

APPENDIX 4E

PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDED 30 JUNE 2025



HiTech Group Australia Limited

A.B.N. 41 062 067 878

APPENDIX 4E

Preliminary Final Report

HiTech Group Australia Limited	
ABN: 41 062 067 878	Financial Year ended 30 June 2025

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	7.1%	Up	\$68,151,746
Net profit for the period attributable to members	5.79%	Up	\$6,380,747
Dividends			
Final dividend	5 cents per share fully franked		
Previous corresponding period	5 cents per share fully franked		

Comment on figures reported:

HiTech's core business is the placement of ICT contractors and recruitment services to the public and private sectors. ICT consulting services demand continues to be strong with several IT infrastructure and digital/cyber security transformation projects underway, requiring specialist IT talent.

For the financial year ended 30 June 2025, the consolidated entity's results are:

- Operating revenue is \$68,151,746, an increase of 7.1% over the previous corresponding period (pcp) (FY24: \$63,641,159).
- Underlying EBITDA* is \$8,998,295, an increase of 1.3% over pcp.
- Underlying NPAT* is \$6,636,843, an increase of 10.04% over pcp (FY24: \$6,031,458).
- Strong balance sheet with zero debt and positive Cash balance of \$9,652,671.
- Net Tangible Assets (NTA) is 27 cps, an increase of 20% over pcp (FY24: 22 cps).

**Underlying reflects a one-off employment related cost of \$395,033*

The directors have declared a fully franked dividend of 5 cents per share to be paid on 17 September 2025, to shareholders registered on close of business on 3 September 2025.

HiTech's strong business model and our reputation as a top-quality specialised ICT services organisation, ensures consistent demand from our valued clients as we deliver to them consistently the highest quality technologists available.

HiTech is fully prepared to take advantage of continued demand for top talent in the ICT recruitment and services sector. We are continually working towards winning new business and maximising returns on our existing agreements as we continue to achieve profit targets.

We continue to manage operating costs to be better aligned with revenue and profitability targets.

1. CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

		Consolidated Group	
	Note	2025 \$	2024 \$
Revenue from continuing operations			
Sales Revenue	5(a)	67,708,768	63,447,938
Cost of sales	6	(55,046,552)	(50,641,038)
Gross Profit		12,662,216	12,806,900
Other revenue	5(b)	442,978	193,221
Marketing expenses		(19,640)	(22,513)
Occupancy expenses		(582,209)	(585,072)
Insurance and legal expenses		(34,883)	(94,615)
Administration expenses		(3,026,488)	(2,991,299)
Other expenses from ordinary activities		(514,153)	(520,643)
Profit/(Loss) before income tax		8,927,821	8,785,979
Income tax (expense)/benefit	7	(2,547,074)	(2,754,521)
Profit attributable to members of the parent entity		6,380,747	6,031,458
Other comprehensive income		-	-
Total comprehensive income for the year		6,380,747	6,031,458
Earnings per Share:			
Basic and diluted earnings (cents per share)	20	15.08	14.26

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2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		Consolidated Group 2025 \$	2024 \$
	Notes		
CURRENT ASSETS			
Cash and cash equivalents	8	9,652,671	12,106,261
Trade and other receivables	9	6,569,376	2,859,269
Other current assets		304,179	70,311
TOTAL CURRENT ASSETS		16,526,226	15,035,841
NON-CURRENT ASSETS			
Plant and equipment	10	392,388	217,847
Deferred tax assets		437,888	311,546
Intangible assets	12	-	-
Right of use assets		387,193	1,279,081
Other non-current assets		426,910	426,910
TOTAL NON-CURRENT ASSETS		1,644,379	2,235,384
TOTAL ASSETS		18,170,605	17,271,225
CURRENT LIABILITIES			
Trade and other payables	13	3,757,039	4,386,254
Provision for taxation	14	630,990	1,101,014
Lease liabilities		379,652	1,351,675
Other current liability		-	-
Deferred tax liabilities	11	673,043	208,845
Short-term provisions	15	824,267	572,668
TOTAL CURRENT LIABILITIES		6,264,991	7,620,456
NON-CURRENT LIABILITIES			
Lease liabilities		66,241	-
Long term provisions	15	270,445	232,589
TOTAL NON-CURRENT LIABILITIES		336,686	232,589
TOTAL LIABILITIES		6,601,677	7,853,045
NET ASSETS		11,568,928	9,418,180
EQUITY			
Contributed equity	16	4,450,713	4,450,713
Reserves		185,638	185,638
Retained profits		6,932,577	4,781,829
TOTAL EQUITY		11,568,928	9,418,180

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3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2025

	Share Capital Ordinary	Retained Earnings	Employee Equity- settled Benefits Reserve	Total
	\$	\$	\$	\$
Balance at 1/7/2023	4,450,713	2,970,371	185,638	7,606,722
Total dividends paid for the year	-	(4,220,000)	-	(4,220,000)
Total comprehensive profit for the year	-	6,031,458	-	6,031,458
Balance at 30/6/2024	4,450,713	4,781,829	185,638	9,418,180
Balance at 1/7/2024	4,450,713	4,781,829	185,638	9,418,180
Total Dividends paid for the year	-	(4,230,000)	-	(4,230,000)
Total comprehensive income for the year	-	6,380,748	-	6,380,748
Balance at 30/6/2025	4,450,713	6,932,577	185,638	11,568,928

4. CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 30 June 2025

	Note	Consolidated Group 2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		69,792,639	66,726,410
Payments to suppliers and employees		(64,822,233)	(58,362,192)
Interest received		387,058	119,347
Income tax (expenses)/ refund		(2,679,241)	(2,028,200)
Net cash provided by operating activities	18	2,678,223	6,455,365
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at fair value through profit and loss		-	-
Payment for property, plant and equipment		(264,830)	(35,768)
Net cash (used in) / provided by investing activities		(264,830)	(35,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(636,983)	(676,590)
Dividend paid		(4,230,000)	(4,220,000)
Net cash (used in) / provided by financing activities		(4,866,983)	(4,896,590)
Net increase / (decrease) in cash and cash equivalents held		(2,453,590)	1,523,008
Cash and cash equivalents at the beginning of the financial year		12,106,261	10,583,253
Cash and cash equivalents at the end of the financial year	8	9,652,671	12,106,261

5. REVENUE

	Consolidated Group	
	2025	2024
	\$	\$
Revenue from continuing operations		
(a) Services		
- Contracting and permanent placement revenue (i)	67,708,768	63,447,938
(b) Other revenue		
- Interest received – other entities	320,415	193,221
- Other	122,563	-
Total revenue	68,151,746	63,641,159
(i) Contracting revenue includes permanent placement fees, commission earned on contracting and contract services provided.		

6. EXPENSES

	Consolidated Group	
	2025	2024
	\$	\$
Cost of providing services	55,046,552	50,641,038
Rental expenses on operating leases		
- Minimum lease payments	379,652	1,279,081
Depreciation and amortisation of non-current assets		
- Plant and equipment	33,185	42,147
- Motor vehicles	57,104	154,619
- Software	-	65,359
Net transfers to provisions – employee benefits	289,455	(6,379)

7. INCOME TAX

(a) Income tax expense		
Current tax	2,440,875	2,842,451
Deferred tax	106,199	(87,930)
	2,547,074	2,754,521
(b) Numerical reconciliation of income tax to prima facie tax payable		
Profit before income tax expense at 30.00%	2,678,346	2,635,794
Add tax effect of:		
Other assessable income	(132,893)	(71,880)
Non-deductible depreciation and amortisation and other non-allowable items	(27,087)	(48,477)
Less tax effect of:		
Deductible expenses	(24,191)	272,235
DTA previously not recognised	52,899	(33,151)
Income tax expense	2,547,074	2,754,521

8. CASH AND CASH EQUIVALENTS

	2025 \$	2024 \$
Cash at bank and in hand	2,817,552	5,438,398
Bank term deposits	6,835,119	6,667,616
	<u>9,652,671</u>	<u>12,106,014</u>

The effective interest rate on bank deposits at call is 3.55%

9. TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2025 \$	2024 \$
Trade receivables	<u>6,569,376</u>	<u>2,859,269</u>

(a) Impaired trade receivables

As at 30 June 2025, none of the trade receivables of the Group were impaired (2024: \$0)

(b) Past due but not impaired

As at 30 June 2025, trade receivable of \$95,949 (2024: \$63,552) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

30-60 days	60,199	12,358
61-90 days	24,310	51,194
90+ days	<u>11,440</u>	<u>-</u>
	<u>95,949</u>	<u>63,552</u>

10. PLANT & EQUIPMENT

	Plant & Equipment	Leasehold Improvements	Motor vehicles	TOTAL
	\$	\$	\$	\$
As at 01 July 2024				
Cost or fair value	705,217	89,599	506,613	1,301,429
Accumulated depreciation	(597,377)	(82,108)	(404,098)	(1,083,583)
Net book value	107,840	7,491	102,515	381,129
Year ended 30 June 2025				
Opening net book balance	107,840	7,491	102,515	217,846
Additions	21,011	-	243,819	264,830
Depreciation charge	(31,245)	(1,940)	(57,104)	(90,289)
Net book balance	97,606	5,551	289,230	392,387
As at 30 June 2025				
Cost or fair value	726,228	89,599	750,432	1,566,259
Accumulated depreciation	(628,622)	(84,048)	(461,202)	(1,173,871)
Net book value	97,606	5,551	289,230	392,388

Plant and equipment has been tested for impairment at 30 June 2025 resulting in no impairment loss.

11. DEFERRED TAX LIABILITIES

	Consolidated Group	
	2025	2024
	\$	\$
	673,043	208,845
Total deferred tax liabilities	673,043	208,845

12. INTANGIBLE ASSETS

	Consolidated Group
	Intangibles at cost
At 1 July 2023	
Computer software at cost	1,251,835
Accumulated Amortisation and impairment	(1,251,835)
Net book value	-
Year ended 30 June 2024	
Opening net book balance	-
Additions	14,757
Amortisation and impairment	(14,757)
Net book value	-
As at 30 June 2024	
Computer software at cost	1,266,582
Accumulated Amortisation and impairment	1,266,582
Net book value	-
Year ended 30 June 2025	
Opening net book balance	-
Additions	-
Amortisation and impairment	-
Net book value	-
As at 30 June 2025	
Computer software at cost	1,266,582
Accumulated Amortisation and impairment	(1,266,582)
Net book value	-

13. TRADE AND OTHER PAYABLES

	Consolidated Group	2025	2024
		\$	\$
<i>Unsecured liabilities</i>			
Trade payables		1,211,209	675,797
Sundry payables and accrued expenses		2,545,830	3,710,457
		3,757,039	4,386,254

14. PROVISION FOR TAXATION

Current Income Tax	630,990	1,101,014
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15. PROVISIONS

Employee benefits	1,094,712	805,257
Reconciliation of movement in the liability is recognized in the statement of financial position as follows:-		
Prior year closing balance	805,257	811,636
Increase / (Decrease) in provision	289,455	(6,379)
Current year closing balance	1,094,712	805,257
Provisions		
- Total current	824,267	572,668
- Total non-current	270,445	232,589
	1,094,712	805,257

16. ISSUED EQUITY

	Consolidated Group	
	2025	2024
	\$	\$
42,300,000 ordinary shares (2024: 42,300,000)	4,450,713	4,450,713

Ordinary shares carry one vote per share and carry the right to dividends.

17. SEGMENT INFORMATION

The Consolidated Group operates primarily in one geographical and in one business segment, namely the ICT recruitment industry in Australia and reports to the Board on the performance of the Group as a whole.

18. NOTES TO STATEMENT OF CASH FLOWS

	Consolidated Group	
	2025	2024
	\$	\$
Profit after income tax	6,380,747	6,031,458
Depreciation and amortisation of non-current assets	90,289	213,796
Decrease / (Increase) in assets		
Trade and other receivables	(3,943,975)	(1,669,743)
Other Assets	-	-
Deferred tax assets	(126,343)	2,466
Increase/ (Decrease) in liabilities		
Provision for taxation	(470,024)	1,044,024
Trade and other payables	(6,124)	(363,704)
Provisions	289,455	(6,378)
Deferred tax liabilities	464,198	162,985
Net cash flows provided by/(used in) operating activities	2,678,224	6,455,366

19. NTA BACKING

Net tangible asset backing per ordinary security (per share)	\$0.27	\$0.22
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20. COMMENTARY ON RESULTS FOR THE PERIOD

HiTech's core business is the recruitment of ICT professionals and the supply of contracting services. This sector of the market has been strong in the past year.

For the financial year ended 30 June 2025, the consolidated entity's results are:

- **Operating revenue is \$68,151,746, an increase of 7.1% over the previous corresponding period (pcp) (FY24: \$63,641,159).**
- **Underlying EBITDA* is \$8,998,295, an increase of 1.3% over pcp.**
- **Underlying NPAT* is \$6,636,843, an increase of 10.0% over pcp (FY24: \$6,031,458).**
- **Strong balance sheet with zero debt and positive Cash balance of \$9,652,671.**
- **Net Tangible Assets (NTA) is 27 cps, an increase of 20% over pcp (FY24: 22 cps).**

**Underlying reflects a one-off employment related cost of \$395,033*

HiTech remains fully prepared to take advantage of improving demand in the ICT recruitment and services sector. We are working towards winning new business, increasing profit and ensuring that operating costs are kept to a minimum.

We are also actively seeking EPS accretive acquisitions.

EPS

Basic and diluted earnings per share for the current financial year was 15.08 cents per share as compared with 14.26 cents per share in the previous corresponding period.

Dividends

The directors have declared a fully franked dividend of 5 cents per share to be paid on 17 September 2025 to shareholders registered on close of business on 3 September 2025.

Significant features of operating performance

HiTech currently supplies permanent and contract staff from its large, personalised database of over 400,000 specialised ICT professionals which has been developed over the years through various strategies of recruitment.

The HiTech client base is well established, with strong representation by Federal Government departments and agencies, recognised private enterprise and state government departments.

ICT contracting, comprising the provision of ICT professionals for temporary/contingent and other non-permanent staffing needs of clients for specific projects is the primary source of HiTech's recurring steady cash flow. ICT contracting is viewed as a relatively higher volume business with recurring contractual arrangement for the supply of the service. We continue to grow this part of the revenue stream alongside permanent recruitment.

Factors which are likely to affect results in the future

While there is still an increasing short supply of quality candidates and increasing demand for talent, any potential drop in ICT resources demand will result in lower margins, less contracts and downward pressure on permanent placement numbers.

We have retained our preferred supplier status with our valued clients and are working towards further developing these relationships. We are constantly evolving and improving our systems and productivity to provide a better service to our clients and candidates.

We expect to secure further contracts in the near future and develop our business in both the government and private sector.

21. AUDIT OF ACCOUNTS

This report is based on accounts that are in the process of being audited and are not likely to be subject to qualification.



Elias Hazouri
CEO
14 August 2025