fulfilling the Group Chief Executive Officer functions, as well as reviewing their performance and monitoring the performance in their implementation of the Company's strategy.
- Ensuring the health, safety and well-being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to the Company Secretary and senior executives, fulfilling the role of the Group Chief Executive Officer to ensure the effective day-to-day management of the Company, and establishing and determining the powers and functions of the Committees of the Board.

While the Board retains ultimate responsibility for overseeing and guiding the Company, it discharges aspects of its governance duties using sub-committees. These specialist committees allow for focused attention on specific areas and provide informed recommendations to the Board.

The following Standing Committees operated during FY25 details of which are included later in this Corporate Governance Statement:

- Finance, Audit and Risk Committee
- Nominations and Remunerations Committee (the Nominations and Human Resources & Remunerations Committee were merged by resolution on 22 August 2024)

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has several mechanisms in place to ensure this is achieved including:

- Board approval of strategic plans designed to meet stakeholders' needs and manage business risk;
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- Ongoing development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of the entity; and
- Management implements budgets and monitors progress against budgets. This is achieved by establishing and reporting key performance indicators for both financial and non-financial areas.

<u>Other matters expressly reserved for the Board of Directors</u>

The following matters and responsibilities have been expressly reserved for the Board:

- Approval of the annual and half-yearly financial reports;
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- Ensuring that any significant corporate risks that arise are identified, assessed, appropriately managed and monitored;
- Ensuring appropriate resources are available to senior executives; and
- Reporting to security holders.

Full details of the Board's role and responsibilities are contained in the Board Charter at https://highcom.group/corporate-governance/.

The Company complies with Recommendation 1.1.

Recommendation 1.2: A listed entity should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election as a Director and, in addition, should disclose all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company has adopted a policy and procedure for selecting and appointing new Directors and re-electing existing ones, which is part of the Nomination Committee Charter. As part of this process, the Company undertakes appropriate background checks on all prospective candidates. Director appointments are based on the governance skills and experience required to address identified gaps on the Board. To support informed decision-making by security holders, the Company discloses all material information to assist in decisions regarding the election or re-election of Directors, primarily shared through the Notice of the Annual General Meeting.

The Company complies with Recommendation 1.2.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All newly appointed Directors and Senior Executives receive a formal letter of appointment and contractual documentation outlining the terms of their engagement. These documents detail the Company's expectations, as well as individual responsibilities, rights, and conditions of appointment. As part of the induction process, new Directors and Executives meet with the Chairman and Company Secretary to receive briefings on the operation of the Board and its Committees, as well as key matters relating to the Company's financial performance, strategy, operations and risk management.

The Company complies with Recommendation 1.3.

Recommendation 1.4: The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board has assigned the Company Secretary as the Officer(s) responsible for oversight on all governance matters and coordinating disclosure and communication of information to the ASX. The Company Secretary ensures that all market announcements are accurate, timely and include all material information. In addition, the Company Secretary is responsible for the following:

- advising the Board and its Committees on all governance matters;
- monitoring of Board policy and procedures to ensure compliance standards are met by the Company;
- ensuring the business of the Board/Committee meetings are accurately recorded in official Minutes and disseminated in a timely manner;
- overseeing and coordinating information disclosure to the ASX, security holders, analysts, brokers, the media and the public;
- advising Directors and staff on the Company's governance and disclosure policies and raising awareness of the principles underlying continuous disclosure; and
- facilitating the induction and professional development of new Directors and Executives.

The Company complies with Recommendation 1.4.

Recommendation 1.5: A listed entity should have a disclosable diversity policy which includes requirements to set measurable objectives for achieving gender diversity.

The Company is committed to maintaining a safe and inclusive working environment and to providing equal employment opportunities for all Directors, executives, and employees across all levels. While the Company is not subject to The Workplace Gender Equality Act, as it employs fewer than 100 people, it recognises and values the importance of workplace diversity.

The Company has a Diversity Policy which is available on its website at https://highcom.group/corporate-governance/.

The Company does not set measurable objectives for achieving gender diversity; however, as an equal opportunity employer, the Company selects personnel based on the principle of hiring the best person for the role, regardless of gender, age, sexual orientation, ethnicity, marital or family status, and religious or cultural background. The Company's Code of Conduct makes it clear that discrimination, harassment, vilification, and victimisation are unacceptable and will not be tolerated.

Recruitment and selection processes at all levels are carefully designed to ensure that all candidates are considered fairly and without any conscious or unconscious bias.

At the start of the 2025 financial year, the Board comprised four male and one female Directors. Following the resignation of Mr Mark Stevens on 31 July 2024, the Board consists of three male Directors and one female Director.

During FY25 until the change of Chief Financial Officer in May 2025, there were two female and two male senior executives. A 'senior executive' is defined as the C-suite level. On average, during FY25, 38% of board members and senior executives were female.

The Company is not considered a 'relevant employer' as defined under the Workplace Gender Equality Act.

The Company was not included in the S&P / ASX 300 Index at the commencement of the reporting period and is therefore not bound by the measurable objective to achieve a gender diversity composition of its board of not less than 30% of each gender within a specified period.

Whilst the Company does not fully comply with Recommendation 1.5, it nonetheless applies many of the core principles through its Code of Conduct provisions.

Recommendation 1.6: A listed entity should have and disclose a process for periodically evaluation the Board, Committees and individual Directors.

The Nominations and Remuneration Committee of the Board is responsible for overseeing the annual performance evaluation of the Board – both as a whole and on an individual basis – as well as the Group and Divisional Chief Executive Officers. This evaluation process is guided by a set of goals established in the previous year, reflecting the roles of the Board and individual Directors, corporate objectives, and any areas for improvement identified in reviews. The performance assessment of individual Directors is undertaken by the Nomination Committee, with the Chairman meeting privately with each Director, Company Secretary, and senior executives to discuss their annual assessment. The performance assessment was conducted for the FY25 reporting period, with the Chairman meeting with all Directors, the Company Secretary and the Group and Divisional Chief Executive Officers.

The Company complies with Recommendation 1.6.

Council Recommendation 1.7: A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives.

The performance of senior executives is reviewed regularly through a Performance Appraisal Program ("PAP"), which outlines clear evaluation criteria for the assessment process. Each year, senior executives set performance targets that are aligned with overall business goals and the Company's requirements. The PAP is conducted annually, with the Group and Divisional Chief Executive Officers being responsible for assessing their own performance and reporting the results to the Board. The Board evaluates the performance of the Company Secretary and senior executives, in accordance with contractual performance measures and deliverables. Additionally, the Human Resource and Remuneration Committee conducts an annual informal review of the PAP outcomes for other senior executives and staff. Performance assessments were conducted for all senior executives during the FY25 reporting period. Details on responsibilities reserved for the Board and Executive Management are contained in the Board Charter, a copy of which is posted on the Company's website in the Corporate Governance Section.

The Company complies with Recommendation 1.7.

PRINCIPLE 2: STRUCTURE OF THE BOARD TO ADD VALUE

Council Recommendation 2.1: The Board of a listed entity should have a Nomination Committee.

Nominations and Remuneration Committee

In August 2024, the Company established a newly formed Nomination and Remuneration Committee, which operates under the authority of the Board and is governed by two formally adopted charters: the Human Resources and Remuneration Committee Charter and the Nomination Committee Charter. This unified committee assists the Board in fulfilling its oversight responsibilities in relation to Board composition, executive and senior management remuneration, succession planning, and director performance and appointments.

During July 2024, the Nomination Committee consisted of two members: Mr Mark Stevens as Chair and non-executive Director, the Hon Christopher Pyne. Following the resignation of Mr Stevens as director on 31 July 2024, Mr Mark Smethurst assumed the Chair of the newly formed Nominations and Remuneration Committee for FY25. The Committee's membership is completed by non-executive Directors Ms Adelaide McDonald and the Hon Christopher Pyne.

The skills and experience of the Nominations and Remuneration Committee members, the number of meetings held, and the number of meetings attended by each Nominations and Remuneration Committee member in the reporting period are set out in the 2025 Annual Report.

Role of Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for:

- Identifying and recommending Board candidates, ensuring the Board has an appropriate mix of skills, experience, independence and diversity, and reviewing succession plans for both directors and Group CEO;
- Developing and implementing director induction and continuing education programs;
- Reviewing and recommending executive and senior management remuneration and incentive policies that are performance-based and aligned with the Company's strategic objectives, and demonstrably linked to Company and individual performance;
- Reviewing and recommending the structure and level of non-executive director fees, which are fair, competitive and aligned with shareholder interests;
- Reviewing and recommending to the Board the remuneration and retirement policies for non-executive directors having regard to market trends and shareholder interests;
- Implementing annual evaluations of the performance of the Board, individual directors, and the Group CEO, and establishing ongoing education and induction programs for directors;
- Reviewing the structure and performance conditions of employee incentive plans, including equity-based schemes, and monitoring superannuation and other benefit arrangements; and
- Ensuring remuneration disclosures meet ASX Listing Rules and the Corporations Act 2001 (Cth), and reporting to the Board on all matters within its remit.

Director Selection and Appointment

The Board has adopted a policy and procedure for selecting and appointing new Directors and re-electing existing ones, which is part of the Nomination Committee Charter. Appointments are based on the specific governance skills needed by the Company. Given the size of the Company and the operational focus, the Company always aims to have at least one Director with experience in the industry, appropriate to the Company's market. If the need for a new Board member is identified, the Nomination Committee may initiate a search or nominate eligible candidates, who are interviewed by the Chairman and considered by the Board. The Board appoints the most suitable candidate, who must stand for election at the next general meeting of security holders.

Access to independent Professional Advice

To support Directors in effectively discharging their duties, the Board Charter permits them to obtain independent professional advice, at the Company's expense and within approved limits, where such advice is necessary to assist in the performance of their responsibilities.

The Company does not comply with Recommendation 2.1 as, from 1 July to 31 July 2024, the Nomination Committee Chair was an executive director and, therefore, not an independent director for part of the reporting period, and there were fewer than three members.

Council Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is seeking to achieve in its membership.

During the 2025 financial year, the board comprised five members from 1 July to 31 July 2024 and four members for the remainder of the reporting period. Following the resignation of Mr Mark Stevens, Mr Ben Harrison, Hon Christopher Pyne, Mr Mark Smethurst, and Ms Adelaide McDonald comprise the current Board. Collectively, the board possesses a wide range of background skills, expertise and knowledge deemed appropriate for the Company's industry type. The names of Directors in office and their term in office at the date of this statement, and their standing as Executive or Non-Executive and independence, are in the Directors' Report of the 2025 Annual Report.

The Company does not comply with Recommendation 2.2 as it does not disclose a skills matrix.

Council Recommendation 2.3: A listed entity should disclose the names of the Directors considered by the Board to be independent, if they have a relevant interest and their length of service.

The Board considers independent decision-making as critical to effective governance and to meet the ASX Corporate Governance Council Recommendations. Independent Directors are identified by their profiles in the 2025 Annual Report. These profiles detail the skills, experience, and expertise relevant to the position of Director, and the terms of office held by the Director and the status of each Director in relation to the criteria listed below.

Unless otherwise stated, the Board does not consider a Director to be an independent Director of the Company if the Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or within the last three years, has been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years, been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company other than as a Director of the Company;
- has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is not free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company.

Name	Position	Appointed - Ceased	Independent
Mr Ben Harrison	Non-executive Director Chairman	23 February 2022	No
Hon Christopher Pyne	Non-executive Director	30 November 2020	Yes
Mr Mark Smethurst	Non-executive Director	29 April 2021	Yes
Ms Adelaide McDonald	Non-executive Director	24 August 2022	Yes
Mr Mark Stevens	Executive Chairman	23 February 2022 – 31 July 2024	No

Mr Mark Stevens was appointed as Executive Chairman on 13 February 2024, which he held until his resignation on 31 July 2024. The Board then appointed Mr Ben Harrison as non-executive Chairman. Mr Harrison is an employee of the group that controls the Company's largest shareholder, ACM AEPF Pty Ltd. Due to this association, Mr Harrison is not considered independent.

The Company further recognises that Independent Directors are important in assuring shareholders that the Board is properly fulfilling its role. Directors Hon Christopher Pyne, Mr Mark Smethurst, and Ms Adelaide McDonald meet the criteria for independence.

The Company complies with Recommendation 2.3.

Council Recommendation 2.4: A majority of a Board of a listed entity should be independent Directors.

Under the Company's Constitution, the Board is to be comprised of not less than three and no more than twelve Directors, unless otherwise determined by a general meeting. The Board currently consists of four Non-Executive Directors.

To add value to the Company, the Board has been structured to have an effective composition, size, and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated in their Director Profiles that form part of the 2025 Annual Report along with the term of office held by each of the Directors. Directors are appointed based on the specific governance skills required by the Company and on the independence of their decision-making and judgment. The Company recognises the importance of Non-Executive Directors and the external perspective and advice they can offer.

During July 2024, the Board comprised of five members with Mr Mark Stevens, Mr Mark Smethurst, Hon Christopher Pyne and Ms. Adelaide McDonald. Mr Ben Harrison is not considered to be independent as set out in Recommendation 2.3. Following Mr Mark Stevens' resignation, the Board's composition now includes 75% independent directors.

The Company complies with Recommendation 2.4.

Council Recommendation 2.5: The Chairperson of a listed entity should be an independent Director and, in particular should not be the same person as the Chief Executive Officer of the entity.

The Board acknowledges the critical importance of maintaining independence in its decision-making processes. The functions of the Chairman and Group Chief Executive Officer were exercised by the same person from 1 July 2024 until 31 July 2024. On 31 July 2024, following Mr Mark Stevens' resignation, Mr Ben Harrison was appointed as the Non-Executive Chairman of the Company. Mr Harrison is an employee of the entity that controls the Company's largest shareholder, ACM AEPF Pty Ltd, and due to this association, Mr Harrison is not considered to be independent.

The Company does not comply with Recommendation 2.5 as the Chair of the Board is not considered to be independent.

Council Recommendation 2.6: A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain skills and knowledge needed to perform their role as Directors effectively.

The Board has designated the Company Secretary as the Officer responsible for facilitating the induction and professional development of new Directors. Upon appointment, new Directors meet with the Chairman and Company Secretary for induction, during which they are briefed on the operation of the Board and its Committees and financial, strategic, operations, and risk management issues applicable to the Company.

As part of their ongoing professional development, Directors are encouraged to complete additional formal and informal governance training.

The Company complies with Recommendation 2.6

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Council Recommendation 3.1: A listed entity should articulate and disclose its values.

The Company's values are set out in section 2 of the Company's Code of Conduct that is available on the Company's website at https://highcom.group/corporate- governance/

The Company complies with Recommendation 3.1.

Council Recommendation 3.2: A listed entity should have and disclose a code of conduct for its Directors, senior executives and employees and that the Board is informed of any material breaches of that code.

Company Code of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct that applies to all Directors, senior executives and employees.

The Company's Code of Conduct gives guidance on the following:

- Ethical Standards: All Directors, senior executives and employees are expected to act with the utmost honesty and integrity, always striving to enhance the reputation and performance of the Company.
- Responsibilities to Shareholders and the Financial Community Generally: The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place to ensure the truthful and factual presentation of its financial position and prepares and maintains its accounts fairly and accurately in accordance with generally accepted accounting and financial reporting standards.
- Responsibilities to Clients, Customers and Consumers: Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company, for its part, is committed to providing clients, customers and consumers with fair value.
- Employment Practices: The Company is committed to providing a safe and inclusive workplace environment where all employees have equal opportunities at all levels of the Organisation. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.
- Obligations Relative to Fair Trading and Dealing: The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with its customers, suppliers, competitors, and other stakeholders, and encourages its employees to do the same.
- Responsibilities to the Community: As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs; and encourages all employees to engage in activities beneficial to their local community.

- Responsibility to the Individual: The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.
- Conflicts of Interest: Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.
- How the Company Complies with Legislation: Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will comply with local laws in all countries where it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.
- How the Company Monitors and Ensures Compliance with its Code of Conduct: The Board, management and all employees of the Company are committed to implementing this Code of Conduct, and everyone is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

The Company's Code of Conduct policy is posted on the Company's website at https://highcom.group/corporate-governance/.

The Company complies with Recommendation 3.2

Council Recommendation 3.3: A listed entity should have and disclose a whistleblower policy and that the Board is informed of any material incidents under that policy.

The Company's Whistleblower Policy, which forms part of the Code of Conduct, provides for the reporting of unlawful and unethical behaviour by Directors, Senior Executives and Employees of the Company.

These provisions allow for whistleblower protection in accordance with legislative requirements and good practice recommendations. The policy aims to provide a working environment that enables employees and other stakeholders to voice genuine concerns.

Any material breaches of the Whistleblower Policy as defined by the Company are reported to the Board.

The Company complies with Recommendation 3.3

Council Recommendation 3.4: A listed entity should have and disclose an anti- bribery and anti- corruption policy and that the Board is informed of any material breaches of that policy.

The Company's Anti-Bribery and Anti-Corruption Policy forms part of the TRACE International Code of Conduct that has been adopted by the Company. This policy provides guidance on the conduct of commercial transactions that may involve the following risks:

- bribery and facilitation of payments or extortion;
- kick-backs/granting of a benefit;
- conflicts of interest; and
- political and philanthropic contributions.

The Company complies fully with this international policy and undertakes annual anti-bribery and anti-corruption training with TRACE International. Any material breaches of this policy are reported to the Board and to TRACE International.

The Company complies with Recommendation 3.4

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Council Recommendation 4.1: The Board of a listed entity should have an Audit Committee. Finance, Audit and Risk Committee

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Finance, Audit and Risk Committee also recommends to the Board the appointment of the external auditor and the internal auditor. The responsibilities of the Finance, Audit and Risk Committee include:

- Reviewing audit reports to ensure that where, significant control or procedural deficiencies are identified, management implements timely and appropriate corrective actions;
- Engaging with the auditors and ensuring that the annual statutory audits are conducted in an effective manner;
- Monitoring management ongoing efforts to enhance the quality and effectiveness of the accounting function;

- Reviewing the half-year and annual reporting and financial statements prior to their lodgement with the Australian Securities Exchange and to make the necessary recommendations to the Board for the approval of these documents;
- Providing the Board with independent assurance on the accuracy and reliability of financial information included in statutory reports;
- Conducting an annual review of the external auditors, including their appointment, removal, remuneration, terms of engagement, audit scope and quality, independence, fees, and any matters related to resignation or dismissal;
- Evaluating management's attention to issues that may affect the Company's financial performance, including legal and regulatory compliance and business risk monitoring and control;
- Overseeing the adequacy and effectiveness of internal controls, risk management systems, and management information frameworks; and
- Ensuring that ethical standards and corporate conduct policies are in place and are being consistently followed.

The Auditor, senior executives and the Group Financial Controller may be invited to the Finance, Audit and Risk Committee meetings at the discretion of the Committee Chair.

Composition

Until 22 August 2024, the Finance, Audit and Risk Committee consisted of two members with Mr Harrison as the Chair of the Finance, Audit and Risk Committee and Ms. Adelaide McDonald as a member. On 22 August 2024, the Board resolved that the Committee continue with Ms. Adelaide McDonald as chair and Mr Harrison as a member. All members can read and understand financial statements and are otherwise financially literate. The details of the member's qualifications may be found in their Director profiles as published on the Company's website and in the Company's 2025 Annual Report.

Charter

A formal charter for the Finance, Audit and Risk Committee has been established and defines the roles and responsibilities of the Finance, Audit and Risk Committee together with procedures for the selection and appointment of external auditors and rotation of engagement partners and is posted on the Company's website. The Board, with the involvement of the Finance, Audit, and Risk Committee, has established procedures related to the selection and appointment of external auditors and for discussing with the auditor the rotation of the lead partner. The current external Auditor as appointed by the Board is RSM Australia Partners.

Further details are contained in the Finance and Audit Committee Policy and separately in the Risk Management Policy, which are available on the Company's website at the Corporate Governance Section.

The Company does not comply with Recommendation 4.1 as the Finance, Audit and Risk Committee did not have at least three members for the whole period.

Council Recommendation 4.2: The Board of a listed entity should before it approves the entity's financial statements for a financial period, receive assurance from the Group Chief Executive Officer and the Group Chief Financial Officer a declaration, that in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Council Recommendation 4.2: CEO and CFO declaration

Before it approves the financial statements for a financial period the person(s) fulfilling the functions of the Group Chief Executive Officer and the Group Chief Financial Officer declare to the Board that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. Such assurance was provided for the financial reports lodged with the ASX during the period.

The Company complies with Recommendation 4.2.

Council Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report, it releases to the market that is not audited or reviewed by an external auditor.

The Company ensures that all its periodic corporate reports (Half Year and Annual Report) it releases to the market are firstly reviewed by Management, and appropriate supporting documents and declarations are provided to the Board for final review and approval. All financial reports are prepared in accordance with accounting standards and provide a true and fair view of the Company's financial position and performance. Additionally, all financial reports released to the market are subject to review by an external auditor and the Auditor's Report forms part of all Company financial reports released to the market.

The Company complies with Recommendation 4.3.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES

Council Recommendation 5.1: A listed entity should have and disclose its written policy for complying with continuous disclosure obligations under ASX Listing Rule 3.1.

Continuous Disclosure

It is the policy of the Company to act at all times with integrity and in accordance with law, including the disclosure required of:

- Australian Securities Exchange (ASX) Listing Rules and Guidance Notes;
- ASX Corporate Governance Council Recommendations; and
- The Corporations Act 2001 (Cth).

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The only exception to this is where the ASX Listing Rules do not require such information to be disclosed. Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible to the public.

The Board has designated the Company Secretary as the person(s) responsible for overseeing and coordinating information disclosure to the ASX and communicating with the ASX. The Company Secretary is responsible for ensuring that all Company announcements are made in a timely manner, factual, and do not omit any material information. The Company Secretary is also responsible for ensuring that all announcements are expressed in a clear and objective manner, allowing investors to assess the impact of the information when making investment decisions.

To assist the Company Secretary to fulfil the Company's disclosure requirements, all divisional managers are responsible for immediately communicating to the Company Secretary any possible continuous disclosure matter concerning their divisions. The manager of each division is required to promptly respond to requests from the Company Secretary for further information concerning possible continuous disclosure matters. The Company Secretary plays a key role in the governance framework, with responsibilities that include:

- ensuring compliance with the continuous disclosure obligations under the ASX Listing Rules;
- managing and coordinating the release of information to the ASX, shareholders, analysts, brokers, media, and the broader public; and
- providing guidance to Directors and employees on the Company's disclosure policies and procedures, while promoting awareness of the principles underpinning continuous disclosure.

Any price-sensitive information is first disclosed to the ASX before it is communicated to analysts or other external parties.

The Company's Continuous Disclosure policy is posted on the Company's website in the Corporate Governance Section.

The Company complies with Recommendation 5.1.

Council Recommendation 5.2: A listed entity should ensure its Board receives copies of all market announcements promptly after they have been made.

In accordance with the Company's Continuous Disclosure Policy, all members of the Board are provided with material market announcements promptly after they have been made.

The Company complies with Recommendation 5.2

Council Recommendation 5.3: A listed entity that gives a new or substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation being undertaken.

The Company ensures that all substantive investor or analyst presentations are released on the ASX Market Announcements Platform before being presented to any external parties outside the Company and its professional advisors.

The Company complies with Recommendation 5.3

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Council Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company aims to ensure that investors are kept informed of all major developments affecting the state of affairs of the Company and its governance regime via its website. Information currently available to investors through the Company's website, which has a dedicated investor relations section, includes the following:

- the names and brief biographical information of Directors and senior executives;
- the Company Constitution, Board/Committee Charters and corporate governance polices;
- the Annual Report and the Interim Report;
- disclosures made to the Australian Securities Exchange;
- notices and explanatory memoranda of annual and extraordinary general meetings; and
- Newsletters or market updates to security holders where appropriate.

The Company complies with Recommendation 6.1.

Council Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communications with investors.

The Company recognises the importance of effective communication with investors and has an investor relations program to facilitate enhanced communication with both security holders and investors. To facilitate effective communication with investors, the Company is committed to:

- communicating effectively with investors and security holders through releases to the market via ASX, the Company's website and information mailed/emailed to security holders and the general meetings of the Company; and
- providing investors and security holders with ready access to balanced and relevant information about the Company and corporate proposals.

The Company's website also includes a feedback mechanism and an option for investors and security holders to register their email addresses for direct email updates on Company matters.

The Company complies with Recommendation 6.2.Council Recommendation 6.3: A listed entity should disclose how it facilitates participation at meetings of security holders.

The Company encourages full participation of security holders at its Annual General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to security holders as single resolutions at general meetings. To facilitate participation in the Company's general meetings, a direct voting facility has been implemented, allowing security holders to vote in advance without attending or appointing a proxy to vote on their behalf.

The Company complies with Recommendation 6.3.

Council Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders security holders are decided by a poll rather than by a show of hands.

All resolutions at meetings of the security holders are decided by a poll rather than by a show of hands.

The Company complies with Recommendation 6.4.

Council Recommendation 6.5: A listed entity should give security holders the options to receive communications from, and send communications to, the entity and its security registry electronically.

The Company encourages all security holders to opt for electronic communications from both the Company and its security registry. This approach enables the efficient and timely distribution of information in a cost-effective manner. In collaboration with its appointed security registry, the Company distributes communications electronically to registered recipients.

The Company complies with Recommendation 6.5.

PRINCIPLE 7: RECOGNISING AND MANAGING RISK

Council Recommendation 7.1: The Board of a listed entity should have a committee to oversight material business risks and disclose the charter and policies of such a committee.

The Board's Charter clearly establishes that it is responsible for ensuring there is a robust system for overseeing, assessing and managing risk. The Board has delegated certain responsibilities in these matters to the Finance, Audit and Risk Management Committee; details of this committee can be found in 4.1 of this Corporate Governance Statement. In compliance with the Board's approach, the Company has established specific policies and procedures to identify, assess and manage critical areas of financial and operating risk.

The Company's Risk Management policy is available on the Company's website at the Corporate Governance Section.

The Company did not comply with Recommendation 7.1 as it did not have three members for the entire reporting period.

Council Recommendation 7.2: The Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board and subsequently disclose the findings of the review.

The Board has delegated the responsibilities of conducting an annual review of the entity's risk management to the Finance, Audit and Risk Management Committee. All such reviews are conducted in accordance with the established risk management policy, considering the formal Management Statement provided by the Group Chief Executive Officer and the Group Chief Financial Officer on an annual basis. At least annually, the Finance, Audit and Risk Management Committee reviews the Company's risk management framework and internal compliance and control systems.

This was conducted for the 2025 reporting period.

The Company complies with Recommendation 7.2.

Council Recommendation 7.3: A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs.

The Company has established an internal audit function that applies a systematic and disciplined approach to evaluating and continually improving the effectiveness of quality systems covering risk management and internal control measures. All internal audit functions are conducted throughout the year on a program authorised by senior executives and the Chief Financial Officer. Findings and observations from internal audits are reported to the Board for subsequent action as required.

The Company complies with Recommendation 7.3.

Council Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and how it manages or intends to manage those risks.

The Company addresses material exposure concerns associated with economic, environmental and social sustainability risks as part of its broader risk management strategies as defined in relevant risk policies and procedures. While conducting its business as a listed entity and recognising the legitimate interests of stakeholders, the Company also utilises policies contained within its Code of Conduct Policy to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include security holders, Directors, employees, customers, government authorities, creditors and the community as a whole.

While committed to corporate social responsibility, the Company considers that its size and the nature of its operations currently limit its exposure to economic, environmental, and social sustainability risks.

The Board has assessed that the economic risks associated with traditional industries, such as resource depletion, general supply chain disruptions, or market fluctuations, do not have a significant and direct impact on the Company's operations.

While the Company acknowledges the importance of economic, environmental, and social sustainability, it maintains transparency by openly disclosing the assessment of these risks and its current position. This allows investors and stakeholders to develop a comprehensive understanding of the Company's operations, including the extent of its exposure to sustainability risks.

The Company complies with Recommendation 7.4.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Council Recommendation 8.1: The Board of a listed entity should have a Remuneration Committee and disclose the charter of the committee.

Nominations and Remuneration Committee

In FY25, the Company established a newly formed Nomination and Remuneration Committee, which operates under the authority of the Board and is governed by two formally adopted charters: the Human Resources and Remuneration Committee Charter and the Nomination Committee Charter. The combined committee assists the Board in fulfilling its oversight responsibilities regarding Board composition, executive and senior management remuneration, succession planning, and director performance and appointments.

During July 2024, the Nomination Committee consisted of two members: Mr Mark Stevens as Chair and non-executive Director, the Hon Christopher Pyne. Following the resignation of Mr Stevens as director on 31 July 2024, Mr Mark Smethurst assumed the Chair of the newly formed Nominations and Remuneration Committee for FY25. The Committee's membership is completed by non-executive Director Ms Adelaide McDonald and the Hon Christopher Pyne.

The skills and experience of the Nominations and Remuneration Committee members, the number of meetings held, and the number of meetings attended by each Nominations and Remuneration Committee member in the reporting period are set out in the 2025 Annual Report.

Role of Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for:

- Identifying and recommending Board candidates, ensuring the Board has an appropriate mix of skills, experience, independence and diversity, and reviewing succession plans for both directors and Group CEO;
- Developing and implementing director induction and continuing education programs;
- Reviewing and recommending executive and senior management remuneration and incentive policies that are performance-based and aligned with the Company's strategic objectives, and demonstrably linked to Company and individual performance;
- Reviewing and recommending the structure and level of non-executive director fees, which are fair, competitive and aligned with shareholder interests;
- Reviewing and recommending to the Board the remuneration and retirement policies for non-executive directors, having regard to market trends and shareholder interests;
- Implementing annual evaluations of the performance of the Board, individual directors, and the Group CEO, and establishing ongoing education and induction programs for directors;
- Reviewing the structure and performance conditions of employee incentive plans, including equity-based schemes, and monitoring superannuation and other benefit arrangements; and
- Ensuring remuneration disclosures meet ASX Listing Rules and the Corporations Act 2001 (Cth), and reporting to the Board on all matters within its remit.

The Company complies with Recommendation 8.1.

Council Recommendation 8.2: A listed entity should separately disclose its policies regarding the remuneration Non-Executive Directors and the remuneration of Executive Directors and Senior Executives.

The Board recognises the importance of clearly distinguishing the remuneration structures of Non-Executive Directors from those of Executive Directors and Senior Executives. The Company discloses its separate remuneration policies as follows:

Remuneration of Non-Executive Directors

Non-Executive Directors are remunerated through a combination of:

- fixed annual fees;
- superannuation; and
- additional agreed hourly rates, where extra time is spent on authorised tasks outside their normal Director duties

The level of annual fees is reviewed by the Nominations and Remuneration Committee, having regard to market benchmarks, the Company's operational and financial position, and the scope of directors' responsibilities. Fees are paid in cash and are not performance-linked.

The maximum aggregate amount of annual fees payable to Non-Executive Directors is subject to shareholder approval. This limit is currently set at $500,000 per annum, as approved by security holders on 29 November 2019.

In recognition of the Company's size and resource constraints, Non-Executive Directors may also, from time to time, be granted options in lieu of higher cash fees. Any such equity-based remuneration is subject to prior approval by the Nominations and Remuneration Committee, the Board and shareholders.

Remuneration of Executive Directors and Senior Executives

Executive Directors and Senior Executives are remunerated under separate contractual arrangements and policies that may include a mix of fixed and performance-based components, consistent with the Company's constitution. Remuneration may include:

- fixed base salary;
- performance-based bonuses (short-term incentives);
- equity incentives (not currently in effect and would be subject to applicable approvals if implemented); and
- statutory superannuation and other standard employment entitlements.

Performance-based incentives are designed to align executive outcomes with the Company's strategic objectives and shareholder interests. Short-term incentives are typically payable upon achievement of pre-determined financial and non-financial performance targets. These may include individual Key Performance Indicators (KPIs), business unit profit objectives, and broader Company performance thresholds.

Executive remuneration packages are structured to be competitive and to attract and retain qualified and experienced executives. The Nominations and Remuneration Committee reviews these packages regularly to ensure alignment with market conditions, Company performance, and governance expectations.

Details of remuneration paid to Directors and Senior Executives for FY25, including the fair value of any options granted, are disclosed in the Directors' Report and Financial Statements contained in the 2025 Annual Report.

The Company complies with Recommendation 8.2

Council Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should have and disclose policy on participation in such a scheme.

The Company does not currently have an approved equity-based incentive scheme to remunerate senior executives and staff.

The Human Resources and Remuneration Committee Policy contains policies pertaining to employees' participation in equity-based incentive schemes. This policy is publicly available and published on the Company's website.

The Company does not have an equity-based remuneration scheme and this recommendation is therefore not applicable.

Additional Information

1. The following information set out below was applicable as at 8 September 2025.
2. Shareholding

a) Distribution of Shareholders

Range	Total Holders	Units	% Unites
1 – 1,000	328	149,117	0.14
1,000 – 5,000	812	2,112,742	2.06
5,001 – 10,000	330	2,607,503	2.54
10,001 – 100,000	680	22,814,806	22.22
100,001 and over	147	74,998,504	73.04
Rounding			0
Total	2,297	102,682,672	100.00

b) Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.32 per unit	1,562	525	408,776

c) Top Holders (Grouped) as at 8 September 2025.

	Name	Units	% Units
1	ACM AEPF PTY LTD <ALTOR EMERGING PIPE FUND A/C>	8,635,006	8.41
2	JWT HOLDINGS PTY LIMITED <JWT A/C>	5,214,403	5.08
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,023,554	4.89
4	UDB PTY LIMITED <THE BOETTCHER FAMILY A/C>	3,000,000	2.92
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,679,126	2.61
6	ACE PROPERTY HOLDINGS PTY LTD	2,100,000	2.05
7	FAIRLANE MANAGEMENT PTY LTD	2,096,097	2.04
8	ALL OTHERS PTY LTD <ALL OTHERS A/C>	1,779,011	1.73
9	CITICORP NOMINEES PTY LIMITED	1,678,737	1.63
10	EMALYN HOLDINGS<JOHN KENNEDY TESTAMENTARY AC>	1,666,666	1.62
11	CORNISH GROUP INVESTMENTS PTY LTD <CORNISH GROUP INVEST A/C>	1,300,000	1.27
12	BISSAPP SOFTWARE PTY LTD <BASAPP SOFTWARE SF A/C>	1,182,351	1.15
13	WAVET FUND NO 2 PTY LTD <WAVET SUPER FUND NO 2 A/C>	1,000,000	0.97
14	BAJKOR NOMINEES PTY LTD <M & G BAJKOR PLSF 1978 A/C>	980,358	0.96
15	MRS CHERYL MARGARET MCEVOY	975,000	0.95
16	GAILFORCE MARKETING & PR PTY LIMITED <HALE AGENCY SUPER FUND A/C>	850,000	0.83
17	BNP PARIBAS NOMS PTY LTD	835,574	0.81
18	MR VANGELI PERAKIS	700,000	0.68
19	BISSAPP SOFTWARE PTY LTD <SUPER FUND ACCOUNT>	693,493	0.68
20	ANNE MARGARET MCGRATH <EST NICHOLAS H WEBER A/C>	675,804	0.66
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	43,065,180	41.94
	Total Remaining Holders Balance	59,617,492	58.06

Corporate Directory

Directors

Mr. Ben Harrison (Appointed 23 February 2022, appointed Non-Executive Chairman 31 July 2024)
Hon. Christopher Pyne (Appointed 30 November 2020)
Mr. Mark Smethurst (Appointed 29 April 2021)
Ms. Adelaide McDonald (Appointed 24 August 2022)

Secretary

Jacqueline Myers (Appointed Joint Secretary 11 December 2023 – Resigned 30 May 2025)
Adam Gallagher (Appointed Company Secretary 24 May 2024)

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Australian Securities Exchange Listing

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Auditor

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Share Registry

Computershare Investor Services Pty Limited

Yarra Falls
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Solicitors

Minter Ellison
Collins Arch
447 Collins Street
Melbourne VIC 3000 Australia