WATERCO

water, the liquid of life

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2025 ANNUAL REPORT

Waterco pioneers reliable solutions for healthy, safe water environments.

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Company Profile



1. **CANADA**
   Boucherville,
   Sales and Distribution.
2. **USA**
   Augusta, Warehousing,
   Sales and Distribution
3. **UK**
   Kent,Warehosing,
   Sales and Distribution
4. **FRANCE**
   Lyon, Warehousing, Sales and Distribution
5. **MALAYSIA**
   Kuala Lumpur,
   Research and Development,
   Manufacturing, Warehousing,
   Sales and Distribution
6. **SINGAPORE**
   Sales and Distribution
7. **INDONESIA**
   Jakarta Warehousing, Sales and Distribution
8. **AUSTRALIA**
   Sydney(Head Office),
   Brisbane, Melbourne,
   Adelaide, Perth Research and Development, Warehousing,
   Sales and Distribution
9. **NEW ZEALAND**
   Auckland Warehousing, Sales and Distribution
10. **CHINA**
    Guangzhou Chemicial Packing, Warehousing, Sales and Distribution Research and Development
11. **VIETNAM**
    Sales and Distribution
12. **United Arab Emirates**
    Dubai Warehousing,
    Sales and Distribution

Waterco pioneers reliable solutions for healthy, safe water environments, which are used in residential, commercial and industrial applications in over 40 countries.

Established in 1981, it has since become a global brand recognised for designing and manufacturing filtration and sanitisation innovations for the swimming pool, spa, aquaculture, and water purification sectors.

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WATERCO
water, the liquid of life

Waterco's advanced filtration and sanitisation solutions, backed by strong engineering capabilities and robust manufacturing, have established our leadership in the water treatment industry, particularly in high-demand commercial applications requiring consistent reliability and superior performance.

With a dedicated research and development team, Waterco has developed an award-winning range of products. Our efficient manufacturing processes, including cutting-edge fibreglass winding and innovative plastic moulding techniques, enable us to deliver high-quality solutions at exceptional value.






DAVEY

Davey is Australia's leading manufacturer of residential and commercial pumps, with a proud legacy spanning 90 years. Founded in Australia, Davey has earned a trusted reputation for delivering reliable, high-quality products. The brand is also well-known for its long-standing, multi-generational relationships with Australian dealers, further solidifying its position as a dependable partner in the industry. Traditionally focused on domestic water pumping, water treatment, and swimming pool & spa markets, Davey has expanded its product portfolio in recent years to encompass commercial pumping, irrigation, and commercial pool markets, broadening its reach and impact.



Swimart
Pool care made easy!

Swimart is a market leading brand in the pool care industry across Australia and New Zealand with 42 years experience. Swimart is focused on making pool care easy, with 68 retail stores and 6 mobile franchises across Australia and New Zealand. Swimart provides its customers a great range, service and advice through its highly trained and experienced technicians focused on their pool care needs through its fleet of over 250 Swimart service vans.



Group Consolidated Financial Highlights



Financial Year Ended	2025	2024	2023	2022	2021
Operating revenue ($ million)	254.9	244.9	134.0	128.1	118.4
Sales revenue ($ million)	249.4	239.1	129.1	123.3	113.4
Earnings Before Interest and Tax (EBIT) ($ million) from continuing operations	16.7	22.1	14.5	15.2	9.4
EBIT (continuing operations) / Sales Revenue	6.7%	9.2%	11.2%	12.3%	8.3%
Profit before income tax from continuing operations ($ million)	12.2	18.3	13.9	14.9	9.1
Net profit after tax ($ million)	9.6	13.9	10.8	11.6	12.7
Total assets ($ million)	264.2	257.8	168.0	157.7	135.4
Equity ($ million)	142.6	129.9	121.2	111.0	100.5
Basic Earnings per share from continuing and discontinued operations	27.2 cents	39.5 cents	30.7 cents	32.7 cents	35.6 cents
Basic Earnings per share from continuing operations	27.2 cents	39.5 cents	30.7 cents	32.7 cents	35.6 cents
Dividends per share (Interim and Final)	15.0 cents	15.0 cents	10.0 cents	8.0 cents	7.0 cents
Net Tangible Assets per share	$3.94	$3.66	$3.41	$3.10	$2.78
Year-end share price	$7.00	$5.36	$4.00	$3.60	$2.90

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Chief Executive Officer's Review Of Operations



SOON SINN GOH
Chairman/Group CEO

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YEAR IN REVIEW

The year saw Waterco Ltd and its subsidiaries (the Group) consolidate its position in an environment which was marked with challenging macro economic conditions and cost of living pressures in Australia and overseas, with the drought in parts of rural South Eastern Australia particularly impacting growth in the business. This led to a lower growth in sales.

Results for the year included:

- Sales Revenue growth increase of 4.3% to $249.4 million.
- EBIT decrease from $22.1 million to $16.7 million, but with underlying EBIT decrease significantly less from $22.4 million to $20.6 million assisted by Davey integration synergies.
- NPAT decrease of 31% to $9.6 million.
- EPS of 27.2 cents, down 31%.
- Total declared dividend to be maintained at 15 cents per share fully franked, supported by a sustainable outlook, representing a payout ratio of 55% of profits.
- The Group continued to focus on working capital management. Net debt was reduced by $8.0m, from $32.9m at 30 June 2024 to $24.9m at 30 June 2025.

The lower EBIT was driven by one-off restructuring costs of $1.4m, and a weaker Australian Dollar which impacted both input costs and contributed to $2.5m of foreign exchange translation losses on intra-group loan and trading balances. FY25 also saw weakness in new pool builds across NSW and Victoria.

Excluding the restructuring costs and foreign exchange translation loss, the Group's underlying EBIT was more resilient decreasing by 8% from $22.4 million to $20.6 million.

Going forward, volatility in foreign exchange translation fluctuations on intra-group transactions should be substantially reduced as a result of restructuring of the Group's treasury operations which was implemented by financial year end.

Chief Executive Officer's Review Of Operations (continued)

Our Swimart Division had its best result in terms of retail sales and purchases from Waterco. This was despite interest rates staying high and cost of living pressures not abating. Additionally, we are now seeing the realisation of our strategy of independent store conversions, having increased 3 stores (and closed one). We continue to focus on additional conversions during FY26 as a core part of our growth strategy.

Significant growth opportunities in Australia and overseas were also identified across both pump and filtration product ranges that are anticipated to be realised both through organic growth and strategic partnerships. We see growth opportunities for the Group in the Middle East as well. Building on our existing footprint in that region the Group established a subsidiary in the UAE which should allow us to capture growth from the region's economic development.

Improved synergies were also realised through the further integration of the Davey Water Products business within the Group. One-off expenses were incurred during the year with a view to improving efficiencies in the integrated Waterco/Davey operations with cost reduction benefits likely to flow through FY26. Closure of warehouses and storage optimisation is in progress which will help reduce overheads. Further margin improvements are expected to be realised by bringing outsourced plastics moulding in-house into the Malaysian facilities. The Company will continue to focus on managing costs to support underlying EBIT.

In the coming year we look forward to continued growth in end-to-end water solutions through integrated sales of pumps and filters. Sales of chemicals in both the pool division and new chemical ranges in sanitisation in the community sector should help drive growth. We will also continue to invest in product innovation and are excited about the intended roll out of our IoT solution for the pool division which should provide for a more integrated water treatment solution and enhanced user experience.

With these opportunities in mind the Group has commenced to increase its manufacturing capacity through the acquisition of land upon which construction of the new plant will commence in FY26.

The Company is confident of improved profitability in the future and, therefore, is expected to maintain the payout on dividends.

DIVISIONAL EBIT PERFORMANCE

The breakdown of EBIT contribution by division is as follows:

	FY25	FY24	
DIVISIONAL EBIT	($000)	($000)	% Change
Australia and New Zealand	13,039	14,815	-12%
North America and Europe	4,564	3,216	42%
Asia	(857)	4,066	-121%
Consolidated Reported EBIT	16,746	22,097	-24%

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Swimart Independent Store Conversion



The strategic expansion of the Swimart network remains a key growth driver, as evidenced by the successful conversion of an independent pool store in Richmond to a new franchise. This conversion highlights the strength and appeal of our Swimart programs, which offer a proven business model, unparalleled brand recognition, and a robust support system.

Swimart Lindfield and Frenchs Forest SPASA Gold Award



Swimart Lindfield and Frenchs Forest were awarded the prestigious SPASA Gold Award for Best Multi-Site Pool Location in New South Wales for 2025. This is testament to the exceptional service and customer satisfaction demonstrated by the stores.

Zane Solar Gulfpanels



Zane's Gulfpanel solar absorber is a cornerstone of our sustainable heating solutions, demonstrating our commitment to providing energy-efficient and environmentally responsible products.

The Gulfpanel is engineered from durable, UV-resistant thermoplastic to efficiently capture heat from the sun and transfer this energy to heat pool and spa water.

AUSTRALIA AND NEW ZEALAND (ANZ)

The Australia and New Zealand (ANZ) Division derives its revenue predominantly from the domestic swimming pool industry and the rural sector through the Davey Business. In this market, the Group offers a wide range of products, including chemicals for both rural and swimming pool water treatment. The Group also owns the Swimart franchise, which features 68 pool stores and 6 mobiles in Australia and New Zealand. The Swimart franchise not only provides the Group with franchise fee revenue, but importantly, provides a distribution platform to sell pool products. The success of these stores is built on more than four decades of experience, during which the Group has developed an extremely good understanding of the factors that drive consumer demand in the after-market. Franchise partners benefit from a programme that has been developed and improved on in-house since 1983, when the first company-owned pool shop was opened in Sydney. This has since grown into the successful Swimart franchising retail system.

Davey does the majority of its distribution through its highly successful and extensive Authorised Dealer Network, with a strong presence in Regional Australia that normally would be expensive to service from the metropolitan cities.

As has been well documented, this year presented some challenges for the ANZ Market with operating costs continuing to rise (wages, local freight and energy costs), interest rates that continue to stay high despite many predictions of rates cuts and a weaker Australian Dollar combining to put pressure on margins for many businesses. However, with improvements in sourcing of stock and better management of logistics costs (despite the tensions in Europe and the Middle East), the Group (excluding Davey) has managed to achieve a reduction of 4% or $2.1m in inventory in FY25.

NORTH AMERICA AND EUROPE

Waterco North America and Europe comprises the Group's operations in the USA, Canada, UK and France.

EBIT improved contribution margins allowed for an increase in EBIT of $1.3m. In view of the impost of tariffs in the US during the year and macro challenges in Europe, this was a good result. Having said this, Group revenue exposure to the US market is $20.4m. The Company will continue to monitor and assess the US tariff landscape.

Overall, the performance is pleasing given the competitive market and cost of living pressures across Europe as well.

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ASIA

The group sells products to distributors in Malaysia and across Asia. Waterco Far East Sdn Bhd (WFE) was born out of Waterco's familiarity of this market. WFE was initially a sales operation designed to service Waterco Australia's Southeast Asian customer base. In 1991 WFE added manufacturing operations to its undertakings in Kuala Lumpur, Malaysia. As well as bringing the Group closer to Southeast Asia markets, this also gave cost-efficiency in our manufacturing operations. Since then, WFE has become the principal manufacturing facility for the Waterco Group. WFE continues to deliver robust new products to give the Group a strong reputation and competitive edge.

WFE is ISO9001:2008 certified, the internationally recognised standard for the quality management of businesses, and demonstrates commitment to an effective and well-designed quality management.

The result for the region, however, was a decrease in EBIT of $4.9m largely due to foreign exchange translation losses on intercompany balances from the strengthening of the Malaysian Ringgit during the year. Profitability was also impacted by plateauing demand in Malaysia for WFE's traditional products.

However, we see opportunities (particularly in Malaysia) for bringing water solutions to the commercial sector and offering more Davey product to the market.

As mentioned, with growth opportunities across the broader Group, WFE's production capacity will increase from the acquisition of a site during the year upon which construction of a new plant will commence in FY26.

Davey's New EvoDrive Pressure Pump



The smart and efficient Davey EvoDrive is our new and competitively positioned Variable Speed Drive home pressure pump. Assembled in Australia, Davey EvoDrive strengthens our Pressure Systems portfolio from entry level to premium levels in global pump markets.

Davey Firefighter® Pumps



Engineered and manufactured in Australia, the Davey Firefighter® pumps have been part of our Australian story for decades. It stands guard over farms, families, and livelihoods, providing critical fire protection and water transfer.

Built to withstand the nation's harshest conditions, the Davey Firefighter® delivers reliable performance when every second counts.

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Pool Industry Awards



Waterco continues to strengthen its technological and sustainability credentials by taking home the national GOLD medal for Best supplier at the 2025 SPASA Awards.

Waterco's New MultiCyclone DUO Filter



Our innovative MultiCyclone DUO represents a significant advancement in pool and spa filtration, combining centrifugal and cartridge technologies to address key market demands for efficiency, sustainability, and simplified maintenance.

This dual-stage system acts as a pre-filter, capturing up to 90% of the incoming dirt load before it reaches the main cartridge, which substantially extends the life of the filter and dramatically reduces the need for cleaning. The result is a highly efficient, water-conserving solution that not only lowers operational costs and conserves a critical resource but also enhances the overall user experience.

PRODUCT DEVELOPMENT AND MARKET EXPANSION

The Group is committed to staying at the forefront of the industry through continuous investment in product innovation and research and development (R&D).

In recent years, the Group has made significant progress in developing new technologies for swimming pools. The company's latest innovation is an IoT platform that enables homeowners and pool service technicians to obtain essential data about swimming pools remotely.

The IoT platform was developed by a team of specialized software engineers and cloud architects over the past four years. It includes a WiFi board that can be customized and adapted to different equipment, new production tools, a robust device registry, and digital tools that simulate production and real-world use.

The IoT platform secures device connections and data with mutual authentication and end-to-end encryption. It also includes manufacturing and inventory tools to allow for device commissioning, lifecycle management, unique configuration, and QA processes during firmware deployment. This should improve pool management, reduce operating costs, and enhance the customer experience. The platform will be released in FY26.

The company's continued investment in product innovation and R&D, as well as its expansion into new markets, is a testament to Waterco's commitment to providing customers with the best possible water treatment solutions.

DIVIDEND AND OUTLOOK

The results (Net Profit After Tax of $9.6m) was -31% below last year.

NET PROFIT FOR THE YEAR (AFTER TAX)	FY25 ($000)	FY24 ($000)	% change
Profit before income tax expense	12,192	18,302	-33.3%
Income tax expense/ (benefit)	2,561	4,451	
Net Profit for the year	**9,631**	**13,851**	**-30.4%**

Waterco declared a final dividend payment of 8 cents per share, payable to shareholders on 14 November 2025. With an interim dividend of 7 cents per share, declared after the announcement of the Half-Year results, this brings the total dividend for year to 15 cents per share in line with last year.

EVENTS AFTER BALANCE DATE

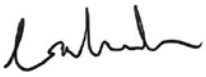
On 15 July 2025, Mr Gerard Doumit resigned as Company Secretary and Chief Financial Officer of Waterco Ltd and Mr Nigel Hobler was appointed as Chief Financial Officer.

On 15 July 2025, the Company announced its tenth share buyback of $1,000,000 worth of shares (approximately 144,927 shares) commencing on 16 July 2025 and ending on 30 June 2026 (or earlier if the $1,000,000 is purchased before then).

On 15 July 2025, the Company cancelled 100,000 vested options which were not exercised by Mr Gerard Doumit.

On 29 August 2025, Waterco declared a final dividend payment of 8 cents per share, payable to shareholders on 14 November 2025.

No other transactions, other events or conditions have arisen since 30 June 2025 that need to be disclosed in this report.



Soon Sinn Goh
Chairman
Dated at Sydney this 12 September 2025

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Board of Directors



SOON SINN GOH - B COM FCPA
Chairman/Group CEO

Mr. Goh is the founder of Waterco Limited. He has been a member of the Board since the Company's incorporation in February 1981. Prior to the inception of Waterco, he was the Managing Director of a company specialising in the construction of water and sewage treatment facilities. His accounting and financial management academic training combined with understanding of the technical aspects of the water treatment industry is an important contributing factor to the success of Waterco.

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



BRYAN GOH - B ECON
Executive Director/Chief Operating Officer

Mr. Goh was appointed to the Board in June 2010.

As the Chief Operating Officer, Mr. Goh has overall responsibility for the business operations in Australia and New Zealand.

Mr. Goh was on the board of directors of The Swimming Pool & Spa Association of New South Wales Ltd (from February 2005 to February 2009), a non-profit organisation dedicated to maintaining and improving standards within the industry for the betterment of consumers, pool builders and suppliers.

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



BEN HUNT - PHD (ANU)
Non-Executive Director

Dr. Hunt was appointed to the Board as a Non-Executive Director in June 1998. He has held academic appointments as the Head of the Graduate School of Business, Associate Dean of the Faculty of Business and Associate Professor of Finance at the University of Technology, Sydney (UTS).

He has a doctorate from the Australian National University. Although Dr. Hunt has written extensively on Australian financial markets (he is the co-author of the text Australian Institutions and Markets, 8th Ed.), his knowledge extends to the South East Asian region. He has been a regular presenter of financial seminars in Hong Kong and Singapore for the UK publishing and training company Euromoney.

Dr. Hunt is the Chairman of the Remuneration Committee and a member of the Audit Committee.

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

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Board of Directors



JUDY RAPER AM, BE (Hons), PHD, FATSE, FAICD, FIE(Aust), MIET.
Non-Executive Director

Professor Raper was appointed to the Board as a Non-Executive Director in April 2020. She holds a Bachelor of Engineering (Hons) and has a doctorate from The University of New South Wales. She has held several academic and non-academic appointments in Australia, the United States and the UK as the Dean of Engineering at the University of Sydney, Head of Chemical & Biological Engineering at University of Missouri in United States, Division Director of Chemical, Bioengineering, Environmental Engineering and Transport Systems at the National Science Foundation in United States and Deputy Vice-Chancellor (Research & Innovation) at the University of Wollongong. Her last appointment was Dean and Chief Executive Officer of TEDI- London responsible for the development of a new start-up Engineering Institution (from 2019 to 2023).

Professor Raper is a Fellow of the Australian Academy of Technology, a fellow of the Australian Institute of Company Directors and an Honorary Fellow of Engineers Australia.

Professor Raper is a member of the Remuneration Committee and the Audit Committee of Waterco Limited.

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



WAYNE BEAUMAN BE, CA, GAICD
Non-Executive Director

Mr Beauman was appointed to the Board as Non-Executive Director on 21 July 2023.He has a Bachelor of Economics from Macquarie University. He is an Associate of Chartered Accountants Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

Mr Beauman is an experienced finance professional with more than 25 years as an Audit Partner in Chartered Accounting firms. He has provided assurance and related services to clients with national and international operations across a broad range of industries including manufacturing, real estate and property development, mining, retail, financial services and local government. He is highly skilled in financial data analysis and reporting as well as advising Executive Management and Corporate Boards on governance and regulatory reporting requirements.

Mr Beauman is the Chairman of the Audit Committee and a member of the Remuneration Committee.

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

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Corporate Governance Statement

This statement explains how Waterco Limited ACN 002 070 733 (**Waterco** or **Company**) has complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition, published February 2019 (**ASX Recommendations**), during the financial year ended 30 June 2025 (**Reporting Period**).

All Waterco charter, codes and policy documents referred to in this statement are available in the Corporate Governance section of the Company's website, www.waterco.com.au. Please also refer to Appendix 4G Key Disclosures Corporate Governance Council Principles and Recommendations.

This statement has been adopted by the Board as current as of 25 August 2025.

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Directors' Report

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2025.

Directors

The names of directors in office during and since the end of the financial year are:

- Soon Sinn Goh
- Bryan Goh
- Ben Hunt
- Judy Raper
- Wayne Beauman

For details of the directors' qualifications and experience, refer to the section titled "Board of Directors" which is to be read as part of this report.

Company Secretaries

The following persons held the position of Joint Company Secretary throughout the financial year:

- Gerard Doumit FCPA JP

Mr Doumit was appointed Company Secretary on 22 July 1991. He was Chief Financial Officer (CFO) and Company Secretary until he retired on 15 July 2025.

- Sin Wei Yong

Mr Yong was appointed Company Secretary on 1 July 2020.

He is an admitted solicitor and holds a Bachelor of Laws (Hons) from Northumbria University, United Kingdom. He joined the Company in 2014 as a Legal Officer. He has extensive experience in corporate governance and has more than 15 years' experience in legal and regulatory compliance in a financial services group prior to joining the Company.

Principal Activities

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

- wholesale, export and manufacture of equipment and accessories in the swimming pool, spa pool, spa bath, rural pump and irrigation and water treatment sectors;
- manufacture and sale of solar heating systems for swimming pools and pre-heat industrial solar systems;
- franchise of retail outlets for swimming pool equipment and accessories; and
- formulating, packing and distribution of swimming pool chemicals to independent pool stores and stores in its Swimart franchise network.

There were no significant changes in the nature of the consolidated Group's principal activities during the financial year.

Consolidated Results

The consolidated profit of the group after providing for income tax and eliminating non-controlling interests amounted to $9.6 million.

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Dividends

Dividends paid or declared for payment are as follows:

- Final ordinary dividend of 8 cents per share paid on 15 November 2024 as recommended in last year's report - $2.813m.
- Interim dividend of 7 cents per share paid on 2 May 2025 as declared in the half yearly report - $2.462m.
- Final ordinary dividend of 8 cents per share declared by the directors to be paid on 14 November 2025 - $2.813m.

All dividends paid or declared since the end of the previous financial year were fully franked.

Review of Operations

A review of operations of the Consolidated Group during the financial year and of the results of those operations together with likely developments in the operations of the consolidated Group and the expected results of those operations are set out in the Chief Executive Officer's Review of Operations.

Significant Changes in State of Affairs

The Directors are not aware of any significant changes in the state of affairs of the Consolidated Group that occurred during the financial year which have not been covered elsewhere in this report.

After Balance Date Events

On 15 July 2025, Mr Gerard Doumit resigned as Company Secretary and Chief Financial Officer of Waterco Ltd and Mr Nigel Hobler was appointed as Chief Financial Officer.

On 15 July 2025 following his retirement, the Company cancelled 100,000 vested options which were not exercised by Mr Gerard Doumit.

On 15 July 2025, the company announced its tenth share buyback authority of $1,000,000 worth of shares (approximately 144,927 shares) commencing on 16 July 2025 and ending on 30 June 2026 (or earlier if the $1,000,000 is purchased before then).

On 29 August 2025, Waterco declared a final dividend payment of 8 cents per share, payable to shareholders on 14 November 2025

No other transactions, other events or conditions have arisen since 30 June 2025 that need to be disclosed in this report.

Future Developments, Prospects and Business Strategies

Information as to future developments, prospects and business strategies in the operations of the Consolidated Group are included in the Chief Executive Officer's Review of Operations. Other possible developments have not been included in this report as such inclusions would, in the opinion of the Directors, prejudice the interests of the Consolidated Group.

Environmental

The Consolidated Group's operations are subject to some environmental regulations, particularly with regard to the storage of chemicals and waste management. The Consolidated Group has adequate systems in place for the management of its environmental requirements. For the financial year ended 30 June 2025 and as at the date of this report, the Directors are not aware of any breaches of the environmental regulations.

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Data, privacy and cyber security

The Consolidated Group's strategy is built around detecting, protecting and responding to cyber threats. The use of up-to-date technology to protect against cyber incidents supplemented by strong internal control processes help ensure the privacy, integrity and security of both customer and staff data.

Sustainability and ESG

Waterco continues to grow its Sustainability efforts and commitment to ESG. In its manufacture and distribution of water solution products, ESG principles are inherently practiced.

Over the last few years, there has been a move towards a low carbon economy with both investors and regulators now expecting companies to embrace cleaner/renewable energy solutions. The Group continues to invest in technologies which replace traditional sources of energy (electricity from coal) with renewable alternatives like solar. Installation of solar panels at the Rydalmere property a few years ago resulted in a reduction in traditional electricity consumption.

In addition, the group has undertaken continuous research into and production of energy efficient products, and product lines which are powered by solar. This process started in the mid 1980s with the acquisition of Zane Solar Systems. The solar business started off distributing rubber absorber for solar pool heating to be replaced over time by the more durable and energy efficient solar roof panels. The Group keeps abreast of market norms on sustainability and continues to monitor investor expectations and changing customer preferences while at the same time making any necessary changes to comply with evolving regulatory and legislative requirements.

During the year the Group engaged an advisory firm to assist with preparing an implementable roadmap for the adoption of the mandatory climate related financial disclosures (CRFD) in accordance with Australian Sustainability Reporting Standard S2. This reporting requirement will apply to the Group for the financial year ending 30 June 2027.

Directors' Shareholdings

Details of the Directors' shareholdings are contained in the Key Management Personnel Shareholding table on page 25.

Meetings of Directors

During the financial year, 12 meetings (including Audit and Remuneration Committees) were held. Attendances are set out below:

Director	Directors' Meeting		Audit Committee Meeting		Remuneration Committee Meeting	
	Number Eligible To Attend	Number Attended	Number Eligible To Attend	Number Attended	Number Eligible To Attend	Number Attended
Soon Sinn Goh	5	5	-	-	-	-
Bryan Goh	5	5	-	-	-	-
Ben Hunt	5	5	5	5	2	2
Judy Raper	5	5	5	5	2	2
Wayne Beauman	5	5	5	5	2	2

Shares under option

No options were issued during the year ended 30 June 2025.

Unissued ordinary shares in Waterco Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
23 August 2021	23 August 2031	$3.15	250,000
28 November 2023	28 November 2033	$4.19	645,000

No shares were issued and no options were exercised during the year ended 30 June 2025.

Indemnifying Officers or Auditor

During and since the financial year, the Company has paid premiums to insure all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred by such an officer or auditor.

Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit arising from a contract made by the parent entity, or a related body corporate with a director, a firm of which a director is a member or a director or an entity in which a director has a substantial financial interest other than:

i. Sales made by a controlled entity to Asiapools (M) Sdn Bhd of which Mr Soon Sinn Goh is a director and shareholder.

ii. Payments made for rental of warehouses, offices and a pool shop to Mint Holdings Pty Ltd of which Mr Soon Sinn Goh is a director and shareholder.

iii. Rent charged to Mint Holdings Pty Ltd for office space in Rydalmere, NSW.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Company's accounts or the fixed salary of a full-time employee of the parent entity, controlled entity or related body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and is included in the directors' report.

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Officers of the company who are former partners of RSM Australia

The following persons were officers of the Company during the financial year and was a previous partner of the current audit firm, RSM, at a time when RSM undertook an audit of the Group:

Wayne Beauman who retired from RSM on 31/12/2018.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

ASIC Corporations (rounding in Financial/Directors Reports) Instruments 2016/191

The amounts in the financial reports and directors' report have been rounded to the nearest thousand dollars in accordance with ASIC Corporations Instruments 2016/191.

Remuneration Report

This report provides remuneration policy and payment details applying in the financial year for persons who were members of Key Management Personnel of the Company.

2025 Remuneration Policy

The Remuneration Committee governs the Company's Remuneration Policy. The Committee comprises Independent Non-Executive Directors.

It has the following objectives:

- attract, retain and motivate management of the appropriate calibre to further the success of the business;
- align management reward with shareholder value;
- ensure that total remuneration is reasonable and comparable with market standards;
- ensure that remuneration should realistically reflect the responsibilities of the executives;
- ensure that incentive schemes reward superior company performance and be clearly linked to appropriate performance benchmarks based on improved company performance; and
- ensure that the remuneration costs are disclosed in accordance with the requirements of law and relevant accounting standards.

The remuneration structure for Key Management Personnel of the Waterco Group comprises:

- Fixed remuneration. This consists of base salary and the full costs of other benefits; and
- Incentives. The level varies with performance. It consists of an annual incentive plan.

The Remuneration Committee reviews market data and the performance of the Group CEO. The Committee then recommends the fixed remuneration and annual incentive payment of the Group CEO for approval by the Board.

The Group CEO recommends Key Management Personnel's fixed remuneration and annual incentive payments to the Remuneration Committee. Fixed remuneration for Key Management Personnel is reviewed annually and determined by reference to appropriate benchmark information of comparable companies, taking into account their responsibility, performance, qualifications, experience and potential. Adjustments are made only if there is the prospect of fixed remuneration levels falling behind market levels.

The remuneration of Non-Executive Directors is fixed and does not change according to the performance of the company. They do not participate in any incentive plans available to managers. Non-Executive Directors are paid fees based on the nature of their work and their responsibilities. The Company makes superannuation guarantee (SG) payments, in addition to those fees. The level and structure of fees is based upon the need for the Company to be able to attract and retain Non-Executive Directors of an appropriate calibre, the demands of the role and prevailing market conditions.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is $300,000. This was approved by shareholders at the Annual General Meeting held on 26 October 2018.

There has been an increase of 4.5% in headline Non-Executive Director fees for the 2024/2025 financial year. The total fees are now at an aggregate of $248,433 including the Superannuation Guarantee Charge.

The Remuneration Committee seeks independent external advice when required.

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Performance–based Remuneration Policy, and its Relationship with Company Performance

There is an annual incentive plan in place for all Key Management Personnel. This is a payment that varies with performance measured over a twelve-month period.

There have been no changes in performance-based remuneration policy compared with the prior reporting period.

Maximum payments are capped.

In the case of the Group CEO, the Remuneration Committee sets the performance requirements; in the case of other Key Management Personnel, the Group CEO recommends performance requirements for consideration by the Remuneration Committee.

The annual incentive performance criteria relate to the employee's responsibilities. If requirements are achieved, there will be an improvement in shareholder value.

The key performance requirement for an incentive payment is Earnings Before Interest and Tax (EBIT).

This provides a clear alignment between the interests of shareholders and the level of reward for eligible employees.

Performance criteria are tabulated below

Key Management Personnel with annual incentives	Summary of Performance Condition FY 2025	Why Chosen
Soon Sinn Goh – Group CEO	Earnings Before Interest and Tax (EBIT) for the Waterco Group	Encourage Group CEO to improve the performance levels of the Group as a whole and thereby increase shareholder wealth.
Key Management Personnel	Earnings Before Interest and Tax (EBIT) for the Waterco Group.	The performance of Key Management Personnel can have a Group impact, so targets are based on Group performance.

The satisfaction of the performance conditions of the annual incentive is based on a review of the audited financial statements of the Group.

If the Group's performance, as a whole does not reach the relevant target levels, then no annual incentive payments are made.

In the year ending 30 June 2025, the Key Management Personnel did not achieve their performance (Threshold) Level based on normal operations. Therefore, no incentive will be paid in respect of FY 2025.

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Waterco Limited Group Employee Share Option Plan

This plan was approved by the Board on 24 June 2021.

On 28 November 2023, the Chief Commercial Officer of Waterco Ltd (CCO) was issued 90,000 options at an exercise price of $4.19 per share (being the Volume Weighted Average Price (VWAP) of Waterco Shares for the 5 days preceding date of issue) under this plan.

The Options were scheduled to vest in 3 tranches in accordance with the Exercise Periods set out below provided the Vesting Condition for each year has been met and the CCO remains employed by the Company at the beginning of the Exercise Period.

Details of the Issue are as follows

Tranche No	No of Options	Vesting Date	Vesting Condition – Group EBIT	Exercise Price	Expiry Date	Vested
1	30,000	28 November 2024	Group EBIT/Sales of at least 8%	$4.19	28 November 2033	30,000
2	30,000	28 November 2025	Group EBIT/Sales of at least 9%	$4.19	28 November 2033	-
3	30,000	28 November 2026	Group EBIT/Sales of at least 10%	$4.19	28 November 2033	-

The vesting conditions for Tranche 2 were not met.

No other options or share-based payments were granted to Key Management Personnel in the 2025 financial year.

No options have been exercised during the 2025 financial year.

The following table shows the Sales Revenue, Earnings Before Interest and Tax (EBIT), Net Profit Before Tax (NPBT), Net Profit After Tax (NPAT), Earnings Per Share (EPS), dividends and year-end share price in the financial year just ended and the previous four financial years for the consolidated Group.

Year ended	June 25	June 24	June 23	June 22	June 21
Sales revenue ($million) from continuing and discontinued operations	249.4	239.1	129.1	123.3	113.4
Earnings Before Interest and Tax (EBIT) ($million) from continuing and discontinued operations	16.7	22.1	14.5	15.2	9.4
NPBT ($million) from continuing and discontinued operations	12.2	18.3	13.9	14.9	9.1
EPS (cents) from continuing and discontinued operations	27.2	39.5	30.7	32.7	35.6
Dividends per share paid (cents)	15.0	12.0	10.0	7.0	6.0
Year end share price ($)	7.0	5.36	4.00	3.60	2.90
NPAT ($million) continuing operations	9.6	13.9	10.8	11.6	12.7
NPAT ($million) discontinued operations	-	-	-	-	-

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Employment Details of Key Management Personnel

The following table provides employment details for the financial year for Key Management Personnel. The table also illustrates the proportion of remuneration that was performance and non-performance based.

			Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
	Position held as at 30 June 2025	Contract details (duration & termination)	Non-salary cash-based incentives %	Shares/ Units %	Options/ Rights %	Fixed Salary/ Fees %	Total %
Key Management Personnel							
S S Goh	Chairman & Group CEO	No fixed term; may be terminated on 6 months' notice by either party	-	-	-	100	100
B Goh	Chief Operating Officer & Director – Executive	No fixed term; may be terminated on 2 months' notice by either party	-	-	-	100	100
B Hunt	Director - Non-Executive	No fixed term, but subject to member confirmation every 3 years after AGM when first appointed.	-	-	-	100	100
J Raper	Director - Non-Executive	No fixed term, but subject to member confirmation every 3 years after AGM when first appointed.	-	-	-	100	100
W Beauman	Director - Non-Executive	No fixed term, but subject to member confirmation every 3 years after AGM when first appointed.	-	-	-	100	100
G Doumit	Chief Financial Officer / Company Secretary	No fixed term, may be terminated on 2 months' notice by either party	-	-	1	99	100
J Ainsworth	Chief Commercial Officer	Three year fixed term, (subject to renewal), may be terminated on 2 months' notice by either party	-	-	-	100	100

Changes in Directors and Key Management Personnel During the Year

On 17 February 2025, the Mr Peter Wolff resigned as Chief Operating Officer of Davey Water Products Pty Ltd.

Changes in Directors and Key Management Personnel Subsequent to Year-end

On 15 July 2025, Mr Gerard Doumit resigned as Company Secretary and CFO.
On 15 July 2025, Mr Nigel Hobler was appointed CFO.

Key Management Personnel Shareholding

Number of Shares held by Key Management Personnel.

2025

Key Management Personnel	Balance 1.7.2024	Received as Remuneration	Net Change Other	Balance 30.6.2025
Mr S S Goh	21,721,853	-	(300,271)	21,421,582
Mr B Goh	540,121	-	-	540,121
Mr B Hunt	170,223	-	2,000	172,223
Prof J Raper	-	-	-	-
Mr W Beauman	-	-	-	-
Mr G Doumit 2)	71,300	-	-	71,300
Ms J Ainsworth	-	-	-	-
Mr P Wolff 1)	-	-	-	-

1) Mr P Wolff resigned as Chief Operating Officer of Davey Water Products Pty Ltd on 17 February 2025
2) Mr G Doumit resigned as Company Secretary and Chief Financial Officer on 15 July 2025 and still holds his shares

2024

Key Management Personnel	Balance 1.7.2023	Received as Remuneration	Net Change Other	Balance 30.6.2024
Mr S S Goh	21,721,853	-	-	21,721,853
Mr B Goh	540,121	-	-	540,121
Mr B Hunt	170,223	-	-	170,223
Mr R Ling 1)	-	-	-	-
Ms J Raper	-	-	-	-
Mr W Beauman 2)	-	-	-	-
Mr G Doumit	71,300	-	-	71,300
Ms J Ainsworth	-	-	-	-
Mr P Wolff 3)	-	-	-	-

1) Mr Richard Ling resigned as a Non-Executive Director on 25 October 2023
2) Mr Wayne Beauman was appointed a Non-Executive Director on 21 July 2023
3) Mr P Wolff was appointed as Chief Operating Officer of Davey Water Products Pty Ltd on 1 September 2023

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Number of Options held by Key Management Personnel

2025	Balance			Vested	Unvested
Key Management Personnel	30.6.2025	Exercisable	Unexercisable	Total at 30.6.2025	Total at 30.6.2025
Mr G Doumit 1)	100,000	100,000	-	100,000	-
Ms J Ainsworth	90,000	30,000	-	30,000	60,000

1) Mr G Doumit resigned as Company Secretary and Chief Financial Officer on 15 July 2025 at which time the Company cancelled both his vested options which were not exercised and his unvested options as at 30 June 2025.

Remuneration Details

The following table provides remuneration details for the 2025 and 2024 financial years for Key Management Personnel.

		Short-term benefits			Post-employment benefits	Long-term benefits	Long-term benefits	
		Renumeration incl Salary, fees and leave $	Profit share and bonus $	Non-monetary (5) $	Pension and super-annuation $	LSL $	Share options	Total $
Key Management Personnel								
Soon Sinn Goh (1)	2025	516,074	63,000	-	20,789	2,673	-	602,536
	2024	494,688	21,000	-	19,209	4,537	-	539,434
Bryan Goh	2025	390,000	60,000	-	29,932	6,528	-	486,460
	2024	338,670	40,000	-	27,399	20,000	-	426,069
Ben Hunt	2025	74,270	-	-	8,541	-	-	82,811
	2024	71,413	-	-	7,855	-	-	79,268
Judy Raper	2025	74,270	-	-	8,541	-	-	82,811
	2024	71,413	-	-	7,855	-	-	79,268
Wayne Beauman	2025	74,270	-	-	8,541	-	-	82,811
	2024	65,920	-	-	7,251	-	-	73,171
Gerard Doumit	2025	280,800	40,000	19,253	30,000	4,698	-	374,751
	2024	253,769	30,000	26,163	31,215	32,253	3,823	377,223
Joanne Ainsworth	2025	262,740	20,000	-	27,672	-	-	310,412
	2024	249,777	10,000	-	26,005	-	3,354	289,136
Peter Wolff (2)	2025	368,431	73,710	-	22,448	-	-	464,589
	2024	273,000	-	16,671	20,549	-	4,472	314,692

(1) S S Goh's Remuneration of $601,864 is made up of $219,186 paid/payable by Waterco Ltd, $191,339 paid by Waterco (Far East) Sdn Bhd (a subsidiary) and $191,339 paid by Waterco International Pte Ltd (a subsidiary).

(2) Mr Peter Wolff was designated as Key Management Personnel and resigned on 17 February 2025, his remuneration has been calculated from 1 July 2024 until 17 February 2025.

(3) Non-monetary benefits are made up of Company vehicle benefits.

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Securities Received that are not Performance Related

No Key Management Personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Cash incentives, Performance-related Bonus and Share-based Payment

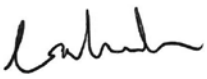
Maximum cash incentives expressed as a percentage of fixed remuneration and the maximum value that could have been earned in 2024/2025 if stretch performance targets were achieved are tabulated below:

Position	Maximum possible incentive	Maximum possible incentive $
Key Management Personnel		
Group CEO, Waterco Limited	28%	$150,000
Executive Director / Chief Operating Officer , Waterco Limited	32%	$135,000
Chief Financial Officer / Company Secretary, Waterco Limited	27%	$90,000
Chief Commercial Officer, Waterco Limited	26%	$75,000
Chief Operating Officer Davey Water Products Pty Ltd	32%	$135,000

The percentage of cash incentives payable (subject to Board Approval) and forfeited for the year to key management personnel.

Key Management Personnel	Short term incentive in respect of 2025 financial year	
	Payable %	Forfeited %
Group CEO, Waterco Limited	0%	100%
Executive Director / Chief Operating Officer , Waterco Limited	0%	100%
Chief Financial Officer / Company Secretary, Waterco Limited	0%	100%
Chief Commerical Officer , Waterco Limited	0%	100%
Chief Operating Officer Davey Water Products Pty Ltd	0%	100%

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors:



Soon Sinn Goh
Chairman

Dated at Sydney this 12 September 2025

Auditor's Independence Declaration

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Waterco Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

PKanellis

Peter Kanellis
Partner

Sydney, NSW
Dated: 12 September 2025

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Consolidated Financial Report

for the year ended 30 June 2025

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Consolidated Statement of Profit or Loss and other Comprehensive Income

For The Year Ended 30 June 2025

	Note No.	2025 $000	2024 $000
Continuing Operations			
Revenues	3	254,934	244,845
Changes in inventories of finished goods and work in progress	4	1,618	(17,955)
Raw materials and consumables used	4	(131,012)	(106,577)
Employee benefits expense		(55,684)	(50,028)
Depreciation and amortisation expense	4	(12,532)	(11,331)
Finance costs	4	(4,631)	(3,930)
Advertising expense		(5,685)	(5,105)
Outward freight expense		(6,945)	(7,830)
Rent expense	4	(1,933)	(1,427)
Research and development		(2,907)	(2,178)
Insurance – general		(2,136)	(2,018)
Warranty expense		(2,368)	(1,059)
Commission expense		(493)	(413)
Foreign Exchange (losses) / gains		(2,487)	991
Other expenses		(15,547)	(17,683)
Profit before income tax expense		12,192	18,302
Income tax benefit	6	(2,561)	(4,451)
Profit for the year		9,631	13,851
Other comprehensive income			
Items that will not be classified subsequently to profit or loss			
Property revaluation increment (net of tax)		1,582	(64)
Items that maybe reclassified to profit or loss			
Exchange translation differences		6,787	(903)
Share options expense		73	30
Other comprehensive income for the year		8,442	(937)
Total comprehensive income for the year		18,073	12,914
Profit attributable to:			
Members of the parent entity		9,571	13,905
Non-controlling interest		60	(54)
		9,631	13,851
Total comprehensive income for the year			
Members of the parent entity		18,013	12,968
Non-controlling interest		60	(54)
Total comprehensive income for the year		18,073	12,914
Earnings per share			
Basic earnings per share (cents per share)	27	27.2	39.5
Diluted earnings per share (cents per share)	27	27.2	39.5

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

As At 30 June 2025

	Note No.	Consolidated Group 2025 $000	2024 $000
ASSETS			
Current Assets			
Cash and cash equivalents	8	24,522	16,802
Trade and other receivables	9	33,466	37,584
Inventories	10	92,661	94,797
Other current assets	11	6,607	4,540
Total Current Assets		157,256	153,723
Non-Current Assets			
Property, plant & equipment	12	71,583	69,261
Right of use assets	13	31,475	30,326
Intangible assets		1,173	1,269
Deferred tax assets	17	2,756	4,597
Total Non-Current Assets		106,987	105,453
Total Assets		264,243	259,176
LIABILITIES			
Current Liabilities			
Trade and other payables	14	25,965	29,715
Borrowings	15	7,200	8,974
Lease liabilities	16	8,474	8,328
Current tax liabilities	17	1,549	1,824
Provisions	18	7,944	10,265
Total Current Liabilities		51,132	59,106
Non-Current Liabilities			
Borrowings	15	42,025	40,806
Lease liabilities	16	24,653	22,579
Deferred tax liabilities	17	3,311	6,306
Provisions	18	479	533
Total Non-Current Liabilities		70,468	70,224
Total Liabilities		121,600	129,330
Net Assets		142,643	129,846
EQUITY			
Issued capital	19	33,562	33,562
Reserves	20	32,412	23,971
Retained earnings	21	76,295	71,999
Parent interest		142,269	129,532
Non-controlling interest	22	374	314
Total Equity		142,643	129,846

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

For The Year Ended 30 June 2025

Consolidated Group	Note No.	Ordinary Shares $000	Retained Earnings $000	Capital Profits Reserve $000	Asset Revaluation Reserve $000	Foreign Currency Translation Reserve $000	Share Options Reserve $000	Non-Controlling Interests $000	Total $000
Balance at 30 June 2023		**33,643**	**62,314**	**211**	**30,689**	**(6,017)**	**26**	**368**	**121,234**
Comprehensive income									
Profit for the year		-	13,905	-	-	-	-	(54)	13,851
Other comprehensive income for the year		-	-	-	(64)	(904)	30		(938)
Total comprehensive income for the year		-	13,905	-	(64)	(904)	30	(54)	12,913
Transactions with owners, in their capacity as owners and other transfers									
Cancellation of shares under Waterco Share Buyback		(81)	-	-	-	-	-	-	(81)
Dividends paid	26	-	(4,220)	-	-	-	-	-	(4,220)
Total transactions with owners and other transfers		(81)	(4,220)	-	-	-	-	-	(4,301)
Balance at 30 June 2024		**33,562**	**71,999**	**211**	**30,625**	**(6,921)**	**56**	**314**	**129,846**
Comprehensive income									
Profit/(loss) for the year		-	9,571	-	-	-	-	60	9,631
Other comprehensive Income/(loss) for the year		-	-	-	1,582	6,787	73	-	8,442
Total comprehensive income for the year		-	9,571	-	1,582	6,787	73	60	18,073
Transactions with owners, in their capacity as owners and other transfers									
Cancellation of shares under Waterco Share Buyback									-
Dividends paid	26	-	(5,275)	-	-	-	-	-	(5,275)
Total transactions with owners and other transfers		-	(5,275)	-	-	-	-	-	(5,275)
Balance at 30 June 2025		**33,562**	**76,295**	**211**	**32,207**	**(134)**	**129**	**374**	**142,643**

Note 1 - During the year, $2.1m of foreign exchange translation gains on monetary accounts was transferred from the Foreign Currency Translation Reserve to Foreign Exchange (Losses)/Gains in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For The Year Ended 30 June 2025

	Note No.	Consolidated Group 2025 $000	2024 $000
Cash Flows from Operating Activities			
Receipts from customers		276,800	253,363
Payments to suppliers and employees		(249,446)	(222,558)
Interest received		77	135
Other Income		995	1,268
Finance costs		(3,287)	(3,930)
Income tax paid		(3,991)	(3,780)
Net cash provided by operating activities	31	21,148	24,498
Cash Flows from Investing Activities			
Dividend received			1
Payment for property, plant & equipment		(3,041)	(2,337)
Payment for business			(54,376)
Proceeds from sale of business			154
Proceeds from sale of property, plant & equipment		216	350
Net cash (used in)/provided by investing activities		(2,825)	(56,208)
Cash Flows from Financing Activities			
Proceeds from bank borrowings		6,623	63,788
Repayment of bank borrowings		(8,066)	(18,274)
Share buyback			(81)
Payment of right of use liabilities		(4,564)	(3,567)
Payment of lease liabilities		(291)	(62)
Dividends paid		(5,275)	(4,220)
Dividends paid-outside interests			-
Net cash (used in) financing activities		(11,573)	37,584
Net (decrease) / increase in cash held		6,750	5,874
Cash at beginning of the year		16,802	12,337
Effects of exchange rate changes on balance of cash held in foreign currencies		970	(1,409)
Cash and cash equivalents the end of the year (Note 8)		**24,522**	**16,802**

The accompanying notes form part of these financial statements.

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Consolidated Entity Disclosure Statement

For The Year Ended 30 June 2025

		Country of Incorporation	Tax Residency	Owership interest %
				2025
Waterco Limited	Body Corporate	Australia	Australia	-
Davey Water Products Pty Ltd	Body Corporate	Australia	Australia	100
Swimart Pty Ltd	Body Corporate	Australia	Australia	100
Zane Solar Systems Australia Pty Ltd	Body Corporate	Australia	Australia	100
Swimart Network Pty Ltd	Body Corporate	Australia	Australia	100
Ezera Systems Pty Ltd	Body Corporate	Australia	Australia	60
Waterco USA Inc	Body Corporate	USA	USA	100
Waterco Engineering Sdn Bhd	Body Corporate	Malaysia	Malaysia	100
Waterco (Far East) Sdn Bhd	Body Corporate	Malaysia	Malaysia	100
Watershoppe (M) Sdn Bhd	Body Corporate	Malaysia	Malaysia	100
Baker Hydro (Far East) Sdn Bhd	Body Corporate	Malaysia	Malaysia	100
Solar-Mate Sdn Bhd	Body Corporate	Malaysia	Malaysia	100
Waterco (NZ) Ltd	Body Corporate	New Zealand	New Zealand	100
Davey Water Products NZ Ltd	Body Corporate	New Zealand	New Zealand	100
Swimart (NZ) Ltd	Body Corporate	New Zealand	New Zealand	100
Waterco (Guangzhou) Ltd	Body Corporate	China	China	100
Waterco (Europe) Ltd	Body Corporate	United Kingdom	United Kingdom	100
Davey Water Products SAS	Body Corporate	France	France	100
PT Waterco Indonesia	Body Corporate	Indonesia	Indonesia	51
Waterco International Pte Ltd	Body Corporate	Singapore	Singapore	100
Medipool Pte Ltd	Body Corporate	Singapore	Singapore	60
Guangzhou Waterco Environmental Technology Co Ltd	Body Corporate	China	China	100
Waterco Vietnam Company Limited	Body Corporate	Vietnam	Vietnam	100
Waterco Middle East FZE	Body Corporate	United Arab Emirates	United Arab Emirates	100

Basis of Preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A) (a) of the Corporations Act 2001. The entities listed in the statement are Waterco Limited and all the entities it controls in accordance with AASB10 Consolidated Financial Statements. The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements and voting interest by Waterco Limited either directly or indirectly.

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Notes To The Financial Statements

For The Year Ended 30 June 2025

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Note 1: Statement of Material Accounting Policies

These consolidated financial statements and notes represent those of Waterco Limited and controlled entities, ("Group").

The financial statements are presented in Australian dollars, which is Waterco Limited's functional and presentation currency.

The directors have the power to amend and reissue the financial statements.

Waterco Limited (a for-profit entity) is a listed public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Waterco Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. Supplementary information about the parent entity is disclosed in note 2.

The financial statements were authorised for issue on 22 September 2025.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

New or amended Accounting Standards and Interpretations adopted

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

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

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Waterco Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 28. All subsidiaries have a 30 June financial year end except for Waterco Guangzhou Ltd, PT Waterco Indonesia and Waterco Vietnam Company Ltd which have a 31 December financial year end. The reason for this is local company regulation.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non- controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

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Note 1: Statement of Significant Accounting Policies (continued)

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

Where the business combination is achieved in stages, the consolidated entity 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.

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.

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.

b. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Note 1: Statement of Significant Accounting Policies (continued)

c. Lease liabilities

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

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

d. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a standard cost basis. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Net realisable value is determined as the estimated selling price less costs to sell.

e. Income Tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and

(b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Waterco Limited and its wholly-owned Australian Subsidiaries have formed a consolidated group for the purposes of the tax consolidation provisions of the Income Tax Assessment Act 1997. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the “stand-alone taxpayer” approach to allocation. All of the deferred tax assets and liabilities of the subsidiary members

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Note 1: Statement of Significant Accounting Policies (continued)

e. Income Tax (continued)

have become part of the deferred assets and liabilities of Waterco Ltd. Each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the consolidated group. The group notified the ATO on 20 January 2005 that it had formed an income tax consolidated group to apply from 1 July 2003.

f. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.
Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

g. Employee Benefits

Provision for employee benefits, which include long service leave, and annual leave are computed to cover expected benefits at balance date.

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. (see note 18)

Employee benefits (long service leave) payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Contributions are made by the consolidated group to an employee superannuation fund and are charged as expenses when incurred. The consolidated group has no legal obligation to cover any shortfall in the funds obligations to provide benefits to employees on retirement.

h. Acquisition of Assets

used for acquisition of all assets (including shares). Cost is defined as the fair value of the assets given up at the date of acquisition plus costs incidental to acquisition. Where goodwill arises, it is brought to account.

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.

i. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

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Note 1: Statement of Significant Accounting Policies (continued)

i. Property, Plant and Equipment (continued)

Property

Land and buildings are measured on a fair value basis being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

The value of the land and buildings owned by the consolidated group are based on the following independent valuations:

Land & Buildings	Date of Valuation	Amount
Rydalmere NSW	25 May 2023	AUD 33,100,000
Malaysia	14 June 2023	AUD19,986,000 (MYR62,000,000)
USA	2 February 2025	AUD3,053,000 (USD2,000,000)

Increases (net of deferred taxes) in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

On 25 May 2023, Waterco Ltd revalued its Rydalmere Property resulting in an increase of $A3,600,000 from the last valuation of the property done on 30 June 2021. The value of the Rydalmere Property increased from $A29.5m to $A33.1m.

On 14 June 2023, Waterco (Far East) Sdn revalued its SG Buloh Property resulting in an increase of RM2,000,000 from the last valuation of the property done on 15 May 2020. The value of the property increased from RM60,000,000 ($A20,426,227) to RM62,000,000 ($A19,985,817).

On 12 February 2025, Waterco USA Inc. revalued its Georgia Property resulting in an increase of USD 155,000 from the last valuation performed on 4 May 2022. The value of the property increased to USD2,000,000.

The above valuations were performed by independent valuers.

Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(m) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives commencing from the time the asset is ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax of the consolidated group in the year of disposal.

Depreciation where applicable has been charged in the accounts so as to write off each asset over the estimated useful life of the asset concerned. Either the diminishing value or straight line method, as considered appropriate, is used. The depreciation rates used for each class of depreciable assets are:

Note 1: Statement of Significant Accounting Policies (continued)

i. Property, Plant and Equipment (continued)

Class of Fixed Assets	Depreciation Rate
Buildings	1.5% - 2.5%
Plant and equipment	6.0% - 33.3%
Leased plant and equipment	13.0% - 20.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are recognised in the profit and loss in the period in which they arise.

j. Right-of-use assets

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

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

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

k. Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Interest revenue is recognised using the effective interest rate method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Franchise fee income is invoiced and recognised as revenue on a monthly basis.

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

All revenue is stated net of the amount of goods and services tax (GST).

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Note 1: Statement of Significant Accounting Policies (continued)

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cashflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

n. Trade and Other Receivables

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

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

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

o. Trade and Other Payables

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

Contract Liabilities

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

p. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

q. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

r. Borrowings and Transaction Costs

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

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

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Note 1: Statement of Significant Accounting Policies (continued)

s. Current and Non-Current Classifications

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

An asset is classified as current when:

i. it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle;

ii. it is held primarily for the purpose of trading;

iii. it is expected to be realised within 12 months after the end of the reporting period; or

iv. the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current. A liability is classified as current when:

i. it is either expected to be settled in the consolidated entity's normal operating cycle;

ii. it is held primarily for the purpose of trading;

iii. it is due to be settled within 12 months after the end of the reporting period; or

iv. there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

t. Rounding of Amounts

The amounts in the financial statements and directors' report have been rounded off to the nearest $1,000 in accordance with ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191.

u. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

(i) Inventory Obsolescence

Management review inventory reports on a regular basis to determine slow-moving or obsolescence.

Appropriate provisions are carried for impairment of slow-moving items. Obsolete items are disposed of as and when identified.

(ii) Impairment-General

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in- use calculations which incorporate various key assumptions.

(iii) Lease term

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

(iv) Incremental borrowing rate

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

v. New Accounting Standards and Interpretations not yet mandatory or early adopted

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

The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

w. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Note 2: Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards

STATEMENT OF FINANCIAL POSITION

	2025 $000	2024 $000
ASSETS		
Current Assets	33,619	33,911
Non-Current Assets	128,830	134,672
TOTAL ASSETS	162,449	168,583
LIABILITIES		
Current Liabilities	19,831	37,769
Non-Current Liabilities	50,682	53,550
TOTAL LIABILITIES	70,513	91,319
EQUITY		
Issued capital	33,562	33,562
Capital profits reserve	180	180
Asset revaluation reserve	20,615	20,615
Share options reserve	129	56
Retained earnings	37,450	22,851
TOTAL EQUITY	91,936	77,264

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total profit after tax	19,874	563
Total comprehensive income	19,874	592

Guarantees

At 30 June 2025, Waterco Ltd has provided guarantees for amounts borrowed from two Malaysian Banks for loans provided to a subsidiary, Waterco (Far East) Sdn Bhd (refer Note 15).

Contractual Commitments

At 30 June 2025, Waterco Ltd has not entered into any contractual commitments for the acquisition of any property, plant and equipment. (2024: $nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognized as other income by the parent entity.

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Deed of Cross Guarantee

During the year ended 30 June 2025, Waterco Limited and its Australian wholly owned subsidiaries entered into a deed of cross guarantee on 1 May 2025.

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

- Waterco Limited
- Davey Water Products Pty Ltd
- Swimart Pty Limited
- Swimart Network Pty Ltd
- Zane Solar Systems Australia Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

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 Waterco 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
Continuing Operations		
Revenues	204,169	186,119
Other income	14,031	-
Changes in inventories of finished goods and work in progress	3,032	(15,246)
Raw materials and consumables used	(106,698)	(86,014)
Employee benefits expense	(40,132)	(35,487)
Depreciation and amortisation expense	(10,242)	(9,578)
Finance costs	(4,110)	(3,619)
Advertising expense	(4,214)	(3,876)
Outward freight expense	(6,132)	(6,970)
Rent expense	(710)	(364)
Research and development	(1,117)	(671)
Insurance – general	(1,276)	(1,164)
Warranty expense	(2,021)	(771)
Commission expense	(774)	(14)
Foreign Exchange (losses) / gains	1,356	(158)
Other expenses	(11,863)	(11,685)
Profit before income tax expense	33,299	10,502
Income tax expense	(8,329)	(2,430)
Profit for the year	24,970	8,072

In the year the Group undertook an intercompany loan restructure to reduce the broder Group's exposure to risk associated with movement in foreign currency fluctuation. Accordingly, as part of the restructure, a $14m gain was recognised through the reversal of previous impairment on intercompany loans.

Deed of Cross Guarantee (continued)

	2025 $000	2024 $000
ASSETS		
Current Assets		
Cash and cash equivalents	11,621	8,534
Trade and other receivables	23,117	28,001
Inventories	58,833	61,823
Other current assets	3,515	2,093
Total Current Assets	97,086	100,451
Non-Current Assets		
Property, plant & equipment	39,082	39,912
Right of use assets	24,184	23,273
Intangible assets	749	798
Deferred tax assets	-	7,348
Trade and other receivables	4,368	36,108
Financial assets	32,457	8,608
Total Non-Current Assets	100,840	116,047
Total Assets	197,926	216,498
Current Liabilities		
Trade and other payables	17,937	39,645
Borrowings	3,900	6,400
Lease liabilities	7,037	6,528
Current tax liabilities	1,849	909
Provisions	6,875	9,216
Total Current Liabilities	37,598	62,698
Non-Current Liabilities		
Borrowings	39,500	40,400
Lease liabilities	18,639	17,272
Financial liabilities	1,378	6,023
Deferred tax liabilities	1,488	4,304
Provisions	479	533
Total Non-Current Liabilities	61,484	68,532
Total Liabilities	99,082	131,230
Net Assets	98,844	85,268
EQUITY		
Issued capital	33,562	33,562
Reserves	20,924	20,851
Retained earnings	44,358	30,855
Total Equity	98,844	85,268

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Deed of Cross Guarantee (continued)

	Consolidated Group	
	2025 $000	2024 $000
Note 3: Revenue and Other Income		
Revenue from Continuing Operations		
Sales revenue		
• Sale of goods	249,443	239,092
Other revenue		
• Interest received	77	135
• Dividends received	-	1
• Rental income	4,418	4,349
• Rent-Other	-	53
• Other	996	1,215
Total Revenue	254,934	244,845
Timing of revenue recognition		
- Goods transferred at a point in time	249,443	239,092
- Services transferred over time	5,491	5,753
	254,934	244,845

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Notes To The Financial Statements

For The Year Ended 30 June 2025

	Consolidated Group	
	2025 $000	2024 $000
Note 4: Profit for the Year		
Profit for the year has been determined after:		
(a) Expenses:		
Cost of Sales	129,394	124,286
Finance costs:		
• Borrowings	3,264	3,285
• Right of Use lease liabilities	1,344	629
• Finance charges on finance leases	23	16
	4,631	3,930
Depreciation of non-current assets :		
• Buildings	900	870
• Plant & equipment	2,612	2,365
• Capitalised leased assets	61	51
• Right of use assets	8,906	7,959
	12,479	11,245
Impairment of non-current assets:		
• Goodwill on acquisition	54	54
• Goodwill on consolidation	-	32
	54	86
Bad and doubtful debts		
• Trade debtors	18	19
Rental expense on Operating leases		
• Minimum lease payments	1,933	1,427
Net loss on disposal of non-current assets		
• Property, plant and equipment	-	14
Note 5: Auditors' Remuneration		
Remuneration of the auditor of the parent entity for:		
• Audit or reviewing the financial report	281	276
Remuneration of other auditors of subsidiaries for:		
• Auditing or reviewing the financial report of subsidiaries	260	217

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	Consolidated Group	
	2025 $000	2024 $000
Note 6: Income Tax Expense		
(a) The components of tax expense comprise:		
• Current tax	3,521	4,903
• Deferred tax	(2,304)	(183)
• Adjustment relating to prior periods	1,344	-
• Recoupment of prior year tax losses	-	(269)
	2,561	4,451
Income tax attributable to:		
- Profit from continuing operations	2,561	4,451
(b) The prima facie tax on profit before income tax is reconciled to income tax expense as follows:		
Profit before income tax	12,192	18,302
Prima facie tax payable on profit before income tax at 30% (2025: 30%)	3,658	5,491
Add		
Tax effect of:		
• Depreciation of buildings	66	170
• Impairment of goodwill	-	26
• Entertainment	58	74
• Non deductible expenses	186	12
• Prior period under / (over)	1,344	-
• Other	-	66
Less		
Tax effect of:		
• Research and development	188	155
• Effects of lower rates in overseas countries	311	419
• Unrealised foreign exchange gains	458	234
• Exempt income	27	57
• Adjustment recognised for prior period	-	194
• Foreign controlled entities tax losses not tax effected	293	329
• Other	1,474	-
Income tax expense attributable to entity	2,561	4,451
The applicable weighted average effective tax rates are as follows:	21%	24%

Note 7: Key Management Personnel Compensation

(a) Key Management Personnel (KMP) Compensation

The total remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2025 $000	2024 $000
Short-term employee benefits	2,400	1,990
Post-employment benefits	167	150
Other long-term benefits	-	69
	2,567	2,209

Refer to the remuneration report contained in the directors' report for remuneration paid or payable to each KMP.

(b) Compensation Practices

In constructing, reviewing and determining the remuneration policy for Executive Directors and the senior executive team, the Board and Remuneration Committee have considered a number of factors including:

- the importance of attracting, retaining and motivating management of the appropriate calibre to further the success of the business;
- linking pay to performance by rewarding effective individual achievement as well as business performance; and
- the mix within the package which is designed to align personal reward with enhanced shareholder value over both the short and long-term.

The Executive Directors' and the senior executive team's package consists of two general components:

- fixed remuneration component consisting of base salary which executives may "salary sacrifice" and other benefits; and
- variable or "at risk" component consisting of an annual short term incentive plan for executives

Remuneration of the company's Non-Executive Directors is determined by the Board, based on the nature of their work, responsibilities and market comparisons. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders.

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	Consolidated Group	
	2025 $000	2024 $000
Note 8: Cash and cash equivalents		
Cash at bank and in hand (1)	24,522	16,802
Reconciliation of cash		
Cash at the end of the year as shown in the statement of cash and cash equivalents	24,522	16,802
	24,522	16,802

(1) Includes $66,000 (2024: $437,000) in advertising levies held by Waterco Ltd in its capacity as the franchisor of the Swimart network and included in other creditors (see note 14). Amounts are held in a separate bank account at year end in accordance with the franchise agreement and are not available for general use by Waterco Ltd.

Note 9: Trade and other receivables		
Trade receivables	32,204	37,117
Less: allowance for expected credit loss impairment of receivables	(554)	(613)
	31,650	36,504
Other receivables	1,816	1,080
	33,466	37,584

Movements in the allowance of expected credit loss of receivables are as follows:

	Opening Balance 1.7.2023	Charge for the Year	Amounts Written Off	Closing Balance 30.6.2024
	$000	$000	$000	$000
Consolidated Group				
Current trade receivables	425	207	(19)	613

	Opening Balance 1.7.2024	Charge for the Year	Amounts Written Off	Closing Balance 30.6.2025
$000		$000	$000	$000
Consolidated Group				
Current trade receivables	613	(41)	(18)	554

Note 9: Trade and other receivables (continued)

There are $6,455,000 (2024: $9,982,000) within trade and other receivables that are not impaired and are past due date. It is expected these balances will be received in full. Impaired receivables are provided for in full.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	$000	$000	$000	$000	$000	$000	$000
Consolidated Group							
2024							
Trade and term receivables	37,117	(613)	3,704	2,183	4,246	(151)	26,522
Other receivables	1,080	-	-	-	-	-	1,080
Total	38,197	(613)	3,704	2,183	4,246	(151)	27,602
2025							
Trade and term receivables	32,204	(554)	2,689	1,691	1,306	769	25,195
Other receivables	1,816	-	-	-	-	-	1,816
Total	34,020	(554)	2,689	1,691	1,306	769	27,011

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

	Consolidated Group	
	2025 $000	2024 $000
Note 10: Inventories		
Raw materials and stores at cost	7,451	7,968
Work in progress at cost	3,393	4,460
Finished goods at cost	79,000	79,211
Goods in transit at cost	8,040	7,563
Provision for inventory write-down	(5,223)	(4,405)
	92,661	94,797
Note 11: Other current assets		
Prepayments	6,607	4,540
	6,607	4,540

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	Consolidated Group	
	2025 $000	2024 $000
Note 12: Property, plant & equipment		
Freehold land at independent valuation	25,164	23,577
Freehold buildings at independent valuation	33,922	32,447
Less: accumulated depreciation	(1,950)	(1,176)
	31,972	31,271
Plant & equipment at cost	72,974	66,785
Less: accumulated depreciation	(58,834)	(52,740)
	14,140	14,045
Leased plant & equipment at cost	405	405
Less: accumulated depreciation	(98)	(37)
	307	368
Total written down value	71,583	69,261

Movements in Carrying Amounts

2025	Freehold Land	Buildings	Plant & Equipment	Leased Plant	Total
	$000	$000	$000	$000	$000
Consolidated Group:					
Balance at the beginning of year	23,577	31,271	14,045	368	69,261
Effects of exchange rate changes	1,556	1,022	9	-	2,586
Additions	-	127	2,914	-	3,041
Revaluation	31	452	-	-	483
Reclassification	-	-	-	-	-
Disposals	-	-	(216)	-	(216)
Depreciation expense*	-	(900)	(2,612)	(61)	(3,573)
Carrying amount at the end of year	25,164	31,972	14,140	307	71,583

*Depreciation expense that is absorbed into the cost of manufactured inventory is $2,185,000.

Note 12: Property, Plant & Equipment (continued)
Movements in Carrying Amounts

2024	Freehold Land	Buildings	Plant & Equipment	Leased Plant	Total
	$000	$000	$000	$000	$000
Consolidated Group:					
Balance at the beginning of year	23,671	32,148	10,021	33	65,873
Effects of exchange rate changes	(94)	(61)	(52)	-	(207)
Additions	-	107	3,096	405	3,608
Additions through business combinations	-	-	4,754	-	4,754
Revaluation	-	-	-	-	-
Reclassification	-	-	-	-	-
Disposals	-	-	(235)	(19)	(254)
Depreciation expense*	-	(923)	(3,539)	(51)	(4,513)
Carrying amount at the end of year	23,577	31,271	14,045	368	69,261

*Depreciation expense that is absorbed into the cost of manufactured inventory is $1,214,000.

	Consolidated Group	
	2025 $000	2024 $000
If Land & Buildings were stated at historic cost, amounts would be as follows:		
Cost	25,436	25,309
Less: Accumulated depreciation	(6,239)	(5,820)
Net book value	19,197	19,489

The Group's land and buildings were revalued as per the disclosures in note 1(i). The directors consider the carrying value of the land and buildings to be a fair reflection of their market value.

Capital commitments		
Committed at the reporting date but not recogised as liabilities, patable:		
Property, plant & equipment	5,434	-

Waterco (Far East) Sdn Bhd (Waterco Far East), a subsidiary in Malaysia has entered into an agreement with UMW Development Sdn Bhd to purchase a vacant land measuring approximately 7.76 acres within the UMW High Value Manufacturing Park in Serendah, Selangor. Funding has been obtained to purchase the vacant land as at the date of this Report.

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	Consolidated Group	
	2025 $000	2024 $000
Note 13: Right of use Assets		
Leased buildings	58,155	50,809
Accumulated depreciation	(26,680)	(20,483)
	31,475	30,326
Movement in carrying amount Leased buildings		
Opening net carrying amount	30,326	17,001
Addition to Right of use Asset	10,055	21,284
Depreciation expense	(8,906)	(7,959)
Closing net carrying amount	31,475	30,326

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between three to seven years.

Note 14: Trade and other payables - unsecured		
Trade creditors	18,359	22,423
Sundry creditors and accrued expenses (1)	7,606	7,292
	25,965	29,715

(1) Included in sundry creditors are advertising levies collected of $66,000 (2024: $437,000) and held by Waterco Ltd in its capacity as the franchisor of the Swimart network. These amounts are held in a separate bank account at year end (see Note 8).

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	Consolidated Group	
	2025 $000	2024 $000
Note 15 Borrowings		
Current		
Bank loans - secured (1)	4,419	6,480
Bank trade bills (1)	2,781	2,494
	7,200	8,974
Non-current		
Bank loans – secured (1)	42,025	40,806
	42,025	40,806
Total	49,225	49,780

(1)Bank facilities of the group are secured by a first ranking general security interest over all the assets and undertakings of the parent entity (including a first registered mortgage over the Rydalmere Property), and corporate guarantees from the parent entity to the banks of an overseas subsidiary. That part of the facilities which are payable or subject to an annual review within 12 months, are classified as current.

On 31 August 2023, the parent entity obtained bank facilities of $75m from Westpac Banking Corporation to acquire the business of Davey Water Products Pty Ltd from GUD Holdings Ltd (now known as Amotiv Ltd). During the period to 30 June 2025, the parent entity repaid $3.5m (2024: $18.2m) of these bank facilities.

The remaining amount owing on the Westpac Banking Corporation facilities of $43.4m relating to the parent entity mature on 31 August 2026. As at 30 June 2025, the parent entity has drawn $43.4m of these facilities (2023: $47.2) with an average interest rate payable of 5.98%. That part of the bank facility which is repayable within one year ($3.9m) is shown as bank loans-secured in current borrowings in Note 15).

Bank Facilities of RM59.2m relate to a subsidiary and are due to mature on April 2035. As at 30 June 2025 an amount of RM9.1m has been drawn and shown in Note 15 Current Borrowings (Bank-loans secured and Bank trade bills) and an amount of RM7.0m has been drawn and included in Note 15 Non-Current Borrowings. These loans bear an interest of 3.92%-7.22%.

Loan covenants

The bank loans are subject to certain financial covenants and these are assessed at the end of each half year. The consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the convenants within 12 months after the reporting period.

Note 16: Lease liabilities		
Current		
Right of use lease liability	8,407	8,269
Lease liability	67	59
	8,474	8,328
Non-current		
Right of use lease liability	24,534	22,743
Unexpired interest	(124)	(471)
Lease liability	243	307
	24,653	22,579
Total	33,127	30,907

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Notes To The Financial Statements

For The Year Ended 30 June 2025

	Consolidated Group	
	2025 $000	2024 $000
Note 17: Taxes		
a) Liabilities		
Current		
Income Tax	1,549	1,824
Non-current		
Deferred tax liability comprises:		
Tax allowances relating to property, plant & equipment	1,882	1,906
Revaluation adjustments taken direct to equity	8,823	9,616
Other	247	(443)
	10,952	11,079
Australian Tax Consolidated Group DTA netted off against DTL	(7,641)	(4,773)
Consolidated deferred tax liability	3,311	6,306
b) Assets		
Current		
Income Tax	-	-
Non-current		
Deferred tax assets comprises:		
Provisions	4,400	4,886
Attributable to tax losses	5,557	4,080
Tax allowances relating to property, plant & equipment	-	(255)
Other	440	659
	10,397	9,370
Parent entity DTA netted off against DTL	(7,641)	(4,773)
Consolidated deferred tax asset	2,756	4,597
c) Reconciliations		
(i) Deferred tax liability		
Opening balance	11,079	11,027
Credit/(Charge) to statement of comprehensive income	(127)	52
Credit/(Charge) to equity	-	-
Closing Balance	10,952	11,079
(ii) Deferred tax asset		
Opening balance	9,370	6,448
Credit/(Charge) to statement of comprehensive income	1,027	606
Credit/(Charge) to equity	-	-
Additions from a business combination	-	2,316
Closing Balance	10,397	9,370

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Notes To The Financial Statements

For The Year Ended 30 June 2025

	Consolidated Group	
	2025	2024
	$000	$000
Note 18: Provisions		
Current		
Employee Benefits (see note 1g)		
Opening Balance	8,995	3,394
Additional provisions	(194)	9,376
Amounts used	(1,157)	(3,775)
Closing Balance	7,644	8,995
Warranty	300	1,270
	7,944	10,265
Non-Current		
Employee Benefits (see note 1q)		
Opening Balance	533	238
Additional provisions	-	295
Amounts used	(54)	-
Closing Balance	479	533
Total	8,423	10,798

Non-Current amounts are not expected to be settled within the next 12 months

a) Aggregate employee entitlement liability	8,123	9,528
b) Number of employees at year end	931	989

Note 19: Issued capital		
Ordinary shares are classified as equity.		
35,184,767 ordinary shares fully paid at beginning of the year (2024: 35,184,767)	33,562	33,643
On 31 October 2023, 11,759 shares were purchased at $4.00 and cancelled under Waterco Ltd Share-buyback Scheme	-	(47)
On 31 May 2024, 7,066 shares were purchased at $4.80 and cancelled under Waterco Ltd Share-buyback Scheme	-	(34)
35,165,942 ordinary shares fully paid at the end of the year (2024: 35,184,767)	33,562	33,562

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Note 19: Issued capital (continued)

Ordinary shares

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.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. 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

On 17 July 2023, the company announced an eighth share buyback of $1,000,000 worth of shares (approximately 226,244 shares) commencing on 18 July 2023 and ending on 2 July 2024 (or earlier if the $1,000,000 is purchased before then).

On 17 July 2024, the company announced a ninth share buyback of $1,000,000 worth of shares (approximately 196,078 shares) commencing on 18 July 2024 and ending on 30 June 2025 (or earlier if the $1,000,000 is purchased before then).

During the current year, the company purchased and cancelled nil shares (2024: 18,825) costing $nil (2024: $80,735).

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's gearing ratio remains between 30% and 70%. The gearing ratios for the year ended 30 June 2025 and 30 June 2024 are as follows:

	Consolidated Group	
	2025 $000	2024 $000
Total borrowings	49,411	49,675
Less cash and cash equivalents	(24,522)	(16,802)
Net debt	24,889	32,873
Total equity	142,643	129,846
Total capital	167,532	162,719
Gearing ratio	35%	38%
Net debt gearing ratio	17%	25%

Notes To The Financial Statements

For The Year Ended 30 June 2025

	Note No.	Consolidated Group 2025 $000	2024 $000
Note 20: Reserves			
a) Capital profits		211	211
The capital profits reserve relates to non-taxable profits on sale of property.			
b) Foreign currency translation		(134)	(6,921)
The foreign currency translation reserve records exchange differences on translation of foreign controlled subsidiaries and the exchange gains and losses on hedges of the net investment in foreign operations.			
c) Asset revaluation reserve			
Balance at the beginning of the year		30,625	30,689
Property revaluation increment (net of tax and reinstatement)		483	-
Effect of foreign exchange changes on translation		1,099	(64)
Balance at the end of the year		32,207	30,625
The asset revaluation reserve records the revaluation of land and buildings to fair value			
d) Share Options Reserve			
Balance at the beginning of the year		56	26
Share option increment		73	30
Balance at the end of the year		129	56
The share options reserve records the cost of the share option plan		32,413	23,971
Note 21: Retained earnings			
Opening retained earnings		71,999	62,314
Net profit attributable to the members of the parent entity		9,571	13,905
Dividends paid	26	(5,275)	(4,220)
Closing retained earnings		76,295	71,999

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	Consolidated Group	
	2025	2024
	$000	$000
Note 22: Non-controlling interest		
Issued capital	176	176
Retained profits	198	138
	374	314
Non-controlling interest equity holding in subsidiaries:		
Ezera Systems Pty Ltd	40%	40%
PT Waterco Indonesia	49%	49%
Medipool Pte Ltd	40%	40%

Note 23: Contingent Liabilities

Estimate of the maximum amount of contingent liabilities that may become payable		
Corporate guarantees provided by the parent company to overseas banks to secure loans for a subsidiary	3,044	2,229
	3,044	2,229

Note 24: Related Parties

Transactions with director related parties

(i) Sales made to Asiapools (M) Sdn Bhd. Mr S S Goh, a shareholder has significant influence over Asiapools (M) Sdn Bhd.	169	163
(ii) Payments made to Mint Holdings Pty Ltd for rental of warehouses, offices and a retail shop Mr S S Goh is a director and shareholder of Mint Holdings Pty Ltd	812	770
(iii) Payments received from Mint Holdings Pty Ltd for rental of office space	4	4

Terms and conditions

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

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Note 25: Operating Segments

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group is managed primarily on the basis of location since the group's operations have similar risk profiles and performance criteria. Operating segments are therefore determined on the same basis.

The group operates predominantly in one industry being the manufacture and wholesale of water treatment irrigation products, swimming pool chemicals, accessories and equipment, manufacture and sale of solar pool heating systems and as a franchisor of swimming pool outlets retailing swimming pool accessories and equipment.

Basis of accounting for the purposes of reporting by operating segments

Accounting Policies Adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions
An internally determined transfer price is set for all inter-entity sales. The price is reviewed annually (unless special circumstances arise) and is based on what would be realised in the event the sale was made to an external party at arm's length under the same terms and conditions. All such transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the services provided to those reporting segments. Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where is a direct nexus between the incurrence of the liability and the operations of the segment.

Unallocated items
The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

– other revenues

Note 25: Operating Segments (continued)

Geographical Segments

	2025			
	AUSTRALIA & NEW ZEALAND	ASIA	NORTH AMERICA & EUROPE	CONSOLIDATED GROUP
	$000	$000	$000	$000
REVENUE				
Sales to customers outside the consolidated group	197,649	15,688	36,106	249,443
Intersegment sales	10,116	37,318	547	47,981
Total segment revenue	207,765	53,006	36,653	297,424
Reconciliation of segment revenue to group revenue				
Other revenue				5,491
Intersegment elimination				(47,981)
Total group revenue				254,934
Segment Net Profit Before Tax	14,049	(1,045)	4,679	17,683
Reconciliation of segment result to group net profit before tax				17,683
Unallocated items - other				(5,491)
Net profit before tax				12,192
SEGMENT ASSETS	273,320	64,015	33,883	371,218
Segment asset increases for the period				
Reconciliation of segment assets to group assets				
Intersegment eliminations				(106,975)
Total group assets				264,243
CAPITAL EXPENDITURE	2,018	951	72	3,041
SEGMENT LIABILITIES	107,630	21,233	8,249	137,112
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(15,512)
Total group liabilities				121,600

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Note 25: Operating Segments (continued)
Geographical Segments

	2024			
	AUSTRALIA & NEW ZEALAND $000	ASIA $000	NORTH AMERICA & EUROPE $000	CONSOLIDATED GROUP $000
REVENUE				
Sales to customers outside the consolidated group	189,354	13,701	36,037	239,092
Intersegment sales	10,178	34,608	455	45,241
Total segment revenue	199,532	48,309	36,492	284,333
Reconciliation of segment revenue to group revenue				
Other revenue				5,753
Intersegment elimination				(45,241)
Total group revenue				244,845
Segment Net Profit Before Tax	16,835	3,880	3,340	24,055
Reconciliation of segment result to group net profit before tax				24,055
Unallocated items - other				(5,753)
Net profit before tax				18,302
SEGMENT ASSETS	273,395	78,180	18,346	369,921
Segment asset increases for the period				
Reconciliation of segment assets to group assets				
Intersegment eliminations				(112,151)
Total group assets				257,770
CAPITAL EXPENDITURE	6,758	1,199	406	8,363
SEGMENT LIABILITIES	137,801	38,577	10,880	187,259
Reconciliation of segment liabilities to group liabilities				
Intersegment eliminations				(59,334)
Total group liabilities				127,924

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Notes To The Financial Statements

For The Year Ended 30 June 2025

	Consolidated Group	
	2025 $000	2024 $000
Note 26: Dividends Paid or Proposed		
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.		
Final fully franked ordinary dividend of 8c per share (2024:5c) franked at the tax rate of 30% paid	2,813	1,759
Interim fully franked ordinary dividend of 7c per share (2024:7c) franked at the tax rate of 30% paid	2,462	2,462
	5,275	4,221
Proposed final fully franked ordinary dividend of 8c per share (2024: 8c) franked at the tax rate of 30%	2,813	2,813
Balance of franking account at year end adjusted for franking credits arising from payment of income tax payable, payment of proposed dividends and franking credits not available for distribution	7,072	4,384
Note 27: Earnings Per Share		
Basic earnings per share Basic earnings per share is calculated by dividing the profit (after tax) attributable to members of Waterco Ltd by the weighted average number of ordinary shares outstanding during the financial year adjusted for any share issues and share buybacks that have taken place during the year.		
Diluted earnings per share Diluted earnings per share adjusts the figures used in the calculation of the basic earnings per share after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.		
Net Profit	9,631	13,851
Net Profit/(loss) attributable to outside equity interest	60	(54)
Earnings used in the calculation of basic EPS	9,571	13,905
a) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	35,166	35,175
b) Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	35,166	35,175

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Notes To The Financial Statements

For The Year Ended 30 June 2025

Note 28: Interests in Subsidiaries

	Country of incorporation	Carries on business in	% owned 2025	% owned 2024
Parent Entity				
Waterco Limited	Australia	Australia	-	-
Controlled Entities of Waterco Limited:				
Davey Water Products Pty Ltd	Australia	Australia	100	100
Swimart Pty Ltd	Australia	Australia	100	100
Zane Solar Systems Australia Pty Ltd	Australia	Australia	100	100
Swimart Network Pty Ltd	Australia	Australia	100	100
Ezera Systems Pty Ltd	Australia	Australia	60	60
Waterco USA Inc	USA	USA	100	100
Waterco Engineering Sdn Bhd	Malaysia	Malaysia	100	100
Waterco (Far East) Sdn Bhd	Malaysia	Malaysia	100	100
Watershoppe (M) Sdn Bhd	Malaysia	Malaysia	100	100
Baker Hydro (Far East) Sdn Bhd	Malaysia	Malaysia	100	100
Solar-Mate Sdn Bhd	Malaysia	Malaysia	100	100
Waterco (NZ) Ltd	New Zealand	New Zealand	100	100
Davey Water Products NZ Ltd	New Zealand	New Zealand	100	100
Swimart (NZ) Ltd	New Zealand	New Zealand	100	100
Waterco (Guangzhou) Ltd	China	China	100	100
Waterco (Europe) Ltd	United Kingdom	United Kingdom	100	100
Davey Water Products SAS	France	France	100	100
PT Waterco Indonesia	Indonesia	Indonesia	51	51
Waterco International Pte Ltd	Singapore	Singapore	100	100
Medipool Pte Ltd	Singapore	Singapore	60	60
Guangzhou Waterco Environmental Technology Co Ltd	China	China	100	100
Waterco Vietnam Company Limited	Vietnam	Vietnam	100	100
Waterco Middle East FZE *	UAE	UAE	100	-

* Incorporated on 10 February 2025

During the financial year ended 30 June 2025, the Group restructured various intercompany loan arrangements.

Note 29: Events Subsequent to Reporting Date

On 15 July 2025, Mr Gerard Doumit resigned as Company Secretary and Chief Financial Officer of Waterco Ltd and Mr Nigel Hobler was appointed as Chief Financial Officer.

On 15 July 2025, the Company announced its tenth share buyback of $1,000,000 worth of shares (approximately 144,927 shares) commencing on 16 July 2025 and ending on 30 June 2026 (or earlier if the $1,000,000 is purchased before then).

On 15 July 2025, the Company cancelled 100,000 vested options which were not exercised by Mr Gerard Doumit.

On 29 August 2025, Waterco declared a final dividend payment of 8 cents per share, payable to shareholders on 14 November 2025.

No other transactions, other events or conditions have arisen since 30 June 2025 that need to be disclosed in this report.

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Note 30: Financial Risk Management

The Audit Committee (AC) has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The AC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, financing risk and interest rate risk. The AC meets on a bi-monthly basis and minutes of the AC are reviewed by the Board.

The AC's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.
The main risks the group is exposed to through its financial instruments are interest rate risk, credit risk, foreign currency risk, liquidity risk and price risk

(a) Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk is managed through maintenance of procedures in relation to approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers. Such monitoring is used in assessing receivables for impairment. Depending on the subsidiary, credit terms are generally 30 days from invoice month.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the net fair value of these contracts as disclosed in (c).

The Group has no single concentration of credit risk with any single debtor or group of debtors. However, on a geographical basis, the group has significant credit exposure to Australia, New Zealand and USA given the substantial operations in those regions.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9.

The consolidated entity 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 consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. Management closely monitors receivable balances on a monthly basis and is in regular contact with its customers to mitigate risk.

The parent entity is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods in currencies other than the group's measurement currency.

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Note 30: Financial Risk Management (continued)

(c) Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Financial liability and financial asset maturity analysis.

Consolidated Group Total	Within 1 Year		1 to 5 Years		Over 5 years		Total	
	2025 $000	2024 $000	2025 $000	2024 $000	2025 $000	2024 $000	2025 $000	2024 $000
Financial Assets								
Cash	24,522	16,802	-	-	-	-	24,522	16,802
Receivables	33,466	37,584	-	-	-	-	33,466	37,584
Total anticipated inflows	57,988	54,386	-	-	-	-	57,988	54,386
Financial Liabilities								
Bank overdrafts								
Bank loans	7,200	8,974	42,025	40,806	-	-	49,224	49,780
Trade and other payable	25,965	28,309	-	-	-	-	25,965	28,309
Right of use lease liability	8,407	7,798	24,534	22,743	-	-	32,942	30,541
Lease liability	67	59	119	307	-	-	186	366
Total contractual outflows	41,639	45,140	66,678	63,856	-	-	108,317	108,996
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	41,639	45,140	66,678	63,856	-	-	108,317	108,996
Net (outflow)/ inflow on financial instruments	16,349	9,246	(66,678)	(63,856)	-	-	(50,329)	(54,610)

d) Price Risk

Price risk relates to the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

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Note 30: Financial Risk Management (continued)

Net Fair Values

The net fair value of bank overdrafts, bank loans and lease liabilities is determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value. Their net fair value is adjusted for any costs involved in settling the instrument.

	2025		2024	
	Carrying Amount $000	Net Fair Value $000	Carrying Amount $000	Net Fair Value $000
Financial Assets				
Cash at bank and in hand	24,522	24,522	16,802	16,802
Receivables	33,466	33,466	37,584	37,584
	57,988	57,988	54,386	54,386
Financial Liabilities				
Bank overdraft	-	-	-	-
Bank loans	49,225	49,224	49,780	50,278
Lease liabilities	186	310	366	384
Right of use lease liability	32,942	32,942	30,541	30,541
	82,353	82,476	80,687	81,203

For financial assets and other liabilities, the net fair value approximates their carrying value. Financial assets where the carrying amount exceeds the net fair values have not been written down as the consolidated group intends to hold these assets to maturity.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The sensitivity assumes the movement in a particular variable is independent to other variables.

	Consolidated Group	
	Profit $000	Equity $000
Year ended 30 June 2025		
+/- 2% in interest rates	+/-992	+/-992
+/- 5% in $A/$US	+/-2,197	+/-2,197
Year ended 30 June 2024		
+/- 2% in interest rates	+/-1,086	+/-1,086
+/- 5% in $A/$US	+/-1,257	+/-1,257

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	Consolidated Group	
	2025 $000	2024 $000
Note 31: Cash Flow Information		
Reconciliation of cash flows from operations with profit after income tax.		
Profit after income tax	9,631	13,851
Non-cash flows in profit		
Depreciation, amortisation and impairment	12,532	12,545
Rental income	(4,418)	(4,349)
(Profit)/loss on sale of non current assets	-	(235)
Foreign Exchange (Losses)/Gains	2,487	(991)
Right of Use lease liability interest	1,344	629
Changes in Assets and Liabilities:		
Trade debtors	4,913	(2,363)
Provision for doubtful debts	(59)	93
Other debtors	(736)	303
Inventories	2,136	4,144
Prepayments	(2,067)	396
Deferred tax assets	(1,154)	(555)
Trade creditors	(1,198)	1,144
Contract liabilities	-	(2,189)
Other creditors	313	(403)
Provision for employee benefits	(2,374)	1,224
Provision for tax	(275)	1,226
Share options reserve	73	29
Cashflow – Non Operating Activities:		
Dividends Received	-	(1)
Cash Flows provided by operations	21,148	24,498

b) Non Cash Financial and investment activities

1) Property, Plant and Equipment

During the year, the consolidated group acquired plant and equipment with an aggregate fair value of $nil (2024:$405,496) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

c) Financing Facilities

The following lines of credit were available at balance date:

Fully Drawn Advance Facilities	87,078	73,268
Master Interest bearing finance lease facilities	87,078	- 73,268
Amount utilised	(49,225)	(33,324)
Amount not utilised	37,853	39,944

The Fully Drawn Advance Facilities of the parent entity are due to expire on 31 August 2026. The parent entity expects to renew these facilities prior to expiry date. (refer to note 15)

The Fully Drawn Advance Facilities of the controlled entity are due to expire on April 2035. The controlled entity expects to renew these facilities prior to expiry date. (refer to note 15)

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Note 32: Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- derivative financial instruments;

- freehold land and buildings;

The Group subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement. They can be categorised as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The evaluation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. A change in those inputs might result in a significantly higher or lower fair value measurement. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 32: Fair Value Measurements (continued)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2025			
	Note No	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Recurring fair value measurements					
Non-financial assets					
Freehold land	12	-	-	25,164	25,164
Freehold buildings	12	-	-	31,972	31,972
Total non-financial assets recognised at fair value on a recurring basis		-	-	57,136	57,136
Total non-financial assets recognised at fair value		-	-	57,136	57,136

		30 June 2024			
	Note No	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Recurring fair value measurements					
Non-financial assets					
Freehold land	12	-	-	23,577	23,577
Freehold buildings	12	-	-	31,271	31,271
Total non-financial assets recognised at fair value on a recurring basis		-	-	54,848	54,848
Total non-financial assets recognised at fair value		-	-	54,848	54,848

b. Valuation Techniques and Inputs Used to Measure Level 3 Fair Values

Description	Fair Value at 30 June 2025	Valuation Technique(s)	Inputs Used
	$000		
Non-financial assets			
Freehold land[(i)]	25,164	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
Freehold buildings[(i)]	31,972	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; market borrowing rate
	57,136		

(i) The fair value of freehold land and buildings is determined at least every three years based on valuations from independent valuers. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and/or discounted cash flow methodologies.

(ii) There were no changes during the period in the valuation techniques used by the Group to determine Level 3 fair values.

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Note 32: Fair Value Measurements (continued)

c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- lease liability;
- bank debt;

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Liabilities				
Lease liability	32	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments
Bank debt	32	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

Note 33: Company Details

The registered office and principal place of business of the company is:
Waterco Limited
36 South Street
Rydalmere NSW 2116

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Directors' Declaration

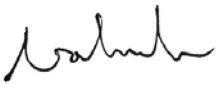
In accordance with a resolution of the directors of Waterco Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 31 to 73 are in accordance with the Corporations Act 2001 and:
   a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   b. give a true and fair view of the Group financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated group.
2. the information disclosed in the attached consolidated entity disclosure statement is true and correct.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
4. at the date of this declaration, there are reasonable ground 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 if the deed of cross guarantee described in note 2 to the financial statements.

The directors have been given the declarations required by s295A 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



Soon Sinn Goh

Chief Executive Officer

Dated at Sydney this 12 September 2025

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Independent Auditor's Report

to the members of Waterco Ltd

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INDEPENDENT AUDITOR'S REPORT
To the Members of Waterco Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Waterco Limited (the Company), and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

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Independent Auditor's Report

to the members of Waterco Ltd

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Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 1 (k) in the financial statements	
We focused on this area due to the significant value of revenue for the Group, $254.9 million (2024: $244.8 million), the risk of revenues being recognised in the incorrect periods through cut-off errors and the risk of management override of the revenue recognition process leading to inappropriate timing or amount of revenue recognised.	We have: • Assessed whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards • Obtained an understanding over the operating effectiveness of controls over the timing and validity of revenue recognition, • Performed detailed testing on a sample of sales transactions from origination through to the general ledger and in the reverse direction to ensure that revenue recognised was complete and was recorded in the appropriate period to address the risk of cut off errors. • Performed cut-off testing on deliveries before and after year end to ensure that revenue is recognised in the correct period.
Provision for Inventory Write Down Refer to Note 1 (d) in the financial statements	
As at 30 June 2025, the Group held gross inventories of $92.6 million against which there was a provision for impairment of $5.2 million. The Group's inventory balance consists primarily of finished goods held either for resale or to meet warranty obligations. The provision for inventory write down was considered a key audit matter due to the materiality of the balance and the significant judgement involved in the quantification of the provision, including the risks of product obsolescence or changing future market conditions.	We have: • Reviewed, recalculated and assessed the level of inventory provisioning for reasonableness, including consideration of the inventory ageing, and both historical and post year end performance and inventory turnover. • Tested the net realisable value of inventory held through review of post year end sales transactions. • Assessed aged and obsolete inventory when attending inventory counts.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Independent Auditor's Report

to the members of Waterco Ltd

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Independent Auditor's Report

to the members of Waterco Ltd

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REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 27 of the directors' report for the year ended 30 June 2025.

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

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

PKanellis

Peter Kanellis
Partner

Sydney, NSW
Dated: 15 September 2025

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Shareholder Information

For The Year Ended 30 June 2025

(a) Distribution of Shareholders as at 8 September 2025

Ranges	Number of shareholders	Percentage of shareholders	Number of securities	Percentage of issued capital
1 – 1,000	304	51.09%	153,391	0.44%
1,001 – 5,000	150	25.21%	377,155	1.07%
5,001 – 10,000	52	8.74%	408,646	1.16%
10,001 – 100,000	64	10.76%	1,841,751	5.24%
100,0001 and over	25	4.20%	32,382,995	92.09%
Total	595	100.00%	35,163,938	100.00%

(b) Marketable Parcel

35 shareholders hold less than a marketable parcel.

(c) Substantial Shareholders

The following information is extracted from the company's register as at 8 September 2025

Name	Number of shares
Mr Soon Sinn Goh	21,421,852
Redbrook Nominees Pty Ltd	3,116,681
Acres Holdings Pty Ltd	2,623,856

(d) Voting Rights

For all shares, voting rights are one vote per member on a show of hands and one vote per share on a poll.

(e) Twenty Largest Shareholders

The twenty largest shareholders hold 92.76% of the total shares issued.

	Name	Number of shares	%
1	Mr Soon Sinn Goh	21,421,582	60.92
2	Redbrook Nominees Pty Ltd	3,047,942	8.67
3	Acres Holdings Pty Ltd	2,606,745	7.41
4	Mr Soon Leong Goh	754,299	2.15
5	Mr Swee Kheong Goon	562,717	1.60
6	Mrs Christine Goh	500,000	1.42
7	Mrs Janet Swee Nyet Goh	475,359	1.35
8	Mr Shane Goh	470,346	1.34
9	Mr Chu Shien Chang	340,281	0.97
10	GWK Corporation Pty Ltd	334,387	0.95
11	Deuteronomy Pty Ltd (Dennis Hambleton SF A/C)	300,000	0.85
12	Brazil Enterprises Pty Ltd	295,173	0.84
13	Leitch Pty Ltd (Leitch Super Fund A/C)	247,269	0.70
14	Mr Tiow Lip Lee	245,386	0.70
15	Ms May-Yin Goh	225,267	0.64
16	Mr Bryan Weng Keong Goh	205,734	0.59
17	BNP Paribas Nominees Pty Ltd (UOB KH PL)	193,131	0.55
18	Protango Pty Ltd (BFHunt SF A/C)	172,223	0.49
19	HSBC Custody Nominees (Australia) Limited	121,446	0.35
20	DWS Nominees Pty Ltd	95,130	0.27
	TOTAL	**32,617,417**	**92.76**

(f) Stock Exchange Listing

The shares of Waterco Limited are listed on the Australian Stock Exchange under the trade symbol WAT.

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Corporate Directory

Directors
Soon Sinn Goh
Bryan Goh
Ben Hunt
Judy Raper
Wayne Beauman

Secretaries
Sin Wei Yong

Registered office and principal place of business
36 South Street, Rydalmere NSW 2116
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Website: www.waterco.com.au
E-mail: companysecretary@waterco.com

Share Registry
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Auditors
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WATERCO
water, the liquid of life

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