Coventry Group Ltd

# ANNUAL REPORT 2026

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# CHAIRMAN AND CEO REPORT

## Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present Coventry Group Limited's report to shareholders for the financial year ended 30 June 2026, a year in which the Group began to demonstrate tangible progress against the operational reset it embarked upon twelve months ago, following a difficult FY25 challenged by softer trading conditions, ERP implementation disruption and an inflated cost base.

FY26 did not begin well with first half sales of $188.5 million and EBITDA of only $3.2 million reflecting the legacy of the prior period challenges. It was clear to your Board that more decisive action and closer scrutiny of the portfolio was required. We are encouraged to report that the second half told a markedly different story. Third quarter EBITDA of $2.1 million, though still below the prior year, masked a significant improvement in trading momentum through the quarter, with March alone delivering sales growth of 6.5% and an EBITDA uplift of 72% on the prior corresponding period. That momentum carried through into the fourth quarter, which produced sales of $98.5 million, up 11.7% on the third quarter and 6.0% on the prior corresponding period, and EBITDA which nearly doubled quarter-on-quarter to $4.1 million. Full year Group sales of $375.3 million represented growth of 2.7% on FY25, while full year EBITDA of $9.4 million, although down 23.6% on the prior year, reflected a business exiting FY26 with genuine and improving trading momentum.

## Delivering the “Back to Basics” Program

Management's “back to basics” agenda, built around disciplined sales execution, gross margin recovery, cost efficiency, cash generation and debt reduction has been the central focus of the year and we are pleased to confirm that the Group achieved its targeted $10 million of annualised cost reductions. Encouragingly, this was accompanied by the strongest quarterly operating cash flow of the year, $5.9 million in the fourth quarter, evidence that the improvement in trading is translating into balance sheet strength rather than earnings alone.

Both operating segments contributed to the improved second half. Trade Distribution delivered fourth quarter sales of $58.6 million, up 8.3% on the prior corresponding quarter, while Fluid Systems delivered sales of $39.9 million, up 2.8%, with improving trends in our core Konnect operations a particularly pleasing outcome. The integration of Steelmasters is progressing according to plan and is expected to deliver further operating leverage and synergies as it completes over the year ahead.

## Strategic Review

As announced in January 2026, following unsolicited approaches regarding individual businesses within the Group, the Board commenced a strategic review of Coventry's business portfolio. The review is examining a range of options directed at unlocking shareholder value. We want to be clear that no decisions have been made, and there is no certainty that the review will result in any transaction or change to the Group's structure. Against the backdrop of improving performance the Board has determined there is no need for unnecessary haste and will update shareholders as this process evolves. It will only proceed where it is satisfied that an outcome is in the best interests of all shareholders.

## Capital Management and Balance Sheet

The Group completed an entitlement offer during the year, raising approximately $11.9 million. This, together with the ongoing cost-out program, has supported net debt and working capital being managed broadly in line with plan and has preserved sufficient funding headroom and the continued support of our banking partner, National Australia Bank. Consistent with the priority placed on strengthening the balance sheet through this turnaround phase, the Board has determined not to declare a dividend in respect of FY26.

## Board and Management

Nik Alpert completed his first full year as Managing Director and Chief Executive Officer, having been appointed in June 2025, and has led the operational improvement program with energy and discipline. The Group's new Chief Financial Officer, Patrick Maloney, joined the business on 1 October 2025 and has had an immediate and positive impact. Nik and Patrick are leading all aspects of the "Back to Basics" strategy with the success of their efforts evident in improving financial performance. Anne Lockwood and Craig Coleman completed their first full year as Non-Executive Directors, both appointed in April 2025, with Ms Lockwood seamlessly assuming the chair of the Audit & Risk Committee. We extend the Board's sincere thanks to Tony Howarth, who retired as a Non-Executive Director on 30 June 2026 after more than six years of dedicated service and commitment to the Group over that period. In September 2026 Neil Cathie will have served twelve years as a director of the Company and, in accordance with the Board's policy in relation to term of office, he plans to retire at the conclusion of the 2026 Annual General Meeting of the Company. These changes reflect an orderly program of board renewal that has strengthened the mix of skills and perspectives available to the Group as it navigates the period ahead.

## Outlook

The Board enters FY27 with cautious confidence. The cost base has been reset, trading momentum has clearly improved through the second half, and the benefits of the sales, margin and efficiency initiatives are expected to continue flowing through as the year progresses, supported by the historical skew toward stronger fourth quarter trading and the further integration of Steelmasters. The outcome of the strategic review remains a separate and important variable for shareholders to weigh, and the Board will keep the market informed as and when matters develop.

## Thank You

On behalf of the Board, we thank our employees across Australia and New Zealand for their commitment through a demanding year of change, our customers and suppliers for their continued support, and you, our shareholders, for your patience as the Group works through this turnaround. Your Board remains focused on restoring Coventry Group to sustainable, profitable growth and to delivering improved returns for shareholders.

**Neil G. Cathie**
Chairman of the Board of Directors

**Nik Alpert**

Chief Executive Officer and Managing Director

31 August 2026

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

**For the year ended 30 June 2026**

| | NOTE | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| Revenue from sale of goods | 2 | 371,285 | 364,628 |
| Cost of sales | | (217,707) | (208,629) |
| **Gross profit** | | **153,578** | **155,999** |
| | | | |
| Other income | | 5,023 | 6,263 |
| Employment costs | 4 | (100,995) | (95,591) |
| Depreciation and amortisation expense | 11, 12, 13 | (23,315) | (22,380) |
| Occupancy costs | | (3,370) | (3,170) |
| Communication costs | | (3,567) | (4,119) |
| Freight | | (8,759) | (6,730) |
| Vehicle operating costs | | (3,210) | (3,138) |
| Impairment of intangible assets | 13, 14 | (1,118) | (24,525) |
| ERP implementation costs | 25 | (726) | (6,772) |
| Other expenses | | (21,403) | (19,130) |
| **Loss before net financial expense and tax** | | **(7,862)** | **(23,293)** |
| | | | |
| Financial income | 5 | 1,164 | 652 |
| Financial expense | 5 | (10,621) | (9,730) |
| **Net financial expense** | **5** | **(9,457)** | **(9,078)** |
| **Loss before income tax** | | **(17,319)** | **(32,371)** |
| | | | |
| Income tax benefit | 6 | 2,095 | 2,816 |
| **Loss for the year** | | **(15,224)** | **(29,555)** |
| | | | |
| Earnings per share: | | | |
| Basic loss per share: | 7 | (11.5) cents | (24.9) cents |
| Diluted loss per share: | 7 | (11.5) cents | (24.9) cents |

*The consolidated statement of profit or loss is to be read in conjunction with the accompanying notes to the consolidated financial statements.*

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**For the year ended 30 June 2026**

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| **Loss for the year** | **(15,224)** | **(29,555)** |
| | | |
| **Other comprehensive income items that may be reclassified to profit or loss:** | | |
| Foreign currency translation differences | (3,875) | (697) |
| Effective portion of changes in fair value of cash flow hedges | 113 | (41) |
| **Other comprehensive loss for the year, net of income tax** | **(3,762)** | **(738)** |
| | | |
| **Total comprehensive loss for the year** | **(18,986)** | **(30,293)** |

*The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated financial statements.*

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

**For the year ended 30 June 2026**

| | NOTE | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 8 | 3,839 | 3,335 |
| Trade and other receivables | 9 | 53,598 | 52,826 |
| Inventories | 10 | 78,415 | 89,019 |
| Other assets | 9 | 1,705 | 3,409 |
| Prepayments | 9 | 5,217 | 6,592 |
| Income tax receivable | | 103 | 261 |
| **Total current assets** | | **142,877** | **155,442** |
| | | | |
| Trade and other receivables | 9 | 192 | 608 |
| Other receivables | 9 | 530 | - |
| Deferred tax assets | 6 | 24,402 | 22,944 |
| Property, plant and equipment | 11 | 19,968 | 20,039 |
| Right-of-use assets | 12 | 82,172 | 68,404 |
| Intangible assets | 13 | 57,507 | 60,736 |
| **Total non-current assets** | | **184,771** | **172,731** |
| | | | |
| **Total assets** | | **327,648** | **328,173** |
| | | | |
| **Liabilities** | | | |
| Trade and other payables | 15 | 57,307 | 62,098 |
| Employee benefits | | 9,061 | 9,633 |
| Interest-bearing loans and borrowings | 16 | 5,000 | 44,643 |
| Lease liability | 21 | 17,874 | 17,426 |
| Provisions | 17 | 361 | 924 |
| **Total current liabilities** | | **89,603** | **134,724** |
| | | | |
| Employee benefits | | 1,049 | 728 |
| Interest-bearing loans and borrowings | 16 | 54,000 | 15,000 |
| Other payables | 15 | 72 | 179 |
| Provisions | 17 | 3,182 | 2,499 |
| Lease liability | 21 | 75,674 | 63,841 |
| **Total non-current liabilities** | | **133,977** | **82,247** |
| | | | |
| **Total liabilities** | | **223,580** | **216,971** |
| | | | |
| **Net assets** | | **104,068** | **111,202** |
| | | | |
| **Equity** | | | |
| Issued capital | 19 | 201,119 | 189,379 |
| Reserves | | (10,544) | (6,894) |
| Profit reserve | | 1,627 | 1,627 |
| Accumulated losses | | (88,134) | (72,910) |
| **Total equity** | | **104,068** | **111,202** |

*The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the consolidated financial statements.*

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**For the year ended 30 June 2026**

**30 June 2026**

| | Share-based payment reserve | Hedge reserve | Translation reserve | Other reserve | Total reserves | Profit reserve | Share capital | Accumulated losses | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2025** | - | **(38)** | **(3,622)** | **(3,234)** | **(6,894)** | **1,627** | **189,379** | **(72,910)** | **111,202** |
| Total comprehensive loss for the year | | | | | | | | | |
| Loss for the year | - | - | - | - | - | - | - | (15,224) | (15,224) |
| Other comprehensive income/(loss): | | | | | | | | | |
| Foreign currency translation differences | - | - | (3,875) | - | (3,875) | - | - | - | (3,875) |
| Effective portion of changes in fair value of cash flow hedges | - | 113 | - | - | 113 | - | - | - | 113 |
| Total other comprehensive income/(loss) | - | 113 | (3,875) | - | (3,762) | - | - | - | (3,762) |
| Total comprehensive income/(loss) for the year | - | 113 | (3,875) | - | (3,762) | - | - | (15,224) | (18,986) |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Share issue | - | - | - | - | - | - | 11,865 | - | 11,865 |
| Share issue costs | - | - | - | - | - | - | (125) | - | (125) |
| Equity-settled share-based payments | 112 | - | - | - | 112 | - | - | - | 112 |
| Dividends | - | - | - | - | - | - | - | - | - |
| **Balance at 30 June 2026** | **112** | **75** | **(7,497)** | **(3,234)** | **(10,544)** | **1,627** | **201,119** | **(88,134)** | **104,068** |

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

**30 June 2025**

| | Hedge reserve | Translation reserve | Other reserve | Total reserves | Profit reserve | Share capital | Accumulated losses | Total equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2024** | **3** | **(2,925)** | **(2,893)** | **(5,815)** | **6,014** | **186,229** | **(43,355)** | **143,073** |
| Total comprehensive loss for the year | | | | | | | | |
| Loss for the year | - | - | - | - | - | - | (29,555) | (29,555) |
| Other comprehensive loss: | | | | | | | | |
| Foreign currency translation differences | - | (697) | - | (697) | - | - | - | (697) |
| Effective portion of changes in fair value of cash flow hedges | (41) | - | - | (41) | - | - | - | (41) |
| Total other comprehensive loss | (41) | (697) | - | (738) | - | - | - | (738) |
| Total comprehensive loss for the year | (41) | (697) | - | (738) | - | - | (29,555) | (30,293) |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Share issue | - | - | - | - | - | 3,196 | - | 3,196 |
| Share issue costs | - | - | - | - | - | (46) | - | (46) |
| Equity-settled share-based payments | - | - | (341) | (341) | - | - | - | (341) |
| Dividends | - | - | - | - | (4,387) | - | - | (4,387) |
| **Balance at 30 June 2025** | **(38)** | **(3,622)** | **(3,234)** | **(6,894)** | **1,627** | **189,379** | **(72,910)** | **111,202** |

*Amounts are stated net of tax*

*The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the consolidated financial statements.*

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED STATEMENT OF CASH FLOWS

**For the year ended 30 June 2026**

| | NOTE | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from customers | | 416,966 | 412,038 |
| Cash paid to suppliers and employees | | (393,962) | (385,536) |
| **Cash from operations** | | **23,004** | **26,502** |
| Interest paid | | (10,406) | (9,510) |
| Income taxes refunded/(paid) | | 594 | (764) |
| **Net cash from operating activities** | **23** | **13,192** | **16,228** |
| | | | |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 73 | 280 |
| Interest received | | 206 | 212 |
| Acquisition of property, plant and equipment | 11 | (5,085) | (5,064) |
| Acquisition of intangible assets | 13 | (280) | (470) |
| **Net cash used in investing activities** | | **(5,086)** | **(5,042)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | 20 | 191,712 | 853,715 |
| Repayment of borrowings | 20 | (192,220) | (849,215) |
| Repayment of lease liabilities | 20 | (18,590) | (17,719) |
| Share issue costs | | (125) | (46) |
| Dividends paid | 19 | - | (1,533) |
| Proceeds from issue of shares | | 11,865 | - |
| **Net cash used in financing activities** | | **(7,358)** | **(14,798)** |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | 748 | (3,612) |
| Cash and cash equivalents at 1 July | | 3,335 | 7,727 |
| Effect of movements in exchange rates on cash and cash equivalents | | (244) | (780) |
| **Cash and cash equivalents at 30 June** | **8** | **3,839** | **3,335** |

*The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the consolidated financial statements.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended 30 June 2026**

## 1. MATERIAL ACCOUNTING POLICIES

Coventry Group Ltd (the "Company") is a for profit company domiciled in Australia. The address of the Company's registered office is 235 Settlement Road Thomastown VIC 3074 Australia. The consolidated financial statements ("financial report" or "consolidated financial report") of the Company for the financial year ended 30 June 2026 comprises the Company and its controlled entities (together referred to as the "Group").

The Company is party to a deed of cross-guarantee with its subsidiary entities as set out in Note 22. Under the deed of cross-guarantee, each body has guaranteed that the debts to each creditor of each other body which is a party to the deed will be paid in full in accordance with the deed.

Comparative information has been reclassified where appropriate to enhance comparability with the current financial period.

The financial report was authorised for issue by the Directors on 31 August 2026.

### (a) Statement of compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

### (b) Basis of preparation

The financial report is presented in Australian dollars, which is the Company's functional currency. The financial report is prepared on the historical cost basis except for certain financial assets and liabilities (including share-based payments and derivative financial instruments) which are stated at their fair value.

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 dated 24 March 2026 and in accordance with that Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The Group has consistently applied the accounting policies (as set out in Note 1(d) – 1(u)) to all years presented in this consolidated financial report.

**Going Concern**

As at 30 June 2026, the Group had a $55.0 million Revolving cash advance facility with a current expiry of July 2027. All bank covenants were waived in respect of the quarter ending 30 June 2026. The Group also had a separate $15.0 million Revolving cash advance facility with a minimum of $5.0m repayable annually also with a current expiry of 31 July 2027. On 19 August 2026 both facilities were extended to have an expiry of 31 August 2028.

In addition the Directors have relied on cash flow forecasts prepared by management that project that the Group will continue to have sufficient available cash reserves to continue its activities for at least the duration of the period ending twelve months from the date the financial report was authorised.

Accordingly, in preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which includes consideration of ongoing compliance with financial debt covenants, the continuity of business operations, realisation of assets, cash flow forecasts and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report. The Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due.

## (c) New and amended standards adopted by the Group

The following new and amended standards which have been adopted by the Group during the year did not have a significant impact on the Group's consolidated financial statements.

- Lack of Exchangeability – Amendments to AASB 121

There are no significant new standards or interpretations not yet adopted.

*Standards issued but not yet effective*

The Group has not early adopted the following new or amended standards issued but not yet effective. The standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7
- AASB 18 Presentation and Disclosure in Financial Statements

## (d) Basis of consolidation

**Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the consolidated statement of profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

**Controlled entities**

Controlled entities are entities controlled by the Company. Control exists when the Company 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 over the entity. Investments in controlled entities are carried at their cost of acquisition in the Company's financial statements, net of impairment write downs. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## (e) Foreign currency

**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences arising on translation are recognised in the consolidated statement of profit or loss.

**Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and presented in the translation reserve in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

## (f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with a maturity of three months or less at inception date.

## (g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads. An impairment allowance is made for obsolete, damaged and slow-moving inventories.

## (h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance.

## (i) Property, plant and equipment

All classes of property, plant and equipment are stated at cost less depreciation and any accumulated impairment loss.

**Depreciation**

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives from the date that they are installed and are ready for use.

The estimated useful lives for each class of asset are:

- Plant and Equipment: 5-10 years
- Furniture & Fittings: 5-10 years
- Office Equipment: 2-5 years
- Motor Vehicle: 8-10 years
- Leasehold Improvements: 10 years

## (j) Intangibles

**Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 1(d). Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**Computer software**

Computer software comprises licence costs and direct costs incurred in preparing for the operation of that software, including associated process re-engineering costs. Computer software is measured at cost less accumulated amortisation and impairment losses. Computer software costs that have been categorised as a Software-as-a-Service (SaaS) arrangement are recognised as an expense in the consolidated statement of profit or loss.

**Other intangible assets**

Brand names and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Select brand names have an indefinite useful life and are measured at cost less accumulated impairment losses while

others have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment loss. Customer relationships have a finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses.

**Amortisation**

Except for goodwill and select brand names, intangible assets are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful lives, from the date that they are available for use. In current and comparative periods, customer relationships was estimated to have a useful life of 10 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## (k) Financial Instruments

**Investments and other financial assets**

The Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss.

**Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its instruments carried at amortised cost and fair value through other comprehensive income ("OCI"). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contract. The Group has concluded that the expected loss rates of trade receivables are a reasonable approximation to the loss rates for the contract assets.

## (l) Impairment of assets (financial and non-financial)

**Non-financial**

Goodwill and intangible assets that have an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Other assets are tested for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and value in use.

**Financial**

Financial assets are tested for impairment at each financial year end.

## (m) Employee benefits

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for.

## (n) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Make good**

Provision for make good in respect of leased properties is recognised where appropriate based on the estimated cost to be incurred to restore premises to the required condition under the relevant lease agreements.

## (o) Trade and other payables

Trade and other payables are stated at amortised cost.

## (p) Revenue and other income

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of returns, trade discounts, rebates and goods and services tax.

The Group applies the five-step model in AASB 15 to determine the timing and amount of revenue to recognise:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognise revenue as (or when) the performance obligations are satisfied

**Sale of goods – revenue recognised at a point in time**

Revenue is recognised when a customer obtains control of the promised goods and the Group has satisfied its performance obligation in relation to the promised goods. In determining when control of promised goods passes to the customer, the Group considers a variety of factors including a present right to payment, physical possession, legal title, the transfer of significant risk and rewards of ownership of the goods and customer acceptance of the asset. The timing of the transfer of control to the customers for the sale of goods occurs either:

- When the goods are despatched or delivered in line with the Incoterms as detailed in the relevant contract of sale or purchase order for the goods. The Group sells a significant proportion of its products on Free-In-Store/ Delivered at Place Incoterms. This means the Groups control of the goods passes when the product is delivered to the agreed destination;
- When they are made available to the customer and ownership transfers prior to despatch as detailed in the relevant contract of sale or purchase order for the goods; or
- On notification (following stocktake) that the product has been used when the goods are consignment products located at customers' premises.

Where cash consideration has been received but the revenue recognition criteria has not been met, such amounts have been recorded on the consolidated statement of financial position as a contract liability.

**Sale of goods – contract manufacturing and supply revenue recognised over time**

The Group has determined that for bundled contract manufacturing comprising design, build, install and service elements, the customer controls the goods once the goods are finished and installed on premises in accordance with the relevant contract. Revenue is however, recognised over time because under the contract, goods are manufactured to a customer's specification, and if a firm order that is placed by the customer in accordance with the agreement is terminated, the Group is entitled to a reimbursement of the costs incurred in manufacturing the goods, including a reasonable margin. That is, before the goods are delivered to the customer's premises. Invoices issued according to contractual terms and amounts not yet invoiced are presented as contract assets.

## (q) Leases

**Leases in which the Group is a lessee**

The Group recognises all lease liabilities and corresponding right-of-use assets, with the exception of short-term (12 months or fewer) and low value leases, on the statement of financial position.

Lease liabilities are initially measured at the net present value of future lease payments and extension options expected to be exercised. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Payments are discounted at the incremental borrowing rate of the lessee. Non-lease components are excluded from the projection of future lease payments and recorded separately within operating costs on a straight-line basis.

The right-of-use asset, resulting from a lease arrangement, at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives plus, where applicable, provision for dismantling and restoration.

The Group recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the statement of cash flows.

**Leases in which the Group is a lessor**

The Group sub-leases some of its properties. The Group has applied the guidance set out in AASB 16 to classify these as either a finance lease or operating lease.

**Operating leases**

Rental income is recognised in the statement of profit or loss as other income.

**Finance leases**

The Group recognises an investment in sub-lease in the statement of financial position. Rental income is recognised in the consolidated statement of profit or loss as interest income. Finance sub-leases are classified with reference to the right-of-use asset arising from the head lease.

## (r) Finance income and finance costs

Finance income comprises interest income on funds invested and on finance leases where the Group is a lessor. Interest income is recognised as it accrues in the consolidated statement of profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and leases.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the consolidated statement of profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

## (s) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

**Tax consolidation**

The Company and its wholly owned Australian resident entities have formed a tax consolidated group with effect from 1 November 2002 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Coventry Group Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the controlled entities is assumed by the head entity in the tax consolidated group and recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

### (t) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are stated with the amount of GST included. Cash flows are included in the statement of cash flows on a gross basis.

### (u) Accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the basis of the reported amounts that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

During the year ended 30 June 2026, the Group revised certain accounting estimates used in the preparation of the financial statements. The revisions reflect updated information and circumstances existing at the reporting date. In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the effect of these changes has been recognised prospectively in the current and future periods. The impact of the change in accounting estimates for the year ended 30 June 2026 resulted in an increase of $7.73 million in the loss (2025: $nil). Refer to Note 25 for further detail.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

- estimation of current tax payable, current tax expense and recovery of deferred tax assets based on forecasted taxable profit – note 1(s) and note 6
- estimated impairment of non-financial assets and measurement of the recoverable amount of cash generating units – note 14
- valuation of inventories – note 1(g)
- estimation of employee benefits - note 1(m)
- estimation of loss allowance – note 20(a)

## 2. SEGMENT INFORMATION

### (a) Description of segments

The Group has reportable segments as described below. For each of the strategic reportable segments, the CEO reviews internal management accounts on a monthly basis. The following summary describes the operations of each of the Group's reportable segments:

**Trade Distribution:** Includes the importation, distribution and marketing of industrial fasteners, industrial hardware supplies and associated products, temporary fencing and cabinet making hardware.

**Fluid Systems:** Includes the design, manufacture, distribution, installation and maintenance of lubrication and hydraulic fluid systems and hoses.

## (b) Segment information

Information regarding the results of each reportable segment is included below.

**30 June 2026**

| Information about reportable segments | Trade Distribution | Fluid Systems | Other business units and consolidation adjustments | Total reportable segments |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| Segment revenue | 223,211 | 152,081 | - | 375,292 |
| Inter-segment revenue | - | - | - | - |
| **Revenue from external customers** | **223,211** | **152,081** | **-** | **375,292** |
| | | | | |
| Timing of revenue recognition at | | | | |
| point in time | 220,654 | 143,993 | - | 364,647 |
| over time | 2,557 | 8,088 | - | 10,645 |
| **Total** | **223,211** | **152,081** | **-** | **375,292** |
| | | | | |
| **Underlying EBITDA[1]** | **11,729** | **13,181** | **(15,544)** | **9,366** |
| | | | | |
| Depreciation and amortisation | 2,120 | 1,385 | 2,101 | 5,606 |
| | | | | |
| **Underlying EBIT[1]** | **9,609** | **11,796** | **(17,645)** | **3,760** |

**30 June 2025**

| Information about reportable segments | Trade Distribution | Fluid Systems | Other business units and consolidation adjustments | Total reportable segments |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| Segment revenue | 217,822 | 147,656 | - | 365,478 |
| Inter-segment revenue | - | - | - | - |
| **Revenue from external customers** | **217,822** | **147,656** | **-** | **365,478** |
| | | | | |
| Timing of revenue recognition at | | | | |
| point in time | 215,361 | 145,517 | - | 360,878 |
| over time | 2,461 | 2,139 | - | 4,600 |
| **Total** | **217,822** | **147,656** | **-** | **365,478** |
| | | | | |
| **Underlying EBITDA[1]** | **14,449** | **13,435** | **(15,590)** | **12,294** |
| | | | | |
| Depreciation and amortisation | 1,941 | 1,336 | 2,112 | 5,389 |
| | | | | |
| **Underlying EBIT[1]** | **12,508** | **12,099** | **(17,702)** | **6,905** |

*Note 1: Underlying EBITDA and Underlying EBIT are non-IFRS measures and reflect how management measures performance of the Group. Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted as a result of AASB16 to exclude leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude leases and significant items. Both measures are reported on a constant currency basis.*

## (c) Other segment information

### i. Segment Revenue

A reconciliation of segment revenue to total revenue from the sale of goods in the consolidated statement of profit or loss is provided as follows:

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Total segment revenue** | **375,292** | **365,478** |
| | | |
| Foreign exchange translation variance | (4,007) | (850) |
| **Total revenue** | **371,285** | **364,628** |

### ii. Segment Operating Loss

The performance of the Group's reportable segments is based on Underlying EBIT[1]. Reconciliation of Underlying EBIT[1] to operating loss in the consolidated statement of profit or loss is provided as follows:

| | NOTE | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Total segment Underlying EBIT[1]** | | **3,760** | **6,905** |
| Foreign exchange translation variance | | (86) | 1 |
| Significant items (foreign exchange at management accounts spot rate) | 25 | (15,713) | (33,841) |
| Net financing expense, excluding interest on lease liabilities (AASB16) | | (5,172) | (3,881) |
| Financial income, including net foreign exchange gain | | 1,164 | - |
| Income tax benefit | 6 | 1,714 | 2,349 |
| Impact of AASB16 | | | |
| Depreciation of right-of-use assets | | (17,952) | (17,047) |
| Net Interest on lease liabilities and sub-lease investment | | (5,450) | (5,215) |
| Reversal of net rent and lease payments and receivables | | 22,130 | 20,707 |
| Income tax benefit | 6 | 381 | 467 |
| **Loss for the year** | | **(15,224)** | **(29,555)** |

*Note 1: Underlying EBITDA and Underlying EBIT are non-IFRS measures and reflect how management measures performance of the Group. Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted as a result of AASB16 to exclude leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude leases and significant items. Both measures are reported on a constant currency basis.*

## (d) Geographic information

Revenue based on the geographic location of customers were Australia $318,622,000 (2025: $309,330,000) and New Zealand $52,663,000 (2025: $55,298,000).

## 3. AUDITOR'S REMUNERATION

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Audit services** | | |
| Auditors of the Group – HLB Mann Judd Assurance (NSW) Pty Ltd | | |
| Audit and review of financial statements | 310,000 | - |
| | | |
| Previous Auditors of the Group – KPMG | | |
| Audit and review of financial statements | 27,736 | 517,822 |
| **Total audit services** | **337,736** | **517,822** |
| | | |
| **Non-audit services** | | |
| Amounts paid to previous auditors of the Group - KPMG: | | |
| Taxation services | 9,485 | 8,663 |
| **Total non-audit services** | **9,485** | **8,663** |

## 4. EMPLOYMENT COSTS

| | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|
| Wages and salaries | 80,257 | 73,359 |
| Liability for annual leave and long service leave | 3,333 | 6,938 |
| Contributions to superannuation funds | 8,887 | 7,929 |
| Payroll taxes | 5,499 | 4,272 |
| Other associated personnel expenses | 3,019 | 3,093 |
| **Total** | **100,995** | **95,591** |

## 5. FINANCE INCOME AND FINANCE EXPENSES

| | NOTE | 2026<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| Interest income | | 206 | 212 |
| Net foreign exchange gain | | 958 | 440 |
| **Financial income** | | **1,164** | **652** |
| | | | |
| Interest expense | | (4,956) | (4,530) |
| Interest expense on lease liabilities | 20 | (5,450) | (4,980) |
| Interest expense on make good provision | | (215) | (220) |
| **Financial expenses** | | **(10,621)** | **(9,730)** |
| **Net financial expense** | | **(9,457)** | **(9,078)** |

## 6. TAXES

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current tax benefit** | | |
| Current year benefit | - | (904) |
| Under provision prior year | - | 126 |
| **Tax benefit recognised in the profit or loss** | - | **(778)** |
| | | |
| **Deferred tax benefit** | | |
| Origination and reversal of temporary differences | (2,095) | (2,038) |
| **Total deferred tax benefit** | **(2,095)** | **(2,038)** |
| | | |
| **Total income tax benefit** | **(2,095)** | **(2,816)** |
| | | |
| **Reconciliation of effective tax rate** | | |
| Loss from operations for the year | (15,224) | (29,555) |
| Total income tax benefit | (2,095) | (2,816) |
| **Loss before income tax** | **(17,319)** | **(32,371)** |
| | | |
| Income tax using the Company's domestic tax rate of 30% | (5,196) | (9,711) |
| Non-deductible expenditure | 3,459 | 7,175 |
| Under provision in prior years | - | 126 |
| Effect of change in tax rate | - | (75) |
| Deferred tax adjustments in respect of prior periods | (358) | - |
| Effect of lower tax rate applicable to foreign controlled entity | - | (331) |
| **Total income tax benefit** | **(2,095)** | **(2,816)** |

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Assets 2026 $'000 | Assets 2025 $'000 | Liabilities 2026 $'000 | Liabilities 2025 $'000 | Net 2026 $'000 | Net 2025 $'000 |
|---|---|---|---|---|---|---|
| Trade and other receivables | 94 | 169 | - | - | 94 | 169 |
| Inventories | 1,883 | 1,287 | - | - | 1,883 | 1,287 |
| Property, plant and equipment | 73 | 1,652 | - | - | 73 | 1,652 |
| Right-of-use assets | - | - | (24,451) | (20,267) | (24,451) | (20,267) |
| Intangible assets | 4,477 | 6,846 | (6,414) | (6,823) | (1,937) | 23 |
| Employee benefits | 3,240 | 3,104 | - | - | 3,240 | 3,104 |
| Trade and other payables | 361 | 599 | - | - | 361 | 599 |
| Provisions | 35 | - | - | - | 35 | - |
| Lease liability | 29,159 | 25,138 | - | - | 29,159 | 25,138 |
| Other items | 2,730 | 1,507 | (26) | - | 2,704 | 1,507 |
| Tax losses carried forward | 13,241 | 9,732 | - | - | 13,241 | 9,732 |
| **Tax assets/(liabilities)** | **55,293** | **50,034** | **(30,891)** | **(27,090)** | **24,402** | **22,944** |
| Set off of deferred tax liability | (30,891) | (27,090) | 30,891 | 27,090 | - | - |
| **Net deferred tax asset** | **24,402** | **22,944** | **-** | **-** | **24,402** | **22,944** |

**Recognition of deferred tax assets**

The Group has recognised a net deferred tax asset of $24,402,000 (2025: $22,944,000), of which $13,241,000 (2025: $9,732,000) relates to unused tax losses of $44,209,548. Utilisation of the deferred tax asset is dependent on the generation of future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. The Group incurred a tax loss in the current financial year and in the preceding financial year.

In concluding that it is probable that sufficient future taxable profit will be available to utilise these tax losses, the Group has had regard to external tax advice confirming that the Group's carried forward tax losses should satisfy the relevant loss recoupment tests under Australian tax law (the continuity of ownership test and, where applicable, the similar business test), and to the Group's Board-approved budget for the year ending 30 June 2027 and its five-year forecast used in the Group's impairment testing (Note 14), which support the generation of sufficient future taxable profit to utilise the recognised tax losses.

Deferred tax assets have not been recognised in respect of $13,301,000 (2025: $13,301,000) of transferred tax losses, being the only portion of the Group's carried forward tax losses for which the Group does not consider it probable that sufficient future taxable profits will be available.

## 7. EARNINGS PER SHARE

| | 2026 | 2025 |
|---|---|---|
| Weighted average of shares in year used in basic earnings per share (number) | 132,474,341 | 118,666,183 |
| Weighted average of dilutive rights outstanding (number) | - | - |
| **Weighted average of shares in year used in calculating dilutive earnings per share (number)** | **132,474,341** | **118,666,183** |
| | | |
| Loss used in basic and diluted earnings per share calculation ($) | (15,224,409) | (29,555,341) |
| Loss per share (cents) | (11.5) cents | (24.9) cents |
| Diluted loss per share (cents) | (11.5) cents | (24.9) cents |

The Group has share options on issue that could potentially dilute basic EPS in the future. These instruments were not included in the calculation of diluted EPS because they were anti-dilutive for the current year. Accordingly, diluted EPS is the same as basic EPS.

## 8. CASH AND CASH EQUIVALENTS

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Cash and cash equivalents | 3,839 | 3,335 |

## 9. TRADE AND OTHER RECEIVABLES

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Trade receivables | 53,468 | 52,973 |
| Loss allowance (note 20(a)) | (316) | (528) |
| | 53,152 | 52,445 |
| Net investment in sub-lease | 446 | 381 |
| **Total** | **53,598** | **52,826** |
| | | |
| Other assets | 1,705 | 3,409 |
| Prepayments | 5,217 | 6,592 |
| | **6,922** | **10,001** |
| **Non-current** | | |
| Net investment in sub-lease | 192 | 608 |
| Oher assets | 530 | - |
| | | |
| **Total trade and other receivables** | **61,242** | **63,435** |

During the year the Group recognised interest income of $62,000 (2025: $82,000) on sub-lease receivables.

Information about the Group's exposure to credit risk, foreign currency risk and interest rate risk is disclosed in note 20.

## 10. INVENTORIES

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Work in progress | 2,946 | 5,666 |
| Finished goods | 81,821 | 88,673 |
| Provision for obsolescence | (6,352) | (5,320) |
| **Net Inventory balance** | **78,415** | **89,019** |

Inventories recognised as an expense during the year ended 30 June 2026 amounted to $222,322,000 (2025: $217,346,000). These were included in cost of goods sold in the statement of profit or loss.

Write-downs of inventories to net realisable value amounted to $3,496,000 (2025: $101,000). These were recognised as an expense during the year ended 30 June 2026 and included in cost of goods sold in the statement of profit or loss.

The group did not reverse any inventory write-downs during the period.

## 11. PROPERTY, PLANT AND EQUIPMENT

| | Plant & Equipment[1] | Furniture & Fittings | Office Equipment | Motor Vehicle | Leasehold Improvements | Assets under Construction | Total |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **As at 1 July 2024** | | | | | | | |
| Cost | 24,817 | 8,810 | 6,927 | 1,467 | 631 | 1,026 | 43,678 |
| Accumulated depreciation | (12,791) | (5,441) | (5,845) | (716) | (337) | - | (25,130) |
| **Carrying amount** | **12,026** | **3,369** | **1,082** | **751** | **294** | **1,026** | **18,548** |
| | | | | | | | |
| **Year Ended 30 June 2025** | | | | | | | |
| Additions | 1,685 | 935 | 458 | 23 | 1,179 | 784 | 5,064 |
| Depreciation charge for the year | (2,159) | (549) | (550) | (182) | (59) | - | (3,499) |
| Disposals | (87) | (2) | (5) | (23) | - | - | (117) |
| Effect of movements in foreign exchange | 23 | 8 | 3 | 5 | 1 | 3 | 43 |
| **Carrying amount** | **11,488** | **3,761** | **988** | **574** | **1,415** | **1,813** | **20,039** |
| | | | | | | | |
| **As at 30 June 2025** | | | | | | | |
| Cost | 26,438 | 9,751 | 7,383 | 1,472 | 1,811 | 1,813 | 48,668 |
| Accumulated depreciation | (14,950) | (5,990) | (6,395) | (898) | (396) | - | (28,629) |
| **Carrying amount** | **11,488** | **3,761** | **988** | **574** | **1,415** | **1,813** | **20,039** |
| | | | | | | | |
| **Year Ended 30 June 2026** | | | | | | | |
| Additions | 2,083 | 633 | 510 | 64 | 1,795 | - | 5,085 |
| Transfers | 942 | - | - | - | - | (942) | - |
| Depreciation charge for the year | (2,116) | (598) | (574) | (147) | (255) | - | (3,690) |
| Disposals | (157) | (31) | - | (85) | - | (871) | (1,144) |
| Effect of movements in foreign exchange | (191) | (58) | (22) | (41) | (10) | - | (322) |
| **Carrying amount** | **12,049** | **3,707** | **902** | **365** | **2,945** | **-** | **19,968** |
| | | | | | | | |
| **As at 30 June 2026** | | | | | | | |
| Cost | 29,115 | 10,295 | 7,871 | 1,410 | 3,596 | - | 52,287 |
| Accumulated depreciation | (17,066) | (6,588) | (6,969) | (1,045) | (651) | - | (32,319) |
| **Carrying amount** | **12,049** | **3,707** | **902** | **365** | **2,945** | **-** | **19,968** |

*[1]Comparative information has been reclassified where appropriate to enhance comparability with the current financial period. The correction of $2.1m is a reallocation between asset classes only and does not affect total assets, net assets, profit or loss, earnings per share, or cash flows for any period presented.*

## 12. RIGHT-OF-USE ASSETS

| | Property $'000 | Vehicles $'000 | Total $'000 |
|---|---|---|---|
| **Carrying amounts at 1 July 2024** | **55,257** | **11,412** | **66,669** |
| Additions | 7,267 | 3,080 | 10,347 |
| Terminations | (103) | (76) | (179) |
| Lease reassessments | 7,791 | 581 | 8,372 |
| Depreciation for the year | (11,974) | (5,030) | (17,004) |
| Effect of movements in foreign exchange | 161 | 38 | 199 |
| **Carrying amount at 30 June 2025** | **58,399** | **10,005** | **68,404** |
| | | | |
| **Carrying amounts at 1 July 2025** | **58,399** | **10,005** | **68,404** |
| Additions | 23,024 | 3,728 | 26,752 |
| Terminations | (1,247) | (251) | (1,498) |
| Lease reassessments | 7,487 | 156 | 7,643 |
| Depreciation for the year | (12,511) | (5,244) | (17,755) |
| Effect of movements in foreign exchange | (1,268) | (106) | (1,374) |
| **Carrying amount at 30 June 2026** | **73,884** | **8,288** | **82,172** |

The Group leases land and buildings for its offices and warehouses under agreements of between 1 to 10 years with options to be extended. The Group also leases vehicles under agreements of between 4 to 5 years.

## 13. INTANGIBLE ASSETS

| | Goodwill $'000 | Brand names $'000 | Customer relationships $'000 | Computer software[1] $'000 | Development costs $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **As at 1 July 2024** | | | | | | |
| Cost | 67,242 | 11,927 | 6,102 | 6,691 | 157 | 92,119 |
| Accumulated amortisation and impairment | - | - | (3,253) | (5,459) | - | (8,712) |
| **Carrying amount** | **67,242** | **11,927** | **2,849** | **1,232** | **157** | **83,407** |
| | | | | | | |
| **Year End 30 June 2025** | | | | | | |
| Additions | - | - | - | 400 | 70 | 470 |
| Additions through business combinations | (7,821) | 2,111 | 8,905 | - | - | 3,195 |
| Amortisation for the year | - | - | (1,600) | (240) | (37) | (1,877) |
| Impairment loss | (22,414) | (2,111) | - | - | - | (24,525) |
| Effect of movements in foreign exchange | 58 | 8 | - | - | - | 66 |
| **Carrying amount** | **37,065** | **11,935** | **10,154** | **1,392** | **190** | **60,736** |
| | | | | | | |
| **As at 30 June 2025** | | | | | | |
| Cost | 59,479 | 14,046 | 15,007 | 7,091 | 227 | 95,850 |
| Accumulated amortisation and impairment | (22,414) | (2,111) | (4,853) | (5,699) | (37) | (35,114) |
| **Carrying amount** | **37,065** | **11,935** | **10,154** | **1,392** | **190** | **60,736** |
| | | | | | | |
| **Year End 30 June 2026** | | | | | | |
| Additions | - | - | - | 157 | 123 | 280 |
| Amortisation for the year | - | - | (1,600) | (218) | (52) | (1,870) |
| Impairment loss | - | - | - | (1,118) | - | (1,118) |
| Effect of movements in foreign exchange | (457) | (64) | - | - | - | (521) |
| **Carrying amount** | **36,608** | **11,871** | **8,554** | **213** | **261** | **57,507** |
| | | | | | | |
| **As at 30 June 2026** | | | | | | |
| Cost | 59,022 | 13,982 | 15,007 | 7,248 | 350 | 95,609 |
| Accumulated amortisation and impairment | (22,414) | (2,111) | (6,453) | (7,035) | (89) | (38,102) |
| **Carrying amount** | **36,608** | **11,871** | **8,554** | **213** | **261** | **57,507** |

*[1]Comparative information has been reclassified where appropriate to enhance comparability with the current financial period. The correction of $2.1m is a reallocation between asset classes only and does not affect total assets, net assets, profit or loss, earnings per share, or cash flows for any period presented.*

## 14. IMPAIRMENT OF NON-FINANCIAL ASSETS

### Impairment testing of goodwill

For the purpose of impairment testing, goodwill and indefinite life intangible assets are allocated to the Group's reportable segments which represents the lowest level within the Group at which management monitors goodwill. The aggregate carrying amounts of goodwill and indefinite life intangible assets allocated to each CGU are as follows:

| | 2026 Goodwill $'000 | 2026 Brand Name $'000 | 2026 Total $'000 | 2025 Goodwill $'000 | 2025 Brand Name $'000 | 2025 Total $'000 |
|---|---|---|---|---|---|---|
| Fluid Systems | 15,682 | - | 15,682 | 15,682 | - | 15,682 |
| Trade Distribution | 20,926 | 11,871 | 32,797 | 21,383 | 11,935 | 33,318 |
| **Total** | **36,608** | **11,871** | **48,479** | **37,065** | **11,935** | **49,000** |

Goodwill is assessed for impairment on an annual basis, or more frequently when there is an indication that the CGU to which it belongs may be impaired. Where indicators exist, impairment testing is undertaken by comparing the carrying and recoverable amounts of goodwill. Impairment losses are recognised in the profit or loss when carrying amounts are higher than recoverable amounts.

In FY25, the Group impaired the Trade Distribution CGU intangibles by $24.5 million as a result of an update to the recoverable amount based on assumptions detailed below. The impairment loss arose due to assumptions updated for more modest revenue growth compared to the prior forecast and softened working capital improvement assumptions.

### Key assumptions used in the calculation of the recoverable amount

The key assumptions used in the value in use calculations include projected sales growth, projected gross margins, terminal growth rate and the discount rate. These assumptions are based on historical experience and projected performance. Budget and forecast calculations cover a period of five years. A long-term growth rate is determined and applied to project future cash flows after the fifth year.

The values assigned to a number of key assumptions are as follows:
***Fluid Systems***

- Revenue growth at 5.00% year on year
- Terminal growth rate of 2.5%
- Post-tax WACC of 12.21%

***Trade Distribution***

- Revenue growth at 5.00% year on year
- Gross margin growth at 0.2% in each of FY28 and FY29
- No operating expense growth in FY28.
- Terminal growth rate of 2.5%
- Post-tax WACC of 11.42%

### Impact of possible changes in key assumptions

Management assessed whether any CGU for which the carrying amount of goodwill is significant could be impaired as a result of a reasonably possible change in a key assumption, with all other inputs remaining the same:

**Trade Distribution CGU**

The recoverable amount of the Trade Distribution CGU exceeded its carrying amount by $13.0 million at 30 June 2026. The values assigned to the key assumptions, and the amount by which each assumption would need to change in isolation for the recoverable amount to equal the carrying amount, are set out below:

- An increase in the post-tax discount rate by 103 basis points, from 11.42% to 12.45%
- A decrease in forecast gross margin by 0.59 percentage points, sustained across the forecast and terminal periods
- A decrease in FY27 forecast revenue by 1.46%
- A decrease in the terminal growth rate by 1.40 percentage points, from 2.5% to 1.10%

Management notes that a change in more than one of these assumptions at the same time would reduce the extent of the individual change required.

**Fluid Systems CGU**

Significant headroom was observed between the recoverable amount calculated for Fluid Systems and the carrying amount for the segment, being $49.4 million at 30 June 2026. Management considered the reasonably possible change in key assumptions and with all other inputs remaining the same, it was confirmed that the recoverable value would remain above the carrying value if the following change in assumptions occurred:

- A decrease in forecast revenue by 4%
- A decrease in forecast gross profit by 1%
- A decrease in the terminal growth rate by 1%
- An increase in the post-tax discount rate to 23.09%

## 15. TRADE AND OTHER PAYABLES

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 20.

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Trade payables | 44,453 | 49,053 |
| Other payables and accrued expenses | 12,926 | 13,224 |
| **Total trade and other payables** | **57,379** | **62,277** |
| | | |
| Current | 57,307 | 62,098 |
| Non-current | 72 | 179 |
| **Total trade and other payables** | **57,379** | **62,277** |

## 16. INTEREST-BEARING LOANS AND BORROWINGS

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| **Current** | | |
| Borrowing base facility | - | 41,643 |
| Revolving cash advance facility | 5,000 | 3,000 |
| **Non-current** | | |
| Revolving cash advance facility | 54,000 | 15,000 |
| **Total interest-bearing loans and borrowings** | **59,000** | **59,643** |

***Non-cash investing and financing activities***

There were no non-cash investing and financing activities.

***Revolving cash advance facilities***

The Revolving Cash Advance Facilities have the following Quarterly Financial Covenants:

| Current | Sep-26 | Dec-26 | Mar27 | Jun-27 | Thereafter |
|---|---|---|---|---|---|
| Gross leverage ratio | ≤4.80x | ≤3.75x | ≤3.65x | ≤3.00x | ≤3.00 |
| Fixed charge cover ratio | ≥1.25x | ≥1.30x | ≥1.30x | ≥1.30x | ≥1.30 |
| Working capital ratio | ≥1.60x | ≥1.60x | ≥1.60x | ≥1.60x | ≥1.60 |

Prior to 30 June 2026, the Group received a waiver from its lending bank in respect of the gross leverage ratio, fixed charge cover ratio and working capital ratio financial covenants for the 30 June 2026 testing period. The Group also received waivers from its lending bank in respect of the gross leverage ratio and fixed cover charge ratio financial covenants for the 31 December 2025 and 31 March 2026 testing periods.

***Revolving cash advance facility C***

The Group has a $15.0 million Revolving cash advance facility with a current expiry of 31 July 2027 to accommodate future acquisitions (2025: $25.0 million). The facility is subject to a floating interest rate on funds drawn. A minimum of $5.0m is repayable annually. On 19 August 2026 this facility was extended to have an expiry of 31 August 2028.

***Revolving cash advance facility D***

On 8 August 2025, the Group's $55.0 million Borrowing base facility was replaced by a new $55.0 million Revolving cash advance facility with an expiry of 31 July 2027. The facility is subject to a floating interest rate on funds drawn. On 19 August 2026 this facility was extended to have an expiry of 31 August 2028.

***Guarantee facility***

In addition to the borrowing facilities above, the Group has a $3.0 million Standby Letter of Credit to provide security for Transactional Banking, Bank Guarantees, foreign exchange and other transactional facilities up to the limit specified in each individual guarantee.

## 17. PROVISIONS

| | Make good<br>$'000 | Warranties<br>$'000 | Onerous Contract<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| Balance at 1 July 2025 | 3,233 | - | 190 | 3,423 |
| Provisions increased/(decreased) | 326 | 240 | - | 566 |
| Provisions used | (85) | (124) | (115) | (324) |
| Provisions released | - | - | (75) | (75) |
| Effects of movements in foreign exchange | (47) | - | - | (47) |
| **Balance at 30 June 2026** | **3,427** | **116** | **-** | **3,543** |
| | | | | |
| Current | 245 | 116 | - | 361 |
| Non-current | 3,182 | - | - | 3,182 |
| **Total** | **3,427** | **116** | - | **3,543** |

## 18. SHARE-BASED PAYMENTS

***Executive and Director Incentive Plan***

During the year ended 30 June 2026, 5,000,000 options to acquire fully paid ordinary shares were issued under the Company's Employee Incentive Plan with an exercise price of $0.80 per option and an expiry date of three years from grant date. 2,400,000 options were issued to Nik Alpert (Managing Director and CEO) and 1,300,000 options were issued to Patrick Maloney (CFO) with a grant date of November 26 2025.

The following share-based payments existed at 30 June 2026:

| | 30 June 2026 | | 30 June 2025 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| As at 1 July | - | - | - | - |
| Granted during the year | 0.80 | 5,000,000 | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Lapsed during the year | - | - | - | - |
| **As at 30 June** | **0.80** | **5,000,000** | **-** | **-** |

Total expenses arising from share-based payment transactions recognised in employment costs during the year were $112,000 (2025: nil).

## 19. CAPITAL AND RESERVES

| Movement in ordinary share capital | Date | No. Shares '000 | Issue Price | Ordinary Shares $'000 |
|---|---|---|---|---|
| On issue at 1 July 2025 | | 119,291 | | 189,379 |
| Shares issued under entitlement offer | 13 Oct 2025 | 19,105 | 0.60 | 11,463 |
| Shares issued under shortfall facility of entitlement offer | 15 Oct 2025 | 670 | 0.60 | 402 |
| Share issue costs | | | | (125) |
| **On issue at 30 June 2026** | | **139,066** | | **201,119** |

***Ordinary shares***

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### Nature and purpose of reserves

***Translation reserve***

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the functional currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

***Other reserve***

The Other reserve comprises the fair value of shares and options that are yet to vest under share-based payment arrangements.

***Hedge reserve***

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in the consolidated statement of profit or loss as the hedged cash flows affect profit or loss.

***Profit reserve***

The profit reserve comprises retained profits since the reserve was first established in the 2021 financial year.

### Dividends

The Board has suspended the declaration of dividends as part of prioritising the reduction of net debt and to support the Company's growth objectives. The dividend will be reviewed periodically in line with financial performance and capital requirements.

| Company | 2026 '000 | 2025 '000 |
|---|---|---|
| **Dividend franking account** | | |
| 30 per cent franking credits available to shareholders of the Company for subsequent financial years | 8,855 | 8,855 |

## 20. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

***Fair value disclosures***

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents and receivables from customers.

***Exposure to credit risk***

The carrying amount of the Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Note | Carrying amount 2026 $'000 | Carrying amount 2025 $'000 |
|---|---|---|---|
| Cash and cash equivalents | 8 | 3,839 | 3,335 |
| Trade receivables | 9 | 53,790 | 53,434 |
| **Total** | | **57,629** | **56,769** |

***Trade and other receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The Group has no significant concentration of customer base.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group's terms and conditions of trade have been amended to incorporate the Personal Property Security legislation. The Group does not normally require collateral in respect of trade and other receivables.

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was Australia $48,139,000 (2025: $47,904,000) and New Zealand $5,651,000 (2025: $5,530,000).

Cash at bank and short-term or long-term deposits are held with Australian and New Zealand banks with acceptable credit ratings.

***Impairment of Trade Receivables***

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics, days past due and historic credit loss data.

The loss allowance as at 30 June 2026 was determined as follows for trade receivables:

| | Current | More than 30 days past due | More than 60 days past due | More than 120 days past due | Total |
|---|---|---|---|---|---|
| **30 June 2026** | | | | | |
| Australia | | | | | |
| Expected loss rate (%) | 0.2% | 0.7% | 2.5% | 16.6% | |
| Gross carrying amount ($'000) / balance outstanding as reporting date | 44,000 | 2,068 | 683 | 1,058 | 47,809 |
| Loss allowance ($'000) | 72 | 14 | 17 | 176 | 279 |
| New Zealand | | | | | |
| Expected loss rate (%) | 0.4% | 1.6% | 5.9% | 39.3% | |
| Gross carrying amount ($'000) / balance outstanding at reporting date | 5,454 | 144 | 29 | 32 | 5,659 |
| Loss allowance ($'000) | 20 | 2 | 2 | 13 | 37 |
| **30 June 2025** | | | | | |
| Australia | | | | | |
| Expected loss rate (%) | 0.0% | 0.1% | 0.9% | 34.0% | |
| Gross carrying amount ($'000) / balance outstanding as reporting date | 40,474 | 3,593 | 2,239 | 1,010 | 47,316 |
| Loss allowance ($'000) | - | 2 | 19 | 343 | 364 |
| New Zealand | | | | | |
| Expected loss rate (%) | 1.1% | 1.3% | 3.4% | 79.8% | |
| Gross carrying amount ($'000) / balance outstanding at reporting date | 5,228 | 142 | 162 | 125 | 5,657 |
| Loss allowance ($'000) | 56 | 2 | 6 | 100 | 164 |

## (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a $55m Revolving Cash Advance Facility and a $15 million Revolving Cash Advance facility on which interest is payable at prevailing market rates. These facilities sit alongside a $3m Multi Option Facility (Letter of Credit Facility).

***Maturities of financial liabilities***

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

**2026**

| Non derivative financial liabilities | Carrying amount $'000 | Contractual cash flow $'000 | 6 mths or less $'000 | 6-12 mths $'000 | 1-2 years $'000 | More than 2 years $'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 57,379 | (57,379) | (56,932) | (375) | (55) | (17) |
| Borrowing facility | 59,000 | (59,991) | (46,955) | (2,875) | (10,161) | - |
| Lease liability | 93,548 | (124,225) | (11,654) | (10,901) | (18,090) | (83,580) |
| **Total** | **209,927** | **(241,595)** | **(115,540)** | **(14,151)** | **(28,306)** | **(83,597)** |

**2025**

| Non derivative financial liabilities | Carrying amount $'000 | Contractual cash flow $'000 | 6 mths or less $'000 | 6-12 mths $'000 | 1-2 years $'000 | More than 2 years $'000 |
|---|---|---|---|---|---|---|
| Trade and other payables | 62,277 | (62,277) | (61,666) | (433) | (106) | (72) |
| Borrowing facility | 59,643 | (61,758) | (42,689) | (3,049) | (5,854) | (10,166) |
| Lease liability | 81,267 | (100,341) | (11,198) | (10,104) | (18,085) | (60,954) |
| **Total** | **203,187** | **(224,376)** | **(115,553)** | **(13,586)** | **(24,045)** | **(71,192)** |

The future outflows associated with forward contracts used for hedging are US$3.2 million (A$4.5 million), 2025: US$2.5 million (A$3.9 million) and will have been made within 3 months or less.

***Changes in liabilities arising from financing activities***

**30 June 2026**

| | Borrowings $'000 | Lease liabilities $'000 | Total liabilities from financing activities $'000 |
|---|---|---|---|
| Opening balance | 59,643 | 81,267 | 140,910 |
| Interest Expense | - | 5,450 | 5,450 |
| Proceeds | 191,712 | - | 191,712 |
| Repayments | (192,220) | (24,040) | (216,260) |
| New leases, reassessments and disposals | - | 32,374 | 32,374 |
| Effects of movement in foreign exchange | (135) | (1,503) | (1,638) |
| **Closing balance** | **59,000** | **93,548** | **152,548** |

**30 June 2025[1]**

| | Borrowings $'000 | Lease liabilities $'000 | Total liabilities from financing activities $'000 |
|---|---|---|---|
| Opening balance | 55,076 | 80,329 | 135,405 |
| Proceeds | 853,715 | - | 853,715 |
| Repayments | (849,215) | (17,719) | (866,934) |
| New leases, reassessments and disposals | - | 18,464 | 18,464 |
| Effects of movement in foreign exchange | 67 | 193 | 260 |
| **Closing balance** | **59,643** | **81,267** | **140,910** |

*[1] Repayments are presented net of interest expense*

## (c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

***Currency risk***

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the Australian dollar. The currencies giving rise to this risk are primarily US dollars and Euros. The Group adopts a policy of obtaining, foreign currency forward contracts to hedge its exposure to USD foreign currency risks.

***Interest rate risk***

The Group's interest rate risk arises primarily from interest-bearing liabilities with variable interest rates where interest rate movements can impact the Group's cash flow exposures. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

| **Carrying amount** | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Variable rate financial assets | 3,839 | 3,335 |
| Variable rate borrowing facility | (59,000) | (59,643) |
| **Total** | **(55,161)** | **(56,308)** |

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Profit or (loss) | Equity | Profit or (loss) | Equity |
| | $'000 | $'000 | $'000 | $'000 |
| **Variable rate instruments** | | | | |
| Increase of 100 basis points | (552) | (386) | (563) | (394) |
| Decrease of 100 basis points | 552 | 386 | 563 | 394 |

***Capital management***

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group defines capital as cash, banking facilities and equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group's borrowing facilities are subject to financial covenants. Details of these covenants are set out in Note 16.

***Fair value sensitivity analysis for fixed rate instruments***

The Group does not account for any material fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## 21. LEASES

### (a) Leases as lessee

The Group leases various premises, plant and equipment and motor vehicles under short-term leases. The leases run for 12 months or less. Lease payments are reviewed periodically to reflect market rentals. None of the leases include contingent rentals.

During the financial year ended 30 June 2026 the Group recognised $346,000 (2025: $243,000) as an expense in the consolidated statement of profit or loss in respect of short-term leases.

***Amounts recognised in statement of cash flows***

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Total cash outflow for leases | (24,386) | (22,942) |

Further information regarding Right of Use assets is available in note 12 while details of the Lease Liabilities are disclosed in note 20. Interest on leased liabilities is detailed in Note 5.

### (b) Leases as lessor

At the end of the reporting period, the future minimum lease payments under non-cancellable leases are receivable as follows:

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Less than one year | 1,505 | 1,174 |
| Between one and five years | 842 | 1,222 |
| More than five years | - | - |
| **Total** | **2,347** | **2,396** |

During the financial year ended 30 June 2026, the Group recognised $1,449,000 (2025: 1,424,000) as income in the consolidated statement of profit or loss.

## 22. CONTROLLED ENTITIES

| | Country of Incorporation | 2026 % | 2025 % |
|---|---|---|---|
| COV Holdings (Aust) Pty Ltd | Australia | 100 | 100 |
| Coventry Group (NZ) Limited | New Zealand | 100 | 100 |
| COV Holdings (NZ) Limited (i) | New Zealand | 100 | 100 |
| Nubco Proprietary Limited | Australia | 100 | 100 |
| Steel Masters Auckland Limited | New Zealand | 100 | 100 |
| Galvmasters Limited | New Zealand | 100 | 100 |
| Boltmasters Pty Ltd | Australia | 100 | 100 |
| Profast Pty Ltd | Australia | 100 | 100 |

The ultimate parent entity is Coventry Group Ltd.

(i) The company is a 100% controlled entity of COV Holdings (Aust) Pty Ltd and operates in New Zealand.

**Deed of Cross Guarantee**

The Company is party to a deed of cross-guarantee with its subsidiary entities. All entities listed in the table above are parties to the deed under which each company guarantees the debts of the others. Steelmasters Auckland Limited and Galvmasters Limited became parties to the deed on 3 October 2025. As the Closed Group comprises the same entities as the Consolidated Entity, the combined financial statements of the Closed Group required to be prepared under the Instrument are the same as the Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position presented elsewhere in this financial report, and are accordingly not separately disclosed.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Nubco Proprietary Limited, Boltmasters Pty Ltd and Profast Pty Ltd are relieved from the Corporations Act requirements to prepare a financial report and Directors' report.

## 23. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

| Cash flows from operating activities | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Loss for the year** | | **(15,224)** | **(29,555)** |
| Adjustments for: | | | |
| Equity-settled share-based payments | | 112 | - |
| Depreciation and amortisation | | 23,315 | 22,380 |
| Impairment loss on intangible assets and goodwill | | 1,118 | 24,525 |
| Other non-cash or non-operating exceptional items | | (738) | (284) |
| Interest income from other entities | | (206) | (212) |
| Interest expense | 5 | 10,621 | 9,730 |
| Net (gain)/loss on disposal of property, plant and equipment | | 1,071 | (137) |
| Income tax benefit | 6 | (2,095) | (2,816) |
| **Operating profit before changes in working capital and provisions** | | **17,974** | **23,631** |
| Change in trade and other receivables | | (100) | 3,496 |
| Change in inventories | | 8,691 | (5,787) |
| Change in trade and other payables | | (3,587) | 5,226 |
| Change in provisions and employee benefits | | 26 | (64) |
| **Operating profit after changes in working capital and provisions** | | **23,004** | **26,502** |
| Interest paid | | (10,406) | (9,510) |
| Income taxes refunded/(paid) | | 594 | (764) |
| **Net cash from operating activities** | | **13,192** | **16,228** |

## 24. RELATED PARTIES

**Transactions with key management personnel**

Key management personnel compensation comprised the following:

| | 2026 $ | 2025 $ |
|---|---|---|
| Short-term employee benefits | 1,266,915 | 1,273,947 |
| Post-employment benefits | 93,629 | 108,531 |
| Other long-term benefits | 19,331 | 19,457 |
| Termination benefits | 5,616 | 147,135 |
| Share-based payments | 70,334 | - |
| **Total** | **1,455,825** | **1,549,070** |

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

***Key management personnel transactions***

From time to time, key management personnel may purchase goods from companies within the Group on the same terms that apply to other employees of the Group. The value of these transactions is insignificant.

***Transactions with other related parties***

The Group has a related party relationship with its controlled entities (see Note 22). Transactions between the parent entity and its controlled entities are eliminated on consolidation and are not disclosed.

## 25. SIGNIFICANT ITEMS

The following significant costs were incurred in the year ended 30 June 2026.

| Significant items | 2026 $'000 | 2025 $'000 |
|---|---|---|
| ERP implementation costs | 726 | 6,772 |
| Restructuring costs | 2,426 | 446 |
| Acquisition costs on completed transactions | 252 | 222 |
| Onerous Contract[1] | - | 1,269 |
| HRIS implementation | 400 | 233 |
| Impairment of intangible assets | 1,118 | 24,525 |
| Stock write off | 3,059 | - |
| Gain on lease termination | (360) | - |
| Other significant items | 365 | 374 |
| Change in accounting estimate[2] | | |
| Provision for obsolescence | 2,054 | - |
| Expected credit loss model | 57 | - |
| Employee benefits provision | 574 | - |
| Cost of sales | (134) | - |
| Other income | 254 | - |
| Employment costs | 997 | - |
| Freight | 776 | - |
| Other expenses | 3,149 | - |
| **Total** | **15,713** | **33,841** |

*[1] Following review of its contractual obligations, the Fluid Systems business identified an onerous contract which has resulted in a one-off, pre-tax loss of $1.3m in 2025. Expense is included within cost of sales.*

*[2]During the year, the Group revised certain accounting estimates in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors based on updated information. These changes in estimates were accounted for prospectively and resulted in an increase of $7.73 million in the loss for the period.*

## 26. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ending 30 June 2026 the parent company of the Group was Coventry Group Ltd.

| | 2026 $'000 | 2025[1] $'000 |
|---|---|---|
| **Results of the parent entity** | | |
| Loss for the year | (664) | (27,844) |
| Other comprehensive income/(loss) | 72 | (32) |
| **Total comprehensive loss for the year after tax** | **(592)** | **(27,876)** |
| | | |
| **Financial position of parent entity at year end** | | |
| Current assets | 88,954 | 98,793 |
| Total assets | 313,445 | 306,907 |
| | | |
| Current liabilities | 79,715 | 138,136 |
| Total liabilities | 185,350 | 190,104 |
| | | |
| **Net assets** | **128,095** | **116,803** |
| | | |
| **Total equity of the parent entity comprising:** | | |
| Issued capital | 201,119 | 189,379 |
| Reserves | 184 | (32) |
| Profit reserve | 1,628 | 1,628 |
| Accumulated losses | (74,836) | (74,172) |
| **Total equity** | **128,095** | **116,803** |

[1] ***Restatement of comparative information - parent entity***
*The parent entity comparative information for the year ended 30 June 2025 has been restated. The restatement corrects the following: (a) total assets, which had been reduced by impairment of Steelmasters brand names and goodwill of $23.9 million that arises only on consolidation and was never an asset of the parent entity, and which had included the other reserve, an equity item; (b) the loss of the parent entity, which had excluded the parent entity's own impairment of investments in subsidiaries of $16.8 million and had included the consolidation impairment referred to in (a); (c) reserves, which had included $16.2 million of parent entity losses now presented within accumulated losses, and had double counted the other reserve already recognised in the parent entity's ledger; (d) the other reserve of $4.0 million, which arose on the FY18 acquisition of the non-controlling interest in the New Zealand subsidiary, being a transaction between equity holders recognised only on consolidation and accordingly presented within accumulated losses of the parent entity. There is no change to the issued capital of the parent entity and no effect on the consolidated financial statements.*

## 27. CONTINGENCIES, COMMITMENTS AND GUARANTEES

As at the reporting date, the Group have no material contingent liabilities or contingent assets requiring disclosure. The Group also have no material capital or other commitments contracted for at the reporting date but not recognised in the financial statements. Furthermore, there are no other guarantees (other than disclosed in Note 16) or other off-balance sheet financial arrangements that require disclosure under applicable Australian Accounting Standards.

## 28. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 19 August 2026, the Group's $55m Revolving Cash Advance Facility, $15m Revolving Cash Advance Facility, and Guarantee facility were extended. This extends the expiry date on the financing facilities from 31 July 2027 to 31 August 2028.

Other than the matters outlined elsewhere in the Group's financial statements, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

*Coventry Group Ltd and its controlled entities*

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

**For the year ended 30 June 2026**

| Entity Name | Type of entity | Place incorporated | % of share capital held | Australian or foreign tax resident | Jurisdiction of foreign tax resident |
|---|---|---|---|---|---|
| Coventry Group Limited | Body corporate | Australia | N/A | Australian | N/A |
| COV Holdings (Aust) Pty Ltd | Body corporate | Australia | 100% | Australian | N/A |
| Coventry Group (NZ) Limited | Body corporate | New Zealand | 100% | Foreign | New Zealand |
| COV Holdings (NZ) Limited | Body corporate | New Zealand | 100% | Foreign | New Zealand |
| Nubco Proprietary Limited | Body corporate | Australia | 100% | Australian | N/A |
| Steel Masters Auckland Limited | Body corporate | New Zealand | 100% | Foreign | New Zealand |
| Galvmasters Limited | Body corporate | New Zealand | 100% | Foreign | New Zealand |
| Boltmasters Pty Ltd | Body corporate | Australia | 100% | Australian | N/A |
| Profast Pty Ltd | Body corporate | Australia | 100% | Australian | N/A |

## Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

***Australian tax residency***

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

***Foreign tax residency***

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

# DIRECTORS' REPORT

**For the year ended 30 June 2026**

The Directors present their report together with the consolidated financial report of the Group comprising Coventry Group Ltd (the "Company") and its controlled entities for the year ended 30 June 2026.

## 1. DIRECTORS

***Information on Directors***

The Directors of the Company at any time during or since the end of the financial year and up to the date of this report are:

**Neil George Cathie**
*FCPA, GAICD*

**Independent Non-Executive Chairman**

*Chairman of Remuneration Committee*
*Member of Audit and Risk Committee*

Mr Cathie was appointed as a Director of the Company in September 2014 and as Chairman in January 2015. He has extensive experience in very relevant areas including having a 27 year career at Australia's largest and most successful plumbing and bathroom distributor, ASX listed Reece Limited, during which time he served as its Chief Financial Officer, Company Secretary and General Manager, Finance and IT.

Mr Cathie is a Non-Executive Director of Experience Co. Limited (since 2019). He is also a Non-Executive Director at Bowens Timber & Hardware.

Other than those listed above, he held no other listed company directorships during the past three financial years.

**Tony Howarth AO**
*FAICD (Life), SF FIN (Life)*

**Non-Executive Director**

*Member of Audit and Risk Committee*

Mr Howarth was appointed as a Director of the Company on 4 May 2020. Mr Howarth has a strong background in the banking and finance industry having held executive positions in government, regional and major banks as well as building societies and stockbroking companies. He has broad based industry experience from his time as President of the Australian Chamber of Commerce and Industry and Australian International Chamber of Commerce, as well as Chair of Catholic Health Australia. He is also a Trustee of the University of Notre Dame, Australia.

He is currently the Chairman of BWP Management Ltd and St John of God Foundation Inc, as well as a Non-Executive Director at Viburnum Funds.

Mr Howarth was a Non-Executive Director of Alinta Energy from 2017 to 2022 and Chairman from 2022 to 2025, a non-Executive Director of Wesfarmers Ltd from 2007 to 2019 and Chairman of MMA Offshore Ltd from 2006 to 2017. Previously he had been Chairman of Home Building Society and Deputy Chairman of Bank of Queensland Ltd. He has held no other listed company directorships during the past three financial years.

Tony retired as a Non-Executive Director on 30 June 2026.

**Alex White**
*B.Bus (EconFin)*

**Non-Executive Director**

*Member of Audit and Risk Committee*
*Member of Remuneration Committee*

Appointed March 2022. Director of Richmond Hill Capital with over 15 years of corporate and investment management experience. Non-Executive Director of Experience Co.

**Daniel Palumbo**
*B Bus (Int. Bus)*

**Independent Non-Executive Director**

*Member of Remuneration Committee*

Mr Palumbo was appointed as a Director of the Company on 28 October 2024.

Mr Palumbo has extensive expertise in trade distribution and operational excellence.

He built a distinguished career with the Reece Group, where he was a member of the Senior Leadership Team for over 10 years. During this time, he demonstrated a strong track record in driving financial performance, enhancing operational efficiencies, fostering customer growth, and developing organisational leadership.

Mr Palumbo is a Non-Executive Director at Beacon Lighting Ltd and a Director of Daisy's Garden Group.

**Craig Coleman**
*B.Comm*

**Non-Executive Director**

Mr Coleman was appointed as a Director of the Company on 23 April 2025.

Mr Coleman is the co-founder and Managing Partner of Viburnum Funds, Coventry Group's largest shareholder.

He is an experienced senior executive and director, with a 30-year career spanning banking and finance, corporate advisory, and funds management.

Mr Coleman is a Chairman at Sports Entertainment Group Ltd., a Non-Executive Director of 3PLearning Ltd, a Non-Executive Director at GTN Ltd.

Mr Coleman was previously a Director of the following ASX listed companies: Universal Biosensors Ltd (from June 2016 to June 2025), Bell Financial Group (from July 2017 to February 2021), Amcom Telecommunications Ltd (from January 2010 to June 2015), Keybridge Capital (from March 2014 to May 2016) and Pulse Health Ltd (from January 2010 to May 2017).

**Anne Lockwood**
*B.Comm (BAcc, LLB), CA, FCA, GAICD*

**Independent Non-Executive Director**

*Chairperson of Audit and Risk Committee*

Mrs Lockwood was appointed as a Director of the Company on 24 April 2025. Mrs Lockwood has over 33 years of experience in finance, risk management, audit and mergers & acquisitions across numerous industries.

She has deep executive experience having been the Chief Financial and Commercial Officer at ASX-listed Integral Diagnostics and Chief Financial Officer at privately owned Planet Innovation.

Mrs Lockwood is currently a Fellow of the Institute of Chartered Accountants, and a Graduate of the Australian Institute of Company Directors.

Mrs Lockwood is also Non-Executive Director and Chair of the Audit and Risk Committee of ASX-listed Symal Group Limited Genetic Signatures Limited and previously Mayne Pharma Limited (November 2023 to February 2026).

**Nissim (Nik) Alpert**
*MBA, BEng (Mech), ADipEng(Elec)*

**Managing Director and Chief Executive Officer**

Mr Alpert was appointed General Manager Trade Distribution on 31 March 2025, Acting Chief Executive Officer on 1 July 2025 and Managing Director on 1 September 2025.

Mr Alpert has held senior leadership roles across engineering and industrial businesses in the power transmission, power generation, hydraulics and lubricants sectors with responsibility for operations throughout Australia, New Zealand and Asia.

He held no other listed company directorships during the past three financial years.

**Rob Martino**
*B.Comm, LLB*

**Alternate Director**

Mr Martino was appointed as a Director of the Company on 1 November 2024. Mr Martino is a partner of Viburnum Funds, Coventry Group's largest shareholder.

He has over 20 years' financial markets experience across investment banking, institutional equity research and funds management, including over 12 years within Viburnum's Strategic Equities Fund.

Mr Martino ceased being a Non-Executive Director of the business on 23 April 2025. He is currently an Alternate Director for Mr Coleman.

## DIRECTORS' INTERESTS

As at the date of this report particulars of the relevant interest of each Director in the securities of the Company are as follows:

| | Number of Ordinary Shares |
|---|---|
| N.G. Cathie | 1,686,859 |
| A. White # | 31,241 |
| T. Howarth # | 70,154 |
| D. Palumbo | 54,209 |
| C.Coleman # | - |
| A. Lockwood | - |
| N Alpert | 118,000 |

# Mr Howarth, Mr Coleman, and Mr White have declared their indirect interests in the shares of the Company as being shareholders of Viburnum Funds Pty Ltd, Richmond Hill Capital Pty Ltd and Rat Pack Adventures Pty Ltd respectively, who are major shareholders of the Company.

During the 2025/26 financial year and as at the date of this report no Director has declared any interest in a contract or proposed contract with the Company, the nature of which would be required to be reported in accordance with subsection 300(11)(d) of the Corporations Act 2001.

## DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's Board of Directors and each Board Committee, held during the year ended 30 June 2026, and the number of meetings attended by each Director.

| | NG Cathie | T Howarth | A White | D Palumbo | C Coleman | A Lockwood | N Alpert | R Martino[1] |
|---|---|---|---|---|---|---|---|---|
| **Board of Directors** | | | | | | | | |
| Held | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Eligible to attend | 14 | 14 | 14 | 14 | 14 | 14 | 11 | 14 |
| Attended | 14 | 14 | 14 | 11 | 13 | 13 | 11 | 1 |
| **Audit & Risk Committee** | | | | | | | | |
| Held | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Eligible to attend | 4 | 4 | 4 | 0 | 0 | 4 | 0 | 0 |
| Attended | 4 | 4 | 4 | 3 | 0 | 4 | 2 | 0 |
| **Remuneration Committee** | | | | | | | | |
| Held | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Eligible to attend | 2 | 0 | 2 | 2 | 0 | 0 | 0 | 0 |
| Attended | 2 | 1 | 2 | 2 | 2 | 2 | 0 | 0 |

Note: Directors may pass resolutions in writing without a formal meeting being convened. Such resolutions are deemed by the Company's Constitution to be meetings. The above table does not include such meetings.

[1] *Attended Board meetings by way of Director's Alternate Director – Rob Martino attended the 30 September meeting as an Alternate Director for Craig Coleman.*

## 2. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

***Trade Distribution***

- The importation, distribution and marketing of industrial fasteners, stainless steel fasteners, construction fasteners, specialised fastener products and systems, industrial hardware and associated industrial tools and consumables
- Importation, distribution and marketing of hardware, components and finished products to the commercial cabinet making, joinery and shop fitting industries
- Temporary fencing sales and hire and scaffolding plank hire.

***Fluid Systems***

- Design and installation of lubrication systems
- Distribution of hose, connectors, fittings and hydraulic hose assemblies
- Design and supply of service truck components
- Installation of fire suppression systems
- Design and distribution of fluid handling systems, pneumatic component sales and sale of hydraulic associated products and consumables
- Rock hammer service and repair.

## 3. CONSOLIDATED RESULTS

Results of the Group were as follows:

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Revenue from sale of goods | 371,285 | 364,628 |
| Loss before income tax | (17,319) | (32,371) |
| Income tax benefit | 2,095 | 2,816 |
| **Loss after tax for the year** | **(15,224)** | **(29,555)** |

## 4. DIVIDENDS

The Board has suspended the declaration of dividends as part of prioritising the reduction of net debt and to support the Company's growth objectives. The dividend will be reviewed periodically in line with financial performance and capital requirements.

## 5. REVIEW OF OPERATIONS AND RESULTS

**People**

The Group prioritises the Health, Safety and Well-being of our people along with our customers, suppliers and communities. We aspire to zero LTI's and zero harm to our people. During FY26 we had 5 Lost Time Injuries (LTI's) across all of our business units. All incidents and serious near misses are reviewed by our safety team and the Coventry Leadership Team (CLT) to ensure we share lessons and improve safety systems.

Our values of Safety First, Do the Right Thing (Fairness, Integrity, Respect), Work as a Team and Be the Best at Everything We do, continue to guide us in our day to day operations. We have a culture focused on doing the right thing in all our interactions with our people, customers, suppliers and communities.

**Financial performance**

Group revenue increased 2.7% to $375.3m ($365.5m FY25) on a constant currency basis, which restates the Group's New Zealand results at the prior corresponding period's average NZD/AUD exchange rate to remove the effect of currency translation. On a statutory basis, at actual average exchange rates, Group revenue was $371.3m for the year. Underlying EBITDA declined 23.6% to $9.4m ($12.3m FY25) on a constant currency basis; on a non-constant currency basis, Underlying EBITDA was $9.1m. Group underlying EBIT for FY26 was $3.8m ($6.9m FY25). Statutory Net Loss after Tax for the year was $15.2m (FY25 Loss $29.6m). The loss was driven by significant items arising from the balance sheet review conducted through the year, and by weaker trading performance in first half of the year.

At 30 June 2026, the Group had Net Assets of $104.1m ($111.2m FY25), Net Tangible Assets of $22.2m ($27.5m FY25), and Net Debt of $55.2m ($56.3m FY25). The stabilisation in Net Debt reflects second-half earnings recovery, the benefit of the Group's cost-out program, and disciplined working capital and inventory management, partly offset by capital expenditure of $5.4m ($5.5m FY25).

Fluid Systems delivered sales of $152.1m for the year, an increase of 3.0% compared to FY25. EBITDA declined by 1.5%, to $13.2m (FY25 $13.4m).

Trade Distribution achieved sales of $223.2m on a constant currency basis ($219.4m statutory), representing growth of 2.5% on the prior year. However, EBITDA decreased by 18.8% to $11.7m ($14.4m FY25).

**Funding and liquidity**

The Group's principal banking facility is provided by National Australia Bank (NAB). Subsequent to year end, on 19 August 2026, the Group signed an extension of the facility, taking the expiry from 31 July 2027 to 31 August 2028, with additional covenant headroom provided as part of the extension. This is clear evidence of NAB's continued strong support for the Group, and management continues to work constructively with the bank as the turnaround progresses.

The Gross Leverage Ratio peaked at 10.0x in March 2026 before improving progressively to 6.3x at 30 June 2026, reflecting the earnings recovery delivered through the second half. As weaker prior trading periods progressively roll out of the trailing twelve-month EBITDA calculation used for covenant testing, the Group's covenant position is expected to continue to improve in future testing periods.

At 30 June 2026, the Group maintained total liquidity of $14.8m, comprising cash of $3.8m and available undrawn facility headroom, and had the ongoing support of its lender. Net debt reduced to $55.2m ($56.3m FY25).

**Review of businesses**

Coventry Group is a distributor of industrial fasteners, consumables and hydraulic fluid systems, operating through two business units, Trade Distribution and Fluid Systems, across 94 branches in Australia and New Zealand. Trade Distribution supplies specialist fasteners, fixings and industrial consumables to trade, construction and manufacturing customers under the Konnect, Nubco and Steelmasters brands. Fluid Systems trades as Cooper Fluid Systems, designing, manufacturing and servicing hydraulic, lubrication, fire suppression and waste recycling systems for mining and industrial customers.

Both segments compete with high-quality, market-leading specialist products and technical expertise across an extensive branch network, providing reliable local access to products and services close to where they are needed.

Heading into FY27, the Group's core markets are active, with a resilient mining and resources industry and strong building, construction and infrastructure demand in both Australia and New Zealand. The Group's focus for the year ahead is to exploit market opportunities by driving revenue, market share and earnings growth that continue to strengthen the Group's financial position and deliver improving returns to shareholders.

| | FY26 $M | FY25 $M | % change |
|---|---|---|---|
| Revenue from sale of goods | 371.3 | 364.6 | 1.8 |
| Underlying EBIT | 3.8 | 6.9 | (44.9) |
| Underlying EBITDA | 9.4 | 12.3 | (23.6) |
| Statutory Net loss after tax | (15.2) | (29.6) | 48.6 |
| Net debt | 55.2 | 56.3 | (2) |
| Net tangible assets | 22.2 | 27.5 | (19.3) |

*Note 1: Underlying EBITDA and Underlying EBIT are non-IFRS measures and reflect how management measure performance of the Group. Non-IFRS measures have not been subjected to audit.*

*Note 2: Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and has been adjusted to exclude leases and significant items. Underlying EBIT is earnings before interest and tax and has been adjusted to exclude leases and significant items. Both measures are reported on a constant currency basis.*

*Note 3: Cash conversion = Gross operating cash flow less cash lease payments, addback significant items, divided by EBITDA.*

**Strategic Review**

As announced in January 2026, following unsolicited approaches regarding individual businesses within the Group, the Board commenced a strategic review of Coventry's business portfolio. The review is examining a range of options directed at unlocking shareholder value. We want to be clear that no decisions have been made, and there is no certainty that the review will result in any transaction or change to the Group's structure. Against the backdrop of improving performance the Board has determined there is no need for unnecessary haste and will update shareholders as this process evolves. It will only proceed where it is satisfied that an outcome is in the best interests of all shareholders.

## 6. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share for the year ended 30 June 2026 was a loss of 11.5 cents and 11.5 cents respectively. This compares to a basic earnings per share and diluted earnings per share for the previous year of a loss of 24.9 cents and 24.9 cents respectively.

## 7. SIGNIFICANT CHANGE IN THE COMPANY'S AFFAIRS

In the opinion of the Directors, there have been no other significant changes in the Group's state of affairs during the financial year.

## 8. EVENTS SUBSEQUENT TO REPORTING DATE

On 19 August 2026, the Group's $55m Revolving Cash Advance Facility, $15m Revolving Cash Advance Facility, and Guarantee facility were extended. This extends the expiry date on the financing facilities from 31 July 2027 to 31 August 2028.

Other than the matters outlined elsewhere in the Group's financial statements, no other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.

## 9. REMUNERATION REPORT - AUDITED

Remuneration is referred to as compensation throughout this Remuneration Report.

### 9.1 Key Management Personnel (KMPs)

KMPs are the persons who have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. The following were KMPs of the Group at any time during the reporting period and unless otherwise indicated were KMPs for the entire period:

| Directors | Other Key Management Personnel |
|---|---|
| NG Cathie | RJ Jackson - until 8 October 2025 |
| T Howarth | P Maloney - commencing 01 October 2025 |
| A White | |
| D Palumbo | |
| C Coleman | |
| A Lockwood | |
| N Alpert | |

### 9.2 Principles Used to Determine the Nature and Amount of Compensation

***Non-Executive Directors***

Non-Executive Directors receive cash fees for their Board and Committee work. They are eligible to participate in the Executive and Director Incentive Plan which was re-approved by shareholders at the Annual General Meeting of the Company in November 2025.

Non-Executive Directors' cash fees are determined within an aggregate Directors' fees pool limit, which is periodically recommended for approval by shareholders. The total pool currently stands at $550,000 (2025: $550,000) per annum, and was last approved by shareholders in November 2004 with effect from 1 July 2004.

The Board determines the allocation of the maximum amount approved by shareholders amongst the respective Directors, having regard to their duties and responsibilities. Directors' fees are not directly linked to Company performance. Non-Executive Directors do not receive termination benefits. There is no provision for retirement allowances to be paid to Non-Executive Directors.

As at 30 June 2026 the Non-Executive Directors' fees were allocated as follows (includes statutory superannuation contributions):

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Chairman (inclusive of Board and Committee work) | 130,000 | 130,000 |
| Chair of Audit and Risk Committee (inclusive of Board and Committee work) | 85,000 | 85,000 |
| Non-Executive Directors (inclusive of Board and Committee work) | 80,000 | 80,000 |

***Executive Pay***

***Remuneration policies***

Remuneration of Directors and senior executives is the responsibility of the Remuneration Committee. The Committee has resolved to set remuneration packages which are appropriate in the context of the company's size, complexity and performance but which will attract the calibre of executive required to drive necessary change in order to enhance performance. The Committee seeks external advice in relation to these matters where necessary.

Remuneration for the CEO and senior executives currently comprises fixed, cash-based remuneration which includes salary, superannuation and benefits; and, eligibility to participate in the Company's short-term incentive plan (STI Plan).

The CEO and senior executives have employment contracts with notice periods executable by either party. There are no arrangements in place to provide the CEO or any senior executive with a retirement benefit other than those which accrue by law. Superannuation contributions are paid at the superannuation guarantee rate.

Incentives under the STI Plan of up to 100% of fixed annual compensation are payable to the CEO and senior executives based on financial and non-financial measures framed around the Company's trading performance and each individual's performance.

The Company's long-term share-based Executive and Director Incentive Plan (LTI Plan), which was approved by shareholders at the 2025 annual general meeting, was implemented during FY26. Under the LTI Plan, options were issued to participants with a strike price of 80 cents per share, subject to a three-year service vesting period. The Remuneration Committee and Board consider the LTI Plan to be aligned with current business objectives, strategic priorities and shareholder value creation, and will continue to monitor its operation as part of the Company's broader incentive framework for Executive KMP.

***Business Performance***

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regard to the following financial performance metrics in respect of the current financial year and the previous four financial years.

| | 2026<br>$'000 | 2025<br>$'000 | 2024<br>$'000 | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|---|---|---|
| Sales revenue | 371,285 | 364,628 | 370,805 | 358,543 | 322,324 |
| Underlying EBITDA[1] | 9,366 | 12,294 | 20,809 | 17,005 | 15,505 |
| Underlying EBIT | 3,760 | 6,905 | 17,014 | 13,377 | 12,355 |
| NPAT | (15,224) | (29,555) | 659 | 2,472 | 4,841 |
| Dividends paid | - | 4,387 | 3,256 | 3,227 | 2,721 |
| Share price at year end ($) | 0.30 | 0.79 | 1.41 | 1.15 | 1.33 |

*Note 1: Underlying EBITDA is the key financial performance target considered in setting the Short-Term Incentive (STI).*

***Share Options***

During the year ended 30 June 2026, 5,000,000 options to acquire fully paid ordinary shares were issued under the Company's Employee Incentive Plan with an exercise price of $0.80 per option and an expiry date of three years from grant date. 2,400,000 options were issued to Nik Alpert (Managing Director and CEO) and 1,300,000 options were issued to Patrick Maloney (CFO) with a grant date of November 26 2025.

The following share-based payments existed at 30 June 2026:

| | 30 June 2026 | | 30 June 2025 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| As at 1 July | - | - | - | - |
| Granted during the year | 0.80 | 5,000,000 | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | - | - | - | - |
| Lapsed during the year | - | - | - | - |
| **As at 30 June** | **0.80** | **5,000,000** | **-** | **-** |

Total expenses arising from share-based payment transactions recognised in employment costs during the year were $112,000 (2025: nil).

### 9.3 Details of Compensation

The following table provides the details, nature and amount of elements of compensation for the key management personnel of Coventry Group Ltd.

| | | Cash salary, leave entitlement and fees $ | STI cash bonus $ | Short term total $ | Super-annuation (i) $ | Long-service & annual leave provision movement $ | Termination benefits $ | Share-based payment $ | Total $ | Proportion of remuneration performance related |
|---|---|---|---|---|---|---|---|---|---|---|
| NG Cathie - Chairman | 2026 | 116,071 | - | 116,071 | 13,929 | - | - | - | 130,000 | - |
| | 2025 | 116,592 | - | 116,592 | 13,408 | - | - | - | 130,000 | - |
| Nik Alpert (commenced 26 Jun 2025) | 2026 | 426,000 | - | 426,000 | 30,000 | 12,019 | - | 45,622 | 513,641 | - |
| | 2025 | 3,880 | - | 3,880 | 411 | 331 | - | - | 4,622 | - |
| T Howarth (ceased 30 Jun 2026) | 2026 | 71,429 | - | 71,429 | 8,571 | - | - | - | 80,000 | - |
| | 2025 | 71,749 | - | 71,749 | 8,251 | - | - | - | 80,000 | - |
| A White | 2026 | 68,727 | - | 68,727 | - | - | - | - | 68,727 | - |
| | 2025 | 61,364 | - | 61,364 | 7,364 | - | - | - | 68,728 | - |
| D Palumbo (Commenced 28 Oct 2024) | 2026 | 80,000 | - | 80,000 | - | - | - | - | 80,000 | - |
| | 2025 | 41,667 | - | 41,667 | 5,000 | - | - | - | 46,667 | - |
| C Coleman (commenced 23 Apr 2025) | 2026 | 80,000 | - | 80,000 | - | - | - | - | 80,000 | - |
| | 2025 | 13,317 | - | 13,317 | 1,531 | - | - | - | 14,848 | - |
| A Lockwood (commenced 24 Apr 2025) | 2026 | 75,893 | - | 75,893 | 9,107 | - | - | - | 85,000 | - |
| | 2025 | 14,149 | - | 14,149 | 1,627 | - | - | - | 15,776 | - |
| **Total Directors' remuneration** | **2026** | **918,120** | **-** | **918,120** | **61,607** | **12,019** | **-** | **45,622** | **1,037,368** | **-** |
| | 2025 | 322,718 | - | 322,718 | 37,592 | 331 | - | - | 360,641 | - |
| RJ Jackson (ceased 8 Oct 2025) | 2026 | 109,520 | - | 109,520 | 9,522 | (7,349) | 5,616 | - | 117,310 | - |
| | 2025 | 364,804 | - | 364,804 | 29,932 | 19,126 | - | - | 413,862 | 0.00% |
| P Maloney (commenced 01 Oct 2025) | 2026 | 239,275 | - | 239,275 | 22,500 | 14,661 | - | 24,712 | 301,148 | - |
| **Total other key management personnel remuneration** | **2026** | **348,795** | **-** | **348,795** | **32,022** | **7,312** | **5,616** | **24,712** | **418,458** | - |
| | 2025 | 364,804 | - | 364,804 | 29,932 | 19,126 | - | - | 413,862 | 0.00% |
| **Total Directors' and other key management personnel remuneration** | **2026** | **1,266,915** | **-** | **1,266,915** | **93,629** | **19,331** | **5,616** | **70,334** | **1,455,825** | **0.00%** |
| | **2025** | **687,522** | **-** | **687,522** | **67,524** | **19,457** | **-** | **-** | **774,503** | **0.00%** |

*Premiums in respect of the Directors' and Officers' insurance policy are not included above, as the policy does not specify the premium paid in respect of individual Directors and officers.*

*(i) Includes statutory superannuation contributions and additional voluntary contributions.*

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that vested during the reporting period are as follows:

| Options granted | Grant date | Fair value per option at grant date $ | Exercise price per option $ | Vesting date | Number of options granted during 2025-26 |
|---|---|---|---|---|---|
| Nik Alpert | 26 November 2025 | 0.14 | 0.80 | 26 November 2028 | 2,400,000 |
| Patrick Maloney | 26 November 2025 | 0.14 | 0.80 | 26 November 2028 | 1,300,000 |

**Options vested**
No options vested during 2026.

**Short-term Incentives**
The Board has determined the FY26 short-term incentive (STI) outcome for eligible key management personnel, based on performance against Group Sales, EBITDA, and cost-out targets. Group Sales and EBITDA targets were not achieved. The Group cost-out target was achieved, resulting in partial STI entitlement.

The STI is to be settled wholly by way of rights over ordinary shares in the Company, with no cash component, subject to a two-year vesting period from grant date. The grant of these rights is subject to shareholder approval at the Company's forthcoming Annual General Meeting in accordance with ASX Listing Rule 10.14. As shareholder approval had not been obtained as at 30 June 2026, the grant date for the purposes of AASB 2 Share-based Payment had not been established at balance date, and accordingly no share-based payment expense has been recognised in the current financial year in respect of this award.

Had shareholder approval been in place at balance date, the awards would have comprised the following number of rights, determined by reference to a volume-weighted average share price of $0.3183:

| Options granted | STI Value ($) | Rights (if approved) |
|---|---|---|
| Nik Alpert | 136,800 | 429,783 |
| Patrick Maloney | 168,000 | 527,804 |

Should shareholder approval be obtained, the fair value of the rights will be determined at grant date and expensed over the two-year vesting period.

## 9.4 Service Contracts

Compensation and other terms of employment for the CEO and Managing Director and other key management personnel are formalised in employment contracts. Major provisions of the contracts relating to compensation are set out below:

***Chief Executive Officer***

- The contract has no fixed term.
- Fixed annual compensation to be reviewed annually by the Remuneration Committee.
- Long service leave is payable by the Company in accordance with relevant state legislation.
- The contract provides for participation in short-term and long-term incentive plans.
- Other than for an act that may have a serious detrimental effect on the Company, such as wilful disobedience, fraud or misconduct, termination of employment requires six months' notice by the Company or employee.

***Chief Financial Officer***

- The contract has no fixed term.
- Fixed annual compensation to be reviewed annually by the Remuneration Committee.
- Long service leave is payable by the Company in accordance with relevant state legislation.
- The contract provides for participation in short-term and long-term incentive plans.
- Other than for an act that may have a serious detrimental effect on the Company, such as wilful disobedience, fraud or misconduct, termination of employment requires eighteen weeks' notice by the Company or employee.

### 9.5 Director Share Movement

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

| Shares held by Key Management Personnel | Held at 30 June 2025 | Purchases (includes DRP allotments) | Conversion of Performance Rights | Sales | Held at 30 June 2026 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| NG Cathie | 1,312,000 | 374,859 | - | - | 1,686,859 |
| T Howarth# | 54,564 | 15,590 | - | - | 70,154 |
| A White# | 31,241 | - | - | - | 31,241 |
| D Palumbo | 20,000 | 34,209 | - | - | 54,209 |
| C Coleman# | - | - | - | - | - |
| A Lockwood | - | - | - | - | - |
| N. Alpert | - | 118,000 | - | - | 118,000 |
| **Other Key Management Personnel** | | | | | |
| P. Maloney | - | - | - | - | - |

*# Mr Howarth, Mr White, and Mr Coleman have declared their indirect interests in the shares of the Company as being shareholders of Viburnum Funds Pty Ltd, Richmond Hill Capital Pty Ltd and Rat Pack Adventures Pty Ltd respectively, who are major shareholders of the Company.*

**End of Remuneration Report.**

## 10. ENVIRONMENTAL REGULATION

The Group is not subject to any specific environmental regulation.

The Group mainly operates from warehousing and distribution facilities throughout Australia and New Zealand which have general obligations under environmental legislation of the respective statutory authorities in relation to pollution prevention.

The Company has reviewed its obligations under the National Greenhouse & Energy Reporting Act 2007 (the Act). As the Group is under the minimum greenhouse and energy thresholds stipulated in the Act, there are no registration and reporting requirements that have to be complied with as at the date of this report.

For the financial year ended 30 June 2026 and as at the date of this report, the Group has not been prosecuted nor incurred any infringement penalty for environmental incidents.

## 11. INSURANCE OF OFFICERS

During the financial year the Company has paid premiums in respect of contracts insuring the Directors and officers of the Company against certain liabilities incurred in those capacities. The contracts prohibit further disclosure of the nature of the liabilities and the amounts of the premiums.

## 12. CORPORATE GOVERNANCE

The Statement of Corporate Governance Practices is disclosed on the Company's website.

## 13. NON-AUDIT SERVICES PERFORMED BY THE AUDITOR

During the current year HLB Mann Judd Assurance (NSW) Pty Ltd was appointed as the Company's Auditor. HLB Mann Judd Assurance (NSW) Pty Ltd performed no other services other than the audit. During the prior year and for a portion of the current year, KPMG was the Company's auditor and it performed certain other services in addition to their statutory duties. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Company's Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the

auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, HLB, and its related practices for audit and non-audit services provided during the year are set out in Note 3 to the full financial report.

## 14. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration made in accordance with Section 307C of the Corporations Act 2001 forms part of this Directors' report.

## 15. COMPANY SECRETARY

Ms Anshu Raghuvanshi of Acclime Australia is the Company Secretary. Ms Raghuvanshi was appointed effective 24 April 2026, following the resignation of Mr Mark Licciardo of Acclime Australia with effective date of 24 April 2026.

## 16. ROUNDING OFF

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and in accordance with that Instrument, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.

**N.G. CATHIE**

***Chairman***

Melbourne
31 August 2026

**N. ALPERT**

***Chief Executive Officer and Managing Director***

Melbourne
31 August 2026

# DIRECTORS' DECLARATION

1. In the opinion of the Directors of Coventry Group Ltd ("the Group"):

a) the consolidated financial statements and notes that are set out on pages 5 to 38 and the Remuneration report on pages 46 to 51 in the Directors' report, are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

b) the consolidated entity disclosure statement as at 30 June 2026 set out on page 39 is true and correct; and;

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the group entities identified in Note 22 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2026.

4. The Directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

**N.G. CATHIE**

***Chairman***

Melbourne
31 August 2026

**N. ALPERT**

***Chief Executive Officer and Managing Director***

Melbourne
31 August 2026

**Auditor's Independence Declaration**

To the directors of Coventry Group Limited:

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

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in relation to Coventry Group Limited and the entities it controlled during the year.

**Sydney, NSW**
**31 August 2026**

**S Grivas**
**Director**

**hlb.com.au**

**HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215**
Level 5, 10 Shelley Street Sydney NSW 2000 Australia
**T:** +61 (0)2 9020 4000 **E:** mailbox@hlbnsw.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

**Independent Auditor's Report to the Members of Coventry Group Limited**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Coventry Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss, 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) 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* ("the Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Inventory existence and valuation**<br>Note 10 | |
| The consolidated statement of financial position of the Group as at 30 June 2026 shows inventories at $78,415,000. This represents the lower of cost and net realisable value for inventories on hand at 30 June 2026. | Our procedures included:<br>- Obtained an understanding of management's inventory count procedures and controls, including by attending a sample of inventory counts to observe the processes in operation |

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| **Inventory existence and valuation**<br>Note 10 | |
| We have identified the Existence and Valuation of Inventories as a Key Audit Matter due to the size of this asset.<br><br>Also, judgement is involved in management's estimation of the net realisable value of inventories, which is based on certain assumptions. | - and assessed whether controls are designed and implemented effectively.<br>- Performed a spot check at year end for a sample of locations and reviewed any differences between inventory counted and inventory shown in the Group's inventory records.<br>- Reviewed records of physical movement of inventories before and after count date to ensure inventory cut off is appropriate.<br>- Tested a sample of items on hand as at interim date to purchase invoices and performed analytical review of interim date valuations against 30 June stock report.<br>- Tested a sample of items on hand as at 30 June to purchase invoices.<br>- Evaluated management's process for identifying slow moving inventories.<br>- Considered assumptions made by management in evaluation of slow moving inventories and compared to historical experience of sale of inventories by the Group.<br>- We reviewed the accounting policies used by the Group for inventories, and the disclosures in the financial report. |
| **Intangible assets valuation**<br>Note 13 | |
| The consolidated statement of financial position of the Group as at 30 June 2026 shows intangible assets at $57,507,000.<br><br>We have identified the Valuation of Intangible Assets as a Key Audit Matter due to the size of this asset.<br><br>Also, judgement is involved in management's assumptions used around the discount rate, useful life and cash flows. | Our procedures included:<br>- Reviewed management's assessment of any indicators of impairment that may exist.<br>- Reviewed and tested management's calculations of the recoverable amounts of the cash generating units (CGUs), including the discounted cash flow models and key assumptions supporting the carrying values at balance date.<br>- Obtained an understanding of management controls in place in relation to the accounting estimates and judgement involved.<br>- Ensured the identification of CGUs in accordance with AASB 136 Impairment and assessed whether any indication of changes in CGUs identified.<br>- With the assistance of our valuation specialists, we assessed the appropriateness of the discount rates and evaluated the reasonableness of the forecast cash flows used by management's expert. We performed a sensitivity analysis over key assumptions and considered the impact of reasonably possible changes in those assumptions on the recoverable amount. |

| Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| | - Reviewed the accounting policies used by the Group for intangibles, and the disclosures in the financial report. |

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON THE REMUNERATION REPORT**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 46 to 51 of the directors' report for the year ended 30 June 2026.

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

**Responsibilities**

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

HLB Mann Judd

**HLB Mann Judd Assurance (NSW) Pty Ltd**
**Chartered Accountants**

S. Grivas

**S Grivas**
**Director**

**Sydney, NSW**
**31 August 2026**

# SHAREHOLDER INFORMATION

**As at 25 August 2026**

**Ordinary Shares**

| # | Holder | Number | % of Total |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 47,870,822 | 34.42 |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 22,792,129 | 16.39 |
| 3 | PALM BEACH NOMINEES PTY LIMITED | 16,764,439 | 12.06 |
| 4 | BNP PARIBAS NOMS PTY LTD | 5,008,694 | 3.60 |
| 5 | CITICORP NOMINEES PTY LIMITED | 2,313,588 | 1.66 |
| 6 | DIXSON TRUST PTY LIMITED | 2,090,758 | 1.50 |
| 7 | DORSETT INVESTMENTS PTY LTD | 1,520,701 | 1.09 |
| 8 | AVENUE 8 PTY LIMITED <GAN SUPER FUND A/C> | 1,500,000 | 1.08 |
| 9 | ROMNEY LODGE PTY LTD | 1,483,556 | 1.07 |
| 10 | SCHOLZ INDUSTRIES PTY LTD | 1,372,383 | 0.99 |
| 11 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 1,337,344 | 0.96 |
| 12 | ROSSBOW PTY LTD <ANDREW MACPHERSON TDT A/C> | 1,300,000 | 0.93 |
| 13 | DIXSON TRUST PTY LIMITED <NO 1 A/C> | 1,095,847 | 0.79 |
| 14 | COWOSO CAPITAL PTY LTD <COWOSO SUPER FUND A/C> | 1,053,000 | 0.76 |
| 15 | MR ROBERT JAMES BULLUSS | 1,049,644 | 0.75 |
| 16 | MS MELISSA MARY STEPHENS | 1,011,500 | 0.73 |
| 17 | CAPMACK EQUITY HOLDINGS PTY LTD | 1,000,000 | 0.72 |
| 18 | ROSALMAC PTY LTD | 900,000 | 0.65 |
| 19 | ST THOMAS 2024 PTY LIMITED <BMAX FAMILY A/C> | 803,376 | 0.58 |
| 20 | HANCOCK & GORE LTD | 761,366 | 0.55 |
| | **Total** | **113,029,147** | **81.28** |

## DISTRIBUTION OF SHAREHOLDING

| Size of holding | Number of holders | Number of shares | % |
|---|---|---|---|
| 1 – 1,000 | 370 | 208,218 | 0.15 |
| 1,001 - 5,000 | 542 | 1,361,616 | 0.98 |
| 5,001 - 10,000 | 202 | 1,519,254 | 1.09 |
| 10,001 - 100,000 | 306 | 9,829,503 | 7.07 |
| 100,001 Over | 77 | 126,147,268 | 90.71 |
| **Total** | **1,497** | **139,065,859** | **100.00** |

| | Holders | Units |
|---|---|---|
| Unmarketable parcels field information | 478 | 336,665 |

## SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders showed the following particulars as at 25 August 2026.

| Name of Substantial Shareholder | Extent of Interest (Number of Shares) | Date of last notification |
|---|---|---|
| Viburnum Funds Pty Ltd | 43,704,566 | 13 October 2025 |
| Richmond Hill Capital Pty Ltd | 30,623,331 | 13 October 2025 |
| Sandon Capital Pty Ltd | 16,764,439 | 09 October 2025 |

## UNQUOTED EQUITY SECURITIES

Nil.

## SECURITIES SUBJECT TO VOLUNTARY ESCROW

There are no securities on issue subject to voluntary escrow.

## VOTING RIGHTS

Each member present at a general meeting of the Company in person or by proxy, attorney or official representative is entitled:

- on a show of hands - to one vote
- on a poll - to one vote for each share held

There are no other classes of equity securities.

# CORPORATE DIRECTORY

**ABN 37 008 670 102**

**Registered and Principal Administrative Office**

235 Settlement Road,
Thomastown, Victoria 3074

**Postal Address**

P O Box 526
Thomastown, Victoria 3074

**Website**

www.cgl.com.au

**Secretary**

Anshu Raghuvanshi

**Bankers**

National Australia Bank Limited
Australian and New Zealand Banking Group Limited
Bank of New Zealand
Auckland Savings Bank Limited
Westpac Banking Corporation
Commonwealth Bank of Australia

**Auditors**

HLB Mann Judd Assurance (NSW) Pty Ltd
Level 5
10 Shelley Street
Sydney, NSW 2000

**Share Registry**

Computershare Limited
Yarra Falls
452 Johnston Street, Abbotsford
Melbourne Victoria 3067
or
GPO Box 2975
Melbourne, Victoria 3000

Telephone from within Australia: 1300 763 414

Telephone from outside Australia: (+61) 3 9415 5000

Facsimile: +(61) 3 9473 2500

Email: web.queries@computershare.com.au

Website: www.investorcentre.com

**Securities Exchange Listing**

The Company's shares are listed on the ASX Limited and trade under the code CYG. The home exchange is Melbourne.

**Shareholder Enquiries/Change of Address**

Shareholders wishing to enquire about their shareholdings, dividend payments, or change their address should contact the Company's share registry.

Coventry Group Ltd