



MotorCycle
Holdings

Annual Report
For the year ended 30 June 2025

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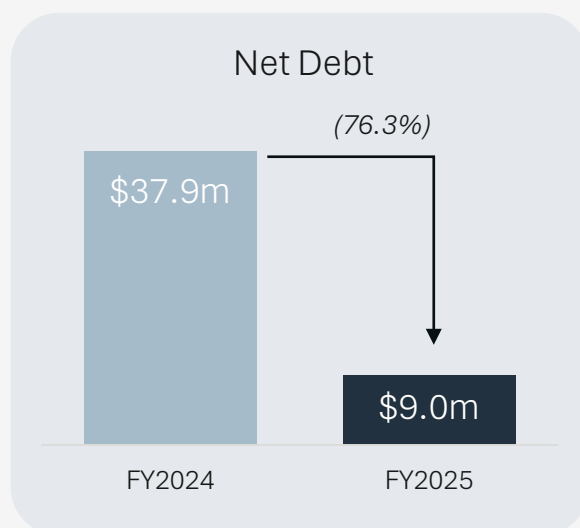
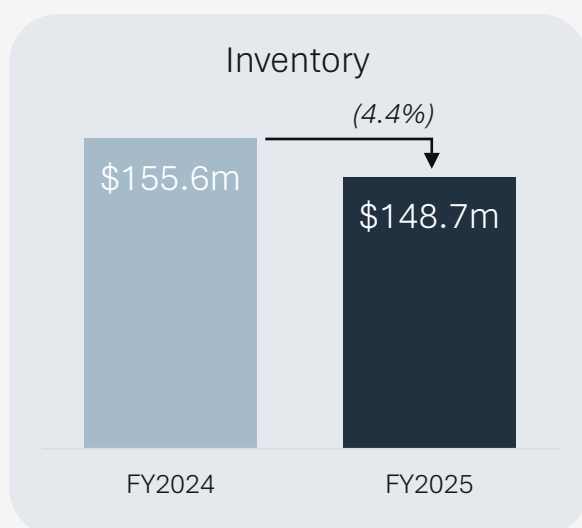
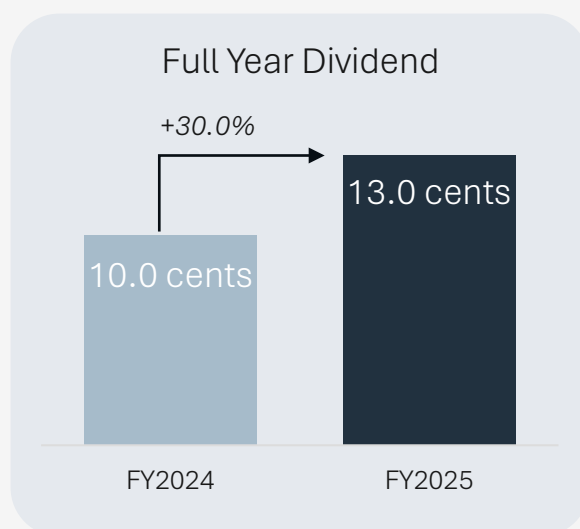
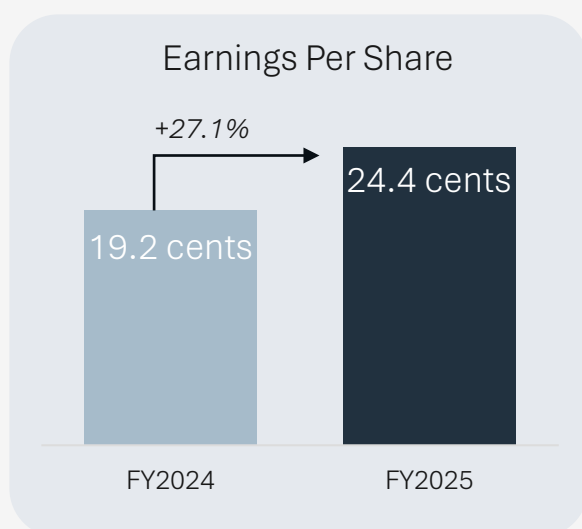
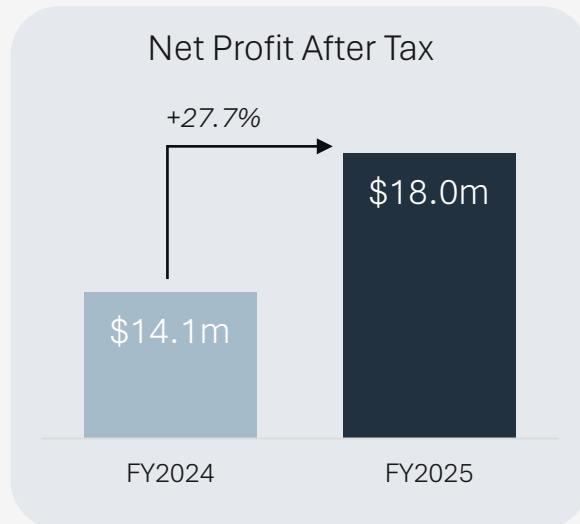
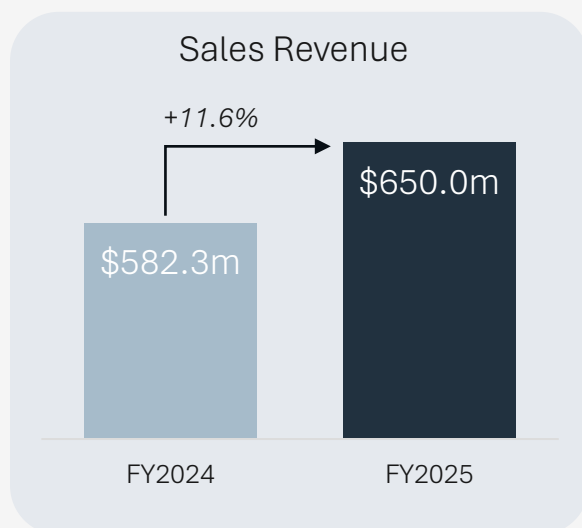
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Key Highlights

MotorCycle Holdings Ltd (ASX:MTO) has performed strongly across all key metrics in 2025



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About Us

MotorCycle Holdings Limited (the Company) is a leading retailer and wholesale distributor of motorcycles, ATVs, parts, and accessories, with operations in Australia and New Zealand.

Headquartered in Brisbane, Queensland, we manage a network of 55 locations—52 retail dealerships and 3 wholesale outlets.



Our retail operations offer new and used motorcycles, genuine spare parts, accessories, apparel, servicing, repairs, and financing and insurance solutions. We represent all major motorcycle and accessory brands, providing customers with a diverse and comprehensive portfolio.

We also import a wide range of motorcycles, ATVs, scooters (including electric models), as well as motorcycle and bicycle parts, accessories, and apparel. Our wholesale division supports and is supported by our retail dealerships, ensuring seamless distribution and operational efficiency.



Our Strategy

We have an estimated 16.6% market share of all new motorcycle sales nationally (by number of motorcycles sold).

Our customers are motorcyclists who are primarily leisure riders, recreational users, commuters, farmers, and adventure sports enthusiasts. We sell brands that appeal to these target markets.

Our business model gives us competitive advantage through diversified revenue streams in both retail and wholesale business segments. Our business strategy is to continue to grow through multiple initiatives including:

Retail Organic Growth:	• New and used vehicles: On the back of record unit sales of new and used vehicles, we will continue to leverage pent-up demand from existing retail outlets and newly acquired dealerships. • Accessories: New growth through stores and through our digital platforms that have experienced significant growth.
Acquisitions:	• Synergies: We actively pursue strategic acquisitions that can be integrated with our existing operations and supply chain, widening our overall market reach. • New categories, products and territories: We pursue acquisitions in a fragmented market to access a wide range of new and used motorcycle inventory, and reach new customers. • Scale: Our capital structure and significant scale position us as a natural consolidator within the industry.
Wholesale:	• New brands: We plan to grow the wholesale business by introducing new products and complementary brands to our existing portfolio.
Infrastructure	• People: We invest in people, training and management systems provide a scalable base, which when combined with a sales-based culture drive operational and financial performance. • Digital and data: We leverage our centralised management processes to drive operational improvements in the dealerships it acquires in order to deliver improved financial performance. • Capacity: We have made recent expansions to our warehousing capacity and wholesale distribution networks.

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Chair's Message



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the 2025 Annual Report. This has been a year of excellent performance, with record sales revenue of \$650.0 million (up 11.6%), net profit growing 27.7% to \$18.0 million, and earnings per share increasing 27.1% to 24.4 cents. While the broader motorcycle market experienced headwinds, MotorCycle Holdings outperformed industry trends, demonstrating the resilience and strength of our diversified business model.

Growth Strategy

At the end of the financial year the Company entered into a binding agreement to acquire select business assets of Peter Stevens Motorcycles and Harley-Heaven. Completed after the end of the financial year, this strategic acquisition enhances our national footprint, provides stronger relationships with OEMs, introduces new products and categories and increases our national market share to over 20%. We anticipate this acquisition to be earnings accretive from the first half of FY2026.

FY2026 will be a pivotal year as we integrate our recent acquisitions. We must accelerate our digital and data transformation, focusing on driving improvement in customer experience, also in our operational efficiencies and productivity whilst developing our people skills to work in this dynamic retail space. We remain focused on cost management, inventory aging and improved stock turns while investing in the digital capabilities that will drive our long-term competitive advantage.

Dividends

The Board has declared a fully franked dividend of 13 cents per ordinary share for the full year FY2025, representing a 30% increase from the prior year. This dividend reflects our commitment to delivering returns to shareholders while maintaining the financial flexibility to pursue strategic growth opportunities.

Our strong cash generation enabled us to simultaneously repay \$10 million of our bank facility and reduce net debt by \$28.9 million, reward shareholders through increased dividend payments, and acquire revenue-generating assets post year-end. This demonstrates the robust cash-generating capability of our business model and our disciplined approach to capital allocation.

Board Changes

The Board has seen planned changes this year to ensure we have the right expertise and governance structure for our next phase of growth.

We were pleased to announce the appointment of Ms Nikki Thomas as an Independent Non-Executive Director in April. Ms Thomas brings over 30 years of experience in the financial services industry and serves as Chair of the Audit & Risk Committee. We welcome her expertise and perspective to the Board.

The Board remains committed to maintaining strong governance standards and ensuring we have the appropriate mix of skills and experience to guide the company's strategic direction.

Leadership Team

The company successfully transitioned leadership to position us for future growth. After 13 years of service as Managing Director and Chief Executive Officer, Mr Dave Ahmet retired from his executive role while remaining as a non-executive director. We welcomed Mr Matthew Wiesner as our new Chief Executive Officer in December, bringing over 20 years of senior leadership experience in the automotive industry. We also appointed Mr Michael Poynton as Chief Operating Officer in September, strengthening our operational expertise and execution capability.

Outlook

We are exceptionally well-positioned for continued profitable growth. The integration of our recent acquisitions, combined with organic growth initiatives and diversification into new and existing vehicle categories provides multiple avenues for sustainable value creation.

Conclusion

On behalf of the Board, I thank our leadership team and employees for their dedication in delivering these excellent results. I also extend my appreciation to my fellow Directors for their strategic guidance during this period of significant achievement.

To our shareholders, thank you for your continued support. MotorCycle Holdings is strongly positioned to capitalise on new opportunities, continue our industry leadership and deliver returns in the years ahead.



Rick Dennis
Chairman, Motorcycle Holdings Limited



MotorCycle Holdings outperformed industry trends, demonstrating the resilience and strength of our diversified business model

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Our strategic vision extends beyond traditional motorcycles. We are successfully expanding into new and existing categories including all-terrain vehicles (ATVs) and watercraft with the SeaDoo brand in Victoria and South Australia

Letter from the CEO



Dear Shareholders,

I am pleased to present the FY2025 results for MotorCycle Holdings Limited. These results demonstrate our continued momentum in building Australia and New Zealand's leading vehicle and accessory retail and distribution business.

Before discussing our achievements, I want to acknowledge and thank David Ahmet, our founder and previous CEO, for his visionary leadership in building MotorCycle Holdings from its inception. David's entrepreneurial spirit established the strong foundation which we continue to build upon today.

Strong Financial and Operational Performance

FY2025 has been a year of exceptional growth and strategic progress. We delivered record sales revenue of \$650.0 million, representing an 11.6% increase on the prior year. Net profit also increased 27.7% to \$18.0 million demonstrating our ability to realise efficiencies through the company. Our operational performance has been underpinned by robust growth across all segments. New vehicle retail sales grew 8% to 15,637 units, while used vehicle sales grew 5% to 10,533 units.

These results reflect our continued ability to outperform the market. While the broader motorcycle market has softened, we grew our market share to 16.6%, up from 15.5% in FY2024. This market share leadership will be further strengthened by our recent strategic acquisition of Peter Stevens Motorcycles and Harley-Heaven assets, positioning us to capture over 20% of the Australian motorcycle market.

The transaction represented a wonderful opportunity to acquire some quality retail assets whilst also retaining the Peter Stevens and Harley Heaven brands and digital IP. These assets not only secure key geographical locations but also strengthen our OEM relationships. This acquisition has also meant we have expanded our retail footprint into South Australia and Western Australia, bringing our total network to 55 retail and wholesale operations across Australia and New Zealand.

Diversifying Our Portfolio

Our strategic vision extends beyond traditional motorcycles. We are successfully expanding into new and existing categories including ATVs and watercraft with the Sea-Doo brand in Victoria and South Australia.

This diversification reflects our evolution into a comprehensive vehicle and accessory retailer, positioning us to capture growth across multiple market segments.

Our wholesale distribution business grew by 25%, driven by our focus on larger, more frequent order sizes and enhanced relationships with our dealer network. This B2B growth complements our retail expansion and demonstrates the strength of our integrated business model.

Building a Digital and Data-Led Organisation

As we look ahead, I want to emphasise a fundamental transformation that will define our future success. We must become a digital and data-led organisation. While our industry has traditionally operated on experience and intuition, the future belongs to businesses that harness data to drive decisions, enhance customer experiences and optimise operations.

Our e-commerce sales grew 59% in FY2025, demonstrating early progress in digital engagement. However, this represents just the beginning of what we can achieve through comprehensive digital transformation over the next three to four years.

Looking Ahead

FY2026 will be a pivotal year as we integrate our recent acquisitions, accelerate our digital and data transformation, and continue building market share. We remain focused on cost management, operational efficiency, and inventory optimisation while investing in the digital capabilities that will drive our long-term competitive advantage.

The fundamentals of our business are strong, our market position is strengthening, and our strategic direction is clear. We are building a business that will thrive in an increasingly digital future, developing an omni-channel approach to retail while maintaining the personal service and expertise that our customers value.

I want to thank our team members across Australia and New Zealand for their dedication and commitment to excellence. Their efforts have driven the outstanding results we achieved in FY2025.

To our shareholders, thank you for your continued support as we build MotorCycle Holdings into the region's premier vehicle and accessory retail and distribution business.



Matthew Wiesner
Chief Executive Officer, MotorCycle Holdings Limited

“ FY2026 will be a pivotal year as we integrate our recent acquisitions, accelerate our digital and data transformation, and continue building market share

Sustainability

In our 2024 annual report, we outlined the completion of a strategic materiality assessment conducted by external consultants to identify our most material Environmental, Social and Governance (ESG) risks and opportunities. This process included engagement with key stakeholders and resulted in the identification of five material topics for future measurement and disclosure:

- Regulatory risk
- Energy use
- Electric vehicle (EV) diversification
- Modern slavery and human rights
- Supply chain risk

In recognition of the upcoming climate-related financial disclosure requirements under the Australian Sustainability Reporting Standards (ASRS), the scope of engagement was extended to include a gap analysis. This analysis assessed the Company's readiness to report against ASRS S1 and S2, identifying key disclosure and process gaps as well as opportunities to support the adoption of an ASRS-aligned reporting framework.

MotorCycle Holdings' newly appointed executive team continues to advance the prioritisation of material topics identified in the Materiality Assessment and the development of appropriate metrics to support future ESG disclosures. These efforts are informing the Company's ESG strategy and framework.

The ASRS reporting roadmap developed during the Gap Analysis remains a guiding reference for Management. In preparation for the first ASRS-aligned reporting periods commencing in 2026, focus areas include resourcing activities outlined in the roadmap and establishing governance structures to support the Company's transition. Internal ESG reporting processes, including those for future greenhouse gas (GHG) emissions disclosures, are being considered as part of this ongoing work.



Directors' Report

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Directors	Rick Dennis - Chair Peter Henley - Non-Executive Director Rob Cassen - Non-Executive Director Michael Poynton - Executive Director David Ahmet - Non-Executive Director Nikki Thomas - Non-Executive Director
Company secretaries	Nicole Spink Stephanie So
Notice of annual general meeting	The details of the annual general meeting of MotorCycle Holdings Limited are: 26 November 2025 11:00 AM Morgans Financial Level 29, Riverside Centre, 123 Eagle Street, Brisbane QLD 4000
Registered office	MotorCycle Holdings Limited C/- Source Governance Level 35, One Eagle 1 Eagle Street Brisbane QLD 4000
Principal place of business	68 Moss Street Slacks Creek QLD 4127 Tel: +61 7 3380 2290 Email: cosec@mcholdings.com.au
Share register	Computershare Investor Services Pty Ltd Level 1 200 Mary Street Brisbane QLD 4000 Tel (within Australia): 1300 850 505 Tel (outside Australia): +61 3 9415 4000
Auditor	KPMG Heritage Lanes Level 11, 80 Ann Street Brisbane QLD 4000
Stock exchange listing	MotorCycle Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MTO)
Website	mcholdings.com.au
Corporate Governance Statement	The Directors and management are committed to conducting the business of Motorcycle Holdings Limited in an ethical manner and in accordance with the highest standards of corporate governance. Motorcycle Holdings Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found on the Investor Centre page at https://www.mcholdings.com.au/corporate-governance/.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of MotorCycle Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

Rick Dennis	Chair
Peter Henley	Non-Executive Director
Rob Cassen	Non-Executive Director
Michael Poynton	Executive Director
David Ahmet	Non-Executive Director (retired as Managing Director on 2 December 2024 and continued as Non-Executive Director)
Nikki Thomas	Non-Executive Director (appointed on 3 April 2025)
Katie McNamara	Non-Executive Director (resigned on 12 July 2024)
Martin Ward	Non-Executive Director (resigned on 28 February 2025)

Principal activities

The principal activities of the Group during the year were the ownership and operation of retail motorcycle dealerships, and businesses engaging in the importing and wholesaling of motorcycles, ATVs, scooters, and motorcycle and bicycle spare parts and accessories.

Dividends

Dividends paid during the financial year were as follows:

	2025 \$'000	Consolidated 2024 \$'000
Fully franked final dividend for the year ended 30 June 2024 (2024: 30 June 2023) of 7 cents (2024: 12 cents) per ordinary share paid on 4 October 2024 (2024: 28 September 2023)	5,166	8,857
Fully franked interim dividend for the year ended 30 June 2025 (2024: 30 June 2024) of 8 cents (2024: 3 cents) per ordinary share paid on 27 March 2025 (2024: 6 April 2024)	5,905	2,214
	<u>11,071</u>	<u>11,071</u>

Declared after the end of the financial year

Directors have declared a fully franked final dividend of 5 cents per ordinary share payable on 24 September 2025 with a record date of 10 September 2025.

There is no dividend re-investment plan in operation.

Review of operations

The profit for the Group after providing for income tax amounted to \$18,022,000 (30 June 2024: \$14,131,000).

Sales revenue from ordinary activities for the financial year increased 11.6% in comparison to the financial year ended 30 June 2024 (FY24) to \$649,993,000 (FY24: \$582,318,000).

The Company maintained an operating gross profit margin on sales of 25.1% down 0.5% from 25.6% in FY25.

Net profit after tax (NPAT) increased 27.5% to \$18,022,000 (FY24: \$14,131,000) with a corresponding increase in basic earnings per share increased to 24.4 cents per share up from 19.2 cents in FY24.

New retail motorcycle unit sales increased 8% to 15,637 units (FY24: 14,491 units), in comparison to a national market increase¹ of 1% during the financial year. Used retail motorcycle unit sales increased 4% to 10,565 units (FY24: 10,113 units). Both new and used motorcycle revenue increased by 7% during the financial year.

Retail parts and accessories revenue increased and retail finance, insurance and mechanical protection plan commission income also each increased by 7%, and servicing and repair revenue increased by 4%.

Wholesale segment revenue increased by 25% to \$195,618,000 (2024: \$156,640,000) with a 31% increase in vehicle sales and 10% increase in spare parts and accessories.

The Company's share of NPAT from the MotorCycle Finance joint venture was \$371,000, a decrease of 26.2% from the FY24 (FY24: \$538,000).

Total operating expenses were held at an increased 5% on FY24 with the major contributors being employee benefits expense and occupancy costs - rates, taxes, and electricity.

(1) Based on sales data for new motorcycles and off-highway vehicles (OHV) as reported by the Federal Chamber of Automotive Industries (FCAI).

Material business risks

There are a number of material business risks of a general and specific nature which may adversely affect the future operating and financial performance of the Group. These risks include:

Supply chain constraints

The Group is reliant on manufacturers and distributors to supply inventory for sale. Circumstances may arise where the quantity of inventory available for sale is restricted (for example, because of supply chain disruptions caused by the ongoing conflict in Ukraine, Red Sea shipping disruptions) or may be limited at the manufacturers' or distributors' discretion. If the Group is not able to meet demand for products due to interruption of supply from manufacturers or distributors, financial performance may be adversely affected.

Key supplier dependencies

A significant component of the value of the Group resides in the arrangements with key suppliers, some of which are in overseas jurisdictions. Orders placed with key suppliers are not binding unless and until accepted by the suppliers. Accordingly, this exposes the Group to the risk that suppliers may withdraw or limit supply. If this risk materialised, this would result in loss of earnings and a deterioration in profits. It may also be difficult for the Group to enforce contractual rights in either Australia or overseas jurisdictions against suppliers.

Access to capital and liquidity

Although the Group has demonstrated strong cash generation and reduced net debt, continued growth and integration of post-balance date acquisitions require disciplined capital allocation. If future cash flow is not sufficient to support continued growth, financial performance may be negatively affected.

Regulatory compliance and product liability

The Group is an importer and distributor of vehicles and other goods and is responsible for ensuring the products it imports and distributes comply with Australian regulations, including mandatory safety standards. The Group is considered the manufacturer of the products it imports and distributes and may be strictly liable to consumers for injury to persons or property damage suffered because of defective goods, directly liable to customers for breaches of certain statutory guarantees or may face penalties for non-compliance.

Key personnel and succession

The successful CEO transition and appointment of a COO during the year reflect the Group's proactive succession planning. However, retention of senior leadership and technical talent remains critical, particularly during integration of acquired businesses and expansion into new product categories. The Group's success is dependent to a significant degree upon the efforts of key members of management. The Group relies on a high-quality management team with significant experience in the motorcycle industry. The loss of key members of management of the Group, or the failure to attract additional key individuals to key management roles, could have a material adverse effect on operations, including its relationships with manufacturers and distributors.

Foreign exchange volatility

The Group remains exposed to foreign currency fluctuations, particularly in the US Dollar, which impacts landed costs of inventory. Hedging strategies are in place but may not fully offset volatility driven by geopolitical tensions and monetary policy divergence. As an importer of goods, the Group is exposed to the risk that its financial performance or position will be affected by these fluctuations.

Macroeconomic and consumer demand risk

As the products sold by the Group are discretionary items for many customers, the Group is particularly exposed to a deterioration in general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to consumer credit, government fiscal, monetary and regulatory policies, and oil prices. A prolonged deterioration in general economic and business conditions could be expected to have an adverse impact on the Group's financial performance.

Cyber risk and data privacy

The Group continues to invest in cybersecurity infrastructure and employee training. However, the risk of data breaches, ransomware, or system outages remains elevated. A breach could result in significant reputational damage for the Group, disruption of operations impeding financial performance, and exposure to substantial expense for damage mitigation and restoration of business information systems.

Technology and consumer preference shifts

Through its retail motorcycle dealerships, the Group sells motorcycles with internal combustion engines. If consumer preferences shift towards electric vehicles (EVs) the demand for motorcycles with internal combustion engines may decline. This could lead to reduced sales and revenue, if the Group does not revise its product mix towards EVs.

Franchise model and OEM relationships

The Group's retail motorcycle dealerships operate under franchise agreements with original equipment manufacturers that are renewed on a periodic basis. The loss or non-renewal of key franchise agreements, or a change to the agency franchise model in the motorcycle industry could result in significant loss of market share, and financial performance may be negatively affected.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On the dates below, the Group completed its acquisition of select business assets and operations of Peter Stevens Motorcycles Pty Ltd and Harley-Heaven Pty Ltd (both in administration) under an asset sale agreement (ASA). The transaction aligns with the Group's strategy to expand its dealership footprint and maintain brand presence in priority markets.

Peter Stevens Motorcycles Dandenong - 11 July 2025
Harley-Heaven and Peter Stevens Motorcycles Online - 11 July 2025
Harley-Heaven Adelaide - 15 July 2025
Peter Stevens Motorcycles Adelaide - 16 July 2025
Harley-Heaven Penrith - 17 July 2025
Harley-Heaven Sydney - 18 July 2025
Savage Motorcycles Perth - 1 August 2025
Harley-Heaven Perth - 1 August 2025

As at 27 August 2025, the final consideration remains subject to ongoing negotiation with the Administrator and the Group's purchase price allocation is ongoing. Accordingly, the Group's initial accounting is incomplete and the Group cannot yet provide the following information:

- the acquisition-date fair value of total consideration transferred and major classes of consideration;
- the acquisition-date fair values of the major classes of assets acquired and liabilities assumed; and
- the amount of goodwill (or gain on bargain purchase) arising on acquisition.

The Group expects to complete the initial accounting within the measurement period.

Acquisition-related costs of \$12,000 were recognised in other expenses in the consolidated statement of profit or loss for the year ended 30 June 2025. Any additional costs incurred after year-end will be recognised in the subsequent reporting period.

Directors have declared a fully franked final dividend of 5 cents per ordinary share payable on 24 September 2025 with a record date of 10 September 2025.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations in subsequent financial years have been discussed where appropriate in the operating and financial review.

Environmental regulation

The Group is subject to various environmental regulations under both Federal and State legislation.

The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group during the period covered by this report.

Information on Directors

Name:	Rick Dennis
Title:	Chair and Independent Non-Executive Director
Qualifications:	BCom, LLB, CA
Experience and expertise:	Rick joined the Company after a 34-year career with Ernst & Young (EY) in Australia and Asia-Pacific. He was Queensland Managing Partner from 2001 to 2007 and again for 2014. Rick established and led EY Australia's China Business Group in 2005 and was Chief Financial Officer (CFO) and Deputy Chief Operating Officer (COO) in Asia-Pacific from 2010 to 2013. Rick was a member of the firm's inaugural Asia-Pacific executive committee and a number of EY global boards and committees. Rick has expertise in corporate finance, mergers and acquisitions, and capital raising, and is dual qualified in law and commerce.
Other current directorships:	Non-Executive Director of Apiam Animal Health Limited (ASX:AHX), Cettire Limited (ASX: CTT), Step One Clothing Ltd (ASX:STP), and Non-Executive Chair of AF Legal Group Limited (ASX:AFL), and Energy Resources of Australia Limited (ASX:ERA).
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee Chair of Audit and Risk Committee from 12 July 2024 – 3 April 2025 Member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Peter Henley
Title:	Independent Non-Executive Director
Experience and expertise:	Peter has a long and distinguished career in financial services and in particular consumer and commercial finance. Peter previously held senior management positions at AGC Limited and was the Chief Executive Officer (CEO) of Nissan Finance Corp Ltd and of GE Money in Australia and in Southeast Asia. Since retiring from executive roles in October 2006, Peter has been an Independent Non-Executive Director of Adtrans Group, MTA Insurance Ltd, Thorn Group Limited, and more recently Eagers Automotive Limited. Fellow of the Australian Institute of Management and a member of the Australian Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Company's Representative on the Board of MotorCycle Finance Pty Ltd Member of the Audit and Risk Committee Chair of the Nomination and Remuneration Committee
Interests in shares:	101,264 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Rob Cassen
Title:	Independent Non-Executive Director
Experience and expertise:	Rob has over 35 years' experience in the motorcycle and bicycle industry. Rob joined the Board as part of the Company's acquisition of the Cassons Group, one of Australia's largest motorcycle and bicycle clothing and accessory distribution companies. Rob has developed strong supplier relationships with major international and world leading brands and manufacturers and has created one of the market-leading private label brands in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee Member of the Nomination and Remuneration Committee from 2 April 2025
Interests in shares:	3,413,833 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Michael Poynton
Title:	Non-Independent Executive Director and Chief Operations Officer
Experience and expertise:	Bringing with him 20 years' experience in the motorcycle industry, Michael is the co-founder and former-CEO of Mojo Motorcycles. Michael joined the Board as Executive Director following the acquisition of Mojo Motorcycles in late 2022. Michael has developed strong supplier relationships over the years with major global motorcycle brands. This has contributed to him being a key driver in making Mojo Motorcycles one of Australia's largest wholesale distributors, with an impressive annual growth rate recorded since its 2003 inception.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	5,769,500 ordinary shares
Interests in options:	None
Interests in rights:	146,492 rights over ordinary shares

Name:	David Ahmet
Title:	Non-Executive Director
Experience and expertise:	David Ahmet is the Founder and a Non-Independent Non-Executive Director of MotorCycle Holdings Limited. Since establishing the business in 1989, David has overseen its growth from a single location to a network of 45 sites across Australia. With more than 35 years' experience in motorcycle dealerships, David has played a pivotal role in shaping the Company's strategic direction, leading its management team, and fostering strong relationships with key suppliers and manufacturers. David served as Managing Director and Chief Executive Officer until 2 December 2024, when he stepped down from the role. He continues to serve as a Non-Executive Director on the Board, contributing his industry expertise and deep knowledge of the business to support the Company's ongoing growth and provide future guidance.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	11,561,530 ordinary shares
Interests in options:	None
Interests in rights:	162,836 rights over ordinary shares

Name:	Nikki Thomas
Title:	Non-Executive Director (appointed on 3 April 2025)
Qualifications:	B Com from UNSW, CA and CFA
Experience and expertise:	Nikki is an accomplished Global Equities Portfolio Manager with over 30 years' experience in the financial services industry. As a Chartered Financial Analyst (CFA), Nikki brings a rigorous analytical approach to portfolio management and has a deep understanding of global equities markets and corporate strategy. Nikki's focus in Global Equities began in 2007 as a founding team member at Magellan Financial Group and helped grow the company to over \$60 billion of assets under management. In 2018 she joined Alphinity Global and helped it establish and grow its presence in the Australian retail market. Nikki currently works at Magellan, having returned in 2022. She previously held senior roles at Deutsche Bank and Bankers Trust where she specialised in Australian listed equities focussed on consumer industries including Discretionary Retail, Supermarkets and Consumer Goods working closely with institutional investors and listed corporates.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee from 3 April 2025
Interests in shares:	27,000 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Martin Ward
Title:	Former Independent Non-Executive Director (resigned 28 February 2025)
Qualifications:	BSc. (Hons) Mathematics degree from the University of Surrey, England and completed a Harvard Business School Advanced Management Program in mid-2000.
Experience and expertise:	Martin's career includes 10 years with Inchcape PLC, initially with their liquor division in the Middle East and Asia Pacific as Managing Director. In 1996, he became MD of Inchcape Motors (Australia) and in 1998 was additionally appointed Regional CEO and Director Asia Pacific/Australasia. From 2001 to 2005 Martin was the CEO of Ford Motor Company's Sydney Retail Joint Venture. Martin joined Eagers Automotive in July 2005 and was CEO from 2006 to 2021. Martin remains as an Advisor to the Board and CEO.
Other current directorships:	Director of Australian Automotive Dealer Association Limited
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee until 28 February 2025 Member of the Nomination and Remuneration Committee until 28 February 2025
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Joint company secretaries

Nicole Spink

Nicole has held CFO and other senior finance roles in the retail and automotive industries. She holds a Bachelor of Business Management, a Graduate Certificate in Business Law, and a Graduate Diploma in Applied Corporate Governance.

Nicole is a Fellow of CPA Australia, a Fellow of the Governance Institute of Australia, and a member of the Australian Institute of Company Directors.

Stephanie So

Stephanie has over 13 years of governance experience working with private, public and listed companies across a number of industries, and has significant expertise in company secretarial, board and corporate governance matters. Stephanie was previously a principal listings adviser at the ASX where she had extensive involvement in the oversight of listed entities and specialised in ASX Listing Rules compliance including policy and development, initial public offerings, capital raisings and other corporate transactions.

Stephanie is dual qualified in law and commerce and is a Fellow of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

		Full Board	Nomination and		Audit and Risk Committee	
	Attended	Required to attend	Remuneration Committee	Required to attend	Attended	Required to attend
			Attended			
Rick Dennis	15	15	7	7	4	4
Peter Henley	15	15	7	7	3	4
Rob Cassen ¹	15	15	3	3	4	4
Michael Poynton	15	15	-	-	3	-
David Ahmet	15	15	-	-	4	4
Nikki Thomas ²	4	5	-	-	1	1
Katie McNamara ³	-	-	-	-	-	-
Martin Ward ⁴	9	9	4	4	3	3

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

- (1) Appointed to the Nomination and Remuneration Committee on 2 April 2025
(2) Appointed to the Board and Chair of Audit and Risk Committee on 3 April 2025
(3) Resigned from the Board on 12 July 2024
(4) Resigned from the Board on 28 February 2025

Remuneration report (audited)

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

The table below summarises details of KMP of the Group for the year ended 30 June 2025, their roles, and appointment and cessation dates:

Name	Role	Appointment date	Cessation date
<i>Non-Executive Directors</i>			
Rick Dennis	Chair and Independent Non-Executive Director	01/09/2016	
Peter Henley	Independent Non-Executive Director	01/03/2017	
Rob Cassen	Independent Non-Executive Director	21/12/2018	
David Ahmet	Non-Executive Director	02/12/2024	
Nikki Thomas	Non-Executive Director	03/04/2025	
Katie McNamara	Independent Non-Executive Director	01/11/2022	12/07/2024
Martin Ward	Independent Non-Executive Director	01/11/2022	28/02/2025
<i>Executive Directors</i>			
Michael Poynton	Executive Director and Chief Operations Officer	17/11/2022	
<i>Senior Executives</i>			
David Ahmet	Managing Director and Chief Executive Officer	30/06/2011	02/12/2024
Matthew Wiesner	Chief Executive Officer	02/12/2024	
Nicole Spink	Chief Financial Officer	01/04/2024	

Principles used to determine the nature and amount of remuneration

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

The remuneration governance that the Board has in place to establish and review remuneration for key management personnel (KMP) and employees of the Group are/include:

- management provides information relevant to remuneration decisions and recommendations to the Nomination and Remuneration Committee (NRC);
- the NRC is delegated to review and make recommendations to the Board on remuneration policies for Non-Executive Directors, Senior Executives, and all employees including incentive arrangements and awards. The NRC can appoint remuneration consultants and other external advisors to provide independent advice;
- the Board approves the overall remuneration framework and policy ensuring it is fair, transparent, and aligned with long-term outcomes;
- the Board also approves incentive arrangements and awards for Executive Directors and Senior Executives; and
- the Board approves remuneration of Non-Executive Directors within the Shareholder approved fee cap.

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

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

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

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

In accordance with ASX Corporate Governance principles, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors' remuneration

The Board's Non-Executive Director remuneration policy is to:

- provide a clear fee arrangement that avoids potential conflicts of interest associated with performance incentives;
- remunerate Directors at market rates for their commitment and responsibilities; and
- obtain independent external remuneration advice when required.

Non-Executive Directors receive remuneration for undertaking their role. They do not participate in the Company's incentive plans or receive any variable remuneration. Non-Executive Directors are not entitled to retirement payments, other than compulsory superannuation contributions.

The Chair's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-Executive Directors do not receive share options or other incentives.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 27 November 2024, where the shareholders approved a maximum annual aggregate remuneration of \$700,000 (including superannuation).

The following table sets out the annual Board and Committee fees (inclusive of superannuation) as at the date of this Report:

Director	Board Member \$	Board Chair \$	Audit and Risk Committee \$	Nomination and Remuneration Committee \$	Motorcycle Finance JV Committee \$	Total Fees \$
Bick Dennis	-	175,000	5,000	5,000	-	185,000
Peter Henley	77,000	-	5,000	15,000	10,000	107,000
Bob Cassen	77,000	-	5,000	5,000	-	87,000
David Ahmet	77,000	-	5,000	-	5,000	87,000
Nikki Thomas	77,000	-	15,000	-	-	92,000
Total	308,000	175,000	35,000	25,000	15,000	558,000

Executive Director and Senior Executive remuneration

The Board's policy for determining the nature and amount of remuneration for the Executive Director and Senior Executives is to:

- provide for both fixed and performance-based remuneration;
- provide a remuneration package based on an annual review of employment market conditions, the Group's performance, and individual performance; and
- obtain independent external remuneration advice when required.

Remuneration and other terms of employment for Senior Executives are formalised in agreements which have a provision for bonuses and other benefits which may be granted from time to time by the Board of Directors. Contracts with Executives may be terminated by either party with either three- or six-months' notice.

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

Fixed remuneration is a function of size and complexity of the role, individual responsibilities, experiences, skills, and market pay levels. This consists of cash salary, salary sacrifice items, and employer superannuation at the statutory contribution rate.

The Board determines an appropriate level of fixed remuneration for the Senior Executives with recommendations from the Nomination and Remuneration Committee ('NRC'). Fixed remuneration is reviewed annually following performance reviews at the end of the financial year and takes into account the role and responsibilities, relevant market benchmarks and attraction, retention, and motivation of executives in the context of the talent market.

Short-term Incentive Plan

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

The Chief Executive Officer ('CEO'), Chief Operating Officer ('COO') and Chief Financial Officer ('CFO') were eligible to participate in the Group's STIP during the financial year. Under the plan, participants have an opportunity to receive an annual cash bonus calculated as a percentage of their total fixed remuneration ('TFR') (salary including superannuation) conditional upon the achievement of short-term financial and non-financial performance measures at a corporate and individual level.

The short-term financial measures represent 70% of the maximum bonus payable. The measure is based on the profitability of the Group compared to the annual budget as approved by the Board. If actual profitability for the year is less than 85% of the approved budget, no short-term incentive is paid. The bonus is payable on a pro-rata basis where profitability is between 85% to 100% of the approved budget.

The non-financial measures represent the remaining 30% of the maximum bonus payable. The Board considers the participant's individual contribution towards the achievement of strategic initiatives of the Group, which include acquisitions and their integration into the business, when determining whether such bonuses will be awarded.

Payments made under the plan are assessed by the NRC and approved by the Board. The Board retains absolute discretion on whether to pay all, a portion of, or no annual cash bonus. As the short-term financial performance measures for the financial year were achieved, the Board awarded the following short-term incentive payment to participants in the STIP.

Name	Role	Max potential bonus % of salary	Actual amount of bonuses included in 2025 remuneration \$	% of max bonus
Matthew Wiesner ¹	Chief Executive Officer	50%	178,078	100%
David Ahmet ^{2 3}	Managing Director	50%	-	-
Michael Poynton	Chief Operating Officer	50%	200,861	100%
Nicole Spink	Chief Financial Officer	50%	151,640	100%

(1) Appointed 2 December 2024

(2) Retired 2 December 2024

(3) David was not entitled to a bonus for 2025.

Long-term Incentive Plan

The long-term incentives plan ('LTIP') includes share-based payments which are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Group's direct competitors. The NRC reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

The LTIP was approved by shareholders at the Company's Annual General Meeting in 2023 and its purpose is to:

- align employee incentives with shareholders' interests;
- encourage broad based share ownership by employees; and
- assist employee attraction and retention.

Through the LTIP, Senior Executives are incentivised to improve the Company's financial performance and generate Shareholder returns through the granting of performance rights. Performance rights constitute a right to receive ordinary shares in the capital of the Company upon the achievement of certain performance hurdles.

Performance criteria

The performance rights are subject to certain performance hurdles being met over the relevant performance period. These performance hurdles include:

Relative total shareholder return (TSR)

50% of the performance rights issued are subject to a relative TSR assessment against a peer group of 12 ASX-listed companies over the performance period (1 July 2024 to 30 June 2027). This performance hurdle is designed to focus Executives on delivering long-term shareholder returns.

Peer companies

AMA Group Limited
Eagers Automotive Limited
ARB Corporation Limited
Autosports Group Limited
Bapcor Limited
Amotiv Limited

National Tyre & Wheel Limited
Peter Warren Automotive Holdings Limited
RPM Automotive Group Limited
Super Retail Group Limited
Turners Automotive Group Limited
Vmoto Limited

TSR ranking

Less than 50%
50% - 75%

75% or above

Proportion of the Tranche 1 awards that satisfy the TSR vesting condition

0%
Between 50% and 100% (as determined on a straight-line basis)
100%

Earnings per share (EPS)

50% of the Performance Rights are subject to growth in the Company's EPS assessed over a 3-year performance period commencing 1 July 2024 and ending 30 June 2027, on a compound annual growth rate (CAGR) basis.

Vesting will occur based on the following performance:

The Company's EPS CAGR over the performance period

Less than or equal to 7.5%
Greater than 7.5% and less than or equal to 10%
Equal to or greater than 10%

Proportion of the Tranche 2 awards that satisfy the EPS vesting condition

0%
Between 50% and 100% (as determined, on a straight-line basis)
100%

KMP participation in the LTIP during the financial year

The Managing Director, Chief Operating Officer and Chief Financial Officer were eligible to participate in the LTIP during the year, comprising grants of performance rights over the Company's ordinary shares.

Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Board retains absolute discretion to award an annual bonus. In exercising that discretion, they have regard to the remuneration policy, market conditions, Group financial performance and affordability.

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

Retirement of Managing Director

David Ahmet retired from his role as Chief Executive Officer and Managing Director effective 2 December 2025, transitioning to a Non-Executive Director role thereafter.

Mr Ahmet was not entitled to a pro rata Short-Term Incentive for FY25.

In accordance with the Long-Term Incentive Plan (LTIP) rules, Mr Ahmet's retirement was assessed, and he retained a Relevant Proportion of unvested rights as described in the Plan Rules. Vesting of these awards remains contingent on performance hurdles, including Total Shareholder Return (TSR) and Earnings Per Share (EPS) CAGR.

Use of remuneration consultants

The Group did not obtain any external advice from a remuneration consultant during this reporting period.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')

At the 2024 AGM, 98.96% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of MotorCycle Holdings Limited:

- Rick Dennis - Chair
- Peter Henley - Non-Executive Director
- Rob Cassen - Non-Executive Director
- Michael Poynton - Executive Director
- David Ahmet - Non-Executive Director (resigned as Managing Director on 2 December 2024 and continued as Non-Executive Director)
- Nikki Thomas - Non-Executive Director (appointed on 3 April 2025)
- Katie McNamara - Non-Executive Director (resigned on 12 July 2024)
- Martin Ward - Non-Executive Director (resigned on 28 February 2025)

And the following persons:

Matthew Wiesner - Chief Executive Officer (appointed 2 December 2024)

Nicole Spink - Joint Company Secretary and Chief Financial Officer

		Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary ⁶	Super-annuation	Termination Benefits	Long service leave	Equity-settled	Total
2025	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
Rick Dennis	170,289	-	-	19,615	-	-	-	189,904
Peter Henley	90,507	-	-	10,427	-	-	-	100,934
Rob Cassen	71,440	-	-	8,231	-	-	-	79,671
David Ahmet ¹	44,485	-	-	5,131	-	-	-	49,616
Nikki Thomas ²	19,934	-	-	2,308	-	-	-	22,242
Katie McNamara ³	2,760	-	-	317	-	-	-	3,077
Martin Ward ⁴	49,672	-	-	5,712	-	-	-	55,384
Executive Directors:								
David Ahmet ¹	764,953	-	-	13,512	-	3,296	8,596	790,357
Michael Poynton	357,385	200,861	76,713	30,115	-	7,833	59,272	732,179
Other Key Management Personnel:								
Matthew Wiesner ⁵	295,866	233,028	24,571	41,784	-	5,324	-	600,573
Nicole Spink	264,595	151,640	21,186	30,115	-	4,585	39,883	512,004
	<u>2,131,886</u>	<u>585,529</u>	<u>122,470</u>	<u>167,267</u>	<u>-</u>	<u>21,038</u>	<u>107,751</u>	<u>3,135,941</u>

(1) Represents remuneration as Managing Director (Executive Director) until 2 December 2024 and 3 December 2024 onwards as Non-Executive Director. Included in the salary is a payment of accrued annual leave on retirement.

(2) Represents remuneration from 3 April 2025 to 30 June 2025

(3) Represents remuneration from 1 July 2024 to 12 July 2024

(4) Represents remuneration from 1 July 2024 to 28 February 2025

(5) Represents remuneration from 2 December 2024 to 30 June 2025. Included in the cash bonus is a sign-on bonus of \$54,950 excluding superannuation.

(6) Non-monetary benefits include annual leave accruals and in some instances, reportable fringe benefits of motor vehicle.

		Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Termination Benefits	Long service leave	Equity-settled	Total
2024	\$	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:								
Rick Dennis	168,173	-	-	18,499	-	-	-	186,672
Peter Henley	85,586	-	-	9,414	-	-	-	95,000
Rob Cassen	67,568	-	-	7,432	-	-	-	75,000
Martin Ward	80,000	-	-	-	-	-	-	80,000
Katie McNamara	67,832	-	-	7,457	-	-	-	75,289
Executive Directors:								
David Ahmet	523,079	-	-	27,500	-	10,000	48,342	608,921
Michael Poynton	249,999	-	33,198	27,500	-	4,167	17,165	332,029
Other Key Management Personnel:								
Nicole Spink ¹	68,608	-	-	7,397	-	1,133	5,360	82,498
Bob Donovan ²	204,000	-	-	22,440	-	3,250	(33,117)	196,573
	1,514,845	-	33,198	127,639	-	18,550	37,750	1,731,982

(1) Represents remuneration from 1 April 2024 to 30 June 2024

(2) Represents remuneration from 1 July 2023 to 31 March 2024

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		2025	At risk - STI		2025	At risk - LTI	
	2025	2024		2024	2024			
<i>Executive Directors:</i>								
David Ahmet	99%	92%	-	-	1%	8%		
Michael Poynton	65%	95%	27%	-	8%	5%		
<i>Other Key Management Personnel:</i>								
Matthew Wiesner	61%	-	39%	-	-	-		
Nicole Spink	62%	94%	30%	-	8%	6%		

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2025	2024	2025	2024
<i>Executive Directors:</i>				
Michael Poynton	100%	-	-	100%
<i>Other Key Management Personnel:</i>				
David Ahmet	-	-	100%	100%
Matthew Wiesner ¹	100%	-	-	-
Nicole Spink	100%	-	-	100%

(1) Appointed 2 December 2024

Service agreements

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

Name:	Michael Poynton
Title:	Executive Director and Chief Operating Officer
Agreement commenced:	28 August 2024
Term of agreement:	Ongoing
Details:	Fixed remuneration for the year ended 30 June 2025 of \$418,125 inclusive of statutory superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct and confidentiality, and post-employment restraint of trade provisions.
Name:	Matthew Wiesner
Title:	Chief Executive Officer
Agreement commenced:	2 December 2024
Term of agreement:	Ongoing
Details:	Fixed remuneration for the year ended 30 June 2025 of \$613,250 inclusive of statutory superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct and confidentiality, and post-employment restraint of trade provisions.
Name:	Nicole Spink
Title:	Joint Company Secretary and Chief Financial Officer
Agreement commenced:	1 April 2024
Term of agreement:	Ongoing
Details:	Fixed remuneration for the year ended 30 June 2025 of \$303,280 inclusive of statutory superannuation, to be reviewed annually by the Nomination and Remuneration Committee. Termination with notice may be initiated by either party. The contracts contain customary clauses dealing with immediate termination for gross misconduct and confidentiality, and post-employment restraint of trade provisions.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2025.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

FV at grant date										2025
Plan	Grant date	TSR Tranche	EPS tranche	Perfor- mance period	Remune- ration %	Opening balance	Granted	Exercised	Forfeited	Closing balance
David Ahmet										
FY22	25/03/2022	\$1.84	\$2.44	1 Jul 21 - 30 Jun 24	-	114,583	-	-	(114,583)	-
FY23	30/03/2023	\$0.50	\$1.24	1 Jul 22 - 30 Jun 25	-	163,300	-	-	(71,816)	91,484
FY24	20/12/2023	\$1.33	\$1.63	1 Jul 23 - 30 Jun 26	29%	220,384	-	-	(150,207)	70,177
FY25	02/12/2024	\$1.34	\$1.51	1 Jul 24 - 30 Jun 27	1%	-	321,636	-	(320,461)	1,175
						498,267	321,636	-	(657,067)	162,836
Michael Poynton										
FY24	20/12/2023	\$1.33	\$1.63	1 Jul 23 - 30 Jun 26	5%	36,732	-	-	-	36,732
FY25	02/12/2024	\$1.11	\$1.32	1 Jul 24 - 30 Jun 27	8%	-	109,760	-	-	109,760
						36,732	109,760	-	-	146,492
Nicole Spink										
FY22	25/03/2022	\$1.84	\$2.44	1 Jul 21 - 30 Jun 24	-	13,750	-	-	(13,750)	-
FY23	30/03/2023	\$0.50	\$1.24	1 Jul 22 - 30 Jun 25	-	21,773	-	-	-	21,773
FY24	20/12/2023	\$1.33	\$1.63	1 Jul 23 - 30 Jun 26	10%	33,792	-	-	-	33,792
FY25	02/12/2024	\$1.11	\$1.32	1 Jul 24 - 30 Jun 27	8%	-	58,324	-	-	58,324
						69,315	58,324	-	(13,750)	113,889

There were no performance rights over ordinary shares or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Additional information

The various components of the way the Group remunerates KMP have been structured to support the Group's strategy and business objectives which in turn are designed to generate Shareholder wealth.

When setting targets and determining the quantum of the remuneration increases and the proportion of fixed and performance linked remuneration components, the Board refers to remuneration benchmarking reports provided by independent sources and remuneration consultants from time to time.

The at-risk component of the remuneration structure intends to reward achievement against Company and individual performance measures over a one-year timeframe. An overview of the measures is set out above.

The Board retains absolute discretion to award an annual bonus. In exercising that discretion, they have regard to the remuneration policy, market conditions, Group financial performance, and affordability.

The earnings of the Group for the 5 years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Sales revenue	649,993	582,318	577,403	457,316	430,692
Profit after income tax	18,022	14,131	23,014	23,115	28,299
KMP Remuneration (\$)	3,135,941	1,731,982	1,931,038	2,358,066	2,681,494

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	2.81	1.00	1.45	2.10	2.77
Total dividends paid (\$)	11,071	11,071	10,831	13,575	9,256
Basic earnings per share (cents per share)	24.4	19.2	33.1	37.5	45.9

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Rick Dennis	-	-	-	-	-
Peter Henley	81,514	-	19,750	-	101,264
Rob Cassen	3,413,833	-	-	-	3,413,833
Michael Poynton	6,660,711	-	-	(891,211)	5,769,500
David Ahmet	11,561,530	-	-	-	11,561,530
Nikki Thomas ¹	27,000	-	-	-	27,000
Martin Ward ²	100,000	-	-	-	100,000
Katie McNamara ³	-	-	-	-	-
Matthew Wiesner ⁴	5,000	-	-	-	5,000
Nicole Spink	30,000	-	-	-	30,000
	<u>21,879,588</u>	<u>-</u>	<u>19,750</u>	<u>(891,211)</u>	<u>21,008,127</u>

(1) Opening balance as at appointment date of 3 April 2025

(2) Closing balance as at retirement date of 28 February 2025

(3) Closing balance as at retirement date of 12 July 2025

(4) Opening balance as at appointment date of 2 December 2024

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
David Ahmet	498,267	321,636	-	(657,067)	162,836
Michael Poynton	36,732	109,760	-	-	146,492
Nicole Spink	69,315	58,324	-	(13,750)	113,889
	<u>604,314</u>	<u>489,720</u>	<u>-</u>	<u>(670,817)</u>	<u>423,217</u>

Other transactions with key management personnel and their related parties

Leases with related parties

Subsidiaries of the Group have entered into property leases for business premises with David Ahmet, Rob Cassen and Michael Poynton, including with entities associated with them. The details and aggregate amounts of these transactions are as follows:

(i) The Group has entered into nine leases for properties that are partly owned by David Ahmet, Non-Executive Director, or that are partly owned by an entity controlled by David. The terms of these leases were negotiated on commercial arms' length basis in 2011 and contain customary terms and conditions including an initial lease term of 5 years, with options to renew for a further 15 years (comprising 3 options for 5-year periods). The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The first and second 5-year option terms were exercised in 2016 and 2021, with one 5-year option period remaining. The options were last approved by shareholders at the 2021 annual general meeting.

In addition to the above, an entity controlled by David acquired an additional property leased by the Group, and the lease for that property was assigned to the entity controlled by David on 1 March 2024.

Total payments (excluding GST and outgoings) payable in respect to these properties for the year ended 30 June 2025 or for the period during which the properties were owned by David or entities controlled by David were \$1,754,000 (30 June 2024: \$1,599,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$1,673,000 (30 June 2024: \$3,139,000).

(ii) The Group has entered into leases in respect to two properties that are owned by entities which act in concert with Rob Cassen, Non-Executive Director. Rob is one of two Directors and holds 50% of the shares of each lessor entity. The terms of these leases were negotiated on commercial arms' length bases in July 2011 and July 2013 with each containing customary terms and conditions including initial lease terms of 10 years, with options to renew each lease for a further 10 years. The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The option to renew the lease terms were both exercised for a further 10 years and the renewals were approved by shareholders at the 2021 annual general meeting.

Total rental payments (excluding GST and outgoings) payable in respect to these properties for the year ended 30 June 2025 or for the period during which the properties were owned by entities which act in concert with Rob were \$2,120,000 (30 June 2024: \$2,499,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$11,804,000 (30 June 2024: \$12,847,000).

- (iii) The Group has entered into a lease for a property owned by an entity which acts in concert with Michael Poynton, Executive Director. Michael is one of two Directors and holds 50% of the shares of the lessor entity. The terms of this lease were negotiated on commercial arms' length basis in June 2021 including an initial lease term of 5 years, with options to renew for a further 10 years (comprising 2 options for 5-year periods). The lease is subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

Total rental payments (excluding GST and outgoings) payable in respect to this property for the year ended 30 June 2025 were \$219,000 (30 June 2024: \$212,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$222,000 (30 June 2024: \$430,000).

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of MotorCycle Holdings Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of MotorCycle Holdings Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Shares under performance rights

Unissued ordinary shares of MotorCycle Holdings Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
10 March 2023	None	210,286
20 December 2023	None	286,836
02 December 2024	None	407,107
		<u>904,229</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no ordinary shares of MotorCycle Holdings Limited issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved by the Audit and Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of KPMG

There are no officers of the Company who are former partners of KPMG.

Rounding of amounts

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

Auditor's independence declaration

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Rick Dennis
Chair

27 August 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of MotorCycle Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of MotorCycle Holdings Limited for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG

E. Neville Stanley

Erin Neville-Stanley
Partner

Brisbane
27 August 2025

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Financial Statements

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MotorCycle Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025



	Note	2025 \$'000	Consolidated 2024* \$'000
Revenue from contracts with customers	5	649,993	582,318
Share of profits of investments accounted for using the equity method		371	538
Other income	6	898	2,347
Interest revenue		-	10
Expenses			
Cost of goods		(487,089)	(432,967)
Employee benefits expense	7	(76,322)	(70,945)
Depreciation and amortisation expense	7	(19,959)	(19,288)
Occupancy costs		(5,283)	(4,298)
Other expenses	7	(29,545)	(28,765)
Finance costs	7	(7,383)	(8,995)
Profit before income tax expense		25,681	19,955
Income tax expense	8	(7,659)	(5,824)
Profit after income tax expense for the year attributable to the owners of MotorCycle Holdings Limited		18,022	14,131
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Share of other comprehensive loss of investments accounted for using the equity method		(616)	(409)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		319	(71)
Foreign currency cashflow hedge		(582)	-
Other comprehensive loss for the year, net of tax		(879)	(480)
Total comprehensive income for the year attributable to the owners of MotorCycle Holdings Limited		<u>17,143</u>	<u>13,651</u>
		Cents	Cents
Basic earnings per share	9	24.4	19.2
Diluted earnings per share	9	24.4	19.2

* Comparative information has been reclassified to be consistent with the current financial year's presentation. There has been no effect on the comparative period profit.

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

	Note	2025 \$'000	Consolidated 2024* \$'000
Assets			
Current assets			
Cash and cash equivalents	10	30,986	12,141
Trade and other receivables	11	12,950	11,852
Inventories	12	148,664	155,559
Derivative financial instruments	13	28	-
Current tax receivable		-	2,292
Prepayments and other deposits		6,997	2,969
Total current assets		<u>199,625</u>	<u>184,813</u>
Non-current assets			
Investments accounted for using the equity method	14	4,403	6,149
Property, plant and equipment	15	14,330	13,821
Right-of-use assets	16	46,844	44,323
Intangible assets	17	141,729	145,754
Deferred tax	8	639	-
Other non-current assets		161	120
Total non-current assets		<u>208,106</u>	<u>210,167</u>
Total assets		<u>407,731</u>	<u>394,980</u>
Liabilities			
Current liabilities			
Trade and other payables	18	48,511	30,487
Contract liabilities	19	3,297	3,072
Borrowings	20	40,752	46,618
Lease liabilities		15,908	13,641
Derivative financial instruments	13	610	189
Current tax payable		1,499	-
Employee benefits		9,148	9,292
Provisions		615	666
Total current liabilities		<u>120,340</u>	<u>103,965</u>
Non-current liabilities			
Contract liabilities	19	4,937	4,544
Borrowings	20	40,000	50,000
Lease liabilities		35,180	34,250
Deferred tax liabilities	8	-	1,318
Employee benefits		708	736
Total non-current liabilities		<u>80,825</u>	<u>90,848</u>
Total liabilities		<u>201,165</u>	<u>194,813</u>
Net assets		<u>206,566</u>	<u>200,167</u>
Equity			
Issued capital	21	151,011	151,011
Reserves	22	(82)	(127)
Retained earnings		<u>55,637</u>	<u>49,283</u>
Total equity		<u>206,566</u>	<u>200,167</u>

* Comparative information has been reclassified to be consistent with the current financial year's presentation. There has been no effect on the comparative period net asset position.

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

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	150,728	556	46,288	197,572
Profit after income tax expense for the year	-	-	14,131	14,131
Other comprehensive loss for the year, net of tax	-	(71)	(409)	(480)
Total comprehensive (loss)/income for the year	-	(71)	13,722	13,651
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 36)	-	(612)	344	(268)
Exercise of performance rights	283	-	-	283
Dividends paid (note 23)	-	-	(11,071)	(11,071)
Balance at 30 June 2024	151,011	(127)	49,283	200,167

Consolidated	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	151,011	(127)	49,283	200,167
Profit after income tax expense for the year	-	-	18,022	18,022
Other comprehensive loss for the year, net of tax	-	(263)	(616)	(879)
Total comprehensive (loss)/income for the year	-	(263)	17,406	17,143
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 36)	-	308	19	327
Dividends paid (note 23)	-	-	(11,071)	(11,071)
Balance at 30 June 2025	151,011	(82)	55,637	206,566

	Note	2025 \$'000	Consolidated 2024 \$'000
Cash flows from operating activities			
Receipts from customers, insurance claims and government grants (inclusive of GST)		715,410	643,313
Payments to suppliers and employees (inclusive of GST)		(648,150)	(596,601)
Interest and other finance costs paid		(7,572)	(9,205)
Income taxes paid		(5,825)	(12,058)
Net cash from operating activities	35	53,863	25,449
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	32	-	(12,723)
Payments for property, plant and equipment	15	(3,223)	(3,149)
Investment in equity accounted investees		1,501	747
Proceeds from disposal of property, plant and equipment		363	669
Net cash used in investing activities		(1,359)	(14,456)
Cash flows from financing activities			
Dividends paid	23	(11,071)	(11,071)
Repayment of borrowings		(10,000)	-
Repayment of lease liabilities		(12,860)	(12,370)
Net cash used in financing activities		(33,931)	(23,441)
Net increase/(decrease) in cash and cash equivalents		18,573	(12,448)
Cash and cash equivalents at the beginning of the financial year		12,141	24,734
Effects of exchange rate changes on cash and cash equivalents		272	(145)
Cash and cash equivalents at the end of the financial year	10	30,986	12,141

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

Note 1. General information

The financial statements cover MotorCycle Holdings Limited as a Group consisting of MotorCycle Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is MotorCycle Holdings Limited's (the 'Company') functional and presentation currency.

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

Registered office

C/- Source Governance
 Level 35, One Eagle
 1 Eagle Street, Brisbane
 QLD 4000

Principal place of business

68 Moss Street
 Slacks Creek
 QLD 4127

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 August 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards did not have any material impact for the Group.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MotorCycle Holdings Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. MotorCycle Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Material accounting policy information (continued)

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

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

Foreign currency translation

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

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

Revenue recognition

The Group recognises revenue as follows:

Sale of new and used bikes, parts, and accessories

Revenue from the sales of new and used motorcycles, parts, and accessories is recognised when the performance obligation has been satisfied, which is considered at the point in time when the motorcycle, parts, or accessories are invoiced and physically shipped to or collected by the customer.

Invoices are generated at that point in time. For retail customers, payment is generally required prior to or at the time of taking control of the goods. For wholesale customers, invoices are usually payable within 30 days from end of month.

The transaction price is allocated between the sale of new and used motorcycles and MPP on a relative stand-alone selling price perspective.

Under the Group's standard contract terms, the customer has a right to return the product within a specified period and the Group is obliged to refund the purchase price. Under AASB 15 Revenue from Contracts with Customers, the Group reduces revenue by the amount of expected returns and records it as 'trade and other payables'.

Note 2. Material accounting policy information (continued)

Services revenue

Service work on customers' motorcycles is carried out under instruction from the customer. Service revenue, including revenue from the sale of parts fitted to customers' motorcycles during a service is recognised at a point in time upon satisfaction of the performance obligation, being the completion of the service.

Customers are required to make payment when collecting their motorcycle following completion of the service.

Mechanical protection plan revenue

Revenue from the sale of mechanical protection plans (MPP) is recognised over time based on when the performance obligation is satisfied (usually a period of 3 to 5 years), on a straight-line basis over the period of the MPP. The premium collected from the sale of MPP is initially recognised as a contract liability. Costs related to satisfying approved customer claims under the MPP contracts are recognised in profit or loss and expensed as incurred.

Invoices for the full amount of the MPP policy are generated at the time the customer obtains control of the motorcycle to which the MPP relates, and payment is required at the date of invoice.

Finance and insurance commission revenue

The Group acts as an agent in the sale of finance and insurance products. Commission revenue is recognised at a point in time when the performance obligation is satisfied, which is upon delivery of the associated motorcycle and the transfer of control to the customer.

Commissions are accrued monthly, and payment is usually received monthly in arrears.

Other revenue

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

Interest revenue

Interest revenue is recognised on a time proportional basis, taking into account the effective interest rates applicable to the financial assets.

Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the Company.

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants are presented in the consolidated statement of profit or loss, under Other Income. Grants in recognition of specific expenses are recognised in the consolidated statement of profit or loss in the same period as the relevant expense.

Income tax

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

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

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

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

Note 2. Material accounting policy information (continued)

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

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

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

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

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

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

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

Inventories

Cost comprises of direct materials and delivery costs, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

New and demonstrator motorcycles are stated at the lower of cost and net realisable value. Costs are assigned on the basis of specific identification.

Used motorcycles are stated at the lower of cost and net realisable value on a unit by unit basis. Net realisable value has been determined by reference to the likely net realisable value given the age of the motorcycle at the reporting date. Costs are assigned on the basis of specific identification.

Parts and accessories are stated at the lower of cost and net realisable value. Costs are assigned to individual items on the basis of weighted average cost.

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

Note 2. Material accounting policy information (continued)

Motorcycles secured under bailment plans are provided to the Group under bailment agreements between floorplan finance provider and entities within the Group. The Group obtains title to each motorcycle immediately prior to sale. Motorcycles financed under bailment plans held by the Group are recognised as trading stock with the corresponding liability shown as owing to the finance provider.

Derivative financial instruments

Adoption of Hedge Accounting under AASB 9 Financial Instruments

Effective 1 July 2024, the Group has chosen to adopt hedge accounting in accordance with AASB 9 Financial Instruments. This change in accounting policy has been applied prospectively from the date of adoption and allows the Group to align the accounting treatment of hedging instruments with the Group's risk management activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of maturity.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively with any gain or loss accumulated in the cash flow hedge reserve reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Property, plant and equipment

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

Note 2. Material accounting policy information (continued)

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

Leasehold improvements	4 - 20 years
Plant and equipment	1 - 10 years
Furniture, fixtures and fittings	3 - 20 years
Motor vehicles	3 - 8 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

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

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

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

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

Goodwill is allocated to groups of CGUs for the purpose of annual impairment testing (refer note 17).

Customer lists and contracts

Customer lists and contracts have been acquired by the Group through business combinations and have finite useful lives. Customer lists and contracts are initially measured at fair value less and subsequently amortised using the straight-line method over 9-10 years.

Trademarks

Trademarks have been acquired by the Group through business combinations and have indefinite useful lives. Trademarks are initially measured at fair value. As the trademarks are renewable in nature, economically, the future lives of the brand names are deemed indefinite. The Group intends to continue using the acquired brand names for the foreseeable future. These trademarks are assessed annually for impairment.

Note 2. Material accounting policy information (continued)

Distribution rights

Distribution rights have been acquired by the Group through business combinations and have finite useful lives. Other intangible assets are initially measured at fair value and subsequently amortised using the straight line method over 6-16 years.

Impairment of non-financial assets

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. No interest is charged on trade payables from the date of invoice.

Contract liabilities

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

Borrowings

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

Supplier finance arrangements

The Group classifies financial liabilities from a supplier finance arrangement within borrowings in the consolidated statement of financial position. They have a similar nature and function to trade payables.

Cash flows related to liabilities arising from supplier finance arrangements that are classified in borrowings in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

Lease liabilities

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

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

Finance costs

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

Note 2. Material accounting policy information (continued)

Provisions

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo simulation (for Tranche 1) and the Black-Scholes option pricing model (for Tranche 2) that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

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

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

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

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

Note 2. Material accounting policy information (continued)

Fair value measurement

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

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

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

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

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Material accounting policy information (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Rounding of amounts

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

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

Note 3. Critical accounting judgements, estimates and assumptions

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

Provision for impairment of inventories

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments:

Motorcycle retailing - the Group offers a diversified range of motorcycle products and services to the general public in Australia, including the sale of new and used motorcycles, parts, servicing, accessories and MPPs. The segment also facilitates insurance and financing for motorcycle purchases through third-party sources.

Motorcycle and accessories wholesaling - the Group imports and distributes a diversified range of motorcycles, ATVs, scooters, and motorcycle parts and accessories to wholesale customers in Australia and New Zealand, including the Group's own retail outlets.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Segment profit represents the profit earned by each segment without allocation of corporate head office costs and income tax. External bailment financing and associated interest expense is allocated to Motorcycle Retailing.

For the purpose of monitoring segment performance and allocating resources between segments, the CODM monitors the tangible, intangible and financial assets attributable to each segment. All assets and liabilities are allocated to reportable segments.

The Group operates in one geographical segment being Australia and New Zealand. Revenue from overseas customers is not material to the Group.

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

Intersegment transactions

Intersegment transactions were made at market rates. The Motorcycle retailing operating segment purchases from the Motorcycle and accessories wholesaling operating segment. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

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

Major customers

The Group is not reliant on any external individual customer for 10% or more of the Group's revenue.

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Note 4. Operating segments (continued)

	Motorcycle retailing 2025 \$'000	Motorcycle and accessories wholesaling 2025 \$'000	Eliminations 2025 \$'000	Consolidated 2025 \$'000
Consolidated - 2025				
Sales to external customers	454,375	195,618	-	649,993
Inter-segment sales	-	47,918	(47,918)	-
Other income	898	-	-	898
Total revenue and other income	455,273	243,536	(47,918)	650,891
Cost of goods	(303,820)	(183,269)	-	(487,089)
Employee benefits expense	(60,762)	(14,055)	-	(74,817)
Depreciation and amortisation expense	(13,516)	(6,443)	-	(19,959)
Occupancy expense	(3,395)	(1,888)	-	(5,283)
Other expenses	(16,764)	(11,172)	-	(27,936)
Finance costs	(3,712)	(1,216)	-	(4,928)
Total operating expenses	(401,969)	(218,043)	-	(620,012)
Segment result				
Operating profit before interest and impairment	53,304	25,493	(47,918)	30,879
External interest expense allocation	(134)	(2,321)	-	(2,455)
Segment profit	53,170	23,172	(47,918)	28,424
Share of profits of investments accounted for using the equity method				371
Unallocated corporate expenses				(3,114)
Profit before tax	-	-	-	25,681
Income tax expense	-	-	-	(7,659)
Net profit after tax	-	-	-	18,022
Write down/(back) of inventories to net realisable value	(835)	285	-	(550)
Assets				
Segment assets	214,663	193,068	-	407,731
Liabilities				
Segment liabilities	(114,138)	(87,027)	-	(201,165)
Cost to acquire goodwill and other intangible assets	-	-	-	-
Cost to acquire property, plant and equipment	2,132	1,091	-	3,223

Note 4. Operating segments (continued)

	Motorcycle retailing 2024 \$'000	Motorcycle and accessories wholesaling 2024 \$'000	Eliminations 2024 \$'000	Consolidated 2024 \$'000
Consolidated - 2024				
Sales to external customers	425,678	156,640	-	582,318
Inter-segment sales	-	33,428	(33,428)	-
Other income	2,347	-	-	2,347
Interest revenue	-	10	-	10
Total revenue and other income	428,025	190,078	(33,428)	584,675
Cost of goods	(327,557)	(105,410)	-	(432,967)
Employee benefits expense	(56,600)	(13,565)	-	(70,165)
Depreciation and amortisation expense	(12,249)	(7,039)	-	(19,288)
Occupancy expense	(3,284)	(407)	-	(3,691)
Other expenses	(16,644)	(10,480)	-	(27,124)
Finance costs	(3,944)	(1,970)	-	(5,914)
Total operating expenses	(420,278)	(138,871)	-	(559,149)
Segment result				
Operating profit before interest and impairment	7,747	51,207	(33,428)	25,526
External interest expense allocation	(865)	(2,216)	-	(3,081)
Segment profit	6,882	48,991	(33,428)	22,445
Share of net profit of equity accounted investees	-	-	-	538
Unallocated corporate expenses	-	-	-	(3,028)
Profit before tax	-	-	-	19,955
Income tax expense	-	-	-	(5,824)
Net profit after tax	-	-	-	14,131
Write down/(back) of inventories to net realisable value	935	641	-	1,576
Assets				
Segment assets	210,598	184,382	-	394,980
Liabilities				
Segment liabilities	(108,987)	(85,826)	-	(194,813)
Cost to acquire goodwill and other intangible assets	2,627	-	-	2,627
Cost to acquire property, plant and equipment	2,553	690	-	3,243

Note 5. Revenue from contracts with customers

	2025	Consolidated
	\$'000	2024
		\$'000
New motorcycles	349,927	301,567
Used motorcycles	128,169	120,342
Parts and accessories	137,335	127,015
Service	17,837	17,222
Finance and insurance income	16,323	15,216
Other revenue	402	956
	<u>649,993</u>	<u>582,318</u>
Revenue from contracts with customers	<u>649,993</u>	<u>582,318</u>

	2025	Consolidated
	\$'000	2024
		\$'000
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	645,872	578,632
Services transferred over time	4,121	3,686
	<u>649,993</u>	<u>582,318</u>

Note 6. Other income

	2025	Consolidated
	\$'000	2024
		\$'000
Government grants	365	693
Proceeds from insurance claims	74	1,208
Other income	459	446
	<u>898</u>	<u>2,347</u>

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Note 7. Expenses

	2025 \$'000	Consolidated 2024 \$'000
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	487,245	433,046
<i>Depreciation</i>		
Leasehold improvements	797	729
Plant and equipment	747	733
Furniture, fixtures and fittings	390	350
Motor vehicles	411	440
Other fixed assets	12	19
Buildings right-of-use assets	13,536	12,951
Total depreciation	15,893	15,222
<i>Amortisation</i>		
Customer contracts and relationships	2,767	2,767
Distribution rights	1,299	1,299
Total amortisation	4,066	4,066
Total depreciation and amortisation expense	19,959	19,288
<i>Other expenses</i>		
Advertising	5,011	4,180
Bank charges	1,514	1,315
Computers and software	3,016	3,672
Freight and cartage	8,220	6,631
Insurance	2,624	2,722
Motor vehicle expenses	2,039	2,140
Professional fees	1,713	1,913
Other expenses	5,408	6,192
Total other expenses	29,545	28,765

Note 7. Expenses (continued)

	2025 \$'000	Consolidated 2024 \$'000
<i>Employee benefits expense</i>		
Salaries and wages	57,159	52,991
Defined contribution superannuation expense	7,808	7,257
Other employee benefits expense	11,047	10,331
Share-based payments	308	366
	<u>76,322</u>	<u>70,945</u>
Total employee benefits expense		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	2,522	3,081
Interest and finance charges paid/payable on lease liabilities	2,933	2,649
Vehicle bailment	2,819	3,168
Foreign currency (gain)/loss	(891)	97
	<u>7,383</u>	<u>8,995</u>
Finance costs expensed		

Note 8. Income tax

	2025 \$'000	Consolidated 2024 \$'000
<i>Income tax expense</i>		
Current tax	9,616	7,673
Deferred tax - origination and reversal of temporary differences	(1,957)	(1,837)
Adjustment recognised for prior periods	-	(12)
	<u>7,659</u>	<u>5,824</u>
Aggregate income tax expense		
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(639)	-
Decrease in deferred tax liabilities	(1,318)	(1,837)
	<u>(1,957)</u>	<u>(1,837)</u>
Deferred tax - origination and reversal of temporary differences		
	<u>(1,957)</u>	<u>(1,837)</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	25,681	19,955
	<u>25,681</u>	<u>19,955</u>
Tax at the statutory tax rate of 30%	7,704	5,987
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	152	146
Notional-assessable income	(119)	(170)
Sundry items	(23)	(97)
	<u>7,714</u>	<u>5,866</u>
Adjustment recognised for prior periods	-	(12)
Difference in overseas tax rates	(55)	(30)
	<u>(55)</u>	<u>(30)</u>
Income tax expense	<u>7,659</u>	<u>5,824</u>

Note 8. Income tax (continued)

	2025 \$'000	Consolidated 2024 \$'000
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	118	98
Property, plant and equipment	525	201
Contract liabilities	2,615	2,447
Employee benefits	2,953	3,006
Lease liabilities	15,229	14,009
Other items	354	458
Set-off against deferred tax liabilities	(21,155)	(20,219)
Deferred tax asset	639	-
Movements:		
Opening balance	-	-
Credited to profit or loss	639	-
Closing balance	639	-
	2025 \$'000	Consolidated 2024 \$'000
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Indefinite life intangible assets	6,902	8,122
Right-of-use assets	13,960	12,940
Other items	293	475
Set-off against deferred tax assets	(21,155)	(20,219)
Deferred tax liability	-	1,318
Movements:		
Opening balance	1,318	3,159
Credited to profit or loss	(1,318)	(1,837)
Additions through business combinations (note 32)	-	(4)
Closing balance	-	1,318
	2025 \$'000	Consolidated 2024 \$'000
<i>Provision for income tax</i>		
Provision for income tax	1,499	-

Note 9. Earnings per share

	2025 \$'000	Consolidated 2024 \$'000
Profit after income tax attributable to the owners of MotorCycle Holdings Limited	18,022	14,131
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	73,806,444	73,781,736
Weighted average number of ordinary shares used in calculating diluted earnings per share	73,806,444	73,781,736
	Cents	Cents
Basic earnings per share	24.4	19.2
Diluted earnings per share	24.4	19.2

Note 10. Cash and cash equivalents

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Cash at bank and on hand	30,986	12,141

Note 11. Trade and other receivables

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Trade receivables	13,357	12,180
Less: Allowance for expected credit losses	(407)	(328)
	12,950	11,852

Allowance for expected credit losses

The Group has recognised a loss of \$79,000 (2024: \$78,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

Note 12. Inventories

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
New and demonstrator motorcycles - at cost	75,108	76,859
Write-down - at net realisable value	(758)	(753)
	<u>74,350</u>	<u>76,106</u>
Used motorcycles - at cost	16,122	17,741
Write-down - at net realisable value	(339)	(328)
	<u>15,783</u>	<u>17,413</u>
Parts, accessories and other consumables - at cost	69,749	73,824
Write-down - at net realisable value	(11,218)	(11,784)
	<u>58,531</u>	<u>62,040</u>
	<u><u>148,664</u></u>	<u><u>155,559</u></u>

Note 13. Derivative financial instruments

	2025 \$'000	Consolidated 2024 \$'000
<i>Current assets</i>		
Forward foreign exchange contracts - cash flow hedges	28	-
<i>Current liabilities</i>		
Forward foreign exchange contracts - cash flow hedges	(610)	(189)
	<u>(582)</u>	<u>(189)</u>

Refer to note 24 for further information on financial instruments.

Refer to note 25 for further information on fair value measurement.

Note 14. Investments accounted for using the equity method

MotorCycle Finance Pty Ltd (MCF) is a joint venture in which the Group has joint control and a 50% ownership interest.

The joint venture was established to provide secured loans to customers directly for the purchase of motorcycles.

Accordingly, the Group has classified its interest in MCF as a joint venture. In accordance with the agreement under which MCF is established, the Group and the other investor in the joint venture have agreed to make additional contributions to their interest to make up any losses, if required. This commitment has not been recognised in these financial statements.

	2025 \$'000	Consolidated 2024 \$'000
<i>Non-current assets</i>		
Investment in joint venture	<u>4,403</u>	<u>6,149</u>

The following table summarises the financial information of MCF as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in MCF.

Note 14. Investments accounted for using the equity method (continued)

Summarised statement of financial position

	2025 \$'000	2024 \$'000
Assets		
Cash and cash equivalents	6,758	5,738
Loans and other receivables	81,668	89,551
Derivative financial instruments	-	1,111
Other assets	1,926	989
	<u>90,352</u>	<u>97,389</u>
Liabilities		
Trade and other payables	454	514
Derivative financial instruments	650	-
Interest-bearing loans	80,441	84,578
	<u>81,545</u>	<u>85,092</u>
Net assets (100%)	<u>8,807</u>	<u>12,297</u>
Group's share of net assets (50%)	<u>4,403</u>	<u>6,149</u>

Summarised statement of profit or loss and other comprehensive income

	2025 \$'000	2024 \$'000
Finance income	12,128	6,360
Other revenue	-	2,130
Interest expense	(6,532)	(3,907)
Other expense	(4,482)	(3,023)
Income tax expense	(373)	(484)
Profit/(loss) after tax	<u>741</u>	<u>1,076</u>
Other comprehensive loss	<u>(1,232)</u>	<u>(819)</u>
Total comprehensive income (100%)	<u>(491)</u>	<u>257</u>
Total comprehensive income (50%)	<u>(246)</u>	<u>129</u>

Note 15. Property, plant and equipment

	2025 \$'000	Consolidated 2024 \$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	14,134	12,830
Less: Accumulated depreciation	(5,834)	(5,053)
	<u>8,300</u>	<u>7,777</u>
Plant and equipment - at cost	10,755	10,433
Less: Accumulated depreciation	(8,104)	(7,527)
	<u>2,651</u>	<u>2,906</u>
Furniture, fixtures and fittings - at cost	5,175	4,641
Less: Accumulated depreciation	(3,232)	(3,062)
	<u>1,943</u>	<u>1,579</u>
Motor vehicles - at cost	3,601	3,799
Less: Accumulated depreciation	(2,217)	(2,304)
	<u>1,384</u>	<u>1,495</u>
Other fixed assets - at cost	1,292	1,292
Less: Accumulated depreciation	(1,240)	(1,228)
	<u>52</u>	<u>64</u>
	<u><u>14,330</u></u>	<u><u>13,821</u></u>

Reconciliations

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Furniture, fixtures and fittings \$'000	Motor vehicles \$'000	Other fixed assets \$'000	Total \$'000
Consolidated						
Balance at 1 July 2023	7,815	2,335	1,559	1,644	83	13,436
Additions	1,070	1,359	349	370	-	3,148
Acquired from business combinations (note 32)	1	43	105	-	-	149
Disposals/transfer	(380)	(90)	(84)	(79)	-	(633)
Exchange differences	-	(8)	-	-	-	(8)
Depreciation expense	(729)	(733)	(350)	(440)	(19)	(2,271)
Balance at 30 June 2024	7,777	2,906	1,579	1,495	64	13,821
Additions	1,340	574	901	407	1	3,223
Disposals/transfers	(20)	(85)	(147)	(110)	(1)	(363)
Exchange differences	-	3	-	3	-	6
Depreciation expense	(797)	(747)	(390)	(411)	(12)	(2,357)
Balance at 30 June 2025	<u><u>8,300</u></u>	<u><u>2,651</u></u>	<u><u>1,943</u></u>	<u><u>1,384</u></u>	<u><u>52</u></u>	<u><u>14,330</u></u>

Note 16. Right-of-use assets

The Group leases retail and warehouse facilities. The leases run for periods between 3 and 10 years, with options to renew the leases after those dates. Lease payments are renegotiated at the exercise of each option period to reflect market rates. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. Information about leases is presented below.

Extension options

Some property leases contain extension options exercisable by the Group up to six months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Reconciliations

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

Consolidated	Retail and warehouse facilities \$'000
Balance at 1 July 2023	48,205
Additions	9,069
Depreciation expense	(12,951)
Balance at 30 June 2024	44,323
Additions	16,057
Depreciation expense	(13,536)
Balance at 30 June 2025	46,844

For other AASB 16 disclosures refer to:

- note 7 for depreciation on right-of-use assets and interest on lease liabilities;
- the consolidated statement of financial position for lease liabilities at year-end;
- note 24 for maturity analysis of lease liabilities; and
- the consolidated statement of cash flows for repayment of lease liabilities.

Note 17. Intangible assets

	2025 \$'000	Consolidated 2024 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	143,016	142,975
Less: Impairment	(24,296)	(24,296)
	<u>118,720</u>	<u>118,679</u>
Customer lists and contracts - at cost	22,700	22,700
Less: Accumulated amortisation	(15,730)	(12,963)
	<u>6,970</u>	<u>9,737</u>
Trademarks	<u>5,603</u>	<u>5,603</u>
Distribution rights - at cost	15,900	15,900
Less: Accumulated amortisation	(5,464)	(4,165)
	<u>10,436</u>	<u>11,735</u>
	<u><u>141,729</u></u>	<u><u>145,754</u></u>

Reconciliations

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

Consolidated	Goodwill \$'000	Customer lists and contracts \$'000	Trademarks \$'000	Distribution rights \$'000	Total \$'000
Balance at 1 July 2023	116,369	12,504	5,603	13,034	147,510
Additions through business combinations (note 32)	2,324	-	-	-	2,324
Effects of movements in exchange rates	(14)	-	-	-	(14)
Amortisation expense	-	(2,767)	-	(1,299)	(4,066)
Balance at 30 June 2024	118,679	9,737	5,603	11,735	145,754
Effects of movements in exchange rates	41	-	-	-	41
Amortisation expense	-	(2,767)	-	(1,299)	(4,066)
Balance at 30 June 2025	<u><u>118,720</u></u>	<u><u>6,970</u></u>	<u><u>5,603</u></u>	<u><u>10,436</u></u>	<u><u>141,729</u></u>

Impairment testing

From 1 July 2024 the Group amalgamated its New Zealand operations, which now operate both a motorcycle accessories wholesaling and a motorcycle wholesaling business.

For this reason, it has been deemed appropriate to recognise those operations within a separate CGU for the purposes of allocating goodwill for impairment testing. Goodwill is now allocated to the following four cash generating units (CGUs):

Note 17. Intangible assets (continued)

	2025 \$'000	Consolidated 2024 \$'000
Motorcycle retailing	54,861	54,861
Motorcycle accessories wholesaling	27,254	29,956
Motorcycle wholesaling	32,945	33,862
New Zealand wholesaling	3,660	-
	<u>118,720</u>	<u>118,679</u>

Effective from the financial year ended 30 June 2025, the Group has changed the annual impairment testing date for goodwill and indefinite life intangible assets from 30 June to 31 December. This change has been made in accordance with paragraph 10 of AASB 136 *Impairment of Assets*, which permits entities to select any consistent annual testing date, provided the interval between tests does not exceed 12 months. The revised timing is intended to improve internal resource allocation and audit readiness by distributing workload more evenly across reporting periods. The change does not delay or avoid recognition of impairment losses and will be applied consistently going forward.

An impairment test was performed at 31 December 2024 by measuring the carrying amount against the recoverable amount for each CGU or group of CGUs. The recoverable amount of a CGU is the higher of its value in use (VIU) and its fair value less cost of disposal (FVLCD).

The impairment test confirmed the recoverable amount of each CGU exceeds the carrying value and there is no impairment.

For the purposes of the impairment test, the Company has determined the recoverable amount for each CGU on its VIU. The VIU is the present value of the future cash flows that the Company expects to derive from each CGU, calculated using discounted cash flow (DCF) methodology. DCF methodology estimates the future cash flows expected to arise from the CGU by applying a discount rate to calculate the present value.

Estimates of future cash flows were based on management's detailed forecasts for years 1 through 5, and a terminal growth rate of 2.5% for thereafter. The terminal growth rates were determined based on the mid-point of target inflation rates set by the Reserve Banks of Australia.

The discount rate was a post-tax measure estimated based on the historical industry weighted average cost of capital, with a possible debt leveraging of 15% (2024: 15%) for the Motorcycle Accessories Wholesaling CGU and 25% (2024: 20%) for the Motorcycle Retailing and Motorcycling Wholesale CGUs at a market interest rate of 3.7% (2024: 3.6%).

The key assumptions used in the estimate of the recoverable amount include:

Note 17. Intangible assets (continued)

	Motorcycle retailing CGU		Motorcycle accessories wholesaling CGU		Motorcycle wholesaling CGU		New Zealand wholesaling CGU
	31 December 2024 %	30 June 2024 %	31 December 2024 %	30 June 2024 %	31 December 2024 %	30 June 2024 %	31 December 2024 %
Pre-tax discount rate	12.6%	13.3%	12.6%	13.1%	20.5%	22.9%	11.9%
Post-tax discount rate	9.3%	9.3%	9.2%	9.2%	15.0%	16.0%	9.2%
Terminal growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Forecast year 1 revenue growth	1.9%	13.1%	2.2%	8.3%	36.3%	13.9%	31.0%
Forecast years 2-5 revenue CAGR	4.3%	4.3%	3.5%	3.7%	5.0%	6.9%	4.1%
Forecast year 1 gross margin	21.0%	19.4%	34.0%	35.0%	22.7%	24.0%	26.5%
Forecast years 2-5 gross margin	20.8%	19.4%	36.8%	37.6%	22.6%	25.6%	26.5%

Assumptions made in determining the forecasts take into account available internal and external data about the outlook for operating conditions in the Group's CGUs and past experience, including:

Growth in new and used retail unit sales that align with historical trends.

Enhanced omnichannel eCommerce systems within Motorcycle Retailing, accompanied by a renewed emphasis on digital initiatives.

New Zealand Wholesaling continues to experience growth, with synergies achieved through the integration of wholesale vehicle distribution operations.

Unified improved business systems to be implemented across both New Zealand Wholesaling and Motorcycle Wholesaling CGUs to promote operational efficiencies.

Motorcycle Wholesaling CGU is expected to demonstrate consistent growth in line with prior periods.

The estimated recoverable amount of the Motorcycle Retailing CGU exceeded its carrying amount by \$38,025,000.

The estimated recoverable amount of the Motorcycle Accessories Wholesaling CGU exceeded its carrying amount by \$21,480,000.

The Group has determined that a reasonable possible change in the following assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount these assumptions would need to be, when changing the assumption in isolation to result in the recoverable amount of the CGU being equal to the carrying amount:

	Motorcycle retailing CGU %	Motorcycle accessories wholesaling CGU %
Forecast years 2-5 revenue CAGR	3.2%	0.5%
Forecast years 2-5 gross margin	19.9%	33.5%

Note 18. Trade and other payables

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Trade payables	31,769	19,915
Other payables	16,742	10,572
	<u>48,511</u>	<u>30,487</u>

Refer to note 24 for further information on financial instruments.

Note 19. Contract liabilities

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Contract liabilities	3,297	3,072
<i>Non-current liabilities</i>		
Contract liabilities	4,937	4,544
	<u>8,234</u>	<u>7,616</u>
<i>Reconciliation</i>		
Reconciliation of the balance at the beginning and end of the current and previous financial year are set out below:		
Opening balance	7,616	7,418
Transfer to revenue - included in the opening balance	(1,994)	(1,243)
Transfer to revenue - other balances	(188)	(186)
Additions from cash received for unsatisfied performance obligations	2,800	1,627
Closing balance	<u>8,234</u>	<u>7,616</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$8,234,000 as at 30 June 2025 (\$7,616,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	2025 \$'000	Consolidated 2024 \$'000
30 June 2025	-	3,072
30 June 2026	3,297	2,298
30 June 2027	2,484	1,419
30 June 2028	1,517	599
30 June 2029	659	211
30 June 2030	248	17
30 June 2031	29	-
	<u>8,234</u>	<u>7,616</u>

Note 20. Borrowings

	2025 \$'000	Consolidated 2024 \$'000
<i>Current liabilities</i>		
Bailment finance ⁽¹⁾	40,752	46,618
<i>Non-current liabilities</i>		
Bank loans ⁽²⁾	40,000	50,000
	<u>80,752</u>	<u>96,618</u>

(1) Bailment finance is provided on a vehicle-by-vehicle basis by various finance providers and currently bears interest at a rate from 9% - 14% per annum (2024: 9% - 14%). Bailment finance is considered a current liability and repayable immediately upon the sale of each individual motorcycle.

This liability is represented by and secured by a charge over the new motorcycles subject to the bailment agreements of \$40,752,000 and various levels of security and indemnities (2024: \$46,618,000).

(2) The interest-bearing loan is secured on a fixed and floating charge over the present and future interest of all assets and undertakings of the Group's controlled entities, with a maturity date of 1 September 2026. The weighted average interest rate as at 30 June 2025 was 5.56% (2024: 6.57%).

Loan covenants

The Group is subject to financial covenants under its facility agreement, including requirements to maintain a minimum Fixed Charge Cover Ratio and a minimum Leverage Ratio. These covenants are tested regularly, and compliance is monitored through the provision of compliance certificates and ongoing financial reporting to the financier.

Refer to note 24 for further information on financial instruments.

	2025 \$'000	Consolidated 2024 \$'000
<i>Total facilities</i> ^{(1) (2)}		
Bank facilities	50,000	50,000
Bailment finance	68,207	76,239
	<u>118,207</u>	<u>126,239</u>
<i>Used at reporting date</i>		
Bank facilities	40,000	50,000
Bailment finance	40,752	46,618
	<u>80,752</u>	<u>96,618</u>
<i>Unused at reporting date</i>		
Bank facilities	10,000	-
Bailment finance	27,455	29,621
	<u>37,455</u>	<u>29,621</u>

(1) For the year ended 30 June 2025, the Group also has access to a \$5,650,000 overdraft facility, \$7,100,000 credit support document facility, and a \$250,000 corporate card facility that can be drawn down on if required.

(2) For the year ended 30 June 2024, Group also had access to an \$11,000,000 working capital multi facility that could be drawn down on if required.

Note 21. Issued capital

	2025 Shares	2024 Shares	2025 \$'000	Consolidated 2024 \$'000
Ordinary shares - fully paid	<u>73,806,444</u>	<u>73,806,444</u>	<u>151,011</u>	<u>151,011</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	73,677,259		150,728
Exercise of performance rights	9 September 2023	<u>129,185</u>	\$0.00	<u>283</u>
Balance	30 June 2024	<u>73,806,444</u>		<u>151,011</u>
Balance	30 June 2025	<u>73,806,444</u>		<u>151,011</u>

Ordinary shares

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

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

Share buy-back

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

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. Refer to note 20.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 22. Reserves

	2025 \$'000	Consolidated 2024 \$'000
Foreign currency reserve	(56)	(375)
Share-based payments reserve	556	248
Hedging reserve - cash flow hedges	(582)	-
	<u>(82)</u>	<u>(127)</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Hedging reserve - cash flow hedges

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Movements in reserves

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

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Hedging reserve \$'000	Total \$'000
Balance at 1 July 2023	(304)	860	-	556
Foreign currency translation	(71)	-	-	(71)
Share-based payments reserve	-	(612)	-	(612)
Balance at 30 June 2024	(375)	248	-	(127)
Foreign currency translation	319	-	-	319
Share-based payments reserve	-	308	-	308
Hedging reserve cash flow hedges	-	-	(582)	(582)
Balance at 30 June 2025	<u>(56)</u>	<u>556</u>	<u>(582)</u>	<u>(82)</u>

Note 23. Dividends

Dividends paid during the financial year were as follows:

	2025 \$'000	Consolidated 2024 \$'000
Fully franked final dividend for the year ended 30 June 2024 (2024: 30 June 2023) of 7 cents (2024: 12 cents) per ordinary share paid on 4 October 2024 (2024: 28 September 2023)	5,166	8,857
Fully franked interim dividend for the year ended 30 June 2025 (2024: 30 June 2024) of 8 cents (2024: 3 cents) per ordinary share paid on 27 March 2025 (2024: 6 April 2024)	5,905	2,214
	<u>11,071</u>	<u>11,071</u>

Note 23. Dividends (continued)

	2025 \$'000	Consolidated 2024 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	65,898	62,304

- The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
 - franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
 - franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Declared after the end of the financial year
Directors have declared a fully franked final dividend of 5 cents per ordinary share payable on 24 September 2025 with a record date of 10 September 2025.

There is no dividend re-investment plan in operation.

Note 24. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has established an Audit and Risk Committee, which is responsible for monitoring, assessing, and reporting on the consolidated entity's risk management system. The committee provides regular reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Group is exposed to currency risk to the extent that there is a mismatch between the currency in which sales and purchases are denominated and applicable functional currencies. The currency in which these transactions are denominated is primarily the US dollar.

At any point in time, the Group uses forward exchange contracts to hedge its purchases in respect of forecast sales and purchases over the following six months, all with a maturity date of less than one year from reporting date.

Note 24. Financial instruments (continued)

The maturity, settlement amounts and the average contractual exchange rates of the Group's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars		Average exchange rates	
	2025	2024	2025	2024
	\$'000	\$'000		
Buy US dollars				
Maturity:				
0 - 3 months	15,169	13,744	0.6296	0.6548
3 - 6 months	8,152	7,259	0.6502	0.6612
Buy Euros				
Maturity:				
0 - 3 months	881	1,697	0.5672	0.6188
Buy Japanese yen				
Maturity:				
0 - 3 months	325	94	92.3117	106.5905

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Consolidated				
US dollars	1,359	3,191	21,575	11,769
Euros	1,340	664	-	28
Pound Sterling	50	74	36	-
Japanese yen	371	436	-	4
New Zealand dollars	1,427	1,088	-	-
Canadian dollars	-	-	3	-
	<u>4,547</u>	<u>5,453</u>	<u>21,614</u>	<u>11,801</u>

	AUD strengthened		AUD weakened	
	% change	Effect on equity	% change	Effect on equity
Consolidated - 2025				
US dollars	1.4%	283	1.4%	(283)
Euros	9.7%	(130)	9.7%	130
Pound Sterling	9.1%	(1)	9.1%	1
Japanese yen	11.8%	(44)	11.8%	44
New Zealand dollars	1.5%	(22)	1.5%	22
Canadian dollars	1.5%	-	1.5%	-
		<u>86</u>		<u>(86)</u>

Note 24. Financial instruments (continued)

Consolidated - 2024	AUD strengthened		AUD weakened	
	% change	Effect on equity	% change	Effect on equity
US dollars	0.1%	(8)	0.1%	8
Euros	1.7%	11	1.7%	(11)
Pound Sterling	0.1%	-	0.1%	-
Japanese yen	1.9%	(8)	1.9%	8
New Zealand dollars	0.5%	5	0.5%	(5)
		<u>-</u>		<u>-</u>

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. There are no borrowings at fixed rate.

Consolidated - 2025	Basis points increase		Basis points decrease	
	Basis points change	Effect on profit before tax	Basis points change	Effect on profit before tax
Interest rate sensitivity	50	<u>200,000</u>	50	<u>(200,000)</u>

Consolidated - 2024	Basis points increase		Basis points decrease	
	Basis points change	Effect on profit before tax	Basis points change	Effect on profit before tax
Interest rate sensitivity	50	<u>250,000</u>	50	<u>(250,000)</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of debtors and other receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Group's credit risk on liquid funds is limited as the counter parties are major Australian banks with favourable credit ratings assigned by international credit rating agencies.

Note 24. Financial instruments (continued)

Included in the Group's trade receivables balance are debtors with a carrying amount of \$2,082,000 (2024: \$2,145,000), which are past due at the reporting date. Of this balance the Group has provided \$407,000 (2024: \$201,000) for these balances. The Group registers security interests over goods supplied on credit on the Personal Property and Securities Register as collateral and maintains a trade credit insurance policy.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2025					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables and other payables	48,511	-	-	-	48,511
<i>Interest-bearing - variable</i>					
Bailment	40,752	-	-	-	40,752
Borrowings - Facility A	1,717	30,000	-	-	31,717
Borrowings - Facility B	563	10,000	-	-	10,563
<i>Interest-bearing - fixed rate</i>					
Lease liability	16,323	12,352	23,209	9,241	61,125
Total non-derivatives	107,866	52,352	23,209	9,241	192,668
Derivatives					
Forward foreign exchange contracts (inflow)	(23,946)	-	-	-	(23,946)
Forward foreign exchange contracts (outflow)	24,528	-	-	-	24,528
Total derivatives	582	-	-	-	582

Note 24. Financial instruments (continued)

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2024					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables and other payables	30,487	-	-	-	30,487
<i>Interest-bearing - variable</i>					
Bailment	46,618	-	-	-	46,618
Borrowings - Facility A	1,878	30,000	-	-	31,878
Borrowings - Facility B	1,231	20,000	-	-	21,231
<i>Interest-bearing - fixed rate</i>					
Lease liability	13,703	11,919	18,373	12,402	56,397
Total non-derivatives	93,917	61,919	18,373	12,402	186,611
Derivatives					
Forward foreign exchange contracts (inflow)	(22,712)	-	-	-	(22,712)
Forward foreign exchange contracts (outflow)	22,901	-	-	-	22,901
Total derivatives	189	-	-	-	189

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 25. Fair value measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 2025				
Assets				
Foreign exchange contracts	-	28	-	28
Total assets	-	28	-	28
Liabilities				
Foreign exchange contracts	-	(610)	-	(610)
Total liabilities	-	(610)	-	(610)
Consolidated - 2024				
Liabilities				
Foreign exchange contracts	-	(189)	-	(189)
Total liabilities	-	(189)	-	(189)

There were no transfers between levels during the financial year.

Note 25. Fair value measurement (continued)

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting their future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying value amount, as the impact of discounting is not significant.

Valuation techniques for fair value measurements categorised within level 2

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 26. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2025 \$	Consolidated 2024 \$
Short-term employee benefits	2,839,885	1,548,043
Post-employment benefits	167,267	127,639
Long-term benefits	21,038	18,550
Share-based payments	107,751	37,750
	<u>3,135,941</u>	<u>1,731,982</u>

There are no loans to key management personnel.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	2025 \$	Consolidated 2024 \$
<i>Audit services - KPMG</i>		
Audit or review of the financial statements	<u>488,000</u>	<u>492,000</u>
<i>Other services - KPMG</i>		
Tax compliance services	148,088	164,089
ESG services	-	82,620
Other services	<u>16,460</u>	<u>11,156</u>
	<u>164,548</u>	<u>257,865</u>
	<u>652,548</u>	<u>749,865</u>

Note 28. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Note 29. Commitments

The Group had no capital commitments as at 30 June 2025 and 30 June 2024.

Note 30. Related party transactions

Parent entity

MotorCycle Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 33.

Joint ventures

Interests in joint ventures are set out in note 14.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	Consolidated 2024 \$
Other income:		
Finance revenue from MotorCycle Finance Pty Ltd	2,798,000	2,348,000

Leases with related parties

Subsidiaries of the Group have entered into property leases for business premises with David Ahmet, Rob Cassen and Michael Poynton, including with entities associated with them. The details and aggregate amounts of these transactions are as follows:

(i) The Group has entered into nine leases for properties that are partly owned by David Ahmet, Non-Executive Director, or that are partly owned by an entity controlled by David. The terms of these leases were negotiated on commercial arms' length basis in 2011 and contain customary terms and conditions including an initial lease term of 5 years, with options to renew for a further 15 years (comprising 3 options for 5-year periods). The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The first and second 5-year option terms were exercised in 2016 and 2021, with one 5-year option period remaining. The options were last approved by the shareholders at the 2021 annual general meeting.

In addition to the above, an entity controlled by David acquired an additional property leased by the Group, and the lease for that property was assigned to the entity controlled by David on 1 March 2024.

Total payments (excluding GST and outgoings) payable in respect to these properties for the year ended 30 June 2025 or for the period during which the properties were owned by David or entities controlled by David were \$1,754,000 (30 June 2024: \$1,599,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$1,673,000 (30 June 2024: \$3,169,000).

Note 30. Related party transactions (continued)

- (ii) The Group has entered into leases in respect to two properties that are owned by entities which act in concert with Rob Cassen, Non-Executive Director. Rob is one of two directors and holds 50% of the shares of each lessor entity. The terms of these leases were negotiated on commercial arms' length bases in July 2011 and July 2013 with each containing customary terms and conditions including initial lease terms of 10 years, with options to renew each lease for a further 10 years. The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The option to renew the lease terms were both exercised for a further 10 years and the renewals were approved by the shareholders at the 2021 annual general meeting.

Total rental payments (excluding GST and outgoings) payable in respect to these properties for the year ended 30 June 2025 or for the period during which the properties were owned by entities which act in concert with Rob were \$2,120,000 (30 June 2024: \$2,499,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$11,804,000 (30 June 2024: \$12,847,000).

- (iii) The Group has entered into a lease for a property owned by an entity which acts in concert with Michael Poynton, Executive Director. Michael is one of two directors and holds 50% of the shares of the lessor entity. The terms of this lease were negotiated on commercial arms' length basis in June 2021 including an initial lease term of 5 years, with options to renew for a further 10 years (comprising 2 options for 5-year periods). The lease is subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

Total rental payments (excluding GST and outgoings) payable in respect to this property for the year ended 30 June 2025 were \$219,000 (30 June 2024: \$212,000).

Total liabilities recognised in relation to these leases for the year ended 30 June 2025 is \$222,000 (30 June 2024: \$430,000).

Receivable from and payable to related parties

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

	2025 \$	Consolidated 2024 \$
Current receivables:		
Finance revenue receivable from MotorCycle Finance Pty Ltd	73,385	195,000

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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

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Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2025 \$'000	Parent 2024 \$'000
Loss after income tax	(263)	(10)
Total comprehensive loss	(263)	(10)

Statement of financial position

	2025 \$'000	Parent 2024 \$'000
Total current assets	-	2,292
Total non-current assets	174,228	182,763
Total assets	174,228	185,055
Total current liabilities	1,499	-
Total non-current liabilities	-	1,318
Total liabilities	1,499	1,318
Net assets	172,729	183,737
Equity		
Issued capital	151,011	151,011
Reserves	575	249
Retained profits	21,143	32,477
Total equity	172,729	183,737

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which MotorCycle Holdings Limited guarantees the debts of those subsidiaries. Refer to note 34.

Unsecured guarantees, indemnities, and undertakings have been given by the parent entity in the normal course of business in respect of financial and trade arrangements entered into by its subsidiaries. It is not anticipated that the parent entity will become liable for any amount in respect thereof. At 30 June 2025 and 30 June 2024 no subsidiary was in default in respect of any arrangement guaranteed by the parent entity.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

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

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Note 31. Parent entity information (continued)

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Business combinations

Acquisitions during the year ended 30 June 2024

Fraser Motorcycles Sydney Harley-Davidson

On 15 January 2024 the Group acquired certain business assets and liabilities of Fraser Motorcycles Sydney Harley-Davidson located in Concord, New South Wales as part of its growth strategy. The business was relocated to the Group's existing premises in Auburn, New South Wales and commenced trade on as Morgan and Wacker Harley-Davidson Sydney in March 2024.

The business combination forms part of the motorcycle retailing segment and contributed revenue of \$2,441,000 and net loss after tax of \$411,000 for period ended 30 June 2024 from the date of acquisition. The Group would have reported \$587,200,000 in consolidated revenue and \$13,198,000 in consolidated net profit after tax for the year ended 30 June 2024 had the business combination occurred at the beginning of the financial year.

Details of the acquisition are as follows:

	Fair value \$'000
Inventory — parts and accessories	263
Plant and equipment	149
Employee benefits	(9)
Net assets acquired	403
Goodwill	2,623
Acquisition-date fair value of the total consideration transferred	<u>3,026</u>

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Cassons Pty Ltd	Australia	100%	100%
Forbes & Davies (NZ) Limited	New Zealand	100%	100%
Innovative Dealership Solutions Pty Ltd	Australia	100%	100%
Kymco (Aust) Pty Ltd	Australia	100%	100%
Mojo Electric Vehicles Pty Ltd	Australia	100%	100%
Mojo Motorcycles NZ Limited	New Zealand	100%	100%
Mojo Motorcycles Pty Ltd	Australia	100%	100%
Motor Cycle Accessories Supermarket Pty Ltd	Australia	100%	100%
Motorcycle Holdings Group Unit Co Pty Ltd	Australia	100%	100%
Motorcycle Holdings IDS Pty Ltd	Australia	100%	100%
Motorcycle Holdings Operations Pty Ltd	Australia	100%	100%
Motorcycle Holdings TCO Pty Ltd	Australia	100%	100%
Motorcycle Holdings Unit Co Pty Ltd	Australia	100%	100%
Motorcycle Riding School Pty Ltd	Australia	100%	100%
MW Motorcycles Pty Ltd	Australia	100%	100%
Myway Services Pty Ltd	Australia	100%	100%
Netpark Pty Ltd	Australia	100%	100%
North Ride Pty Ltd	Australia	100%	100%
Pushgate Pty Ltd	Australia	100%	100%
Shoreway Pty Ltd	Australia	100%	100%
Stanbay Pty Ltd	Australia	100%	100%
Team Moto Pty Limited	Australia	100%	100%
Trinder Avenue Motors Pty Ltd	Australia	100%	100%
Team Moto Unit Trust*	Australia	100%	100%
MotorCycle Holdings Group Unit Trust*	Australia	100%	100%
Innovation Dealership Solutions Unit Trust*	Australia	100%	100%

The Team Moto Unit Trust, the Innovative Dealership Solutions Unit Trust, and the MotorCycle Holdings Group Unit Trust are fixed unit trusts directly controlled by MotorCycle Holdings Limited and are wholly owned within the Group but are not members of the Deed of Cross Guarantee. Refer to note 34.

Note 34. Deed of cross guarantee

MotorCycle Holdings Limited, the parent entity, has entered into a Deed of Cross Guarantee with each of its eligible wholly owned subsidiaries, under which each entity guarantees the debts of other members of the Group. By entering into this Deed of Cross Guarantee it allows the Group to use ASIC Corporations (Wholly owned Companies) Instrument 2016/785 which provides relief from the Corporations Act financial reporting requirements for wholly owned subsidiaries.

Note 34. Deed of cross guarantee (continued)

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Motorcycle Holdings Limited
Cassons Pty Ltd Australia
Innovative Dealership Solutions Pty Ltd
Kymco (Aust) Pty Ltd
Mojo Electric Vehicles Pty Ltd
Mojo Motorcycles Pty Ltd
Motor Cycle Accessories Supermarket Pty Ltd
Motorcycle Holdings Group Unit Co Pty Ltd
Motorcycle Holdings IDS Pty Ltd
Motorcycle Holdings Operations Pty Ltd
Motorcycle Holdings TCO Pty Ltd
Motorcycle Holdings Unit Co Pty Ltd
Motorcycle Riding School Pty Ltd
MW Motorcycles Pty Ltd
Myway Services Pty Ltd
Netpark Pty Ltd
North Ride Pty Ltd
Pushgate Pty Ltd
Shoreway Pty Ltd
Stanbay Pty Ltd
Team Moto Pty Limited
Trinder Avenue Motors Pty Ltd

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by MotorCycle Holdings Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2025 \$'000	2024 \$'000
Statement of profit or loss and other comprehensive income		
Revenue	591,359	541,306
Income from investment	3,546	3,738
Other expenses	(562,608)	(516,808)
Finance costs	(7,068)	(8,453)
Profit before income tax expense	25,229	19,783
Income tax expense	(6,889)	(5,520)
Profit after income tax expense	18,340	14,263
Other comprehensive loss		
Share of other comprehensive loss of investments accounted for using the equity method	(616)	(409)
Foreign currency translation	(582)	-
Other comprehensive loss for the year, net of tax	(1,198)	(409)
Total comprehensive income for the year	17,142	13,854

Note 34. Deed of cross guarantee (continued)

	2025 \$'000	2024 \$'000
Statement of financial position		
Current assets		
Cash and cash equivalents	28,213	10,389
Trade and other receivables	4,863	9,904
Inventories	129,336	142,189
Current tax receivable	-	1,861
Prepayments and other deposits	6,482	2,900
	<u>168,894</u>	<u>167,243</u>
Non-current assets		
Investments accounted for using the equity method	4,403	6,149
Investments	29,281	25,896
Property, plant and equipment	13,021	12,573
Right-of-use assets	42,170	38,163
Intangible assets	138,987	143,053
Deferred tax	482	-
Other non-current assets	154	113
	<u>228,498</u>	<u>225,947</u>
Total assets	<u>397,392</u>	<u>393,190</u>
Current liabilities		
Trade and other payables	45,904	40,991
Contract liabilities	3,296	3,235
Borrowings	38,349	44,303
Lease liabilities	15,192	12,321
Current tax payable	1,685	-
Provisions	10,160	6,784
	<u>114,586</u>	<u>107,634</u>
Non-current liabilities		
Contract liabilities	4,937	4,752
Borrowings	40,000	50,000
Lease liabilities	31,036	29,175
Deferred tax liabilities	-	1,370
Provisions	708	92
	<u>76,681</u>	<u>85,389</u>
Total liabilities	<u>191,267</u>	<u>193,023</u>
Net assets	<u>206,125</u>	<u>200,167</u>
Equity		
Issued capital	151,011	151,011
Reserves	(523)	(127)
Retained profits	55,637	49,283
Total equity	<u>206,125</u>	<u>200,167</u>

Note 35. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	2025 \$'000	Consolidated 2024 \$'000
Profit after income tax expense for the year	18,022	14,131
Adjustments for:		
Depreciation and amortisation	19,959	19,288
Share of profits of investments accounted for using the equity method	(371)	(538)
Net gain on disposal of non-current assets	-	(36)
Share-based payments	327	12
Foreign exchange differences	-	98
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,139)	228
Decrease in inventories	6,895	537
Increase in deferred tax assets	(1,957)	(2,292)
Increase in deposits and prepayments	(4,028)	(1,721)
Increase in trade and other payables	18,024	819
Increase in contract liabilities	618	198
Decrease in derivative liabilities	(189)	-
Increase/(decrease) in provision for income tax	3,791	(3,945)
Increase/(decrease) in other provisions	(223)	516
Decrease in bailment finance	(5,866)	(1,846)
Net cash from operating activities	<u>53,863</u>	<u>25,449</u>

Non-cash investing and financing activities

	2025 \$'000	Consolidated 2024 \$'000
Additions to the right-of-use assets	<u>16,057</u>	<u>9,069</u>

Changes in liabilities arising from financing activities

Consolidated	Lease liabilities \$'000	Bank loans \$'000	Total \$'000
Balance at 1 July 2023	51,192	50,000	101,192
Net cash used in financing activities	(12,370)	-	(12,370)
Acquisition of leases	9,069	-	9,069
Balance at 30 June 2024	47,891	50,000	97,891
Net cash used in financing activities	(12,860)	(10,000)	(22,860)
Acquisition of leases	16,057	-	16,057
Balance at 30 June 2025	<u>51,088</u>	<u>40,000</u>	<u>91,088</u>

Note 35. Cash flow information (continued)

Supplier finance arrangements

	At 30 June 2025	At 1 July 2024
Carrying amount of the financial liabilities that are part of supplier finance arrangements presented in borrowings (note 20)	\$40,752,000	\$46,618,000
Range of payment due dates that are part of supplier finance arrangements	From 90 days to 730 days after invoice date	From 90 days to 730 days after invoice date

Note 36. Share-based payments

During the 2018 financial year, the Group established a long-term incentive plan (LTIP) following Shareholder approval at the 2017 Annual General Meeting. The LTIP was re-approved at the 2020 and 2023 Annual General Meetings. The LTIP allows for the granting of performance rights which constitute a right to receive ordinary shares in the capital of the Company upon the achievement of certain performance hurdles. Currently, the LTIP is limited to KMP and Senior Executives.

The fair values of these performance rights were calculated on grant date and recognised over the period to vesting. The vesting of the performance rights is based on the achievement of specified compound annual growth in the Group's earnings per share and relative total shareholder returns (TSR).

The key terms and conditions related to the LTIP are as follows:

Tranche	Grant date	Performance period	Vesting conditions*	Number of performance rights issued
2023 Tranche 1	10 March 2023	1 July 2023 to 30 June 2025	Relative TSR	105,143
2023 Tranche 2	10 March 2023	1 July 2023 to 30 June 2025	EPS CAGR	105,143
2024 Tranche 1	20 December 2023	1 July 2024 to 30 June 2026	Relative TSR	143,418
2024 Tranche 2	20 December 2023	1 July 2024 to 30 June 2026	EPS CAGR	143,418
2025 Tranches 1 and 3	02 December 2024	1 July 2025 to 30 June 2027	Relative TSR	203,554
2025 Tranches 2 and 4	02 December 2024	1 July 2025 to 30 June 2027	EPS CAGR	203,553
				<u>904,229</u>

Further details of the vesting conditions are disclosed in the remuneration report.

Measurement of fair values

The fair value of the performance rights granted under the LTIP has been measured as follows:

- Tranches 1 and 3 - Monte Carlo simulation
- Tranches 2 and 4 - Black Scholes model

Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments plans were as follows:

	2025 Tranche 1	2025 Tranche 2	2025 Tranche 3	2025 Tranche 4	2024 Tranche 1	2024 Tranche 2
Fair value at grant date	\$1.11	\$1.32	\$1.34	\$1.51	\$1.33	\$1.63
Share price at valuation date	\$1.63	\$1.63	\$1.82	\$1.82	\$2.06	\$2.06
Expected volatility	40%	40%	40%	40%	40%	40%
Annual dividend yield	8%	8%	7%	7%	8.8%	8.8%
Risk-free interest rate	4.18%	4.18%	3.99%	3.99%	4.1%	4.1%
Test date	31 August 2027	31 August 2027	31 August 2027	31 August 2027	31 August 2026	31 August 2026

Note 36. Share-based payments (continued)

The expected volatility has been based on an evaluation of the historical volatility of the Company's and comparable companies' share price, particularly over the historical period commensurate with the expected term.

Reconciliation of outstanding performance rights

The number of performance rights under the LTIP were as follows:

Number of performance rights	2025	2024
Opening balance	872,687	807,068
Granted during the year	727,568	477,008
Forfeited during the year	(696,026)	(282,204)
Exercised during the year	-	(129,185)
	<u>904,229</u>	<u>872,687</u>

Recognised share-based payments expense

The value of performance rights expensed (net) during the year was \$327,000 (2024: \$15,000). Of this amount, \$108,000 is attributable to key management personnel remuneration (2024: \$38,000).

Note 37. Events after the reporting period

On the dates below, the Group completed its acquisition of select business assets and operations of Peter Stevens Motorcycles Pty Ltd and Harley-Heaven Pty Ltd (both in administration) under an asset sale agreement (ASA). The transaction aligns with the Group's strategy to expand its dealership footprint and maintain brand presence in priority markets.

Peter Stevens Motorcycles Dandenong - 11 July 2025
Harley-Heaven and Peter Stevens Motorcycles Online - 11 July 2025
Harley-Heaven Adelaide - 15 July 2025
Peter Stevens Motorcycles Adelaide - 16 July 2025
Harley-Heaven Penrith - 17 July 2025
Harley-Heaven Sydney - 18 July 2025
Savage Motorcycles Perth - 1 August 2025
Harley-Heaven Perth - 1 August 2025

As at 27 August 2025, the final consideration remains subject to ongoing negotiation with the Administrator and the Group's purchase price allocation is ongoing. Accordingly, the Group's initial accounting is incomplete and the Group cannot yet provide the following information:

- the acquisition-date fair value of total consideration transferred and major classes of consideration;
- the acquisition-date fair values of the major classes of assets acquired and liabilities assumed; and
- the amount of goodwill (or gain on bargain purchase) arising on acquisition.

The Group expects to complete the initial accounting within the measurement period.

Acquisition-related costs of \$12,000 were recognised in other expenses in the consolidated statement of profit or loss for the year ended 30 June 2025. Any additional costs incurred after year-end will be recognised in the subsequent reporting period.

Directors have declared a fully franked final dividend of 5 cents per ordinary share payable on 24 September 2025 with a record date of 10 September 2025.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Body corporate, Partnership or Trust	Place formed / Country of incorporation	Ownership interest % Tax residency
Motorcycle Holdings Limited	Body Corporate	Australia	Australian
Cassons Pty Ltd	Body Corporate	Australia	100% Australian
Forbes & Davies (NZ) Limited	Body Corporate	New Zealand	100% New Zealand
Innovative Dealership Solutions Pty Ltd	Body Corporate	Australia	100% Australian
Kymco (Aust) Pty Ltd	Body Corporate	Australia	100% Australian
Mojo Electric Vehicles Pty Ltd	Body Corporate	Australia	100% Australian
Mojo Motorcycles NZ Limited	Body Corporate	New Zealand	100% New Zealand
Mojo Motorcycles Pty Ltd	Body Corporate	Australia	100% Australian
Motor Cycle Accessories Supermarket Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Holdings Group Unit Co Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Holdings IDS Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Holdings Operations Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Holdings TCO Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Holdings Unit Co Pty Ltd	Body Corporate	Australia	100% Australian
Motorcycle Riding School Pty Ltd	Body Corporate	Australia	100% Australian
MW Motorcycles Pty Ltd	Body Corporate	Australia	100% Australian
Myway Services Pty Ltd	Body Corporate	Australia	100% Australian
Netpark Pty Ltd	Body Corporate	Australia	100% Australian
North Ride Pty Ltd	Body Corporate	Australia	100% Australian
Pushgate Pty Ltd	Body Corporate	Australia	100% Australian
Shoreway Pty Ltd	Body Corporate	Australia	100% Australian
Stanbay Pty Ltd	Body Corporate	Australia	100% Australian
Team Moto Pty Limited	Body Corporate	Australia	100% Australian
Trinder Avenue Motors Pty Ltd	Body Corporate	Australia	100% Australian
Team Moto Unit Trust	Trust	Australia	100% Australian
MotorCycle Holdings Group Unit Trust	Trust	Australia	100% Australian
Innovation Dealership Solutions Unit Trust	Trust	Australia	100% Australian

Basis of preparation

This consolidated entity disclosure statement ('CEDS') has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the Group as at the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of tax residency

Section 295(3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as 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 Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Foreign tax residency

Where necessary, the Group 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.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
 - the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
 - there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 34 to the financial statements; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Rick Dennis
Chair

27 August 2025

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Independent Auditor's Report

To the shareholders of MotorCycle Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of MotorCycle Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2025;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2025;
- Notes, including material accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

This matter was 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 this matter.



Valuation of goodwill and other intangible assets of the Motorcycle retailing CGU (\$54,861,000) and Motorcycle accessories wholesaling CGU (\$27,254,000)

Refer to Notes 2, 3 and 17 to the Financial Report

The key audit matter

A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance relating to the Motorcycle retailing CGU and the Motorcycle accessories wholesaling CGU (being approximately 20% of total assets). Certain conditions impacting the Group increased the judgement required by us when evaluating the evidence available. We focused on the significant forward-looking assumptions the Group applied in their value-in-use (VIU) models, including:

- Forecast operating cash flows (including gross margin), revenue growth rates and terminal growth rates – the Group's VIU models use adjusted historical performance and a range of internal and external sources as inputs to the assumptions. Modelling, using forward-looking assumptions, tends to be prone to greater risk for potential bias, error, and inconsistent application. These conditions increase the inherent uncertainty of forecasts, or a wider range of possible outcomes for us to consider.

In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in specific assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency in application to the Group's strategy.

- Discount rates – these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time, and the models approach to incorporate risks into the cash flows or discount rates.

We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

Our procedures included:

- We considered the appropriateness of the VIU method applied by the Group in performing the annual test of goodwill for impairment against the requirements of the accounting standards.
- We, along with our valuation specialists, assessed the integrity of the VIU models used, including the accuracy of the underlying calculation formulas.
- We assessed the accuracy of previous Group budgets to inform our evaluation of forecasts incorporated in the models.
- We challenged the Group's forecast cash flow (including gross margin) and growth assumptions by:
 - We compared the forecast growth rates to management's detailed forecasts approved by the Board.
 - We checked the consistency of the revenue growth rates and gross margin to the Group's stated plan and strategy, past performance of the Group, and our experience regarding the feasibility of these in the industry and economic environment in which they operate.
 - We compared forecast revenue growth rates and terminal growth rates to external market data and considered differences for the Group's operations. We used our knowledge of the Group, its past performance, business and our industry experience.
 - We considered the sensitivity of the models by varying key assumptions, such as forecast operating cash flows, revenue growth rates, and discount rates, within a reasonably possible range. We did this to identify those CGUs at a higher risk of impairment, or assumptions at



	risk of bias and to focus our further procedures. • Working with our valuation specialists, we independently developed a discount rate range, using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.
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Other Information

Other Information is financial and non-financial information in MotorCycle Holding Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the Financial Report.

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of MotorCycle Holdings Limited for the year ended 30 June 2025, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 20 to 31 of the Directors' report for the year ended 30 June 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Erin Neville-Stanley
Partner

Brisbane
27 August 2025

The following additional information is required by the Australian Securities Exchange in respect of listed public companies and is current as at 15 August 2025.

Issued capital

The Company has 73,806,444 ordinary fully paid shares on issue, held by 1,828 shareholders. Each ordinary share is entitled to vote when a poll is called, otherwise each member present at a meeting or proxy has one vote on a show of hands.

Issued equity capital

	Ordinary shares	Performance rights
Number of holders	1,828	904,229
Number on issue	73,806,444	9

Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Performance rights or options do not entitle the holder to vote in respect of a performance right or option, until such time as the performance right or option vests and is subsequently converted to an ordinary share.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued	Number of holders	Performance rights % of total rights issued
1 to 1,000	592	0.37	-	-
1,001 to 5,000	631	2.43	-	-
5,001 to 10,000	257	2.68	-	-
10,001 to 100,000	305	11.92	5	41.00
100,001 and over	43	82.60	4	59.00
	<u>1,828</u>	<u>100.00</u>	<u>9</u>	<u>100.00</u>

Unmarketable parcels

The number of shareholders holding less than a marketable parcel (being 139 shares based on a share price of \$3.60 as at 15 August 2025) was 101.

On-market buy-back

There is no current on-market buy-back.

Restricted securities

There are no restricted securities.

Equity security holders

Twenty largest quoted equity security holders

	Number held	Ordinary shares % of total shares issued
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	14,458,468	19.59
CITICORP NOMINEES PTY LIMITED	5,932,249	8.04
JWBC MOJO MOTORCYCLES PTY LTD	5,769,500	7.82
MRP MOJO MOTORCYCLES PTY LTD	5,769,500	7.82
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,346,000	5.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,239,037	5.74
KENLAKE PTY LIMITED	4,179,394	5.66
R CASSEN PTY LTD <R CASSEN FAMILY A/C>	3,413,833	4.63
FREDA CASSEN	3,181,819	4.31
DAVID HEDLEY AHMET	988,757	1.34
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	986,020	1.34
MR BRUCE ROLAND COLLINS	839,610	1.14
MR ROBERT JOHN DONOVAN & SWINGING PTY LTD	663,052	0.90
DIANCROFT PTY LTD <P D EVANS FAMILY A/C>	521,000	0.71
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	519,000	0.70
GARMARAL PTY LTD	487,869	0.66
MRS KAREN ANN COOKSLEY	379,931	0.51
IMAGINATION IS THE KEY TO CREATION PTY LTD <THE CARTER DISCRET A/C>	321,500	0.44
FULTON SECURITIES PTY LTD <STEPHEN FULTON SUPER A/C>	286,966	0.39
	270,000	0.37
	57,553,505	78.00

Unquoted equity securities

There are 904,229 performance rights held by 9 holders.

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
David Ahmet ¹	11,490,469	15.57
Michael Poynton ²	5,769,500	7.82
Hamish Douglass and Associates ³	7,715,970	10.45
Spheria Asset Management Pty Ltd ⁴	3,828,356	5.19
Joshua Carter ⁵	6,593,708	8.93

(1) As per ASX Announcement 15 March 2023.

(2) As per ASX Announcement 5 May 2025.

(3) As per ASX Announcement 17 March 2025.

(4) As per ASX Announcement 4 July 2025.

(5) As per ASX Announcement 28 March 2023.

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Holdings