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2025

CAPRAL ALUMINIUM

ANNUAL REPORT 2025

CAPRAL LIMITED
ABN 78 004 213 692

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Key Statistics

	2025	2024	VARIANCE
For the year ended 31 December			
Sales Volume - Tonnes	65,000	67,790	(2,790)
	$m	$m	$m
Revenue	686.0	649.7	36.3
EBITDA[1]	61.9	58.3	3.6
Underlying EBIT[1]	35.8	34.3	1.5
Profit after Tax	35.6	32.5	3.1
Operating Cash Flow	43.8	52.7	(8.9)
Net Cash	60.5	68.9	(8.4)

[1] Please refer to notes on page 7

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Chair's Report

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Annual Review

Capral has again delivered a strong result in 2025 particularly given the slower than expected recovery in residential construction and the challenges that persisted in the external operating environment. Capral's business model of diversification across the residential building, commercial building and industrial markets provides resilience to its business performance across cycles. This year's financial performance reflects the disciplined approach taken by management throughout the year.

For the year ended 31 December 2025 (FY25) Capral delivered Underlying EBITDA[1] of $59.6 million compared to $58.2 million in the prior year (FY24). Underlying EBIT[1] rose 4% to $35.8 million as compared to $34.3 million in FY24. Net Profit After Tax (NPAT) of $35.6 million compares to $32.5 million in FY24. NPAT was assisted by the resolution of a long outstanding claim with the company's insurers and a tax benefit of $2.5 million (FY24: $3.6 million) from the recognition of additional deferred tax assets.

Revenue of $686 million in FY25 compares to $650 million in FY24. Revenue rose due to a higher LME and improved sales mix despite sale volumes of 65,000 tonnes being a 4% decrease on FY24. Average selling prices increased as a result of higher global aluminium prices (LME).

In FY25 Capral delivered basic earnings per share of $2.15 (including $0.29 of significant items and tax benefit), compared to prior year of $1.88 (including $0.21 of tax benefit).

During the year Capral completed two bolt on acquisitions including one in the window and door hardware market.

In relation to fair trade there was a positive outcome with the continuation of the China anti-dumping measures on aluminium extrusions coming into effect in October 2025 for a further five years.

Capital Management

Capral continues to have a strong balance sheet. The Board's capital allocation priorities are balanced between investment in ongoing operations and organic growth, growth through acquisitions and delivering shareholders sustainable and consistent distributions through the cycle. The Board has reviewed Capral's Capital Allocation Policy and has revised the target distribution range from 40%–80% to 40%–60% of annual statutory Net Profit After Tax, adjusted to exclude deferred tax asset benefits. This provides a more sustainable framework across the cycle while preserving flexibility to support growth and manage volatility.

The on-market share buy-back that the company commenced in 2023 continued in 2025 which resulted in an equivalent distribution of 55 cents per share in FY25.

In addition, Capral has declared an unfranked final dividend of 30 cents per ordinary share to be paid on 26 March 2026 in respect of FY25. The dividend will be paid to all shareholders on the register of members as at the record date of 5 March 2026. The Dividend Reinvestment Plan will not be active for this dividend.

The total return to shareholders for FY25 is 85 cents per share or 43% of NPAT[2] being 55 cents by way of share buy-backs and 30 cents of unfranked dividends. This compares to last year's return of 76 cents comprising 36 cents of share buy-backs and 40 cents in unfranked dividends or 45% of NPAT.

Capral will commence another on-market share buy-back of up to 10% of its issued shares on or about 2 March 2026. It is anticipated that in FY26, subject to share trading liquidity, share buy-backs will form a major portion of value returned to our shareholders.

As Capral continues to have tax losses to carry forward any dividends which may be paid in the short to medium term will be unfranked.

[1] Capral believes that Underlying EBITDA and EBIT provides a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods. The Underlying EBITDA and EBIT are presented with reference to the ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011.

[2] Net profit after tax is adjusted for recognition of deferred tax during the year.

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Safety and Sustainability

Capral is committed to pursuing excellence in its delivery of effective safety and sustainability programs across all parts of its business. In the year to December 2025 Capral achieved exceptionally low injury rates with its Total Reportable Injury Frequency Rate (TRIFR) at 3.6 compared to 7.7 in FY24 and percentage of lost hours at 0.01 compared to 0.14 in FY24. These performances are well below reported peer averages.

The environment is a key priority for Capral. Capral has a target of a 20% reduction in emissions by 2030 and is on-track to meet this target. We have the ambition to achieve Net Zero by 2050 (scope 1 and 2 emissions) and is subject to commercially viable technological advancements. Climate-related risks have been considered in our financial planning and capital allocation decisions.

The Board approved Capral's first Sustainability Report on climate, prepared in accordance with AASB S2 and the Corporations Act 2001. This Sustainability Report forms part of Capral's Annual Report alongside the general purpose financial statements and is distinct from the broader ESG information presented elsewhere in the Annual Report.

Board movements

We were pleased to welcome Ms. Lefcourt to the Board in 2025 who also took the position of the Chair of Audit and Risk Committee. Ms. Lefcourt brings a wealth of experience to Capral, with an extensive background in senior financial management and executive roles and board positions in the industrial sector.

During the year we farewelled Ms. Ostin, also formerly Chair of the Audit and Risk Committee, who resigned after five years on the board. I would like to thank Ms. Ostin for her contribution and wish her well on behalf of the Capral Board.

Looking Ahead and Acknowledgements

Following increased residential approvals in the second half of 2025 we expect the detached housing sector to commence recovering in calendar year 2026 with the benefits weighted to the second half of the year. This, together with firming of the industrial sector, provides an expectation of higher sales volumes in FY26.

External factors are likely to result in a continuation in the volatility of global aluminium commodity prices. Inflationary and other cost increases, particularly in energy and labour costs, will also have an impact.

Capral remains committed to continuing to improve its operational efficiency throughout the organisation together with its commitment to investing in growth and returning capital to shareholders going forward.

2026 will be an important milestone for Capral as we proudly celebrate our 90th anniversary which reflects nine decades of resilience and growth. Capral and its management teams over the years have continually adapted to changing markets while remaining anchored in our core values. This enduring legacy provides a strong foundation for the future focused on sustainable growth, innovation and long-term value creation.

On behalf of the Board, I want to thank our shareholders, all of the Capral team, and our other stakeholders for their strong support during 2025. Thank you to my co-directors for their contributions throughout the past year.

Shareholders are directed to the Results Presentation released to the market today.



Mark White
Chair

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PERFORMANCE MEASURES	2025 $ MILLION	2024 $ MILLION
Profit After Income Tax	35.6	32.5
Less: Income Tax Benefit	(2.5)	(3.6)
Profit Before Income Tax	33.1	28.9
Add: Finance Costs	5.0	5.6
Add: Depreciation and Amortisation	23.8	23.8
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)	**61.9**	**58.3**
Significant Items (Gain)/Loss		
Less: Non-Trading One-Off items	(2.8)	0.2
Less: LME Revaluation	0.5	(0.3)
Underlying EBITDA	**59.6**	**58.2**
Less: Depreciation and Amortisation	(23.8)	(23.8)
Underlying EBIT	**35.8**	**34.3**
Net Profit After Income Tax (NPAT)	**35.6**	**32.5**
Less: Income Tax Benefit	(2.5)	(3.6)
Underlying Earnings	**33.1**	**28.9**
Weighted Average Number of Ordinary Shares on Issue (Basic) million	16.6	17.3
Underlying EPS	**$2.00**	**$1.68**
EPS (Basic)	**$2.15**	**$1.88**



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Managing Director's Operations and Financial Review

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Highlights

Capral delivered another strong earnings result in 2025 finishing above prior year and guidance.

- Sales revenue $686 million, up 6% on prior year
- Volume 65,000 tonnes, down 4%
- Underlying EBITDA $59.6 million, up $1.4 million
- Underlying EBIT $35.8 million, up $1.5 million
- NPAT $35.6 million (includes $2.5 million tax benefit) up $3.1 million
- Earnings per share $2.15 (FY24: $1.88)
- Balance sheet strong with net cash $60.5 million
- Unfranked final dividend of 30 cents per share declared
- Total distribution to shareholders 85 cents per share, includes share buy-back equivalent 55 cents per share (FY24: 76 cents per share)
- Best safety performance on record with TRIFR at 3.6

Financial Review

Trading conditions during 2025 remained subdued, particularly in residential construction, and key industrial segments softened. Total housing starts in 2025 lifted to an estimated 190,000[1] with growth primarily in multi-residential dwellings. Detached housing starts were relatively flat and below expectation. Higher interest rates and a slowdown in government infrastructure spend impacted industrial demand which fell from the peak levels experienced over the last three years. This resulted in lower demand from the transport, infrastructure and manufacturing sectors. The marine and cladding sectors remained solid. These factors combined resulted in Capral's sales volume falling 4% to 65,000 tonnes.

Revenue increased 6% to $686 million (FY24: $650 million) primarily reflecting higher aluminium prices. The LME aluminium price increased by approximately 12% during the year, resulting in higher average selling prices and increased working capital requirements.

Despite lower volumes, Capral achieved an improvement in earnings. EBITDA increased $3.6 million on prior year to $61.9 million, and EBIT increased $3.7 million to $38.1 million. Statutory earnings were assisted by the favourable resolution of a long-standing insurance claim of $3.0m. Underlying EBIT (before significant items) improved by $1.5 million to $35.8 million. This result reflects continued cost discipline, operational efficiencies and good margin management in tougher market conditions. The result includes the contribution from recent acquisitions.

Net profit after tax at $35.6 million (FY24: $32.5 million) includes $2.5 million (FY24: $3.6 million) additional tax benefit recognition. Basic earnings per share increased to $2.15 (FY24: $1.88), reflecting higher statutory earnings and the impact of share buy-backs reducing the number of shares on issue.

Capral ended FY25 with a net cash balance of $60.5 million. Debtor collection performance remained good. Inventory values and working capital levels were elevated, primarily due to higher LME prices.

Opposite page
Southern Ocean Lodge, Kangaroo Island.
Architect: Max Pritchard Architects
Builder: Gildail Developments. Fabricator: KR Installations.
Photographer: George Apostolidis

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Key Initiatives and Strategies

Capral's strategic priorities remain consistent and focused on:

- Leveraging existing strengths in product range, scale, capability and people.
- Driving continuous improvement across operations.
- Investing selectively to support future growth and capability.

During 2025, ongoing focus was placed on Capral's Smithfield and Penrith extrusion facilities. At Smithfield, equipment upgrades continued with the objective of improving reliability and productivity. At Penrith the second stage of the plant upgrade program, including replacement of the billet furnace and saw, was successfully completed during the year.

Capral continued to develop its distribution and direct-to-market capability. The focus during the year was on integrating and improving performance at recently acquired trade centres in Victoria and Queensland. During October Capral acquired the business assets of Comsupply, a Perth based aluminium and hardware distribution business supplying into the building and security markets. Capral also completed the acquisition of a small aluminium sales business in Sydney. Capral continues to assess opportunities to expand its distribution footprint and participate in adjacent market segments where appropriate.

Fair Trade

Capral continues to engage with relevant authorities and industry stakeholders to support fair trade outcomes for the Australian aluminium extrusion industry. Key developments during the year included:

- The continuation of anti-dumping measures on Chinese imports.
- The removal of export VAT rebates by China which is expected to support improved pricing outcomes.
- Progress made on steps to strengthen the Australian anti-dumping system.

Imports remain a significant component of the Australian extrusion market. In the context of ongoing global trade uncertainty, maintaining an effective anti-dumping framework remains important to provide competitive market conditions for domestic manufacturers and help mitigate the impact of unfair trade.

Capral will continue its work on anti-dumping initiatives on aluminium extrusions entering the Australian market to help ensure fair competition in the markets in which we operate.

Safety

Safety remains the primary core value at Capral. This year saw a material improvement in safety outcomes, with the Total Reportable Injury Frequency Rate (TRIFR) reducing to a record low 3.6, compared with 7.7 last year. This reflects continued emphasis on risk management, training and safety leadership across the business.

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Sustainability and ESG

Capral continued to progress toward its net zero emissions ambition by 2050, with a target of a 20% reduction by 2030. During 2025, Scope 1 and 2 emissions decreased by approximately 9%, supported by energy efficiency initiatives and increased use of renewable energy sources, and remain on track to meet the 2030 target.

Waste reduction initiatives implemented across several sites resulted in a further 15% reduction in waste, reflecting improvements in recycling practices and operational processes. Capral maintained its Aluminium Stewardship Initiative (ASI) certification and remains the only extruder in the region with this accreditation. Demand for Capral's LocAl® low-carbon aluminium products continued to increase.

Management has considered the potential impacts of current climate-related matters and has not identified any material financial impacts in the short to medium term. Climate related risks have been incorporated into financial planning assumptions. Capral has prepared it first climate related report in accordance with the new AASB S2 requirements.

Key Operating Risks

Capral operates within a structured risk management framework. Key risks include:

- A further slowdown in economic activity, particularly in construction.
- Increased competition from imported aluminium extrusion and domestic market entrants.
- Cyber security and external IT-related risks.
- Changes to construction standards and regulatory requirements associated with sustainability objectives.

Outlook

Residential construction activity is forecast to improve modestly during 2026 despite the recent interest rate rise. Detached housing approvals[1] lifted in the second half of 2025 supporting a forecast lift in extrusion demand in the year ahead. Non-residential construction activity and Capral's key industrial markets are forecast to remain broadly stable.

Aluminium prices are expected to remain volatile, influenced by global demand, geopolitical factors and trade policy developments. Elevated LME prices[2] are expected to continue during 2026, supporting revenue growth but also lifting working capital requirements.

Based on current forecasts and subject to prevailing market conditions, Capral expects overall market conditions to start improving in the second half of 2026. If this eventuates, the business expects to generate earnings slightly above prior year. On this basis, subject to performance and capital requirements, Capral plans to return capital to shareholders through a combination of unfranked dividends and share buy-backs.

During 2026 Capral celebrates its ninetieth year of operation. We are a proud of our heritage as a long-standing Australian manufacturer. I would like to thank all members of the Capral team, both past and present, that have been part of Capral's ninety-year journey.

Capral remains well positioned to respond to market conditions, pursue opportunities consistent with its strategy, and deliver sustainable value for shareholders into the future.



Tony Dragicevich
Managing Director
26 February 2026

[1] Oxford Economics Feb 2026

[2] Harbor Jan 2026

Board of Directors

Directors in office during the financial year and up to the date of this report (unless otherwise stated):



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Mark White *B. Com, M. Com, ACA, GAICD*

Chairman of the Board (Independent)

Appointed 1 September 2021

Chairman of the Board (appointed 8 May 2024)
Member of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee.

Mr White has extensive experience obtained from executive management and leadership positions from over 25 years in the aluminium and building materials sectors in Australia and Asia. He has deep operational experience and is a proven P&L leader with strategic management in complex and high risk operating environments. Until July 2024, Mr White was General Manager of CSR Limited's aluminium business with its share in the Tomago aluminium smelter joint venture. Mr White was also Executive Director on the Board of Tomago aluminium smelter for more than 13 years and was Chair of Tomago's Audit and Risk committee.

Directorships of other listed companies held in last 3 years before end of the Financial year:

- None



Tony Dragicevich *B. Comm A.C.A, GAICD*

Managing Director (Non-independent)

Appointed 15 April 2013

Mr Dragicevich joined Capral in January 2013 and became the Managing Director and Chief Executive Officer on 15 April 2013. Mr Dragicevich is an experienced CEO and business leader who has been involved in the improvement of a number of businesses, having previously served as Managing Director of the Wattyl Group, and as Chief Executive of GWA Bathroom and Fittings, Managing Director of the Red Paper Group and General Manager of Tasman Insulation.

Directorships of other listed companies held in last 3 years before end of the Financial year:

- Non-executive director of Fletcher Building Limited: 1 August 2024 to date of this report.



Katherine Ostin *B. Comm, GAICD, F FIN, CA*

Non-executive director (Independent)
Appointed 17 June 2020
Resigned 8 May 2025
Chairman of the Audit & Risk Committee.
Member of the Remuneration & Nomination Committee

Ms Ostin is a Chartered Accountant and an experienced company director with significant experience in finance and accounting, audit, risk, governance, strategy and business development. She is currently a non-executive director of a diverse portfolio of both listed and non-listed companies and is Chair of the respective Audit & Risk Committees. She has also previously served as a non-executive director of several not-for-profit entities. Ms Ostin was a senior Partner in Audit Assurance & Risk Consulting with KPMG, holding various leadership roles over her 12 years as a Partner from 2005 to 2017. In her 24 years with KPMG she worked across a broad number of sectors in Australia, Asia, the US and the UK.

Directorships of other listed companies held in last 3 years before end of the Financial year:

- Non-executive director of Dusk Group Ltd (ASX: DSK): 16 September 2020 to date of this report.
- Non-executive director of 3P Learning Ltd (ASX: 3PL): 6 August 2021 to date of this report.
- Non-executive director of Next Science Limited (ASX: NXS): 24 October 2023 to date of this report.
- Non-executive director of Elanor Investors Group Ltd (ASX: ENN) and Elanor Commercial Property Fund (ASX: ECF): 1 January 2024 to date of this report.
- Non-executive director of Healius Ltd (ASX:HLS): 1 December 2024 to date of this report.



Bryan Tisher *B. Eng, MBA, GAICD*

Non-executive director (Independent)
Appointed 24 February 2022
Chairman of the Remuneration & Nomination Committee from 27 April 2023
Member of the Audit & Risk Committee.

Mr Tisher has extensive experience in the resources, building materials and electrical products sectors. He is currently the Chief Executive Officer of Legend Corporation, an Australian leader in industrial and electrical products and previously held senior positions at Orica, Boral, and Rio Tinto.

Mr Tisher was the Managing Director of Orica Asia responsible for manufacturing and distribution operations covering 14 countries, and the Divisional Managing Director of Boral Building Products responsible for the Plasterboard Australia, Timber, Bricks, Roofing, Masonry and Windows business units. He has had extensive board experience as an Executive Chairman for six joint ventures in Asia and the Boral Carter Holt Harvey Softwood Manufacturing Joint Venture at Oberon, and, as a Non-executive Director at Sustainable Timber Tasmania and Cape York Enterprises.

Directorships of other listed companies held in last 3 years before end of the Financial year:

- None



Laurie Lefcourt *FCA, GAICD*

Non-executive director (Independent)
Appointed 17 April 2025
Chairman of the Audit & Risk Committee
Member of the Remuneration & Nomination Committee.

Ms Lefcourt brings a wealth of experience to Capral, with an extensive background in senior financial management and executive roles across various industries. Ms Lefcourt's executive career highlights include serving as Chief Financial Officer at Sinopec Oil and Gas Australia and Queensland Rail, as well as holding various senior finance roles at QR Ltd (now Aurizon), Rio Tinto Coal Australia and Rio Tinto's Energy Resources of Australia. Ms Lefcourt has extensive expertise in audit, risk management, mergers and acquisitions, IT systems, and climate reporting.

In 2013, Ms Lefcourt founded Sage Strategies Pty Ltd, providing support to organisations in developing and executing strategy.

Ms Lefcourt is a Fellow of the Chartered Accountants of Australia and New Zealand and a Graduate Member of the Australian Institute of Company Directors.

Directorships of other listed companies held in last 3 years before end of the Financial year:

- Non-Executive Director and Chair of the Audit and Risk Committee at Elevra Lithium Limited (ASX:ELV): 16 October 2024 to the date of this report.
- Non-Executive Director and Chair of the Audit and Risk Committee at Acrow Limited (ASX:ACF): 1 October 2021 to the date of this report.

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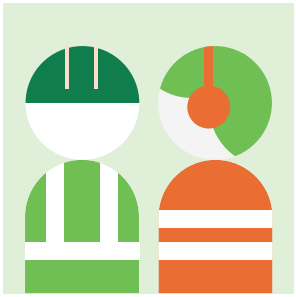
ESG Report

Reporting Approach

Capral's climate-related financial disclosures, including governance, strategy, risk management, metrics and targets prepared in accordance with AASB S2 and the Corporations Act 2001 (Cth), are presented in a standalone Sustainability Report on Climate. This ESG section of the Annual Report covers Capral's broader environmental, social and governance practices beyond climate. The Sustainability Report and this ESG section should be read together to provide an overview of Capral's sustainability-related matters for FY2025.

Governance

Oversight of environmental, social and governance matters is provided by the Board and Audit and Risk Committee, with management responsible for implementation through established operational and compliance frameworks.



Safety

Safety remains a core operational priority. Over the past year we have continued to build on the foundations of our safety framework, investing in smarter systems, stronger processes and broader capability across our workforce. Our focus has been on driving greater consistency and transparency in how we identify, assess and respond to risk, ensuring that every level of the business is empowered to contribute to a safer workplace.

Capral continued to enhance its Integrated Management System (IMS) with a focus on refining our safety observation processes. These improvements now provide a clearer and more consistent view of causal risk within the workplace, enabling our teams to identify root causes with greater precision and implement more effective corrective actions. This refinement strengthens our ability to move beyond reactive responses and towards a genuinely preventative safety culture.

We introduced a contracted driver induction program. This initiative ensures that external drivers operating freight movements on our premises are held to the same safety standards as our own workforce. By embedding transparency and accountability into our logistics operations, we have strengthened the safety of one of our higher-risk activities and reinforced a unified approach to hazard management across the business.

Building on the integration of our external training platform, Capral further refined the system to improve ease of access to training and recertification across the entirety of the business. These enhancements streamline the pathway for employees to maintain the competencies and qualifications required for their roles, ensuring that ongoing professional development remains efficient and accessible. This continued investment reinforces our commitment to equipping our workforce with the skills necessary to work safely and effectively.

Capral also integrated a chemical register system into IMS, enabling greater transparency and oversight of hazardous substances across all sites. This integration ensures that chemical inventories, safety data sheets and handling requirements are centrally managed and readily accessible, supporting our teams in identifying and mitigating chemical-related risks.

Capral's Total Reportable Injury Frequency Rate (TRIFR) for FY25 was a record low 3.6 (FY24: 7.7), which remains well below the industry average for listed building products manufacturers. This result reflects the continued effectiveness of our integrated approach to safety management and our sustained investment in systems, training and workplace culture.

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Aluminium Stewardship Initiative (ASI)

Capral maintained its certification under the Aluminium Stewardship Initiative (ASI), remaining the only ASI certified aluminium extruder in Australia. ASI is a globally recognised organisation that sets rigorous standards for responsible practices across the aluminium value chain

Central to our ASI commitment is the continued provision of Chain of Custody certified material to our customers. The ASI Chain of Custody Standard enables traceability of responsibly produced aluminium throughout the supply chain, providing our customers with independently verified assurance that the material they receive has been sourced in accordance with ASI's stringent criteria. Capral gives architects, builders and specifiers the confidence to make informed procurement decisions that align with their own sustainability and responsible sourcing objectives.

Lower Carbon Aluminium (LocAl®)

Capral's lower-carbon aluminium, LocAl®, continues to represent our commitment to innovation in sustainable product development. LocAl® is produced using energy generated from lower carbon emitting sources during the smelting phase, resulting in a reduced carbon footprint compared to conventionally produced aluminium.

Capral is in the process of producing an Environmental Product Declaration (EPD) for LocAl®. An EPD is an independently verified, standardised report that transparently quantifies the environmental impact of a product across its entire lifecycle. This will provide customers and stakeholders with third-party verified data on the environmental performance of LocAl®, enabling direct comparison with alternatives. Importantly, an EPD will also assist customers in meeting embodied carbon targets and emission reduction requirements contributing to green building certifications and sustainable procurement goals.

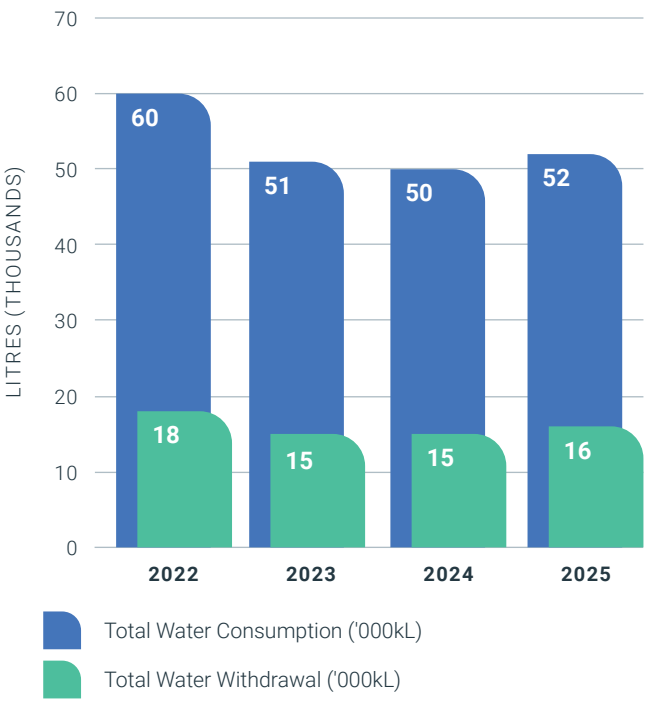
Water Stewardship

Capral monitors water usage across its operations as part of its commitment to responsible resource management. At Capral water is primarily used and measured in cooling, surface treatment and production processes. Overall, Capral's water withdrawal and consumption remain relatively low and our assessment of water-related risks indicates that exposure is limited given the nature and scale of our operations.

A number of our manufacturing sites operate closed-loop water systems, which enable water used in production processes to be captured, treated and recirculated. These systems reduce our reliance on mains water supply and minimise discharge, supporting both operational efficiency and environmental outcomes. Capral continues to review opportunities to extend closed-loop capabilities across additional sites.

Capral will continue to track and report water performance as part of our broader sustainability reporting.

Total Water Consumption & Withdrawal



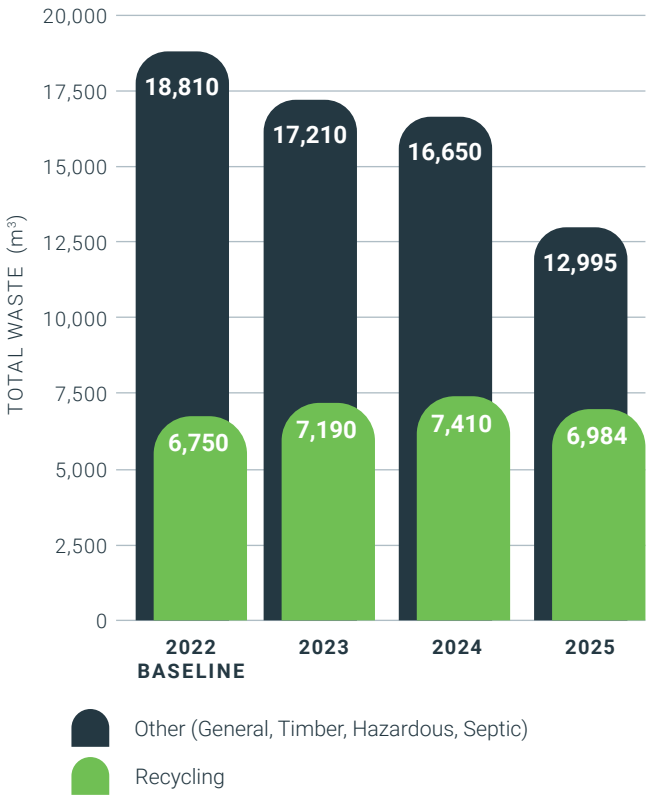
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Waste Management and Circular Economy

Effective waste management remains a key focus for Capral. Waste is our primary material impact area, with aluminium production scrap accounting for approximately 40 percent of total waste, packaging at approximately 25 percent, general operational waste at approximately 20 percent. and timber recycling accounting for the balance. Capral implements targeted programs to improve recovery rates and reduce the volume of material sent to landfill.

Since establishing our FY22 baseline, Capral has made meaningful progress in waste reduction and recycling performance. Total waste has decreased by 21.8 percent, from 25,562 tonnes to 19,980 tonnes in FY2025. Our recycling rate has improved by 8.6 percentage points to 35%, while waste to landfill has reduced by 31% over the same period. These results reflect the impact of improved waste segregation and contamination prevention, greater employee engagement in recycling practices, and reduced production waste through process optimisation.

Total Waste



METRIC	FY2022 BASELINE	FY2023	FY2024	FY2025	CHANGE 2022-2025
Total Waste (tonnes)	25,562	24,393	24,065	19,980	↓ 21.8%
Waste Recycled (tonnes)	6,750	7,190	7,410	6,984	↑ 3.5%
Recycling Rate (%)	26.4%	29.5%	30.8%	35%	↑ 8.6 pp
Waste to Landfill (tonnes)	18,810	17,210	16,650	12,995	↓ 30.9%

Waste represents Capral's most significant non-climate environmental impact. Capral has continued to trial, assess and refine enhanced waste segregation and recycling practices. These trials expanded segregation from two bin types to six or more. Supported by employee training, visual labelling and toolbox talks this delivered over 20% improvement in sorting behaviour. Daily contamination monitoring improved waste quality and reduced cross-contamination.

Pilot sites achieved recycling rates of 55-60% compared with 35-40% percent at non-pilot sites. The learnings will be rolled out nationally with the objective of lifting recycling performance across the business.



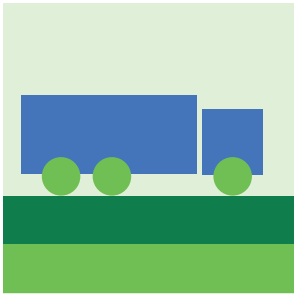
Modern Slavery and Ethical Sourcing

Capral remains committed to upholding high ethical standards throughout its supply chain. Our Supplier Code of Conduct continues to set clear expectations for partners, requiring adherence to appropriate environmental, social and governance practices. These requirements play an important role in combatting modern slavery and promoting responsible sourcing across the materials and services we procure. Capral publishes a Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth).

We continue to conduct annual risk assessments of our supplier base, with a particular focus on identifying and addressing potential concerns in geographies where the risk of modern slavery is elevated. This structured approach enables early intervention and ensures that corrective measures can be implemented where necessary, reinforcing the integrity of our supply chain.

Our Whistle Blower programme, which was expanded in prior years to encompass procurement and supplier practices, continues to provide a confidential channel through which ethical concerns can be raised and addressed promptly.

Through these ongoing initiatives, Capral aims to advance ethical sourcing and modern slavery prevention, contributing to the broader goal of setting a standard for responsible and sustainable practices within our industry.



Freight Management and Packaging Initiatives

Capral continues to evolve its freight and packaging practices in support of our broader sustainability goals and supply chain efficiency. Building on the contracted driver induction program outlined earlier, our focus this year has extended to a more comprehensive review of how our despatch operations align with the safety and service standards expected of our freight management function. We conduct ongoing operational reviews of our despatch areas across the business to ensure they provide a safe and compliant environment for both our employees and logistics partners.

Our Chain of Responsibility steering committee drives a continuous improvement mindset across all freight-related activities. The committee plays a central role in reviewing operational practices, identifying areas for enhancement and ensuring that Capral meets its obligations under Chain of Responsibility legislation. This structured governance approach reinforces accountability at every stage of the freight process and ensures that safety, compliance and sustainability remain embedded in our logistics operations.

Capral continues to review freight operations to ensure alignment with safety, compliance and Chain of Responsibility obligations. Our freight management software application remains integral to our operations, providing real-time data to support our customers while enabling sustainability tracking and hazard management. These combined initiatives demonstrate Capral's commitment to integrating advanced technology and continually refining our supply chain processes in pursuit of more sustainable outcomes.

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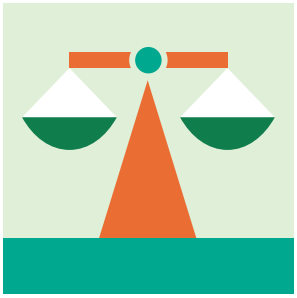


Employee Development

Capral's commitment to sustainability extends beyond environmental performance and into the development of our people. We recognise that a skilled and engaged workforce is fundamental to delivering on our long-term objectives and maintaining our competitive position in an evolving industry. Through partnerships with a range of training organisations, we offer comprehensive upskilling opportunities that promote both personal and professional growth, ensuring our teams are equipped to meet the changing demands of our business.

Our IMS provides employees the ability to structure training pathways aligned to specific roles, ensuring that training is not only relevant but also integrated into day-to-day operations. A review of training on work instructions is underway. This initiative aims to modernise the delivery and documentation of procedural training, ensuring that our workforce receives clear, consistent and up-to-date guidance across all operational processes.

Capral is mindful of evolving workforce demographics and the importance of planning for the future. We are taking a proactive approach to ensuring the long-term sustainability of our workforce while safeguarding the health and safety of the employees who are at the heart of Capral's operations. This will help us adapt working conditions, training methods and support structures to meet the needs of our people, providing employees the opportunity to continue to contribute safely and effectively throughout their career with Capral.



Social Responsibility

Capral maintains a strong focus on community engagement. Our corporate social responsibility culture is reflected in the breadth of social initiatives we support, including campaigns to raise awareness of mental health through R U OK? Day, domestic violence through the Strive To Be Kind campaign, and men's health through Movember. These efforts continue to attract a high level of employee involvement, reinforcing a workplace culture that values wellbeing and social contribution.

Capral also supports a wide range of charity and social organisations, supporting community and social initiatives consistent with Capral's corporate values. These include:

- Allison Baden-Clay – Strive To Be Kind
- Westpac Rescue Helicopter
- Disability Sports Victoria
- Beyond Blue
- Movember
- Monash University
- Cancer Research
- Starlight Foundation
- Fiona Wood Foundation
- Sculptures by the Sea
- University of Wollongong
- Walk for Prems
- Dandelions WA
- Westmead Hospital Foundation
- Suicide Prevention Pathways

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Directors' Report

Your directors present their report on the consolidated entity consisting of Capral Limited (the Company or Capral) and the entities it controlled at the end of, or during, the financial year ended 31 December 2025 (Financial Year).

Directors

The following persons were directors of Capral except as indicated below:

NAME	PERIOD OFFICE HELD
M. White	1 September 2021 - Date of this report
A. M. Dragicevich	15 April 2013 - Date of this report
K. Ostin	17 June 2020 - 8 May 2025
B. Tisher	24 February 2022 – Date of this report
L. Lefcourt	17 April 2025 – Date of this report

Details of directors, their qualifications, experience, special responsibilities (including committee memberships) and directorships of other listed companies held in the last three years before end of the Financial Year are set out on pages 12 to 13.

Principal activities

During the Financial Year, the principal continuing activities of the consolidated entity consisted of the manufacturing and distribution of fabricated and semi-fabricated aluminium related products.

Dividends and Buy-Backs

The directors declared a final dividend of 30 cents per ordinary share (unfranked). The record date for the final ordinary dividend will be 5 March 2026, with payment being made on 26 March 2026. Capral's Dividend Reinvestment Plan (DRP) will not be active for this dividend. A final dividend of 40 cents per ordinary share (fully franked) was paid in March 2025 in respect of the 2024 financial year, no other dividends have been paid during the Financial Year. During the year, 859,140 shares were bought back on-market at a cost of $9,201,934, and subsequently cancelled.

Review of operations and financial position

A review of operations and financial position of the consolidated entity are referred to in the Managing Director's Operations and Financial Review on pages 9 to 11.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the year.

Matters subsequent to the end of the Financial Year

No other matter or circumstance, other than declaration of the dividend disclosed above, has arisen since the end of the Financial Year that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

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Likely developments, business strategies, prospects and risks

Information on likely developments, business strategies, prospects and risks are detailed in the Managing Director's Operations and Financial Review on pages 9 to 11 and the ESG Report on pages 14 to 20. Whilst Capral continues to meet its continuous disclosure obligations, this report omits information where it would be likely to result in unreasonable prejudice to Capral. This includes information that is commercially sensitive, is confidential or could provide a third party with a commercial advantage (such as internal budgets and forecasts).

Other information for members to make an informed assessment

Other than information set out in this report, there is no information that members would reasonably require to make an informed assessment of the operations, financial position, business strategies and prospects for future financial years of the consolidated entity.

Company Secretary

Ms L Osbich

Joint Company Secretary, BA (Hons), LLB, GradDip Legal Practice

Ms Osbich is an employee of Company Matters Pty Ltd, a company secretarial service provider. Prior to joining Company Matters, Ms Osbich was employed by ASX as a Listings Compliance Advisor and prior to that, worked predominantly in the online legal publishing space with over 15 years' experience extending to senior roles with a technical legal research focus.

Ms Osbich has also worked as a Legal and Compliance Research Consultant focusing on putting together practical content in relation to governance, risk and compliance programs, particularly focused on the financial services and banking sectors. Ms Osbich was appointed as Company Secretary on 19 April 2023.

Mr T Campbell

Chief Financial Officer and Company Secretary, B.Com (Hons), CA

Mr Campbell was appointed Chief Financial Officer on 1 June 2011 and is a member of the Australia and New Zealand Institute of Chartered Accountants. Prior to joining Capral, Mr Campbell held various executive positions at UXC, Macsteel and The South African Breweries. Mr Campbell was appointed as Company Secretary on 8 March 2019.

Directors' meetings

The numbers of directors' meetings (including meetings of committees) held, and the number of meetings attended, by each director during the Financial Year, are as follows:

Director	Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
A.M. Dragicevich[2]	7	7	4	4	2	2
K. Ostin[1]	1	1	1	1	1	1
M. White	7	7	4	4	2	2
B. Tisher	7	7	4	4	2	2
L. Lefcourt	6	6	3	3	1	1

[1] Meetings up to retirement on 8 May 2025

[2] Attended meeting(s) in an ex-officio capacity

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Directors' interests and benefits

Ordinary Shares

Details of holdings of ordinary shares in Capral for the directors (including former directors who held office during the Financial Year) at the beginning and end of the Financial Year and at the date of this report are as follows:

Name	Position	Ordinary shares fully paid in the Company		
		BALANCE AT 1.1.2025	BALANCE AT 31.12.2025	BALANCE AT DATE OF THIS REPORT
M. White	Director and Chairman of the Board	1,470	5,000[2]	5,000
A.M. Dragicevich	Managing Director	618,257	547,788[1]	547,788
L. Lefcourt	Director	-	-	-
K. Ostin	Director	-	-	-
B. Tisher	Director	4,500	5,500[3]	5,500

[1] Acquired 3,561 as part of 2024 STI programme on 7 March 2025. Allotted 25,970 as vesting of 2022 LTI rights on 7 March 2025, after deduction of taxation obligations (49,000, pre-tax). Sold 100,000 on-market during 2025.

[2] Acquired 3,530 on market during the year

[3] Acquired 1,000 on market during the year

In addition to the interests shown above, indirect interests in Capral shares held by the Managing Director, Mr. Dragicevich are as follows:

Mr A. M. Dragicevich

NATURE OF OTHER INTERESTS	BALANCE AT 1.1.2025	BALANCE AT 31.12.2025	BALANCE AT DATE OF THIS REPORT
Performance rights	140,400	134,100[1]	134,100

[1] Nil performance rights lapsed on 1 March 2025; 49,000 performance rights vested on 1 March 2025 and 42,700 performance rights were issued on 8 May 2025.

Unissued shares or interests under option

At the date of this report, there are 584,200 (2024: 546,500) unissued shares or interests under option. Refer to sections 1 to 3 of the Remuneration Report and Note 33.

Remuneration Report (Audited)

This report sets out Capral's remuneration of its directors and executives. It also details the actual remuneration of its key management personnel (including the directors) during the Financial Year.

Section 1: The Remuneration Framework

(a) Key Principles

Capral's remuneration framework and practices are based on the principles that remuneration is performance driven, aligns with shareholder interests, provides market competitive remuneration that attracts qualified and experienced candidates, and retains and motivates employees.

The variable components of remuneration (short and long term) are driven by challenging targets focused on both external and internal measures of financial and non-financial performance. Details of performances measures are set out in sections 1(g) and 1(h) below. Executive remuneration is aligned with shareholder interests via an emphasis on variable (incentive) remuneration, the award of which is linked to performance benchmarks that support business strategies and future success. A significant proportion of executive remuneration is at-risk. Details of the link between performance and remuneration is set out in section 4.

(b) Role of Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for reviewing and making recommendations to the Board of Directors (the Board) on remuneration policies for Capral including, in particular, those governing the directors (including the Managing Director) and executive managers. The Committee operates in accordance with its Charter.

Remuneration of the Managing Director and certain executive managers is reviewed at least annually by the Remuneration & Nomination Committee and recommendations are put to the Board for its approval. Short- and long-term incentives are linked to performance criteria. The Board can exercise its discretion in relation to approving bonuses and incentives. Changes must be justified by reference to measurable performance criteria and having regard to Capral's overall financial performance and other special circumstances.

The Remuneration & Nomination Committee may seek independent advice as appropriate in setting the structure and levels of remuneration based on the principle that the elements of remuneration should be set at an appropriate level having regard to market practice for roles of similar scope and skill.

The remuneration committee engaged Godfrey Remuneration Group Pty Ltd (GRG) as remuneration consultant to the board in 2024 to review the amount and elements of some key management personnel (non-executive directors) remuneration and provide recommendations in relation thereto. GRG was paid $13,000 for the remuneration recommendations in respect of reviewing the amount and elements of remuneration.

The engagement of GRG by the remuneration committee was based on a documented set of protocols that would be followed by GRG, members of the remuneration committee, and members of the key management personnel for the way in which remuneration recommendations would be developed by GRG and provided to the board. The protocols included the prohibition of GRG providing advice or recommendations to key management personnel before the advice or recommendations were given to members of the remuneration committee and not unless GRG had approval to do so from members of the remuneration committee.

These arrangements were implemented to ensure that GRG would be able to carry out its work, including information capture and the formation of its recommendations, free from undue influence by members of the key management personnel about whom the recommendations may relate.

The Board is satisfied that the remuneration recommendations were made by GRG free from undue influence by members of the key management personnel about whom the recommendations may relate.

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The Board undertook its own inquiries and review of the processes and procedures followed by GRG during the course of its assignment and is satisfied that its remuneration recommendations were made free from undue influence.

These inquiries included arrangements under which GRG was required to provide the board with a summary of the way in which it carried out its work, details of its interaction with key management personnel in relation to the assignment and other services, and respond to questioning by members of the board after the completion of the assignment. GRG was not engaged in 2025.

(c) Performance Planning and Review

Capral has a Performance Planning and Review (PPR) process to evaluate and discuss performance and development plans at least annually with salaried employees. This PPR process covers:

- In agreement of objectives for the year ahead and the setting of key performance measures against which the achievement of those objectives will be assessed. These are set by reference to financial targets and key business strategies.
- A review of performance against the previously agreed objectives for the period under review.
- Employee comment and feedback.
- Short and long-term training and development needs and career aspirations.

The PPR process ensures that there is better understanding of Capral's objectives thereby increasing the likelihood of their achievement. It also enables managers to evaluate and develop employee skills and performance and identify future development needs.

The PPR process ensures that there is better understanding of Capral's objectives thereby increasing the likelihood of their achievement. It also enables managers to evaluate and develop employee skills and performance and identify future development needs.

(d) Non-executive Directors

The structure of Capral's non-executive director remuneration is distinct from that applicable to the Managing Director and other senior executives.

Remuneration of non-executive directors is established at a level that enables Capral to attract and retain high quality directors at a reasonable cost. Remuneration of non-executive directors and their terms of office are governed by Capral's constitution and by contract.

Remuneration of non-executive directors is allocated out of the pool of funds, the limit of which is approved by shareholders in general meeting; the fee pool limit is currently $650,000 per annum, which has not been changed from last year. Each non-executive director is entitled to the payment of an annual fee in cash and superannuation contributions for their services. Additional fees are not paid for sitting on Board committees; however, the extra responsibility of the Chairman of the Board and committees is recognised by the payment of a higher fee. The fees for the non-executive directors were reviewed by GRG as detailed above and was adjusted by 10.6% during 2025 to be in line to those paid at comparable listed companies. Non-executive directors do not receive any shares, options or other securities as part of their remuneration and they are not eligible to participate in Capral's equity incentive plans. There are no schemes for retirement benefits (other than statutory superannuation payments).

(e) Senior Management Remuneration

The remuneration policy for the Managing Director and other senior managers seeks to attract and retain people with the required capabilities to lead Capral in the achievement of business objectives and focus on delivering financial and non-financial measures.

Remuneration is reviewed annually, and approved changes applied from 1 March.

The Remuneration & Nomination Committee reviews the remuneration arrangements of the Managing Director, his direct reports and certain other executive managers. The Managing Director reviews the remuneration arrangements of the other members of senior management, based on the recommendations of his direct reports.

For the Managing Director and other senior management, remuneration consists of a fixed annual salary and superannuation (refer to section 1(f) below) plus at-risk components comprised of a short-term incentive plan (STIP) (refer to section 1(g) below) and a long-term incentive plan (LTIP) (refer to section 1(h) below).

The proportions of fixed and at-risk remuneration are established for the Managing Director and other senior management relative to their position in Capral. As a general guide, at-risk remuneration is 50% for the Managing Director, 25 – 35% for executive management and 10%-20% for other senior managers, for the achievement of 'target' goals.

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(f) Fixed remuneration

The level of the total employment cost (being base salary plus superannuation) (TEC) are reviewed annually, with any changes applied from 1 March. The level of fixed remuneration for the Managing Director and other key management personnel is determined by the Board having regard to role scope, responsibilities, experience, performance and external market data from comparable (in revenue and market capitalisation) ASX-listed companies..

In setting fixed remuneration, the Board considers fixed pay as one component of an executive's overall remuneration framework and seeks to ensure that fixed remuneration is set at a level that supports the attraction and retention of executives with the capability to lead the Company, while maintaining a significant proportion of total remuneration as performance-contingent.

The fixed remuneration of the Managing Director is determined by the Board having regard for his particular skills and previous remuneration, experience and capability to lead Capral in delivering financial targets and executing key business strategies. It forms part of his executive employment contract and is subject to annual review.

The Board has reviewed generally available market information regarding fixed remuneration of the key management personnel with comparable revenues and market capitalisation. The fixed remuneration of Capral's key management personnel is generally in line with this group.

(g) Short Term Incentives

Capral's short-term incentive schemes are designed to encourage participants to assist Capral in achieving continuous improvement by aligning their interests with those of Capral and its stakeholders and rewarding them when key performance measures are achieved.

STI performance measures are set annually by the Board with reference to Board-approved budgets and operating plans established at the start of the financial year. These measures are designed to reflect underlying business performance and the achievement of key strategic and operational priorities.

In exercising discretion, the Board's primary objective is to ensure that STI outcomes appropriately reflect management performance and do not result in windfall gains arising from external or short-term factors outside management control, such as commodity price movements. Discretion is not applied to guarantee minimum outcomes.

For the Financial Year, there were 3 short term incentive programmes:

1. Short Term Incentive Plan (STIP): The Managing Director and senior employees have the opportunity to earn a cash and deferred equity incentive, based on a specified percentage of TEC dependent on each individual's level of responsibility. The actual incentive earned is based on the achievement of financial and non-financial objectives.
2. Bonus scheme: other salaried employees can earn fixed payments, as approved by the Managing Director, for achieving key performance measures set by their managers and outlined in the employee's individual PPR.
3. Sales incentives: Sales employees participate in quarterly sales incentive programmes in relation to revenue, gross margin, and debtor days targets.

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STIP is weighted 70% to financial objectives and 30% safety and other non-financial objectives. A summary of STIP is set out in the table below:

Frequency

Awards determined annually with payment made in the March following the end of the performance year.

Financial Measures

- Underlying EBIT for Capral and (Trading EBITDA for relevant General/Divisional Managers) Business Units (30%). Key financial threshold measure as reflects underlying earnings after excluding the impact of external economic factors such as the volatility of global aluminium prices and the unrealised impact of foreign exchange rate fluctuations.
- Net Profit After Tax for Capral (15%). Aligned to ability to pay dividends.
- Free Cash Flow for Capral (15%). Selected to ensure effectiveness of cash management.
- % Working Capital to Annualised Sales for Capral and (for relevant General/ Divisional Managers) Business Units (10%). Selected to ensure effectiveness of capital management.

Safety and other Non-financial Measures

Specific individual objectives are set to reflect measurable and numeric (where possible) strategic initiatives and profit and safety improvement objectives. The key individual objectives include performance to customers, sales targets/growth, productivity and operational improvements, key projects, and cost improvements. The weightings are generally 5% however may be higher or lower depending on importance to company performance.

Climate-related Non-financial Measures

For 2025, climate-related Non-financial measures formed a component of STIP framework for selected executives.

The weightings applied were as follows:

- Chief Executive Officer – 1% linked to emissions reduction and sustainability reporting objectives.
- Chief Financial Officer – 3% linked to climate-related reporting objectives.
- Group ESG, Climate & Risk Manager – 10% linked to sustainability-related objectives, including emissions reduction, waste reduction and climate-related reporting.

These measures were assessed by the Remuneration Committee having regard to achievement of defined objectives and regulatory reporting requirements. Climate-related measures represent a limited proportion of overall STIP opportunity and are intended to support accountability for emissions management and reporting compliance.

Assessment of performance against measures

Performance against financial measures is assessed after the end of each financial year based on Capral's financial results. The performance against non-financial measures is assessed as part of the PPR process.

The Managing Director, in consultation with senior managers, is responsible for recommending to the Board the amount of STIP, if any, to be paid.

Payments are subject to the achievement of applicable Capral, Divisional or Regional minimum annual Trading EBITDA targets. Stretch payments are not made where target financial metrics are not met.

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Discretionary override

The Board retains absolute discretion regarding payments having regard to Capral's overall financial position and other special circumstances that have arisen during the year (ie normalisation or clawback). The intent however is to minimise the exercise of discretionary adjustments to the planned outcomes set at the start of the year. Material adjustments would be disclosed.

Service condition

The Managing Director is eligible to receive a pro-rata payment where his employment is terminated other than for cause. Payments to other employees who leave Capral part way through a performance period is subject to Board discretion.

Clawback of awards

In the event of fraud, misstatement or misrepresentation of the financials, the Board may exercise its discretion to withhold some or all of a payment before it is made or recover some or all of payments already made.

Deferral

Any 'Stretch' STIP payments (after tax) to the Managing Director and Executive Team are satisfied by Capral Shares and held in escrow for 3 years. These shares can be issued or acquired on-market (priced at the 12-month Volume Weighted Average Price (VWAP) as at the end of the performance period) as determined by the Board. There is no deferred cash / equity component for other STIP participants. The Board introduced deferred equity in 2018 to further strengthen alignment of Capral's executive managers with shareholders.

Plan review

The STIP design is reviewed at least annually by the Remuneration & Nomination Committee and approved by the Board. The Managing Director, in consultation with senior managers, is responsible for recommending to the Board the STIP financial targets. The non-financial objectives are approved by the Managing Director. The Managing Director's non-financial targets are established and approved by the Board.

The Managing Director and key management personnel are eligible for the following awards of STIP relative to TEC:

Position	% of TEC		
	MINIMUM	TARGET	STRETCH
Managing Director	25%	50%	100%
Chief Financial Officer	17.5%	35%	70%

Where objectives can be financially measured, 'Minimum' is generally set around 15% below Board approved Budget. 'Target' is generally set around Board approved Budget and 'Stretch' is generally set 30% above Budget.

The Board periodically review external independent remuneration benchmarking reports (latest FY 2021) regarding short term incentive schemes of the key management personnel (including the Managing Director) for listed companies with comparable revenues and market capitalisation. The Board considers that Capral's short-term incentive scheme is generally in line with this group.

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(h) Long Term Incentives

The long-term incentive plan (LTIP) is designed to align executive remuneration with shareholder value creation over the long term and to support performance through the business cycle.

Performance rights granted under the LTIP are subject to a combination of relative and internal performance measures assessed over a multi-year performance period. Relative total shareholder return is measured against a defined comparator group, with vesting commencing only where Capral's performance is at least at the relevant threshold level within that group.

Internal performance measures are set by reference to Board-approved internal plans at the commencement of the performance period. These measures are designed to reward performance across the cycle, recognising the inherently cyclical nature of Capral's end markets, rather than short-term or windfall outcomes.

The Managing Director, Mr Dragicevich, was granted 44,400 performance rights following shareholder approval in April 2023 and 47,000 performance rights following shareholder approval in May 2024. During the Financial Year, an additional 42,700 performance rights were granted to Mr Dragicevich following shareholder approval in May 2025.

On the recommendation of the Managing Director to the Remuneration & Nomination Committee, selected senior executives participate in LTIP.

A summary of LTIP for the Managing Director and other senior executives is set out below:

Frequency Type of award	Awards determined annually. Performance rights subject to service requirements and vesting criteria. If the conditions are met, shares will be issued or allocated around the vesting date.
Amount of Award	The Managing Director is eligible to receive additional annual issues of up to 50% of the value of TEC, subject to shareholder approval. The value of individual awards for all other participating senior executives is generally less than 35% of TEC. As a matter of practice, the aggregate amount of each annual award to all Executives is less than 1.5% of issued capital and the number of rights awarded is based on the 12-month Volume Weighted Average Price (VWAP) as at the start of the performance period.
Performance period & vesting dates	3 years with 31 December testing dates. 2022 award: vesting date in March 2025. 2023 award: vesting date in March 2026. 2024 award: vesting date in March 2027. 2025 award: vesting date in March 2028

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Performance conditions	Performance rights granted under LTIP are subject to the participant remaining employed by Capral at the vesting date and the achievement of the following performance conditions: ▸ 50% of rights are subject to an EPS performance condition. The actual EPS performance is measured over a 3-year period, must meet, in aggregate, the 3 annual targets combined. The EPS condition is calculated each year as follows: Net Profit After Tax Target as specified by the Board for that year (adjusted for any extraordinary items approved by the Board) divided by weighted average number of securities on issue during the year. The Board may adjust EPS to normalise results and exclude the effects of material business acquisitions/ divestments and certain one-off costs; any material adjustments would be disclosed. The number of rights that may vest is set out in Table B below. ▸ 50% of rights are subject to a TSR performance condition as against the entities with ordinary shares and units (as the case may be) included in the S&P/ASX All Ordinaries Index as at 1 January in the year of grant but excluding those companies who are classified in the Global Industry Classification Standard sector number 40. The number of rights which may vest is set out in Table A below.
Assessment of performance against measures	Performance against the EPS and TSR conditions are assessed at the end of the 3-year period (31 December testing date). There is no re-testing of EPS or TSR conditions. Vested rights convert on the relevant vesting date a one-for-one basis to ordinary shares. Unvested rights lapse.
Treatment of awards on cessation of employment	If employment ceases all unvested rights will immediately lapse. However, if the cessation relates to the redundancy or permanent disability / death of the employee or other reason determined by the Board then the Board has absolute discretion to determine that the rights remain in play on a pro rata basis.
Treatment of awards on change of control	The Board has discretion to allow awards to vest on a change of control. In exercising this discretion, the Board is not bound to award all shares.
Dividend/ participation rights	There is no entitlement to dividends on performance rights during the vesting period or to participate in respect of issues of shares to shareholders.
Clawback of awards	In the event of fraud, misstatement or misrepresentation of the financials, the Board may exercise its discretion to forfeit some or all of the award prior to the issue of shares or recover some or all of the award already made.
Plan review	The LTIP design is reviewed at least annually by the Remuneration & Nomination Committee and approved by the Board. The Managing Director makes recommendations to the Remuneration & Nomination Committee regarding the proposed LTIP award participants and the amount of the entitlements.

Vesting of rights subject to the TSR and EPS performance conditions at each testing date is determined in accordance with Tables A and B respectively below:

Table A

PERCENTILE OF TSR	% RIGHTS VESTING
< 50th	None
50th	50
> 50th and < 75th	Between 50 and 100 (pro rata)
> 75th	100

Table B

EPS TARGET	% RIGHTS VESTING
> 5% below target	None
5% below target	50
< 5% below target to 10% above target	Between 50 and 100 (pro rata)
> 10% above target	100

The Board considers that Capral's long-term incentive scheme is generally in line with other listed companies with comparable revenues and market capitalisation.

(i) Anti-Hedging Policy

Capral's personnel are not permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any Capral equity-based remuneration scheme currently in operation or which will be offered by Capral in the future. As part of Capral's due diligence undertaken at the time of the financial results, participants in any Capral equity plan are required to confirm that they have not entered into any such prohibited transactions.

Section 2: Actual Remuneration of key management personnel

During the Financial Year there were a number of remuneration outcomes. The expensed remuneration is set out in detail in the remuneration table below however in summary the key outcomes were as follows:

(a) Remuneration

General pay increases were implemented for executives. Total expensed remuneration for these executives (including the directors) increased on average by 3% as compared to the prior year.

(b) STIP

STIP accruals in respect of the 2025 year are higher than the prior year actual payout.

(c) LTIP

42,700 performance rights were granted to the Managing Director in May 2025 following shareholder approval (2024: 47,000) and 160,500 rights were granted under the 2025 LTIP award to other executives in March 2025 (2024: 153,000).

Performance rights granted to the Managing Director and executives under LTIP awards were tested after the year end with the outcomes detailed in section 3 below.

For the Financial Year ending 31 December 2026, Capral intends to:

1. increase the fixed remuneration of the Directors, Managing Director, and executives by an average of 3%; and
2. grant further performance rights under the LTIP to the Managing Director (subject to shareholder approval) and selected senior managers.

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(d) Remuneration Table - key management personnel

The following table sets out the remuneration of the key management personnel (including the directors) during the Financial Year and the 2024 financial year.

The key management personnel of the consolidated entity are the non-executive directors, Managing Director and Chief Financial Officer/Company Secretary. These people have the authority and responsibility for planning, directing and controlling the day-to-day activities of Capral.

			Short-term employee benefits		
NAME	YEAR	TITLE	SALARY AND FEES[1]	BONUS[1]	NON-MONETARY BENEFITS
			$	$	$
Directors					
A.M. Dragicevich	**2025**	**Managing Director**	**759,171**	**396,500**	**-**
	2024	Managing Director	735,875	384,950	-
R.L. Wood-Ward	**2025**	**Chairman**	**-**	**-**	**-**
	2024	Chairman[5]	44,494	-	-
M. White	**2025**	**Non-executive director / Chairman**	**138,832**	**-**	**-**
	2024	Non-executive director / Chairman	109,478	-	-
K. Ostin	**2025**	**Non-executive director**[7]	**31,837**	**-**	**-**
	2024	Non-executive director	85,731	-	-
B. Tisher	**2025**	**Non-executive director**	**93,765**	**-**	**-**
	2024	Non-executive director	85,731	-	-
L. Lefcourt	**2025**	**Non-executive director**[8]	**67,700**	**-**	**-**
	2024	Non-executive director	-	-	-
Executives					
T. Campbell	**2025**	**CFO/ Co. Sec.**	**473,360**	**177,450**	**-**
	2024	CFO/Co. Sec.	453,895	169,750	-
		Total 2025	**1,564,665**	**573,950**	**-**
		Total 2024	1,515,204	554,700	-

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	Post-employment benefits	Other long-term benefits	Termination benefits[2]	Share-based payments		Total	Total performance related
	SUPERANNUATION[4]			DEFERRED EQUITY[1]	PERFORMANCE RIGHTS[3]		
	$	$	$	$	$	$	%
30,000	**-**	**-**	**19,000**	**307,822**	**1,512,493**	**48**
27,500	-	-	62,350	304,094	1,514,769	50
-	**-**	**-**	**-**	**-**	**-**	**-**
4,894	-	-	-	-	49,388	-
16,321	**-**	**-**	**-**	**-**	**155,153**	**-**
12,366	-	-	-	-	121,844	-
3,662	**-**	**-**	**-**	**-**	**35,499**	**-**
9,647	-	-	-	-	95,378	-
11,023[6]	**-**	**-**	**-**	**-**	**104,788**	**-**
9,647[6]	-	-	-	-	95,378	-
8,025[6]	**-**	**-**	**-**	**-**	**75,725**	**-**
-	-	-	-	-	-	-
30,000	**-**	**-**	**8,550**	**118,129**	**807,489**	**38**
27,482	-	-	27,550	108,602	787,279	39
99,031	**-**	**-**	**27,550**	**425,951**	**2,691,147**	
91,536	-	-	89,900	412,696	2,664,036	

[1] All salaries, fees and bonus amounts are on an accrual basis. Bonuses relating to a financial year are payable in the following financial year.

[2] Termination benefits include leave accrued and payments made in lieu of notice at the end of employment with Capral.

[3] All LTIP performance rights listed are securities that have not yet vested. In relation to the performance rights of the key management personnel refer to Note 33 of the consolidated financial statements.

[4] Superannuation guarantee percentage has been changed from 11.5% to 12.0% from 1 July 2025.

[5] Mr Wood-Ward retired as director on 8 May 2024, and stayed on as consultant until 1 September 2024. During this period as consultant, Mr Wood-Ward was not a key management personnel and received a salary of $25,338 and superannuation of $2,853.

[6] Mr Tisher and Ms Lefcourt's superannuation were paid as part of their normal salary due to reaching the concessional contributions cap. Ms Lefcourt only since 1 July 2025.

[7] Mrs Ostin resigned as director on 8 May 2025.

[8] Mrs Lefcourt was appointed as director on 17 April 2025.

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Section 3: Performance rights, Options and bonuses provided as compensation

Performance rights - Managing Director

During the Financial Year and the financial year ended 31 December 2024, performance rights were granted as equity compensation benefits under the LTIP, to the Managing Director as disclosed as at balance date below. The performance rights were granted at no cost to him.

42,700 performance rights were granted to the Managing Director in May 2025 following shareholder approval. These rights have a vesting date of March 2028.

47,000 performance rights were granted to the Managing Director in May 2024 following shareholder approval. These rights have a vesting date of March 2027.

44,400 performance rights were granted to the Managing Director in April 2023 following shareholder approval. These rights have a vesting date of March 2026.

The EPS condition (relating to 22,200 rights granted in 2023) was tested as at 31 December 2025. Capral achieved the EPS condition and consequently 22,200 rights will vest in March 2026. The TSR condition (relating to 22,200 rights granted in 2023) was also tested as at 31 December 2025. Capral's relative TSR performance over the period from January 2023 to December 2025 at 84.8% (2024: 45.9%) was in the 77th percentile (2024: 81st) and thus 100% of the rights subject to the TSR condition will vest in March 2026. Consequently, a total of 44,400 rights will vest and convert into Capral shares on a 1 for 1 basis in March 2026.

49,000 performance rights were granted to the Managing Director in April 2022 following shareholder approval. None of 49,000 rights lapsed and a total of 49,000 rights vested and was converted into Capral shares on a 1 for 1 basis during March 2025.

OTHER KMP/OFFER	TRANCHE	GRANT NO.	GRANT DATE	FAIR VALUE PER RIGHT AT GRANT DATE ($)	TEST DATE	LAPSED NO.	VESTED NO.	ACTIVE NO
2025 Offer			08/05/2025					
A. Dragicevich								
	EPS 50%	21,350		$9.20	31/12/2027	-	-	21,350
	TSR 50%	21,350		$7.26	31/12/2027	-	-	21,350
Total 2025		**42,700**				**-**	**-**	**42,700**
2024 Offer			08/05/2024					
A. Dragicevich								
	EPS 50%	23,500		$7.95	31/12/2026	-	-	23,500
	TSR 50%	23,500		$5.43	31/12/2026	-	-	23,500
Total 2024		**47,000**				**-**	**-**	**47,000**
2023 Offer			27/04/2023					
A. Dragicevich								
	EPS 50%	22,200		$5.94	31/12/2025	-	-	22,200
	TSR 50%	22,200		$4.25	31/12/2025	-	-	22,200
Total 2023		**44,400**				**-**	**-**	**44,400**
2022 Offer			27/04/2022					
A. Dragicevich								
	EPS 50%	24,500		$7.77	31/12/2024	-	24,500	-
	TSR 50%	24,500		$5.82	31/12/2024	-	24,500	-
Total 2022		**49,000**				**-**	**49,000**	**Nil**
Total Active Rights								**134,100**

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Performance rights – other key management personnel and executives

During the Financial Year and the financial year ended 31 December 2024, performance rights were granted as equity compensation benefits under the LTIP, to certain senior managers including key management personnel as disclosed as at balance date below. The performance rights were granted at no cost to the participants.

160,500 performance rights were granted under the 2025 LTIP award to executives in March 2025. These rights have a vesting date of March 2028.

153,000 performance rights were granted under the 2024 LTIP award to executives in March 2024. These rights have a vesting date of March 2027.

141,100 performance rights were granted under the 2023 LTIP award to executives in March 2023. 4,500 of these performance rights had been forfeited due to resignation of executives in the normal course of business. These rights have a vesting date of March 2026.

The EPS condition (68,300 rights) was tested as at 31 December 2025. Capral achieved the EPS condition and consequently 68,300 of these rights will vest in March 2026. The TSR condition (68,300 rights) was also tested as at 31 December 2025. Capral's relative TSR performance over the period from January 2023 to December 2025 at 84.8% (2024: 45.9%) was in the 77th percentile (2024: 81st) and thus 100% of the rights subject to the TSR condition will vest in March 2026. Consequently, a total of 136,600 rights will vest and convert into Capral shares on a 1 for 1 basis as at 1 March 2026.

139,000 performance rights were granted under the 2022 LTIP award to executives in March 2022. 22,500 of these performance rights had been forfeited. None of 116,500 rights lapsed and a total of 116,500 rights vested and converted into Capral shares on a 1 for 1 basis, as at 1 March 2025.

OTHER KMP/OFFER	TRANCHE	GRANT NO.	GRANT DATE	FAIR VALUE PER RIGHT AT GRANT DATE ($)	TEST DATE	LAPSED NO.	VESTED NO.	ACTIVE NO
2025 Offer								
T. Campbell			20/03/2025					
	EPS 50%	9,500		$5.94	31/12/2027	-	-	9,500
	TSR 50%	9,500		$8.46	31/12/2027	-	-	9,500
Total 2025		**19,000**				**-**	**-**	**19,000**
2024 Offer								
T. Campbell			11/03/2024					
	EPS 50%	10,250		$7.78	31/12/2026	-	-	10,250
	TSR 50%	10,250		$5.36	31/12/2026	-	-	10,250
Total 2024		**20,500**				**-**	**-**	**20,500**
2023 Offer								
T. Campbell			06/03/2023					
	EPS 50%	8,300		$6.16	31/12/2025	-	-	8,300
	TSR 50%	8,300		$4.73	31/12/2025	-	-	8,300
Total 2023		**16,600**				**-**	**-**	**16,600**
2022 Offer								
T. Campbell			08/03/2022					
	EPS 50%	8,750		$6.78	31/12/2024	-	8,750	-
	TSR 50%	8,750		$4.91	31/12/2024	-	8,750	-
Total 2022		**17,500**				**-**	**17,500**	**Nil**
Total Active Rights								**56,100**

Options

No options were issued under the LTIP during the Financial Year and the financial year ended 31 December 2024.

Equity grants during the Financial Year

Details of the performance rights granted, as well as the movement during the Financial Year in rights previously granted, to key management personnel are as follows:

2025 - PERFORMANCE SHARE RIGHTS	HELD AT START OF YEAR	GRANTED AS COMPENSATION	LAPSED	VESTED	OTHER CHANGES	HELD AT END OF YEAR	MAXIMUM VALUE YET TO VEST ($)#
A Dragicevich	140,400	42,700	-	(49,000)	-	134,100	427,287
T Campbell	54,600	19,000	-	(17,500)	-	56,100	158,222
	195,000	61,700	-	(66,500)	-	190,200	585,509

The non-executive directors hold no performance rights.

Note:

The maximum value of performance rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed.

Bonuses

During the Financial Year and the financial year ended 31 December 2024, STIP bonus payments were made to the Managing Director and key management personnel. The Managing Director's STIP payments for 2025 and 2024 equated to 53% and 59% (respectively) of his TEC and the Board considers it appropriate having regard to the achievement of certain key financial measures (as detailed in section 4 below and section 1 above) as well as critical non-financial measures regarding customers, capital projects, anti-dumping activities and other strategic plans. The other key management personnel's STIP payments were 37% and 41% of TEC for 2025 and 2024 respectively.

The percentages of bonus accrued and forfeited (as a result of not meeting the performance criteria at 'target' level) during the Financial Year and the financial year ended 31 December 2024 are disclosed below:

2025	% OF BONUS ACCRUED	% OF BONUS FORFEITED	% OF COMPENSATION FOR THE YEAR CONSISTING OF STIP BONUS[1]
Executives			
A. Dragicevich	105	-	34
T. Campbell	105	-	27
2024	**% OF BONUS ACCRUED**	**% OF BONUS FORFEITED**	**% OF COMPENSATION FOR THE YEAR CONSISTING OF STIP BONUS[1]**
Executives			
A. Dragicevich	117	-	37
T. Campbell	117	-	29

Note:

[1] Total compensation used for calculating % purposes excludes equity compensation benefits under the LTIP and termination benefits.

[2] Trading EBITDA and Underlying EBIT (non-IFRS measure) is EBITDA and EBIT adjusted for items assessed as unrelated to the underlying performance of the business and allows for a more relevant comparison between financial periods.

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Shareholdings of key management personnel - fully paid ordinary shares of the Company

Details of the holdings of Capral's ordinary shares of key management personnel during the Financial Year are as follows:

2025	HELD AT START OF YEAR	GRANTED AS COMPENSATION	RECEIVED ON VESTING OF PERFORMANCE RIGHTS/ EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR[3]	HELD AT END OF YEAR
Directors					
A.M. Dragicevich	618,257	3,561[1]	25,970[2]	(100,000)	547,788[4]
K. Ostin	-	-	-	-	-
B. Tisher	4,500	-	-	1,000	5,500
M. White	1,047	-	-	3,953	5,000
L. Lefcourt	-	-	-	-	-
Executives					
T. Campbell	89,984	1,573[1]	17,500	(16,500)	92,557[5]
	713,788	**5,134**	**43,470**	**(111,547)**	**650,845**

[1] Deferred equity acquisition as part of 2024 STIP plan.

[2] Acquired on vesting of performance rights in March 2025, after deduction of taxation obligations (49,000, pre-tax).

[3] Acquired / (disposed) through on-market buy/sell transactions.

[4] 9,285 shares held are in escrow at the end of Financial Year.

[5] 3,637 shares held are in escrow at the end of Financial Year.

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Section 4: Relationship between remuneration and company performance

There is a link between company performance and executive reward. For the Financial Year and the previous 4 financial years, Capral has made STIP payments based upon the achievement of performance (financial and non-financial) measures.

Whilst continuing to ensure that Capral attracts and retains qualified, experienced, and motivated employees in accordance with the remuneration policy by remunerating employees at a competitive level, Capral has placed more emphasis on at-risk remuneration in order to align remuneration of the employees to the performance of Capral and encourage shareholder wealth.

The Board does not disclose the specific financial targets applying to LTIP awards due to their commercial sensitivity. However, the Board confirms that the earnings-based performance conditions require performance at least at minimum levels approved by the Board at the start of the performance period and are calibrated to reflect underlying business performance over the full period.

In assessing incentive outcomes, the Board has regard to underlying performance measures used internally to manage the business, and excludes the impact of material accounting items that do not reflect management performance or long-term value creation.

During the financial year, overall remuneration outcomes reflected the Company's underlying operating performance and progress against strategic priorities in a challenging market environment. Incentive outcomes were assessed against pre-established performance conditions and were not influenced by non-recurring or accounting-driven items, including the recognition of deferred tax assets.

During the Financial Year and the previous 4 financial years (2021-2024), Capral's financial performance objectives were as follows, with the minimum targets (M) that were set for the 2024 STIP financial measures also shown:

YEAR ENDED 31 DEC	2025 (A)	2025 (M)	2024 (A)	2023 (A)	2022 (A)	2021 (A)
Trading EBITDA $'000[1]			36,944	42,299	43,305	38,157
Underlying EBIT $'000[1]	35,174	29,500				
Free Cash Flow $'000[1]	20,197	15,600	28,633	52,431	(16,376)	17,229
Net Profit $'000	32,551[2]	25,400	29,064[3]	31,839	32,387[4]	33,313[5]
% Working Capital to Annualised Sales	16.5	15.8	14.2	15.8	13.1	10.7
	199.71[2]	152.95	168.13[3]	177.48	183.50[4]	196.47[5]
Underlying earnings - cents per share						
Dividends Declared $000	4,852		6,813	9,700	12,437	12,016
Buy Back (cancelled) $000	9,202		6,219	3,145	-	-
Share Price (VWAP) – cents per share	1,086		928	819	842	744
Share Price Change	13.3%		13.3%	(2.7%)	13.2%	79.7%

Note:

[1] Trading EBITDA and Underlying EBIT (non-IFRS measure as explained in footnote to Chairman's Report) is Statutory EBITDA and EBIT adjusted for items assessed as unrelated to the underlying performance of the business and allows for a more relevant comparison between financial periods. Free Cash Flow is Net cash provided by operating activities reduced by net cash flows used in investing activities and lease liability payments.

[2] Net Profit and Earnings per share adjusted to exclude Deferred Tax Benefit of $2.460 million.

[3] Net Profit and Earnings per share adjusted to exclude Deferred Tax Benefit of $3.610 million.

[4] Net Profit and Earnings per share adjusted to exclude Deferred Tax Benefit of $8.365 million.

[5] Net Profit and Earnings per share adjusted to exclude Deferred Tax Benefit of $9.430 million, property revaluation $3.074 million.

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In the Financial Year, Capral's Underlying EBIT and Net Profit after tax (excluding Income Tax Benefit) was higher than 2024. The minimum targets were surpassed in all instances apart from Working Capital %. As a result, proportional STIP will be payable to Capral key management and other senior personnel. Discretionary Bonuses will also be payable to other qualifying employees. At a Divisional and Regional level minimum Trading EBITDA measures were achieved in some business units, and there were mixed results relating to Working Capital and sales volume measures.

The following provides examples of other key measures (that are not commercially sensitive) used to assess executive performance:

PERFORMANCE AREA	MEASURE	OUTCOME
Safety	Reduction in total reportable injury frequency rate	Rate improved significantly and Group stretch targets met.
	Hours lost & return to work hours lost from injuries	Significant improvement and Group Stretch targets met.
Emissions reduction	Reduction in greenhouse gas emissions (in tonnes of CO2e) against a baseline year 2022	Reduction higher than target. Stretch met.
Customers	Volume retention/ growth	Sales areas met some of the specific growth and revenue targets as well as margin measures. Performance varied by region/ division.
Production	Operational efficiency	Manufacturing plants met some of their operational efficiency/ improvement targets. Performance varied by plant.
Supply Chain	Supply chain and inventory reduction programmes	Initiatives were generally achieved.
People	AL & LSL excess balance reduction	Overall excess leave balance reduction initiatives were achieved. Performance varied by region/ division.
Anti-dumping	Pursue anti-dumping campaign	Overall, the outcomes were successful.
Costs	Cost reduction initiatives	Many of the specific cost and expense reduction initiatives were achieved. Performance varied by region/ division.

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STIP accruals in respect of the 2025 year are higher than the prior year actual payout, aligned to financial performance. There is a clear link between financial performance and the level of STIP awarded.

LTIP is linked to Capral's performance as the value of the performance rights awarded depends on Capral's share price and dividend payments, and whether the awards vest relate to earnings growth and Capral's relative TSR performance. There is a link between Capral's performance and the vesting of rights under LTIP awards. In this regard:

In 2025:

- Capral's relative TSR performance over the period from January 2023 to December 2025 achieved the 77th percentile, above the maximum 75th percentile. Consequently, 100% or 90,500 of the rights subject to the TSR condition that were awarded in 2023 to executives will vest and convert to Capral shares.
- Given earnings in, 2023, 2024 and 2025, the aggregate EPS result for the 3-year period to 2025 was 545.32 cents per share against an aggregate target of 424.69 cents per share and therefore the EPS condition of the 2023 award was achieved. Consequently, 100% or 90,500 of the rights subject to the EPS condition of the 2023 award will vest and convert into Capral shares.

In 2024:

- Capral's relative TSR performance over the period from January 2022 to December 2024 achieved the 81st percentile, above the maximum 75th percentile. Consequently, 100% or 82,750 of the rights subject to the TSR condition that were awarded in 2022 to executives will vest and convert to Capral shares.
- Given earnings in, 2022, 2023 and 2024, the aggregate EPS result for the 3-year period to 2024 was 529.10 cents per share against an aggregate target of 423.02 cents per share and therefore the EPS condition of the 2022 award was achieved. Consequently, 100% or 82,750 of the rights subject to the EPS condition of the 2022 award will vest and convert into Capral shares.

Section 5: Summary of Key Employment Contracts

Details of the key contract terms for the Managing Director and other key management personnel as at the end of the Financial Year are as follows:

CONTRACT DETAILS	A. DRAGICEVICH	T. CAMPBELL
Expiry date	No fixed end date	No fixed end date
Notice of termination by Capral	6 months	6 months
Notice of termination by employee	6 months	6 months
Annual Leave	6 weeks	4 weeks
Termination payments (in lieu of notice)	6 months salary plus accrued but unpaid STIP (pro rata for incomplete financial year). In addition, on retirement or if employment is terminated by Capral other than for cause, unvested LTIP rights may remain in play on a pro rata basis.	6 months salary. STIP entitlement for incomplete financial years is subject to Board discretion. In addition, on retirement or if employment is terminated by Capral other than for cause, unvested LTIP rights may remain in play on a pro rata basis.

End of audited Remuneration report.

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Environmental regulations

Manufacturing licences and consents required by laws and regulations are held by the consolidated entity at each relevant site as advised by consulting with relevant environmental authorities. All applications for and renewals of licences have been granted and all consents have been given by all relevant authorities.

Directors' and officers' indemnities and insurance

Under Capral's constitution, Capral is required to indemnify, to the extent permitted by law, each director and secretary of Capral against any liability incurred by that person as an officer of Capral. The directors listed on pages 12 to 13 and the secretary have the benefit of this indemnity. During the Financial Year, Capral paid a premium for directors' and officers' liability insurance policies which cover current and former directors, company secretaries and officers of the consolidated entity. Details of the nature of the liabilities covered and the amount of the premium paid in respect of the directors' and officers' insurance policies are not disclosed, as such disclosure is prohibited under the terms of the contracts.

Indemnities to auditors

In respect of non-audit services provided in relation to tax consulting and tax compliance advice during the Financial Year, KPMG, Capral's auditor, has the benefit of an indemnity (including in respect of legal costs) for any third party claim in connection with the use, distribution or reliance on their work (except to the extent caused by the wilful misconduct or fraud of KPMG, or where it has agreed that the third party may rely on the work or it may be used in a public document).

Proceedings on behalf of Capral

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of Capral, or to intervene in any proceedings to which Capral is party, for the purpose of taking responsibility on behalf of Capral for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of Capral with leave of the Court under section 237 of the Corporations Act.

Non-audit services

Capral may decide to employ the auditor on assignments additional to their statutory audit services where the auditor's expertise and experience with the consolidated entity are important.

The Board has considered this position and in accordance with the advice received from the Audit & Risk Committee, it is satisfied that the provision of these services during the Financial Year by the auditor is compatible with, and did not compromise, the general standard of auditor independence imposed by the Corporations Act for the following reasons:

1. the non-audit services provided do not involve reviewing or auditing the auditor's own work and have not involved partners or staff acting in a management or decision-making capacity for Capral or in the processing or originating of transactions;
2. all non-audit services and the related fees have been reviewed by the Audit & Risk Committee to ensure complete transparency and that they do not affect the integrity and objectivity of KPMG; and
3. the declaration required by section 307C of the Corporations Act 2001 confirming independence has been received from KPMG.

Details of the amounts paid or payable to Capral's auditor (KPMG) for audit and non-audit services provided during the Financial Year are set out in Note 29 of the consolidated financial statements.

Auditor's independence declaration

The auditors' independence declaration as required under section 307C of the Corporations Act is set out on page 42.

Rounding of amounts

Capral is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that ASIC Corporations Instrument amounts in the Directors' Report and the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the directors



M. White
Chair

A. M. Dragicevich
Managing Director

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

To the Directors of Capral Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report and the review of specified sustainability disclosures in the sustainability report of Capral Limited for the financial year ended 31 December 2025 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

Daniel Camilleri

Partner

Sydney

26 February 2026

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2025

CONTINUING OPERATIONS	NOTE	2025 $'000	2024 $'000
Sales revenue		634,107	604,398
Scrap and other revenue		51,932	45,300
Revenue	3	686,039	649,698
Other income	3	8,250	5,412
Raw materials and consumables used		(439,291)	(410,397)
Employee benefits expense	2	(120,053)	(115,529)
Depreciation and amortisation expense	2	(23,785)	(23,831)
Finance costs	2	(4,987)	(5,572)
Freight expense		(15,337)	(14,901)
Occupancy costs	2	(6,500)	(5,491)
Repairs and maintenance expense		(9,290)	(9,231)
Other expenses	2	(41,880)	(41,281)
Profit before tax		33,166	28,877
Income tax benefit	4	2,460	3,610
Profit for the year		35,626	32,487
Total comprehensive income for the year		35,626	32,487
Earnings per share		**($ PER SHARE)**	**($ PER SHARE)**
Basic earnings per share	22	2.15	1.88
Diluted earnings per share	22	2.08	1.82

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

as at 31 December 2025

	NOTE	2025 $'000	2024 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	60,488	68,907
Trade and other receivables	7	90,578	91,827
Inventories	8	175,499	155,397
Other financial assets	26 (c)	11	2,596
Prepayments		2,991	2,039
Total current assets		**329,567**	**320,766**
Non-current assets			
Deferred tax assets	9	29,032	27,310
Property, plant and equipment	11	61,966	59,040
Right-of-use assets	14	53,327	59,022
Other intangible assets	12	2,749	1,579
Goodwill	13	6,261	4,699
Total non-current assets		**153,335**	**151,650**
Total assets		**482,902**	**472,416**
LIABILITIES			
Current liabilities			
Trade and other payables	16	139,407	141,367
Lease liabilities	17	18,237	16,928
Provisions	18	15,137	14,813
Other financial liabilities	26 (c)	1,688	-
Deferred income	27	2,276	222
Total current liabilities		**176,745**	**173,330**
Non-current liabilities			
Lease liabilities	17	54,972	66,000
Provisions	18	7,379	7,957
Total non-current liabilities		**62,351**	**73,957**
Total liabilities		**239,096**	**247,287**
Net assets		**243,806**	**225,129**
EQUITY			
Issued capital	19	388,488	409,124
Reserves	20	184,234	147,381
Accumulated losses	20 (b)	(328,916)	(331,376)
Total equity		**243,806**	**225,129**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows

for the financial year ended 31 December 2025

	NOTE	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		760,251	716,230
Payments to suppliers and employees		(709,974)	(656,714)
		50,277	59,516
Interest and other costs of finance paid		(6,506)	(6,812)
Net cash provided by operating activities	31(i)	**43,771**	**52,704**
Cash flows from investing activities			
Payments for property, plant and equipment		(11,516)	(9,693)
Payments for intangible assets		(240)	-
Net cash outflow on acquisition of business		(5,568)	(6,812)
Interest received		1,823	1,705
Net cash flows used in investing activities		**(15,501)**	**(14,800)**
Cash flows from financing activities			
Payments of dividends	21	(6,751)	(6,090)
Payments for on-market share buy-back		(9,202)	(6,219)
Payments for share purchase – employee share plan	20	(1,881)	(355)
Proceeds in relation to employee share scheme		80	104
Repayment of principal of lease liabilities	31(iii)	(18,038)	(16,458)
Net cash flows used in financing activities		**(35,792)**	**(29,018)**
Net (decrease)/increase in cash and cash equivalents		**(7,522)**	**8,886**
Cash and cash equivalents at the beginning of the financial year		68,907	59,457
Effect of foreign exchange rate changes		(897)	564
Cash and cash equivalents at the end of the financial year	6	**60,488**	**68,907**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

	NOTE	FULLY PAID ORDINARY SHARES $'000	EQUITY-SETTLED COMPENSATION RESERVE $'000	EMPLOYEE SHARE RESERVE $'000
Balance as at 1 January 2024		424,771	13,936	(2,320)
Profit for the year		-	-	-
Total comprehensive profit for the year		-	-	-
Share-based payments expense		-	1,095	-
Shares cancelled – on-market buy-back	19, 20	(15,647)	-	-
Employees shares on-market purchase	20	-	-	(355)
Vested performance rights conversion to shares	20	-	(1,988)	1,362
Proceeds from employee escrows shares		-	-	104
Dividends paid	20, 21	-	-	-
Balance as at 31 December 2024		**409,124**	**13,043**	**(1,209)#**
Balance as at 1 January 2025		409,124	13,043	(1,209)
Profit for the year		-	-	-
Total comprehensive profit for the year		-	-	-
Share-based payments expense		-	1,253	-
Shares cancelled – on-market buy-back	19, 20	(20,636)	-	-
Employees shares on-market purchase	20	-	-	(1,881)
Vested performance rights conversion to shares	20	-	(1,506)	1,058
Proceeds from employee escrows shares	20	-	-	80
Dividends paid	20, 21	-	-	-
Balance as at 31 December 2025		**388,488**	**12,790**	**(1,952)#**

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ASSET REVALUATION RESERVE $'000	DIVIDEND RESERVE* $'000	SHARE BUY-BACK RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
4,088	93,683	5,560	(334,986)	204,732
-	28,877	-	3,610^	32,487
-	28,877	-	3,610^	32,487
-	-	-	-	1,095
-	-	9,429	-	(6,218)
-	-	-	-	(355)
-	-	-	-	(626)
-	-	-	-	104
-	(6,090)	-	-	(6,090)
4,088	**116,470**	**14,989**	**(331,376)**	**225,129**
4,088	116,470	14,989	(331,376)	225,129
-	33,166	-	2,460^	35,626
-	33,166	-	2,460^	35,626
-	-	-	-	1,253
-	-	11,434	-	(9,202)
-	-	-	-	(1,881)
-	-	-	-	(448)
-	-	-	-	80
-	(6,751)	-	-	(6,751)
4,088	**142,885**	**26,423**	**(328,916)**	**243,806**

* Dividend reserve represents undistributed profits since the financial year 2010. Interim and final dividends are declared and sourced from current year profits. The residual current year profit has been transferred to a dividend reserve account.

^ Income tax benefit (2025: $2.46 million; 2024: $3.61 million in relation to deferred tax assets on tax losses and temporary differences are excluded from dividend reserve.

This relates to 152,945 (2024: 132,853) uncancelled and unallocated Capral shares (refer to Note 19).

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

or the financial year ended 31 December 2025

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1a. Reporting entity

Capral Limited (the Company or Capral) is a public listed company incorporated and operating in Australia. The Company's shares are quoted on the Australian Securities Exchange (ASX Code: CAA).

The Company's registered office and its principal place of business is as follows:

Registered office & principal place of business

71 Ashburn Road
Bundamba
QLD 4304
Tel: (07) 3816 7000

The principal continuing activities of the Company and its subsidiary consist of the manufacturing and distribution of fabricated and semi-fabricated aluminium related products.

1b. Statement of Compliance

The financial report (consolidated financial statements) is a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

The consolidated financial statements comprise the Company and its subsidiary (together referred to as the 'Group').

For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2026.

1c. Basis of preparation

Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments items as described in Note 26. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission and in accordance that instrument, amounts in the consolidated financial statements and the directors' report have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar as indicated.

Use of judgements and estimates

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1d. Foreign Currency

In preparing the consolidated financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance date. Non-monetary items carried at fair value that are

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denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

1e. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the consolidated statement of cash flow on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

1f. Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2025.

The following new and amended accounting standards are adopted by the Group and does not have a material impact on the Group's consolidated financial statements.

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability

Accounting Standard in issue but not yet effective:

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the consolidated financial statements.
- Enhanced guidance is provided on how to group information in the consolidated financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standards, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as 'other'.

The following new and amended accounting standards are not expected to have a material impact on the Group's consolidated financial statements.

- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

1g. Material accounting policies

The accounting policies provided throughout Notes 2 to 36 of this consolidated financial statements have been applied consistently to all periods presented in the consolidated financial statements.

2 Profit for the year

	NOTE	Consolidated 2025 $'000	Consolidated 2024 $'000
(a) Other expenses			
Profit before tax includes the following specific net expenses:			
Amortisation of intangibles assets		461	314
Total amortisation	12	461	314
Depreciation – owned assets			
Buildings		307	289
Leasehold improvements		608	648
Plant and equipment		8,383	8,097
Total depreciation – owned assets	11	9,298	9,034
Depreciation – right of use assets			
Buildings		12,025	12,439
Plant and equipment		2,001	2,044
Total depreciation – right of use assets	14	14,026	14,483
Total depreciation and amortisation		23,785	23,831
Occupancy costs			
Site costs		6,500	5,491
		6,500	5,491
Expense relating to leases of low value assets		121	100
Other charges against assets			
Increase in impairment of trade receivables		92	12
Employee benefit expense			
Post-employment benefits:			
- defined contribution plans		10,267	9,237
Equity-settled share-based payments		1,253	1,095
Other employee benefits		108,533	105,197
		120,053	115,529
Total finance costs are comprised of:			
Interest and fees on bank credit facilities		557	439
Interest component of lease liabilities		4,195	4,762
Impact of discounting on long-term provisions		235	371
Total finance costs		4,987	5,572
Other expenses			
Other labour cost		12,459	11,868
Utilities		9,855	9,894
Insurance		3,086	2,896
Other		16,480	16,623
Total other expenses		41,880	41,281
(b) Gains and Losses			
Net gain/(loss) on foreign exchange		73	(486)

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3 Revenue and other income

	Consolidated	
	2025 $'000	2024 $'000
Revenue from continuing operations		
Sales revenue - sale of goods (i)	634,107	604,398
Other revenue		
Scrap revenue (i)	51,932	45,300
Total other revenue	51,932	45,300
Other income		
Sub-lease rental income	3,963	3,705
Other income	2,464	2
Interest income	1,823	1,705
	8,250	5,412

(i) Recognised at a point in time.

Performance obligations and revenue recognition policies

Revenue is recognised when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers.

The Group recognises revenue from the sale of products and the sale of scrap and when it transfers control of a product to a customer, which is the point in time that the customer obtains control of the goods being on acceptance of the goods by the customer.

Revenue is measured at the fair value of the consideration received or receivable. Sales revenue comprises sales of goods and services at net invoice values less returns, trade allowances and applicable rebates.

Sub-lease rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Other income

Other income includes proceeds from the settlement of a legal claim.

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4 Income tax

	Consolidated	
	2025 $'000	2024 $'000
Current tax:		
Current year	-	-
Deferred tax:		
Recognition of previously unrecognised tax losses and deductible temporary differences and other adjustments	2,460	3,610
Income tax benefit	2,460	3,610
The benefit for the year can be reconciled to profit before tax as follows:		
Profit before income tax benefit	33,166	28,877
Income tax calculated @ 30% (2024:30%)	9,950	8,663
Tax effect of non-assessable / non-deductible items:		
Effect of expenses that are not deductible or taxable in determining taxable profit and other adjustments	369	458
Tax effect of costs deductible upon purchase of shares on-market for future issuance to employees	(564)	(107)
Tax effect of utilisation of tax losses and temporary differences	(9,437)	(9,014)
Previously unrecognised and unused tax losses and temporary differences now recognised as deferred tax assets	2,142	3,610
Income tax benefit recognised in profit or loss	2,460	3,610

Accounting policy

The income tax expense or benefit for the year is the tax payable or tax receivable on the current year's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and to unused tax losses.

The Company and its wholly owned Australian entities have implemented the tax consolidation legislation.

The current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group (including the Company as the head entity) using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

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5 Segment information

The information reported to Capral's Board of Directors, as the Group's chief operating decision maker, for the purposes of resource allocation and assessment of performance is focused on the type of goods supplied, being aluminium products. As such, in 2024 and 2025, the Group operated in one reportable segment under AASB 8 Operating Segment.

Major Products and Services

The Group produces a wide range of extruded aluminium products and systems. It distributes those manufactured products in addition to a small number of bought-in products through two distribution channels.

The Group supplies to three market segments through each of its distribution channels:

- Residential - supply of aluminium and other components for windows and doors, showers and wardrobes and security products,
- Commercial - supply of aluminium and other components for windows and doors, internal fit outs and other commercial building related products, and
- Industrial - supply of aluminium extrusions and rolled products for industrial uses.

Geographic Information

The Group operates in one geographical area, Australia.

Information About Major Customers

There are no individual major customers who contributed more than 10% of the Group's revenue in either the Financial Year or in 2024.

6 Current assets - cash and cash equivalents

	Consolidated	
	2025 $'000	2024 $'000
Cash at bank and cash in hand	60,488	68,907

Accounting policy

Cash comprises cash on hand and demand deposits

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7 Current assets - trade and other receivables

	Consolidated	
	2025 $'000	2024 $'000
Trade receivables - at amortised cost	88,075	84,428
Loss allowance (i)	(434)	(328)
	87,641	84,100
Other receivables	2,937	7,727
	90,578	91,827

The average credit period on sales of goods is approximately 43 days (2024: 43 days).
No interest is charged on trade and other receivables.

	Consolidated	
	2025 $'000	2024 $'000
(i) Movement in the loss allowance.		
Balance at beginning of the financial year	(328)	(316)
Amounts written off during the financial year	258	260
Increase in allowance recognised in profit or loss	(364)	(272)
Balance at end of the financial year	(434)	(328)

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Allowances are made for known doubtful debts at the time of appointment of administrators, liquidators, or other formal insolvency events.

Included in the Group's trade receivables are debtors with balances in 61 days and over of $381,000 (2024: $515,000), refer to note 26(h). The Group has not provided for all of these balances as the Group believes that these past due balances are still recoverable. In relation to some of the balances the Group holds personal property securities registrations and/or personal guarantees and/or trade credit insurance for 80% of the amount outstanding (after applying the deductible).

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7 Current assets - trade and other receivables (cont'd)

Trade receivables risk profile (excluding individually impaired):

	Consolidated	
	2025 $'000	2024 $'000
Current	69,536	66,708
1-30 days past due	16,142	15,513
31- 60 days past due	1,945	1,692
61+ days past due	18	187
Total	87,641	84,100

Included in the loss allowance is the expected credit loss for individually impaired trade receivables with a balance of $258,000 (2024: $260,000). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected proceeds.

	Consolidated	
	2025 $'000	2024 $'000
Current	-	-
1-30 days past due	20	-
31- 60 days past due	51	-
61+ days past due	363	328
Total	434	328

Major concentrations of credit risk are in the building, window and door fabricators, transport and marine, general industrial in Australia. Furthermore, the Group has credit insurance cover which requires ongoing management of credit accounts with monthly reports provided to the Insurer. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

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8 Current assets - inventories

	Consolidated	
	2025 $'000	2024 $'000
Raw materials and stores	31,682	33,640
Work in progress	3,702	3,490
Finished goods	140,115	118,267
	175,499	155,397

All inventories are net of allowance for obsolescence and are expected to be recovered within 12 months.
Included in the inventories balance is inventories in transit of $47,053,000 (2024: $37,751,000).

Accounting policy

Inventories representing aluminium log, other supplies and finished goods are valued at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less cost to sell. The key assumptions require the use of management judgement and are reviewed annually.

These key assumptions are the variables affecting the estimated costs to sell and the expected selling price. Any reassessment of cost to sell or selling price in a particular year will affect the cost of goods sold.

Aluminium log is valued at moving average of direct purchase cost. Cost of rolled product has been determined principally on moving average of direct purchase costs. Costs for finished and work-in-progress includes moving average metal cost, direct labour, and appropriate proportion of fixed and variable factory overhead.

The Group also records impairment allowance on slow, non-moving and obsolete inventories. The key assumptions include future sales forecast, forecast LME price and selection of specific inventory based on the past consumption patterns vis-à-vis the inventory on hand.

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9 Deferred tax assets

RECOGNISED DEFERRED TAX ASSETS MOVEMENT IN DEFERRED TAX BALANCE	OPENING NET BALANCE $'000	RECOGNISED IN PROFIT OR LOSS $'000	ACQUIRED IN BUSINESS COMBINATIONS $'000	CLOSING NET BALANCE $'000	CLOSING DEFERRED TAX ASSETS $'000	CLOSING DEFERRED TAX LIABILITIES $'000
2025						
Property plant and equipment (including right of use assets)	(18,525)	1,421	-	(17,104)	-	(17,104)
Intangible assets	(270)	68	(420)	(622)	8	(630)
Trade and other receivables	98	32	-	130	130	-
Inventories	2,632	(390)	-	2,242	2,242	-
Trade and other payables	2,090	181	-	2,271	2,271	-
Lease liabilities	18,795	(1,069)	-	17,726	17,726	-
Employee benefits	4,218	(44)	-	4,174	4,174	-
Provisions	226	141	-	367	367	-
Deferred income	67	616	-	683	683	-
Tax losses	17,979	1,186	-	19,165	19,165	-
Tax assets (liabilities) before set-off	27,310	2,142	(420)	29,032	46,766	(17,734)
Set off of tax				-	(17,734)	17,734
Net tax assets				**29,032**	**29,032**	**-**

RECOGNISED DEFERRED TAX ASSETS MOVEMENT IN DEFERRED TAX BALANCE	OPENING NET BALANCE $'000	RECOGNISED IN PROFIT OR LOSS $'000	CLOSING NET BALANCE $'000	CLOSING DEFERRED TAX ASSETS $'000	CLOSING DEFERRED TAX LIABILITIES $'000
2024					
Property plant and equipment (including right of use assets)	(17,129)	(1,396)	(18,525)	-	(18,525)
Intangible assets	13	(283)	(270)	10	(280)
Trade and other receivables	95	3	98	98	-
Inventories	3,028	(396)	2,632	2,632	-
Trade and other payables	2,197	(107)	2,090	2,090	-
Lease liabilities	17,116	1,679	18,795	18,795	-
Employee benefits	4,152	66	4,218	4,218	-
Provisions	324	(98)	226	226	-
Deferred income	49	18	67	67	-
Tax losses	13,855	4,124	17,979	17,979	-
Tax assets (liabilities) before set-off	23,700	3,610	27,310	46,115	(18,805)
Set-off of tax			-	(18,805)	18,805
Net Tax assets			**27,310**	**27,310**	**-**

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9 Deferred tax assets (cont'd)

	2025		2024	
UNRECOGNISED DEFERRED TAX ASSETS	GROSS AMOUNT $'000	TAX EFFECT $'000	GROSS AMOUNT $'000	TAX EFFECT $'000
Deductible temporary differences	21,502	6,451	28,236	8,471
Tax losses	69,198	20,759	103,090	30,927
Balance at end of the financial year	90,700	27,210	131,326	39,398

The Group has recognised a net deferred tax asset of $29,032,000 (2024: $27,310,000) representing both carry forward tax losses and deductible temporary differences. The tax losses may be carried forward indefinitely, however subject to income tax recoupment rules in subsequent years. The recognition of the deferred tax assets is dependent on three years to four years forecasted taxable profits. The Group has taken a view that it is probable to achieve forecasted taxable profits in the next three to four years against which this deferred tax asset recognised would be utilised.

Accounting policy

Refer to Note 4.

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

Use of estimates and judgements

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted and unrecognised tax losses utilised. To determine the future taxable profits, reference is made to the latest available profit forecasts. Relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised together with availability of such losses.

10 Related parties

Parent entities

The ultimate parent entity within the Group is Capral Limited.

Equity interests in controlled entities

Interest in controlled entities are set out in Note 35.

Transactions with key management personnel

Refer to Note 33 in relation to securities granted and forfeited during the Financial Year under the Long-Term Incentive Plan that include rights granted and shares issued, and the shares allotted under the Short-Term Incentive Plan, to Capral's Managing Director and Chief Financial Officer (who are key management personnel).

Refer to Note 34 for the aggregate compensation made to Director of the Company and key management personnel of the Group.

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11 Property, plant and equipment

	Consolidated	
	2025 $'000	2024 $'000
Freehold land		
At valuation	1,700	1,700
Accumulated depreciation	-	-
Net book amount	1,700	1,700
Buildings		
At valuation	6,090	5,656
Accumulated depreciation	(1,623)	(1,327)
Net book amount	4,467	4,329
Leasehold improvements		
At cost	14,534	14,511
Accumulated depreciation	(10,453)	(9,903)
Accumulated impairment	(1,970)	(1,970)
Net book amount	2,111	2,638
Total land and buildings	8,278	8,667
Plant, machinery and equipment		
At cost	254,606	251,579
Accumulated depreciation	(182,733)	(174,646)
Accumulated impairment	(24,293)	(32,099)
Net book amount	47,580	44,834
Capital work in progress at cost	6,108	5,539
Net plant, machinery and equipment	53,688	50,373
Total property, plant and equipment - net book value	61,966	59,040

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11 Property, plant and equipment (cont'd)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and prior financial years are set out below:

	FREEHOLD LAND AT FAIR VALUE $'000	BUILDINGS AT FAIR VALUE $'000	LEASEHOLD IMPROVEMENTS AT COST $'000	PLANT AND EQUIPMENT AT COST $'000	CAPITAL WORK IN PROGRESS AT COST $'000	TOTAL $'000
Consolidated						
2025						
Opening net book amount	**1,700**	**4,329**	**2,638**	**44,834**	**5,539**	**59,040**
Additions	-	193	81	6,918	4,747	11,939
Business acquisition	-	-	-	400	-	400
Disposals	-	(13)	-	(1)	-	(14)
Transfers	-	265	-	3,812	(4,178)	(101)
Depreciation charge (Note 2(a))	-	(307)	(608)	(8,383)	-	(9,298)
Net book amount at 31 December 2025	**1,700**	**4,467**	**2,111**	**47,580**	**6,108**	**61,966**
2024						
Opening net book amount	1,700	4,615	3,169	40,008	8,026	57,518
Additions	-	1	117	6,341	3,679	10,138
Business acquisition	-	-	-	760	-	760
Disposals	-	-	-	(16)	(53)	(69)
Transfers	-	2	-	5,838	(6,113)	(273)
Depreciation charge (Note 2(a))	-	(289)	(648)	(8,097)	-	(9,034)
Net book amount at 31 December 2024	**1,700**	**4,329**	**2,638**	**44,834**	**5,539**	**59,040**

Accounting policy

Recognition and measurement

Buildings are measured at fair value less any accumulated depreciation and impairment losses. Land is measured at fair value less any accumulated impairment losses. Fair value is determined on the basis of a periodic, independent valuation by external valuation experts, based on discounted cash flows or capitalisation of net income, as appropriate.

Periodic reviews are conducted every three to five years. The fair values are recognised in the consolidated financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values. Any revaluation increase arising on revaluation of land and buildings are credited to the asset revaluation reserve except to the extent that the increase reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of revalued property, the attributable revaluation surplus remaining in the revaluation reserve, net of any related taxes, is transferred directly to retained earnings.

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11 Property, plant and equipment (cont'd)

An independent valuation of the Group's land and buildings was performed in December 2021 using Capitalisation and Direct Comparison approaches to determine the fair value of the land and buildings. The valuations, which conform to International Valuation Standards, were determined by reference to recent market transactions on arm's length terms at the time. The fair value of the Land and Buildings is $1,700,000 and $5,000,000 respectively.

Plant and equipment, and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is charged to the profit or loss on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The following useful lives are used in the calculation of depreciation:

- Buildings 20-33 Years
- Leasehold improvements 5-25 Years
- Plant and equipment 3-25 Years

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period and adjusted if appropriate.

Impairment of non-financial assets inclusive of right of use assets and goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which that asset belongs. Management views the Group as representing one CGU.

If there is an indication of impairment, the recoverable amount of property, plant & equipment and intangible assets will be determined by reference to a value in use discounted cash flow valuation of the Group, utilising financial forecasts and projections.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Cash flows that may result from prior period tax losses are not taken into account. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

The key assumptions used in preparing the value in use cash flow valuation as at 31 December 2025 are as follows:
The table below shows key assumptions in the value in use calculation as at 31 December 2025.

	INPUT TO THE MODEL
WACC (Post-tax)	11.00%
Volume increase in 2026	6.00%
Average volumes increase 2027-30 p.a.	2.00%
Long-term growth rate	1.00%

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11 Property, plant and equipment (cont'd)

The valuation is based on forecast and projected cash flows for a 5-year period commencing January 2026 with a terminal value being applied at the end of this period. The cash flow assumptions are based on Board approved budgets for the year from January 2026 to December 2026. Beyond this date cash flow projections until 31 December 2030 are based on projected volume growth and expected improvements in EBITDA per tonne (refer below). Sales volumes are projected to grow at 2.0% per annum, from 2027 onwards. This growth rate corresponds with the average long-term growth rate based on external economic sources.

Volumes
In determining assumptions in relation to sales volumes into the commercial and residential/domestic market, Capral have based these on reputable third-party long term economic forecast reports with reference to historical performance and seasonal trends.

Margins
In setting price and margin assumptions, historical performance trends and the impact of previous price increases were reviewed in assessing the timing and quantum of future price increases.

Recent history in relation to direct costs and the impact of changing volumes on manufacturing variances were assessed in setting assumptions on absorbed conversion costs.

In forecasting the margin, management has considered the production capacity of Capral compared to current volumes and concluded that increase in production volumes to satisfy demand expected by independent market predictions can be attained by predominately increasing variable cost with very limited additional fixed cost expenditure.

Working Capital and Capital Expenditure
These assumptions were set in light of strategic initiatives and the Board approved maintenance and safety capital expenditure, with working capital flexed in relation to the assumed production capacity for volumes throughout the forecast period and historical performance and considering revisions to trading terms with key suppliers and customers.

WACC (Post tax)
A discount rate of 11.00%, representing the Group's post-tax weighted average cost of capital has been applied to the cash flow projections.

Impairment of non-financial assets inclusive of right of use assets and goodwill (cont'd)

Economic Factors
Assumptions including Gross Domestic Production (GDP), the Consumer Price Index (CPI), expected wage and salary increases, foreign exchange and the future impact of aluminium prices have been made with reference to third party economic forecasts and the Group's strategic plans and budgets.

The result of Impairment assessment as at 31 December 2025
Reasonably possible changes in the key assumptions disclosed above are unlikely to result in impairment of the CGU.

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12 Other intangibles assets

	CUSTOMER RELATIONSHIPS $'000	OTHER INTELLECTUAL PROPERTY $'000	SOFTWARE $'000	TOTAL $'000
Consolidated				
2025				
Cost	2,460	16,394	25,216	44,070
Accumulated amortisation	(360)	(8,475)	(22,460)	(31,295)
Accumulated impairment	-	(7,560)	(2,466)	(10,026)
Net book value	**2,100**	**359**	**290**	**2,749**
2024				
Cost	1,060	16,193	25,186	42,439
Accumulated amortisation	(124)	(8,388)	(22,322)	(30,834)
Accumulated impairment	-	(7,560)	(2,466)	(10,026)
Net book value	**936**	**245**	**398**	**1,579**

Reconciliations

Reconciliations of the carrying amounts of each class of intangibles at the beginning and end of the current Financial Year are set out below:

	CUSTOMER RELATIONSHIPS $'000	OTHER INTELLECTUAL PROPERTY $'000	SOFTWARE $'000	TOTAL $'000
Consolidated				
2025				
Opening net book amount	936	245	398	1,579
Additions	-	100	30	130
Business acquisition	1,400	-	-	1,400
Transfers	-	101	-	101
Amortisation	(236)	(87)	(138)	(461)
Net book amount at 31 December 2025	**2,100**	**359**	**290**	**2,749**
2024				
Opening net book amount	-	4	556	560
Business acquisition	1,060	-	-	1,060
Transfers	-	256	17	273
Amortisation	(124)	(15)	(175)	(314)
Net book amount at 31 December 2024	**936**	**245**	**398**	**1,579**

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12 Other intangibles assets (cont'd)

Accounting Policy

Other intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment losses.

The other intangible assets acquired in business combinations are mainly customer relationships. The cost of assets is their fair value at date of acquisition based on valuation techniques generally using multi-period excess earnings method.

Subsequent expenditure on capitalised assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Other intangible assets are amortised on a straight-line basis over their estimated useful lives from the date they are available for use. Customer relationships are amortised over a five-year period.

The following useful lives are used in the calculation of amortisation:

- Customer relationships 5 Years
- Other intellectual property 5-10 Years
- Software 3-10 Years

Impairment assessment is performed based on assumptions and estimates as disclosed in Note 11.

13 Goodwill

	Consolidated	
	2025 $'000	2024 $'000
Cost		
Opening balance	4,699	3,070
Business acquisition#	1,562	1,629
Closing balance	6,261	4,699

This includes a $318,000 adjustment to goodwill recognised from prior year acquisitions.

Accounting policy

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identified assets, liabilities and contingent liabilities.

Following initial recognitions, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment assessment is performed based on assumptions and estimates as disclosed in Note 11.

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14 Right-of-use assets

Consolidated	BUILDINGS $'000	PLANT & EQUIPMENT $'000	TOTAL $'000
Cost			
At 1 January 2024	111,233	15,218	126,451
Additions	716	2,054	2,770
Modifications	7,729	1,150	8,879
Terminations	-	(1,156)	(1,156)
At 31 December 2024	**119,678**	**17,266**	**136,944**
At 1 January 2025	119,678	17,266	136,944
Modifications	6,298	2,033	8,331
At 31 December 2025	**125,976**	**19,299**	**145,275**
Accumulated depreciation			
At 1 January 2024	(54,408)	(9,333)	(63,741)
Terminations	-	302	302
Depreciation charge	(12,439)	(2,044)	(14,483)
At 31 December 2024	**(66,847)**	**(11,075)**	**(77,922)**
At 1 January 2025	(66,847)	(11,075)	(77,922)
Depreciation charge	(12,025)	(2,001)	(14,026)
At 31 December 2025	**(78,872)**	**(13,076)**	**(91,948)**
Net Book Value			
At 31 December 2025	**47,103**	**6,224**	**53,327**
At 31 December 2024 / 1 January 2025	52,831	6,191	59,022

Impairment assessment is performed based on assumptions and estimates as disclosed in Note 11.

The Group leases several assets including buildings and plant and equipment, with average lease term of 4.2 years (2024: 4.4 years) and 5.4 years (2024: 5.4 years) respectively.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessor's title to the leased assets for such leases.

During the previous financial year, the Group renewed a number of leases relating to buildings and equipment. The expired contracts were replaced by new lease agreements for identical underlying assets. These renewals resulted in additions to right-of-use assets of $2,770,000.

In the current financial year, no additions to right-of-use assets were recognised in respect of lease renewals. However, lease modifications recognised during the year amounted to $8,331,000 (2024: $8,879,000).

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset

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14 Right-of-use assets (cont'd)

Maturity analysis – sub-lease income

LEASE RECEIVABLE	Consolidated 2025 $'000	Consolidated 2024 $'000
Non-cancellable lease receivable		
Within one year	3,993	3,875
Later than one year but not later than five years	10,922	14,915
Later than five years	-	-
	14,915	18,790

Lease receivables relate to the sublease of office and plant premises with a lease term of 10 years, with an option to extend for a further term of 5 years.

Accounting policy

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as copiers). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The depreciation starts at the commencement date of the lease.

Operating lease payments are recognised as an expense on a straight-line basis over the lease team, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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14 Right-of-use assets (cont'd)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- is within the control of the Group; and
- affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

15 Assets pledged as security

In accordance with the security arrangements of liabilities disclosed in Note 23, all assets of the Group have been pledged as security. The holder of the security does not have the right to sell or repledge the assets other than in the event of default under the principal finance agreement where the security is enforced.

16 Current liabilities – trade and other payables

	Consolidated	
	2025 $'000	2024 $'000
Trade payables (i)	122,698	124,949
Goods and services tax payable	932	1,229
Other payables	15,777	15,189
	139,407	141,367

(i) The average credit period on purchases is 83 days from the end of the month (2024: 81 days). No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

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17 Lease liabilities

	Consolidated 2025 $'000	2024 $'000
Current	18,237	16,928
Non-current	54,972	66,000
	73,209	82,928
Maturity analysis		
Within one year	18,237	16,928
Later than one year but not later than five years	49,560	56,917
Later than five years	5,412	9,083
	73,209	82,928

At 31 December 2025, the Group is committed to $121,000 (2024: $100,000) for low value leases and has no short- term lease commitments.

Accounting policy

Refer to Note 14.

18 Provisions

	Consolidated 2025 $'000	2024 $'000
Current		
Employee benefits	13,914	14,061
Make good on leased assets[1]	1,019	509
Other[2]	204	243
	15,137	14,813
Non-current		
Employee benefits	2,172	2,517
Make good on leased assets[1]	5,207	5,440
	7,379	7,957

[1] Provision for make good on leased assets comprises obligations relating to site closure and other costs associated with lease rental properties.

[2] Other current provisions include provisions for insurance claims and provisions for customer claims including metal returns net of scrap and pricing adjustments.

CONSOLIDATED MOVEMENTS IN CARRYING AMOUNTS	EMPLOYEE BENEFITS $'000	MAKE GOOD ON LEASED ASSETS $'000	OTHER $'000	TOTAL $'000
Carrying value at the beginning of the financial year	16,578	5,949	243	22,770
Provision utilised/released in the year	(6,736)	-	(39)	(6,775)
Additional amounts provided	6,244	277	-	6,521
Carrying value at the end of the financial year	**16,086**	**6,226**	**204**	**22,516**

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18 Provisions (cont'd)

Accounting policy

Employee Benefits:

Salaries, wages and leave benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, including non-monetary benefits, annual leave and long service leave, when it is probable that settlement will be required, and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Key assumptions used in the calculation of leave benefit provision at balance date include future on-cost rates, experience of employee departures and period of service, and future increase in wages and salaries.

Defined contribution plan

Contributions to defined contribution superannuation plans are expensed when incurred.

Provisions

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for restoration and rehabilitation (provision for make good on leased assets)

A provision for restoration and rehabilitation (provision for make good on leased assets) is recognised when there is a present obligation as a result of production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing the facilities and restoring the affecting areas.

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19 Ordinary shares

(a) Share Capital	2025 No.000	2024 No.000	2025 $'000	2024 $'000
Ordinary shares: fully paid	16,174	17,033	388,488	409,124

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Movement in ordinary share capital

DATE	DETAILS	NUMBER OF SHARES	ISSUE PRICE	$'000
1 January 2024	Balance at the beginning of the financial year	17,687,010	-	424,771
March 2024	Shares cancelled – on-market buy-back[1]	(42,421)	$23.932	(1,015)
April 2024	Shares cancelled – on-market buy-back[1]	(68,680)	$23.932	(1,644)
May 2024	Shares cancelled – on-market buy-back[1]	(115,133)	$23.932	(2,755)
June 2024	Shares cancelled – on-market buy-back[1]	(114,101)	$23.932	(2,731)
September 2024	Shares cancelled – on-market buy-back[1]	(92,276)	$23.932	(2,208)
October 2024	Shares cancelled – on-market buy-back[1]	(36,798)	$23.932	(881)
November 2024	Shares cancelled – on-market buy-back[1]	(44,847)	$23.932	(1,073)
December 2024	Shares cancelled – on-market buy-back[1]	(139,569)	$23.932	(3,340)
31 December 2024	Balance at the end of the financial year	17,033,185	-	409,124
1 January 2025	Balance at the beginning of the financial year	17,033,185	-	409,124
March 2025	Shares cancelled – on-market buy-back[1]	(60,232)	$24.019	(1,447)
April 2025	Shares cancelled – on-market buy-back[1]	(200,067)	$24.019	(4,805)
May 2025	Shares cancelled – on-market buy-back[1]	(128,926)	$24.019	(3,097)
June 2025	Shares cancelled – on-market buy-back[1]	(59,641)	$24.019	(1,432)
August 2025	Shares cancelled – on-market buy-back[1]	(30,144)	$24.019	(724)
September 2025	Shares cancelled – on-market buy-back[1]	(83,468)	$24.019	(2,005)
October 2025	Shares cancelled – on-market buy-back[1]	(99,862)	$24.019	(2,399)
November 2025	Shares cancelled – on-market buy-back[1]	(152,364)	$24.019	(3,660)
December 2025	Shares cancelled – on-market buy-back[1]	(44,436)	$24.019	(1,067)
31 December 2025	Balance at the end of the financial year	16,174,045	-	388,488

1. The Board approved the on-market buy-back and the cancellation of up to 1,550,000 (2024: 1,600,000) shares in line with ASIC/ASX regulations starting from 6 March 2025. During the Financial Year 859,140 shares were bought back by an independent third-party broker at an average of $10.711 per share and cancelled at an average price of $24.019 per share ($409,123,520 / 17,033,185 shares). A resultant gain of $11,434,000 has been presented under a separate reserve account (Share Buy-Back Reserve).

Uncancelled and unallocated Capral shares

At the reporting date, the Group has 152,945 (31 December 2024: 132,853) uncancelled and unallocated Capral shares previously bought on-market and remain in the employee share reserve.

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20 Reserves and accumulated losses

	Consolidated 2025 $'000	Consolidated 2024 $'000
Asset revaluation reserve	4,088	4,088
Equity-settled compensation reserve	12,790	13,043
Employee share reserve	(1,952)	(1,209)
Share buy-back reserve	26,423	14,989
Dividend reserve	142,885	116,470
	184,234	147,381
Accumulated losses	(328,916)	(331,376)
	(144,682)	(183,995)
20 (a) Movements in reserves were:		
Equity-settled compensation reserve		
Balance at the beginning of the financial year	13,043	13,936
Expense recognised	1,253	1,095
Conversion of vested rights	(1,506)	(1,988)
Balance at the end of the financial year	12,790	13,043
Asset revaluation reserve		
Balance at the beginning of the financial year	4,088	4,088
Balance at the end of the financial year	4,088	4,088
Employee share reserve		
Balance at the beginning of the financial year	(1,209)	(2,320)
Employees shares on-market purchase[a]	(1,881)	(355)
Vested performance rights conversion to shares	1,058	1,362
Employees escrow shares utilised[b]	80	104
Balance at the end of the financial year	(1,952)	(1,209)
Share buy-back reserve		
Balance at the beginning of the financial year	14,989	5,560
Net gain on cancelled shares – on-market purchase[c]	11,434	9,429
Balance at the end of the financial year	26,423	14,989
Dividend reserve		
Balance at the beginning of the financial year	116,470	93,683
Profit before tax	33,166	28,877
Dividends paid	(6,751)	(6,090)
Balance at the end of the financial year	142,885	116,470
20 (b) Accumulated losses		
Balance at the beginning of the financial year	(331,376)	(334,986)
Profit for the year (Income tax benefit)	2,460	3,610
Balance at the end of the financial year	(328,916)	(331,376)

a. 150,000 (2024: 35,000) shares were purchased at an average price of $12.54 (2024: $10.11) per share by the Capral Employee Share Trustee on-market to allow for full allotment of 2023 LTIP shares as well as 2024 Escrow allotment in March 2026.

b. 8,588 shares were utilised for the 2024 Escrow allotment in March 2025.

c. Refer to Note 19.

Short-Term Incentives Plan (STIP)

During the year, Capral allocated 8,588 (2024:12,674) (previously bought on-market) ordinary shares to Capral's Executives and Senior Management who purchased Capral's shares by using the above STIP target component (stretch) of their 2024 financial year after-tax STIP. These shares are held in escrow by Capral's share registry for a period of 3 years.

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21 Dividends

	Consolidated	
	2025 $'000	2024 $'000
Ordinary shares:	6,751	6,090
Franking credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2024:30%)	114	114

22 Earnings per share

	Consolidated	
	2025 $'000	2024 $'000
Basic earnings per share	2.15	1.88
Diluted earnings per share	2.08	1.82

Net profit after tax used in the calculation of basic and diluted profit per share for 2025 was $35,626,000 (2024: $32,487,000).

Weighted-average number of ordinary shares (basic)	2025 No.000	2024 No.000
Issued ordinary shares at 1 January	16,900	17,400
Effect of treasury shares held	94	151
Effect of cancelled buy-back shares	(387)	(266)
Weighted-average number of ordinary shares at 31 December	16,607	17,285
Weighted-average number of ordinary shares (diluted)		
Weighted-average number of ordinary shares (basic)	16,607	17,285
Effect of performance rights on issue	561	561
Weighted-average number of ordinary shares (diluted) at 31 December	17,168	17,846

Accounting policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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23 Stand by arrangement and credit facilities

	Consolidated	
	2025 $'000	2024 $'000
The following facilities were in place:		
Secured syndicated banking facilities:		
ANZ:	50,000	-
Other lenders:	25,000	-
Other secured facilities	5,000	70,000
Unsecured facilities	3,000	4,272
Total secured facilities	83,000	74,272
Facilities used:		
Bank guarantees	4,343	4,913
Trade finance – drawn letters of credits	28,924	27,085
Trade finance – open letters of credits	13,511	5,354
Commercial card	65	157
Total facilities utilised	46,843	37,509
Total available facilities	36,157	36,763

Capral entered into a new $75 million Syndicated Banking Facility to replace its current $60 million Multi-Option facility with ANZ Banking Corporation (ANZ). ANZ will act as the Syndication Agent, with additional lenders to be included as required. The facility is structured as a borrowing base arrangement, secured against the Group's receivables and inventory, providing increased funding flexibility to support ongoing operations and growth initiatives.

The existing ANZ facilities consist of:

Secured:
- $50 million Multi-option Facility which includes Trade Instruments;
- $5 million Standby Letter of Credit or Guarantee Facility.

Unsecured:
- $2.5 million Electronic Payaway Facility; and
- $0.5 million Commercial Card Facility;

FINANCIAL COVENANTS	REQUIREMENTS	COMPLIANCE DATE
Borrowing Base Ratio	Max $122.0m	At all time, tested 31 March, 30 June, 30 September, 31 December in each year
Distributions	Lower than prior year profit	At all times
Fixed Charge Cover Ratio	Not to be less than 1.50:1 for any 12 month period	At all times, tested 31 March, 30 June, 30 September, 31 December in each year

Capral has been in compliance with all financial covenant requirements throughout the year and expects to continue complying with all financial covenants during the next 12 months.

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24 Commitments for expenditure - capital

	Consolidated	
	2025 $'000	2024 $'000
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	6,366	2,278

25 Fair value measurement

Some of the Group's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these assets and liabilities are determined (in particular, valuation technique(s) and input(s) used).

ASSETS / LIABILITIES	FAIR VALUE AS AT 31/12/25 $	FAIR VALUE AS AT 31/12/24 $	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE(S) AND KEY INPUT(S)	SIGNIFICANT UNOBSERVABLE INPUT(S)	RELATIONSHIP OF UNOBSERVABLE INPUT(S)
Foreign currency forward contracts (see note 26(f))	Liabilities 1,688,000	Assets 2,585,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rate (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risks of various counterparties.	n/a	n/a
Land and buildings (See Note 11)	Land 1,700,000 Buildings 4,467,000	Land 1,700,000 Buildings 4,329,000	Level 3	Capitalisation and Direct Comparison approaches. (Last assessed 2021)	Comparable to recent market transactions on arm's length terms at the time.	The higher/(lower) the comparable market net rental amount and the higher/(lower) the comparable market sales transactions, the higher the fair value.

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26 Financial instruments

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of debt, as disclosed in Note 23, cash and cash equivalents, and equity holders of the parent, comprising issued capital, reserves and accumulated losses, as disclosed in Notes 6, 19 and 20 respectively. The Directors review the capital structure on a regular basis, and at least annually. As a part of this review the Directors consider the cost of capital and the risks associated with each class of capital. Based on the determinations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The Group prepares monthly management accounts, comprising balance sheet, profit and loss statement and cash flow statement updates for the current Financial Year and the current year forecast. The forecast is used to monitor the Group's capital structure and future capital requirements, taking into account future capital requirements and market conditions.

The Group complied with its borrowing financial covenants under its current facility detailed in Note 23 as at 31 December 2025 and 31 December 2024 as follows:

FINANCIAL COVENANT DESCRIPTION	REQUIRED VALUE	2025 ACTUAL VALUE	2024 ACTUAL VALUE
EBITDA Interest Cover Ratio (A ratio of EBITDA to Interest Expense)	> 3.00:1	n/a	18.69:1
Fixed Charge Cover Ratio (FCCR) (EBITDA / Fixed Charges)	≥ 1.5x	2.48x	n/a
Minimum Tangible Net Worth (Tangible Net Worth – Total Tangible Assets Less Total Liabilities)	> AUD 100.0m	n/a	AUD 217.0m
Borrowing Base Ratio (A ratio of Aggregate Facility Amount Owing to Eligible Debtors owing up to 90 days)	< 0.80:1	n/a	0.38:1
Borrowing Base (Aggregate Facility Amount)	Max $122.0m	$43.96m	n/a
Distributions (Any payment or distribution of money or other assets to shareholders)	Variable*	AUD 17.84m	AUD 12.31m

* lower than the profit of prior year

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26 Financial instruments (cont'd)

(b) Material accounting policies

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The resulting gain or loss is recognised in profit or loss.

(c) Categories of financial instruments

	Consolidated	
	2025 $'000	2024 $'000
Financial Assets		
Trade and other receivables	90,578	91,827
Cash and cash equivalents	60,488	68,907
Other financial assets[1]	11	2,596
Financial Liabilities		
Trade and other payables	139,407	141,367
Lease liabilities	73,209	82,928
Other financial liabilities[2]	1,688	-

[1] 2024: foreign exchange contract mark-to-market $2,585,000 and security deposit for a site energy supply.

[2] 2025: foreign exchange contract mark-to-market $1,688,000.

(d) Financial risk management objectives

The Group's treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports. These risks include market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. These risks are analysed below.

(e) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 26(f)) and interest rates (refer note 26(g)). From time to time, the Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including foreign exchange forward contracts to hedge the exchange rate risk arising on the purchase of aluminium log and rolled product from overseas in US dollars.

Market risk exposures are measured using a sensitivity analysis. There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the Financial Year.

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26 Financial instruments (cont'd)

(f) Foreign currency risk management

The Group undertakes certain transactions in foreign currencies, resulting in exposures to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. It is the policy of the Group to enter into forward foreign exchange contracts from time to time to manage any material risk associated with anticipated foreign currency sales and purchase transactions.

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

	Consolidated	
	2025 $'000	2024 $'000
USD (cash)	12,022	4,231
EURO (cash)	105	388
USD (trade payables)	(17,973)	(13,984)
EURO other receivables	393	474
JPY (trade payables)	(21)	(23)
NZD trade receivables	2	-
USD trade receivables	365	583

Foreign currency sensitivity

The Group is exposed to EUR, JPY, NZD and USD (2024: EUR, JPY and USD).

To mitigate foreign currency risk at reporting date, the Group entered into foreign exchange forward contracts. The Group's exposure to foreign exchange rate fluctuations was primarily limited to cash, trade and other payables and trade receivables outstanding at reporting date denominated in currencies other than Australian dollar (AUD). The total value of trade payables denominated in currencies other than the AUD at reporting date was $17,995,000 (2024: $14,007,000). The total value of trade receivables denominated in currencies other than the AUD at reporting date was $760,000 (2024: $583,000).

The following table details the Group's sensitivity to a 10% increase and decrease in the AUD against the relevant unhedged foreign currency. 10% represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only foreign currency denominated monetary items outstanding at 31 December 2025 and 31 December 2024 and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit.

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26 Financial instruments (cont'd)

(f) Foreign currency risk management (cont'd)	Consolidated 2025 $'000	Consolidated 2024 $'000
Profit or loss (after tax)		
- AUD strengthens by 10% against USD	1,601	1,218
- AUD weakens by 10% against USD	(1,956)	(1,489)
- AUD strengthens by 10% against EUR	(36)	(43)
- AUD weakens by 10% against EUR	44	53
- AUD strengthens by 10% against JPY	2	(2)
- AUD weakens by 10% against JPY	(2)	3
- AUD strengthens by 10% against NZD	-*	-
- AUD weakens by 10% against NZD	-*	-

* The gain/(loss) was less than $1,000, hence, rounded down to nil.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific material foreign currency payments and receipts.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

OUTSTANDING CONTRACTS	Foreign currency		Fair value	
	31/12/25 FC$'000	31/12/24 FC$'000	31/12/25 $'000 GAIN/(LOSS)	31/12/24 $'000 GAIN/(LOSS)
Buy EUR	3,028	650	(162)	17
Buy JPY	9,675	2,475	(10)	(1)
Buy CNH	320	320	(1)	2
Buy USD	43,740	32,313	(1,515)	2,567

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26 Financial instruments (cont'd)

(g) Interest rate risk management

The Group interest rate risk arises from borrowings, cash and derivatives.

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles. The Group's exposure to interest rate risk at the reporting date was considered insignificant and as a result the Group did not enter into interest rate options.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed below.

Interest rate sensitivity

The sensitivity analysis below shows the effect on profit or loss after tax for the financial year if there is a change in interest rates with all other variables held constant. This is determined by applying the change in interest rates to both derivative and non-derivative instruments at the reporting date that have an exposure to interest rate changes. A 45-basis point (0.45%) increase and a 45-basis point (0.45%) decrease represents Management's assessment of the possible change in interest rates (2024: 25bp or 0.25% increase and 25bp or 0.25% decrease). A positive number indicates an increase in profit.

	Consolidated	
	2025 $'000	2024 $'000
Profit or loss (after tax)		
Impact of a 45bp (2024: 25bp) increase in AUD interest rates		
- Cash and cash equivalents	191	121
Impact of a 45bp (2024: 25bp) decrease in AUD interest rates		
- Cash and cash equivalents	(191)	(121)

(h) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has exposures to credit risk on cash and cash equivalents, and receivables. The credit risk on financial assets of the Group which have been recognised on the consolidated statement of financial position, is generally the carrying amount, net of any allowances for doubtful debts.

The Group does not have any significant exposure to any individual customer or counterparty. Major concentrations of credit risk are in the construction, transport, consumer durable and electrical industries in Australia. The Group has credit insurance cover which requires ongoing management of credit accounts with monthly reports provided to the Insurer. Experienced credit management and associated internal policies ensure constant monitoring of the credit risk for the Group.

There is no concentration of credit risk with respect to receivables as the Group has a large number of customers.

The aging of gross trade receivables is detailed below:

	Consolidated	
	2025 $'000	2024 $'000
Current	69,536	66,708
1-30 days	16,162	15,513
31-60 days	1,996	1,692
60+ days	381	515
	88,075	84,428

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26 Financial instruments (cont'd)

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who ensure there is an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, complying with covenants, monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Included in Note 23 is a list of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

Financial assets are made up of cash of $60,488,000 (2024: $68,907,000) and trade and other receivables of $90,578,000 (2024: 91,827,000). Cash is liquid and trade and other receivables are expected to be realised on average within 43 days (2024: 43 days). Cash balances earn 3.11% interest per annum (2024: 4.03%). Trade and other receivables are interest-free.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The contractual maturity is a fair representation of management's expectations of actual repayments.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	LESS THAN 1 YEAR $'000	1 - 5 YEARS $'000	GREATER THAN 5 YEARS $'000
Consolidated 2025				
Trade and other payables	-	139,407	-	-
Lease liabilities	-	18,237	54,925	5,833
Other financial liabilities	-	1,688	-	-
		159,332	54,925	5,833
2024				
Trade and other payables	-	141,367	-	-
Lease liabilities	-	16,928	64,624	9,921
		158,295	64,624	9,921

(j) Fair value of financial instruments

The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, the discounted cash flow analysis is employed using observable market data for non-option derivatives.

The directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

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26 Financial instruments (cont'd)

Accounting policy

Financial Assets

Financial assets are classified into the following specified categories: financial assets at amortised cost; and financial assets at fair value through profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than financial assets 'at fair value through profit or loss'.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Trade and other receivables

Trade and other receivables are measured at amortised cost as they are held within a business model to collect contractual cash flows. Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Impairment of financial assets is based on an expected credit loss ("ECL") model rather than incurred loss model. ECLs are a probability-weighted estimate of credit losses. The Group calculated ECLs based on consideration of customer-specific factors and actual credit loss experience over the past 3 years. As a percentage of accounts receivables, the Group's actual credit loss experience has not been material.

In accordance with AASB 9 paragraph 7.2.20 the Group will recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date. The Group calculated ECLs based on consideration of customer-specific factors and actual credit loss experience over the past 3 years.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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27 Deferred income

	Consolidated	
	2025 $'000	2024 $'000
Government grant (i)	2,090	-
Other	186	222
	2,276	222

(i) The Group received a government grant of $2,090,000 for the purchase of assets. The grant is initially recognised as deferred income and will be amortised over the useful lives of the assets when they are ready for use.

Accounting policy

The Group recognises government grants related to assets as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the associated conditions.

Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the assets.

28 Contingent liabilities

Claims and possible claims, arise in the ordinary course of business against the Group and the Company. Capral has fully provided for all known and determinable material claims.

The Group's bankers have granted guarantees in respect of rental obligations on lease commitments, use of utilities infrastructure and international trade facilities. At 31 December 2025, these guarantees totalled $4,343,414 (2024: $4,912,842).

The bankers have issued letters of credit in respect of the Group's purchases internationally. At 31 December 2025, these open letters of credit totalled $13,511,251 (31 December 2024: $5,354,056).

29 Remuneration of auditors

	Consolidated	
	2025 $'000	2024 $'000
Audit and review services:		
Auditors of the Group - KPMG		
- Audit or review of consolidated financial statements	380,380	371,187
Assurance services:		
Auditors of the Group - KPMG		
- Regulatory sustainability report assurance services	102,515	-
Other services:		
Auditors of the Group - KPMG		
- Other	-	6,557
Total remuneration	482,895	377,744

30 Events after reporting date

No other matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

The Board declared that a final dividend of 30 cents per ordinary share, unfranked, in respect of the financial year ended 31 December 2025, is to be paid on 26 March 2026, to the maximum value of $4,852,214.

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31 Notes to the Consolidated Statement of Cash Flow

	Consolidated	
(i) Reconciliation of profit for the year to net cash flows from operating activities	2025 $'000	2024 $'000
Profit for the year	35,626	32,487
Non-cash items:		
Depreciation and amortisation - owned assets	9,759	9,348
Depreciation and amortisation – right of use assets	14,026	14,483
Loss on sale of property, plant and equipment	14	69
Income tax benefit	(2,460)	(3,610)
Share-based payments expense	1,253	1,095
Interest income reclassified to investing activities	(1,823)	(1,705)
Change in assets and liabilities:		
Decrease/(increase) in current receivables	1,200	(2,513)
Decrease/(increase) in financial assets	2,585	(2,585)
Increase in inventories	(16,793)	(26,053)
(Increase)/decrease in prepayments	(1,084)	672
(Decrease)/increase in trade and other payables	(1,523)	32,811
(Decrease)/increase in employee benefit provisions	(908)	372
Increase/(decrease) in other provisions	157	(211)
Increase in deferred income	2,054	60
Increase/(decrease) in other financial liabilities	1,688	(2,016)
Net cash provided by operating activities	**43,771**	**52,704**

(ii) Details of finance facilities are included in note 23 to the consolidated financial statements.

(iii) Movement in financial activities

The following table details changes in the Group's liabilities arising from financial activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Consolidated	
Movements in financing activities	2025 $'000	2024 $'000
Lease liabilities		
Opening balance	82,928	88,813
Financing cash flows	(18,038)	(16,458)
New leases	2,708	2,770
Retired or changes to leases	5,611	7,803
Closing balance	73,209	82,928

(iv) Non-cash financing activities

There were no non-cash financing activities other than above during the Financial Year or the 2024 year.

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32 Parent entity disclosures

	Company	
Financial Position	2025 $'000	2024 $'000
Assets		
Current assets - third parties	330,553	321,171
Total assets	481,353	470,967
Liabilities		
Current liabilities - third parties	177,517	173,493
Total liabilities	239,366	247,316
Equity		
Issued capital	388,488	409,124
Accumulated losses	(329,721)	(331,839)
Equity-settled compensation reserve	12,790	12,417
Asset revaluation reserve	3,074	3,074
Employee share reserve	(1,952)	(583)
Share buy-back reserve	26,423	14,989
Dividend reserve	142,885	116,470
Total Equity	**241,987**	**223,652**
Financial Performance		
Profit for the year	35,284	32,288
Total comprehensive profit for the year	35,284	32,288
Contingent liabilities of the parent entity		
Refer note 27		
Commitments for the acquisition of property, plant and equipment by the parent entity		
Commitments for the acquisition of property, plant and equipment by the parent entity		
Within one year	6,366	2,278

In current Financial Year, the parent entity purchased dies amounted to $5,253,842 (2024: $4,579,362) from Austex Dies Pty Limited.

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33 Share-based payments

Performance Share Rights

Executive and Senior Management

The following share-based payment arrangements were in existence during the current Financial Year:

PERFORMANCE RIGHT SERIES (LTIP)	NUMBER AS AT 31 DEC 25	GRANT DATE	LAST TESTING DATE	EXERCISE PRICE $	FAIR VALUE AT GRANT DATE $
Issued 6 March 2023[1]	45,500	6/03/2023	31/12/2025	-	5.090
Issued 6 March 2023[1]	45,500	6/03/2023	31/12/2025	-	6.500
Issued 24 March 2023₁	18,300	24/03/2023	31/12/2025	-	4.730
Issued 24 March 2023[1]	18,300	24/03/2023	31/12/2025	-	6.160
Issued 22 May 2023[1]	4,500	22/05/2023	31/12/2025	-	4.010
Issued 22 May 2023[1]	4,500	22/05/2023	31/12/2025	-	5.850
Issued 11 March 2024[2]	76,500	11/03/2024	31/12/2026	-	5.360
Issued 11 March 2024[2]	76,500	11/03/2024	31/12/2026	-	7.780
Issued 20 March 2025[3]	80,250	20/03/2025	31/12/2027	-	5.940
Issued 20 March 2025[3]	80,250	20/03/2025	31/12/2027	-	8.460

1 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2023 have an average vesting date of 1 March 2026.

2 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2024 have an average vesting date of 1 March 2027.

3 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2025 have an average vesting date of 1 March 2028.

PERFORMANCE RIGHT SERIES (LTIP)	NUMBER AS AT 31 DEC 24	GRANT DATE	LAST TESTING DATE	EXERCISE PRICE $	FAIR VALUE AT GRANT DATE $
Issued 8 March 2022[1]	58,250	8/03/2022	31/12/2024	-	4.910
Issued 8 March 2022[1]	58,250	8/03/2022	31/12/2024	-	6.780
Issued 6 March 2023[2]	45,500	6/03/2023	31/12/2025	-	5.090
Issued 6 March 2023[2]	45,500	6/03/2023	31/12/2025	-	6.500
Issued 24 March 2023[2]	18,300	24/03/2023	31/12/2025	-	4.730
Issued 24 March 2023[2]	18,300	24/03/2023	31/12/2025	-	6.160
Issued 22 May 2023[2]	4,500	22/05/2023	31/12/2025	-	4.010
Issued 22 May 2023[2]	4,500	22/05/2023	31/12/2025	-	5.850
Issued 11 March 2024[3]	76,500	11/3/2024	31/12/2026	-	5.360
Issued 11 March 2024[3]	76,500	11/3/2024	31/12/2026	-	7.780

1 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2022 have an average vesting date of 1 March 2025.

2 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2023 have an average vesting date of 1 March 2026.

3 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2024 have an average vesting date of 1 March 2027.

	Performance Rights (LTIP)					
INPUTS INTO THE MODEL	20-MAR-25	11-MAR-24	22-MAY-23	24-MAR-23	6-MAR-23	8-MAR-22
Grant date	20/03/2025	11/03/2024	22/05/2023	24/03/2023	6/03/2023	8/03/2022
Dividend yield	5.84%	6.50%	6.90%	7.00%	7.00%	7.90%
Risk free yield	3.74%	3.59%	3.30%	2.90%	3.50%	1.60%
Expected volatility	26%	26%	34%	35%	36%	45%
Last testing date	31/12/2027	31/12/2026	31/12/2025	31/12/2025	31/12/2025	31/12/2024
Exercise price	n.a	n.a	n.a	n.a	n.a	n.a
Share price at grant date	$10.000	$9.380	$7.040	$7.500	$7.950	$8.570
Performance right life	3 years	3 years	3 years	3 years	3 years	3 years

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33 Share-based payments (cont'd)

Managing Director

During the Financial Year, 42,700 rights were issued to Mr A. Dragicevich.

In 2024, 47,000 rights were issued to Mr A. Dragicevich.

The following rights were in existence during the current Financial Year, subject to the achievement of performance conditions and have been independently valued as follows:

PERFORMANCE RIGHT SERIES (LTIP)	NUMBER AS AT 31 DEC 25	GRANT DATE	LAST TESTING DATE	EXERCISE PRICE $	FAIR VALUE AT GRANT DATE $
Issued 27 April 2023[1]	22,200	27/04/2023	31/12/2025	-	4.250
Issued 27 April 2023[1]	22,200	27/04/2023	31/12/2025	-	5.940
Issued 8 May 2024[2]	23,500	8/05/2024	31/12/2026	-	5.430
Issued 8 May 2024[2]	23,500	8/05/2024	31/12/2026	-	7.950
Issued 8 May 2025[3]	21,350	8/05/2025	31/12/2027	-	7.260
Issued 8 May 2025[3]	21,350	8/05/2025	31/12/2027	-	9.200

1 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2023 have an average vesting date of 1 March 2026.

2 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2024 have an average vesting date of 1 March 2027.

3 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2025 have an average vesting date of 1 March 2028.

PERFORMANCE RIGHT SERIES (LTIP)	NUMBER AS AT 31 DEC 24	GRANT DATE	LAST TESTING DATE	EXERCISE PRICE $	FAIR VALUE AT GRANT DATE $
Issued 27 April 2022[1]	24,500	27/04/2022	31/12/2024	-	5.820
Issued 27 April 2022[1]	24,500	27/04/2022	31/12/2024	-	7.770
Issued 27 April 2023[2]	22,200	27/04/2023	31/12/2025	-	4.250
Issued 27 April 2023[2]	22,200	27/04/2023	31/12/2025	-	5.940
Issued 8 May 2024[3]	23,500	08/05/2024	31/12/2026	-	5.430
Issued 8 May 2024[3]	23,500	08/05/2024	31/12/2026	-	7.950

1 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2022 have an average vesting date of 1 March 2025.

2 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2023 have an average vesting date of 1 March 2026.

3 In accordance with the terms of the LTIP arrangement, performance rights issued during the financial year ended 31 December 2024 have an average vesting date of 1 March 2027.

INPUTS INTO THE MODEL	8 MAY 2025	8 MAY 2024	27 APRIL 2023	27 APRIL 2022
Grant date	8/05/2025	8/05/2024	27/04/2023	27/04/2022
Dividend yield	5.62%	6.60%	6.90%	7.10%
Risk free yield	3.35%	3.95%	3.00%	2.60%
Expected volatility	27%	26%	34%	45%
Last testing date	31/12/2027	31/12/2026	31/12/2025	31/12/2024
Share price at grant date	$10.730	$9.520	$7.190	$9.510
Performance right life	3 years	3 years	3 years	3 years

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33 Share-based payments (cont'd)

The following table reconciles the outstanding securities granted to the Managing Director and senior management at the beginning and end of the Financial Year:

Performance Rights	2025 $'000	2024 $'000
Number of share performance rights:		
Balance at the beginning of the financial year	546,500	606,000
Granted during the financial year	203,200	200,000
Forfeited during the financial year	-	(17,500)
Vested during the financial year	(165,500)	(242,000)
Lapsed during the financial year	-	-
Balance at the end of the financial year	**584,200**	**546,500**

The performance rights outstanding at the end of the Financial Year were 584,200 (2024: 546,500), with a weighted average remaining contractual life of 1.04 years.

Short-Term Incentives Plan (STIP)

During the Financial Year, Capral allotted 8,588 (2024:12,674) (previously bought on-market) ordinary shares to Capral's Executives and Senior Management who purchased Capral's shares by using the STIP target component (stretch) of their 2024 financial year after-tax STIP. These shares are held in escrow by Capral's share registry for a period of 3 years.

Accounting policy

Equity-settled share-based payments with employees are measured at the fair value of the equity instrument at the grant date.

The fair value of the performance rights is estimated at grant date using a Monte-Carlo Simulation analysis taking into account the terms and conditions upon which the securities are granted.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

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34 Key management personnel compensation

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

	Consolidated	
	2025 $'000	2024 $'000
Short-term benefits	2,138,615	2,069,904
Post-employment benefits	99,031	91,536
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	453,501	502,596
	2,691,147	**2,664,036**

35 Controlled Entities

Particulars in relation to controlled entities

	2025 %	2024 %	COUNTRY OF INCORPORATION
Parent entity			
Capral Limited			
Controlled entities			
Austex Dies Pty Ltd	100	100	Australia
Capral Employees Incentive Shares Trust	n/a	n/a	Australia

Accounting Policy

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company.

Control is based on whether the Group has:

- power over the investee
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect the amount of the returns.

The results of the subsidiary acquired or disposed of during the year are included in the profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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36 Business Combinations

2025

(a) Acquisition of assets from Comsupply Pty Ltd ("Comsupply")

Capral Limited acquired certain assets and assumed liabilities of the aluminium systems and hardware distribution business from Comsupply on 22 August 2025 for a total consideration of $5,568,000.

	2025 $'000
Consideration	
Cash paid	5,568
Total Consideration	5,568

Acquisition-related costs amounting to $223,000 have been excluded from the consideration transferred. These have been recognised as an expense in the Financial Year, within the 'Other expenses' line item in the consolidated statement of profit or loss and other comprehensive income.

The acquisition of Comsupply by Capral provides Capral with a strong platform to expand its building systems offering, strengthening its market presence and enhancing its delivery of market-leading services to aluminium product users across Western Australia.

Fair value of the net identifiable assets acquired and liabilities assumed at the date of acquisition were:

	2025 $'000
Current assets	
Inventory	3,408
Non-current assets	
Fixed assets	400
Right-of-use assets	835
Customer relationships	1,400
Deferred tax assets (net – Deferred tax liabilities)	(420)
Current liabilities	
Lease liabilities	(835)
Employee entitlements and benefits	(415)
Other liabilities	(49)
Total	4,324

Goodwill arising from the acquisition has been recognised as follows	
Consideration	5,568
Less: Fair value of net assets acquired	(4,324)
Goodwill	1,244

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36 Business Combinations (cont'd)

(a) Acquisition of assets from Comsupply Pty Ltd ("Comsupply") (cont'd)

Fair value measurement
Inventories are valued at cost as these were readily available stock held by the distributors and Capral could purchase the same stock from the same supplier at cost.

Fixed assets are valued at the acquired net book value, which reflects the depreciated replacement cost.

Customer relationships intangible assets have been valued using the multi-period excess earnings method, by an independent valuer.

The goodwill of $1,244,000 arising from the acquisition consists mostly of the synergies and economies of scale expected from combining the operations of Comsupply and the Group.

Impact of acquisition on the results of the Group
The acquired business contributed a total revenue of $5,763,000 and a net profit after tax of $616,000 to the Group for the period from 22 August 2025 to 31 December 2025.

Had the business combination been effected at 1 January 2025, the Group's total revenue would have been $701,793,000 and the Group's total net profit for the year would have been $37,726,000.

2024

(a) Acquisition of assets from Aluminium Trade Centre Pty Ltd ("ATC")
Capral Limited acquired certain assets of the wholesale and retail distribution business from ATC on 22 March 2024 for a total consideration of $3,181,000.

	2024 $'000
Consideration	
Cash paid	3,181
Total Consideration	3,181

Acquisition-related costs amounting to $37,000 have been excluded from the consideration transferred. These have been recognised as an expense in the Financial Year, within the 'Other expenses' line item in the consolidated statement of profit or loss and other comprehensive income.

The acquisition of ATC by Capral strongly boosts Capral's market presence and enhances its ability to deliver market-leading service to fabricators and other aluminium product users across Victoria. The ATC business has been seamlessly integrated into Capral's operations, strengthening Capral's national footprint of aluminium distribution outlets.

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36 Business Combinations (cont'd)

(a) Acquisition of assets from Aluminium Trade Centre Pty Ltd ("ATC") (cont'd)

Fair value of the net identifiable assets acquired and liabilities assumed at the date of acquisition were:

	2024 $'000
Current assets	
Inventory	1,512
Non-current assets	
Fixed assets	360
Right-of-use assets	350
Customer relationships	540
Current liabilities	
Lease liabilities	(350)
Total	2,412
Goodwill arising from the acquisition has been recognised as follows	
Consideration	3,181
Less: Fair value of net assets acquired	(2,412)
Goodwill	769

Fair value measurement
Inventories are valued at cost as these were readily available stock held by the distributors and Capral could purchase the same stock from the same supplier at cost.

Fixed assets are valued at the acquired net book value, which reflects the depreciated replacement cost.

Customer relationships intangible assets have been valued using the multi-period excess earnings method, by an independent valuer.

The goodwill of $769,000 arising from the acquisition consists mostly of the synergies and economies of scale expected from combining the operations of ATC and the Group.

Impact of acquisition on the results of the Group
The acquired business contributed a total revenue of $4,907,000 and a net profit after tax of $162,000 to the Group for the period from 22 March 2024 to 31 December 2024.

Had the business combination been effected at 1 January 2024, the Group's total revenue would have been $650,647,000 and the Group's total net profit for the year would have been $32,553,000.

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36 Business Combinations (cont'd)

(b) Acquisition of assets from Apple Aluminium Pty Ltd

Capral acquired certain assets of the aluminium business from Apple Aluminium Pty Ltd on 26 July 2024 for a purchase price of $3,631,000.

	2024 $'000
Consideration	
Cash paid	3,631
Total Consideration	3,631

Acquisition-related costs amounting to $217,000 have been excluded from the consideration transferred. These have been recognised as an expense in the Financial Year, within the 'Other expenses' line item in the Consolidated statement of profit or loss and other comprehensive income.

The Apple Aluminium business acquisition strengthens Capral's market presence and enhances its ability to deliver market-leading service to fabricators and other users of aluminium products within Queensland.

Fair value of the net identifiable assets acquired and liabilities assumed at the date of acquisition were:

	2024 $'000
Current assets	
Inventory	1,851
Non-current assets	
Fixed assets	400
Right-of-use assets	366
Customer relationships	520
Current liabilities	
Lease liabilities	(366)
Total	2,771
Goodwill arising from the acquisition has been recognised as follows	
Consideration	3,631
Less: Fair value of net assets acquired	(2,771)
Goodwill	860

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36 Business Combinations (cont'd)

(b) Acquisition of assets from Apple Aluminium Pty Ltd (cont'd)

Fair value measurement

Inventories are valued at cost as they were readily available stock held by the distributors and Capral could purchase the same stock from the same supplier at cost.

Fixed assets are valued at the acquired net book value, which reflects the depreciated replacement cost.

Customer relationships assets have been valued using the multi-period excess earnings method, by an independent valuer.

The goodwill of $860,000 arising from the acquisition consists mostly of the synergies and economies of scale expected from combining the operations of Apple Aluminium and the Group.

Impact of acquisition on the results of the Group

The acquired business contributed a total revenue of $3,302,000 and a net profit after tax of $159,000 to the Group for the period from 26 July 2024 to 31 December 2024.

Had the business combination been effected at 1 January 2024, the Group's total revenue would have been $654,897,000 and the Group's total net profit for the year would have been $32,813,000.

Accounting policy

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 13). Transaction costs are expenses as incurred.

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Consolidated Entity Disclosure Statement

NAME	BODY CORPORATE	COUNTRY OF INCORPORATION	% OF SHARE CAPITAL HELD DIRECTLY BY THE COMPANY	COUNTRY OF TAX RESIDENCE	JURISDICTION FOR FOREIGN TAX RESIDENT
Parent entity					
Capral Limited	Body corporate	Australia		Australia	n/a
Subsidiary					
Austex Dies Pty Ltd	Body corporate	Australia	100	Australia	n/a
Capral Employees Incentive Shares Trust	Trust	Australia	n/a	Australia	n/a

Key assumptions and judgements

Determination of Tax Residency

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

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

Australian tax residency

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

Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of trusts have been provided where relevant.

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Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that Capral Limited (the "Company") will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto and the Remuneration report in sections 1 to 5 in the directors' report are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date; and

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

(c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;

(d) in the directors' opinion, the Consolidated Entity Disclosure Statement as at 31 December 2025 set out on page 94 is true and correct; and

(e) the directors have been given declarations required by section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 31 December 2025.

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

On behalf of the directors



M. White
Chair

A. M. Dragicevich
Managing Director

Sydney
26 February 2026

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Independent Auditor's Report

To the shareholders of Capral Limited

Report on the audit of the Financial Report

Opinion

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

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 31 December 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2025;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 31 December 2025;
- Notes, including material accounting policies: and
- Directors' Declaration.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Impairment of non-financial assets; and
- Recognition and recoverability of deferred tax assets.

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.

Impairment of non- financial assets

Refer to Note 11 to the Financial Report

The key audit matter	How the matter was addressed in our audit
A key audit matter for us was the Group's annual testing of non-financial assets for impairment, given the size of the balance and the judgement involved in determining the key forward-looking assumptions the Group applied in their value in use model, including: • forecast cash flows – there is uncertainty due to volatile economic conditions and the corresponding impact on residential, commercial construction and industrial sectors as well as metal input pricing. This impacted the Group through updated expectations in the demand for products, metal input pricing and customer pricing and margin. These conditions increase the possibility of non-financial assets being impaired, plus the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider. • terminal growth rate – in addition to the uncertainties described above, the Group's model is sensitive to changes in this assumption, reducing available headroom. This drives additional audit effort specific to the feasibility and consistency of application to the Group's strategy. • discount rate – this is complicated in nature and can vary according to the conditions and environment the Cash Generating Unit (CGU) is subject to from time to time.	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform impairment testing against the requirements of the accounting standards. • We assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • We considered the Group's determination of its CGU based on our understanding of the Group's business and how independent cash inflows were generated against the requirements of the Australian Accounting Standards. • We compared the forecast cash flows contained in the value in use model to Board-approved forecasts. • We challenged the Group's key forward looking assumptions in light of the expected continuation of volatile economic conditions. We assessed how the Group considered the impacts of these key events in the Board approved plan and strategy. We compared forecast growth rates to published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and our industry experience. • We checked the consistency of the growth

The Group uses a value in use model to perform their annual testing of non-financial assets for impairment. The model is largely manually developed, uses adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. The modelling, using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. The Group operates in a number of regional areas across Australia necessitating our consideration of the Group's determination of CGUs, based on the smallest group of assets to generate largely independent cash inflows. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	rates to the Group's latest Board-approved forecast, past performance of the Group, and our experience regarding the feasibility of these in the industry and economic environment in which the Group operates. • Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • Working with our valuation specialists, we independently developed a terminal growth rate range considered comparable using publicly available market data for comparable entities. • We considered the sensitivity of the model by varying key assumptions, such as forecast growth rates and discount rate, within a reasonably possible range. We considered the interdependencies of key assumptions when performing the sensitivity analysis and what the Group considers to be reasonable. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards

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Recognition and recoverability of deferred tax assets ($29.0 million)	
Refer to Note 9 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's deferred tax assets include tax losses carried forward and temporary differences. Under accounting standards, the Group can only recognise deferred tax assets if certain conditions prescribed by Australian tax law are satisfied, and if it is probable that the Group will generate sufficient taxable profits in the future in order for the benefits of the deferred tax assets to be realised. The recognition and recoverability of deferred tax assets was a key audit matter for us due to: • The significant judgment required in evaluating the Group's assessment of satisfying conditions under Australian tax law that gives rise to the availability of tax losses. The Group engaged external expert to assist with this evaluation. • The significant judgement involved in evaluating the Group's assessment of the probability of generating sufficient future taxable profits. • The risk of the Group incorrectly applying the requirements of the accounting standards and Australian tax law to recognise deferred tax assets for tax losses, which could have a significant effect on the Group's consolidated statement of profit or loss and other comprehensive income. We involved tax specialists to supplement our senior team members in assessing this key audit matter.	Our procedures included: • Working with our tax specialists, we: – assessed the scope, competence and objectivity of the external expert engaged by the Group to assist with the assessment of the recognition of the deferred tax assets. – Examined the reports and documentation prepared by the external expert and the Group underlying the availability of tax losses for consistency with Australian tax law. – Checked the key inputs to the Group's external expert reports, Group's data and publicly available information. – evaluated the methodology used to determine the availability of tax losses, considering Australian tax law. • We compared the forecast cash flow included in the Group's estimate of future taxable profits used in their deferred tax assets recoverability assessment to that used in the Group's assessment of the recoverability of its non-financial assets. Our approach to testing the forecast cash flows was consistent with the approach detailed in the key audit matter above. • We challenged the differences between forecast cash flows and taxable profit by evaluating the adjustment of cash flows, for differences between accounting profits, as presented in the Group's forecasts, to taxable profits, against the requirements of the applicable Australian tax law. • We assessed the expected timing of future taxable profits using our knowledge of the business and its plans. We placed increased scepticism where a longer timeframe of recovery was expected. • We assessed the disclosures in the financial report using the results from our testing and against the requirements of the accounting standards.

Other Information

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

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance conclusions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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

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Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Capral Limited for the year ended 31 December 2025, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

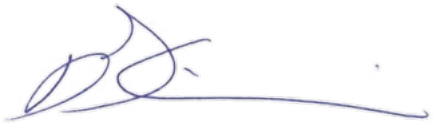
Our responsibilities

We have audited the Remuneration Report included in pages 24 - 40 or of the Directors' report for the year ended 31 December 2025.

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



KPMG



Daniel Camilleri

Partner

Sydney

26 February 2026

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Sustainability Report

Introduction

This Sustainability Report contains Capral Limited's climate-related financial disclosures for the year ended 31 December 2025 and constitutes the climate statements of Capral Limited for the purposes of Part 2M.3 of the Corporations Act 2001 (Cth). The climate statements have been prepared in accordance with Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) and Corporations Act 2001.

The climate statements are prepared for the same reporting entity and reporting period as Capral's consolidated financial statements and should be read in conjunction with those financial statements and related notes. Where relevant, climate-related information is connected to Capral's financial reporting, risk management framework and governance arrangements.

The objective of these climate statements is to provide users of Capral's general purpose financial reports with information about climate-related risks and opportunities (CROs) that could reasonably be expected to affect Capral's prospects, including its financial position, financial performance and cash flows over the short, medium and long term. The disclosures focus on governance, strategy, climate risk management, climate resilience, metrics and targets, as required by AASB S2.

This Sustainability Report is intentionally limited in scope. It addresses only climate-related financial disclosures required by AASB S2 and the Corporations Act. Capral's broader environmental, social and governance disclosures, including information on workforce, safety, community, waste and other environmental matters, continue to be presented in the ESG section of the Annual Report. That ESG section provides broader sustainability context, while this Sustainability Report is focused specifically on climate-related matters from a financial risk and disclosure perspective. Together, the disclosures are intended to provide a complete but non-duplicative view of Capral's sustainability-related matters.

As this is Capral's first reporting period applying AASB S2, the climate statements apply the transition reliefs permitted under the standard, including relief from comparative disclosures and from disclosure of Scope 3 greenhouse gas emissions. These transition reliefs, together with significant judgements, assumptions and sources of estimation uncertainty, are disclosed in the Basis of Preparation.

Capral expects its climate-related financial disclosures to evolve over time as data quality improves, methodologies mature and climate-related considerations continue to be embedded into strategy, risk management, capital allocation and financial planning.

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1. Basis of Preparation

1.1 Reporting entity

Capral's 2025 Sustainability Report has been prepared for Capral Limited and its subsidiaries (together referred to as 'Capral' or 'the Company') and should be read in conjunction with the Company's consolidated financial statements.

1.2 Statement of compliance

This Sustainability Report contains Capral's climate-related disclosures prepared in accordance with AASB S2 Climate-related Disclosures, and the Corporations Act 2001.

1.3 Connectivity

This report contains climate-related financial information for the financial year ended 31 December 2025, aligning with the reporting period of Capral's consolidated financial statements. Where applicable, related matters are directly cross-referenced to the relevant remuneration report sections.

1.4 Functional and presentation currency

Sustainability-related financial information is presented in Australian dollars (AUD). All amounts have been rounded to the nearest thousand, unless otherwise stated.

1.5 Sources of guidance

Capral prepared this report in accordance with AASB S2, and applied the National Greenhouse and Energy Reporting (NGER) framework for emissions measurement as required by the Australian jurisdictional authority and consistent with AASB S2.29(a)(ii).

1.6 Transition reliefs

In preparing this report, Capral has applied the following transition reliefs permitted under AASB S2 for the first annual reporting period:

- relief from presenting comparative information for climate-related disclosures; and
- relief from disclosing Scope 3 greenhouse gas emissions.

1.7 Location of disclosures

This sustainability report forms part of Capral's Annual Report. Cross-references to other sections of the Annual Report, including the Financial Statements and Remuneration Report, are provided where relevant.

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1.8 Judgements

The preparation of this sustainability report involved applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions where the standards allow flexibility. The table below summarises key judgements applied.

TOPIC	DESCRIPTION
Materiality assessment	To identify material CROs, Capral exercised judgement in assessing financial significance, likelihood and operational relevance across its value chain, consistent with its enterprise risk management framework. CROs were evaluated against Capral's enterprise materiality threshold, with qualitative factors such as geographic exposure, risk velocity, regulatory sensitivity and potential aggregation or compounding effects considered where individual impacts were assessed as below the threshold.
Scenario selection	Selecting scenarios for climate-related scenario analysis required judgement to reflect a range of temperature outcomes and transition pathways most likely to affect Capral's strategy, business model and financial position. Capral selected SSP1-2.6 (warming limited to ~1.8°C by 2100) as the low global warming scenario and SSP3-7.0 (exceeding 2.5°C) as the high global warming scenario to provide contrast between high-transition and high-physical-risk outcomes. Scenario analysis has been prepared using a low and a high global warming pathway to meet the climate scenario analysis requirement under the Corporations Act and to remain consistent with AASB S2. Although SSP1-2.6 (warming limited to ~1.8 degrees by 2100) represents a 'well below 2°C' trajectory rather than a pathway explicitly limited to 1.5°C, warming of 1.5°C falls within the "very likely" temperature range of this scenario. The transition dynamics, policy assumptions and system-wide characteristics under SSP1-2.6 (warming limited to ~1.8°C by 2100) are broadly consistent with 1.5°C-aligned pathways, and Capral considers the use of this scenario appropriate for assessing climate resilience. Fully Paris-aligned scenarios such as SSP1-1.9 are less widely adopted in downscaled climate modelling and have more limited availability of consistent, location-specific datasets relevant to Capral's operations. Having regard to data availability, comparability and modelling maturity, Capral considers SSP1-2.6 to provide a robust and decision-useful basis for resilience assessment at this stage. Capral does not expect that the difference between a 1.5°C-aligned pathway and the median outcome of SSP1-2.6 would materially change the identification or relative ranking of the climate-related risks and opportunities disclosed. While certain transition parameters, including carbon pricing trajectories, may be more accelerated under a 1.5°C pathway, the nature of the transition risks identified and the overall resilience conclusions are not expected to be materially different. This reflects management judgement based on the scenarios assessed rather than a quantitative comparison of alternative Paris-aligned pathways.
Time horizons	Capral defined short-term (3 years), medium-term (3–10 years) and long-term (beyond 10 years) horizons aligned with how the Company plans, invests and manages risk. These differ from climate science models, which extend beyond the period over which Capral makes strategic or financial commitments.

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1.9 Measurement Uncertainty

Measurement uncertainty affecting the amounts disclosed in this sustainability report arises from data gaps, reliance on proxy information, external factors and forward-looking information. The table below summarises the main sources of measurement uncertainty affecting the amounts disclosed.

TOPIC	DESCRIPTION
GHG emissions	GHG emissions quantification is subject to inherent limitations due to incomplete scientific knowledge and methods used to determine emissions factors. The selection of different but acceptable emission factors or measurement techniques could result in materially different GHG emissions reported. There have been no changes in measurement approach from the previous reporting period. Measurement uncertainty arises in relation to the calculation of Scope 1 and Scope 2 greenhouse gas emissions due to estimation assumptions and data quality limitations. This uncertainty relates to the disclosed FY2025 Scope 1 and Scope 2 emissions metrics presented in the Metrics and Targets section.
Physical risk assessment	Physical climate risk assessments rely on climate projection models and localised hazard data, which contain inherent uncertainty. The assessment of site-level exposure to acute and chronic physical risks involves assumptions about the severity, frequency and timing of climate-related events that may not materialise as projected. Measurement uncertainty arises in assessing physical climate risks due to the use of climate models, scenario assumptions and asset-level exposure data.
Transition risk and Opportunity assumptions	Forward-looking disclosures on transition risks rely on assumptions about future carbon pricing, policy settings and market dynamics, which are uncertain and subject to change. Outcomes are sensitive to these assumptions, particularly the pace and extent of regulatory intervention and grid decarbonisation. Measurement uncertainty arises in assessing transition risks and opportunities due to assumptions about policy, technology adoption, market behaviour and timing. This uncertainty relates to the transition risk and opportunity disclosures presented in the Strategy section.
Financial impact estimation	Measurement uncertainty arises in estimating potential financial impacts of CROs due to assumptions regarding future costs, capital expenditure and operational responses. This uncertainty relates to the estimated financial impacts disclosed in the Strategy section.

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2. Governance

2.1 Climate Governance at Capral

Capral's climate governance oversees processes for identifying, assessing and managing CROs across the business, from Board oversight to operational implementation. Our governance structure establishes clear accountability, embeds climate considerations into major decisions, and supports accountability for climate-related performance measures.

The following outlines the governance structure.

BOARD OF DIRECTORS

Provides strategic oversight of CROs, approves emission reduction targets, and monitors progress against climate strategy. The Board oversees climate-related performance metrics for the Managing Director and ensures climate considerations are integrated into major strategic decisions and capital allocation, including assessment of trade-offs associated with CROs.

AUDIT & RISK COMMITTEE

Reviews and monitors climate-related risks as part of the enterprise risk management framework. Oversees the integrity of climate-related financial disclosures, including sustainability reporting and independent assurance processes. For the current reporting year, the Audit and Risk Committee reviewed one climate risk update. From the next reporting cycle, the Committee will receive climate risk updates twice annually and escalate any material matters to the Board.

MANAGEMENT

Managing Director & Executive Team
Accountable for integrating climate considerations into business strategy, operational decisions, and budget allocation, including assessment of trade-offs in major transactions. The Managing Director is responsible for setting detailed climate performance metrics for relevant Executives, which includes remuneration incentive metrics linked to emission reduction targets.

Group ESG, Climate & Risk Manager
Drives the implementation of climate strategy and execution of sustainability-related activities. Responsible for climate risk assessment, sustainability reporting, and coordination across the enterprise risk management framework. Reports to the Managing Director and Executive Team on climate performance.

OPERATIONAL DELIVERY

Divisional & Site Managers
Responsible for operational delivery of climate initiatives, including energy efficiency programs, emissions monitoring, and environmental compliance at site level. Implements climate risk controls and reports performance data to Group ESG, Climate & Risk Manager.

Employees & Stakeholders
Engaged through consultation mechanisms including safety and environment committees. Provides input on climate-related operational risks and opportunities, supporting climate considerations at all levels of the organisation.

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2.2 Board and Committee Oversight

The Board has overall accountability for oversight of CROs. Detailed oversight of climate-related risk assessment, controls and disclosures is delegated to the Audit & Risk Committee, which reports to the Board. This structure is intended to ensure effective oversight while maintaining clear accountability between the Board and its committees.

2.2.1 Board of Directors

The Board of Directors maintains ultimate oversight of Capral's climate strategy, targets, risks, and opportunities.

The Board's oversight of CROs is embedded in its responsibilities under the Board Charter, including approval of strategy, capital allocation and risk appetite, and oversight of material sustainability risks.

The Board, supported by the Audit and Risk Committee, assesses the skills and experience required to oversee CROs as part of its ongoing Board skills and capability review processes. This includes consideration of climate and sustainability-related competencies, access to targeted briefings and training, and the use of external advisers where specialised expertise is required.

The Board approves Capral's climate response to sustainability and CROs, including major investment decisions, and ensures alignment with Capral's risk appetite and long-term objectives.

The Board reviews and approves Capral's climate strategy and emission reduction targets as part of the annual strategic planning cycle, with adjustments considered as required in response to material changes in risk exposure, regulatory requirements, or business conditions. Climate risks associated with physical and transition impacts are monitored as part of regular Board reporting, undertaken once in the current reporting year and scheduled to occur twice yearly at Board meetings.

In overseeing strategy, capital allocation and risk management, the Board considers CROs alongside financial, operational and safety considerations, including in the approval of major capital expenditure and strategic initiatives. Where relevant, the Board considers trade-offs between emissions reduction objectives, cost, operational resilience and customer requirements in its decision-making.

The Board oversees the inclusion of climate-related performance metrics in remuneration of certain executives (see 1.15).

The Board monitors progress against Capral's climate strategy, target and key climate-related performance indicators, and considers the associated financial implications, through regular management reporting.

2.2.2 Audit & Risk Committee

The Audit and Risk Committee's mandate includes reviewing climate-related risk identification, assessment and management, and monitoring management's implementation of related controls and disclosures.

Climate risk assessments, scenario analysis outputs and related management responses are reviewed at least twice yearly by the Audit & Risk Committee. The Committee also monitors the integration of climate-related risks into Capral's risk register, controls and escalation processes. The Audit & Risk Committee assists the Board by overseeing compliance with climate-related financial disclosure requirements under AASB S2 and the integrity of climate-related disclosures.

The Committee reviews CROs within the context of Capral's enterprise risk management framework, including the identification, assessment and prioritisation of material climate-related risks.

Where appropriate, the Committee seeks assurance that climate-related information is subject to appropriate internal controls and review processes consistent with those applied to other material business risks.

The Audit & Risk Committee also oversees the preparation of climate-related disclosures, including disclosures made under sustainability reporting requirements, and recommends these disclosures to the Board for approval. Material issues, emerging risks or significant changes in Capral's climate risk profile are escalated to the Board as required.

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2.3 Management

Management monitors and manages CROs through Capral's enterprise risk management framework, including identification and assessment of climate-related risks within the Group risk register, defined data collection and review processes for emissions and other key metrics. These controls and procedures support the Board's oversight of CROs.

Management is responsible for implementing the Board's oversight of CROs and for preparing Capral's climate-related financial disclosures in accordance with AASB S2.

2.3.1 Managing Director & Executive Team

Climate performance is formally integrated into executive management through quarterly updates provided to the Managing Director and Executive Team. These updates allow climate considerations to be monitored at executive level, supporting timely decisions on emerging risks, opportunities, and resource allocation.

Climate considerations are incorporated into all material capital expenditure proposals. Investments are assessed for climate risk exposure, Scope 1 and 2 emission impacts, adaptation benefits, and alignment with Capral's 2030 emission reduction target.

Management is responsible for implementing the Board-approved approach to managing CROs. Day-to-day responsibility is delegated to the Managing Director and Executive Team, with oversight exercised through the executive governance framework. Climate-related information, including risk assessments, metrics and progress against targets, is subject to management review and internal controls consistent with Capral's enterprise risk management, financial reporting and disclosure control frameworks.

Climate-related matters are escalated to the Audit and Risk Committee and the Board through regular reporting and exception-based escalation where material issues arise. The Managing Director has primary accountability for integrating CROs into Capral's strategy, capital allocation, operational planning and enterprise risk management framework, and for executing the Board-approved climate-related strategic response and targets.

The Chief Financial Officer is responsible for the preparation, integrity and coordination of Capral's climate-related financial disclosures, including the design and operation of internal controls, disclosure processes, key judgements and assumptions, and ensuring consistency with Capral's financial statements, risk management framework and continuous disclosure obligations.

2.3.2 Group ESG, Climate & Risk Manager

The Group ESG, Climate & Risk Manager supports the development and implementation of Capral's climate strategy and operational programs. The role reports directly to the Managing Director, with a dotted reporting line to the Chief Financial Officer. This structure integrates climate considerations into financial planning, risk management, and major decision-making processes. The Group ESG, Climate & Risk Manager coordinates the formulation of Capral's climate strategy, emission reduction planning, scenario analysis, materiality assessments, and oversees the identification and assessment of CROs.

Climate risks are incorporated into the enterprise risk management framework, with the Group ESG, Climate & Risk Manager undertaking quarterly monitoring of risk status, mitigation progress, and emerging climate issues. This reporting supports the Audit and Risk Committee's twice-yearly climate risk reviews. The Group ESG, Climate & Risk Manager also leads climate-related reporting (Scope 1 and 2) and regulatory compliance activities, including Australian Sustainability Reporting Standards (ASRS), National Greenhouse and Energy Reporting (NGER), and Aluminium Stewardship Initiative (ASI) certification.

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2.4 Operational Delivery

2.4.1 Divisional and Site Management

Divisional and Site Managers translate the climate strategy into practical action across operations, implementing emission-reduction initiatives, efficiency programs, and waste-management practices consistently across sites.

2.4.2 Employees

Employees support Divisional and Site Managers by collecting relevant activity data, implementing site-level initiatives, and participating in sustainability performance.

2.4.3 Stakeholders

Stakeholder feedback, including from customers and suppliers, informs Capral's climate priorities and reporting.

2.5 Skills and Competencies

2.5.1 Directors

The annual Board skills assessment includes climate competencies, covering understanding of climate science and policy, experience with energy transition, climate-related risk management, and long-term sustainability planning. The Board skills matrix includes climate-related competencies, and director development plans include climate training as required.

Directors receive climate-related training as part of the Board's ongoing development program. In FY2025, climate training was undertaken by the Board. The Board considers climate-related skills and competencies as part of its ongoing assessment of Board composition and performance. Directors receive induction and ongoing education on climate-related matters relevant to Capral's business and regulatory obligations, including developments in climate-related financial reporting.

2.5.2 Management

The Managing Director, Executive Team, and Group ESG, Climate & Risk Manager participate in ESG risk and control programs to enhance understanding of climate-related risk factors and mitigation controls. Management and operational leaders receive training relevant to their roles in identifying, managing and reporting CROs. Divisional and Site Managers receive training in emissions data collection, energy efficiency assessment, waste management, and climate risk identification.

2.6 Remuneration Linked to Climate Performance

Climate-related considerations are incorporated into Capral's executive remuneration framework to support accountability for the management of CROs. Climate-related performance measures form part of the short-term incentive assessment for relevant executive management, alongside financial, operational and safety measures.

The Board, through the Remuneration Committee, approves the design of executive remuneration arrangements, including the inclusion and weighting of climate-related measures, and reviews performance outcomes annually. The selection and assessment of climate-related measures are aligned with Capral's broader strategy, risk management framework and sustainability priorities, and are intended to support appropriate management focus without encouraging undue risk-taking or long-dated commitments.

Further detail on executive remuneration outcomes, including the specific weighting and assessment of climate-related performance measures for the reporting period, is disclosed in Capral's Remuneration Report page 27.

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2.7 Governance Meeting Frequency

BOARD OF DIRECTORS	CLIMATE STRATEGY AND TARGET REVIEW AND APPROVAL	ANNUALLY (AND AS REQUIRED)
Board of Directors	Progress monitoring, KPIs, financial impacts	Twice yearly
Board of Directors	Capex assessments	As required
Audit & Risk Committee	Climate risk review, assurance findings	Twice yearly*
MD & Executive Team	Climate performance updates, resource allocation	Quarterly
Group ESG, Climate & Risk Manager	Risk monitoring, reporting preparation, ERM integration	Ongoing

* In FY2025, climate strategy review and related Board engagement occurred once during the reporting period. Ongoing oversight is maintained through regular governance processes as described in Section 1.10.

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3. Climate Risk

Capral applies its standard enterprise risk management process to identify CROs across the business. Material CROs identified through this process are assessed through scenario analysis across defined time horizons.

During the current reporting period, Capral formalised and enhanced its climate risk management processes. While climate-related risks were previously considered within the broader enterprise risk framework, the introduction of structured scenario analysis, explicit assessment across planning aligned time horizons, and clearer CROs prioritisation represents an evolution from prior reporting.

CROs are assessed across three time horizons aligned with how Capral plans, invests and manages risk. These horizons differ from the timeframes used in some climate science models, which extend beyond the period over which Capral makes strategic or financial commitments:

TIME HORIZON	PERIOD	KEY FOCUS	RATIONALE
Short-term	3 years	Immediate transition risks affecting operating costs and capital allocation, and acute physical risks causing short-term operational disruption.	Reflects the period over which Capral prepares budgets, forecasts cash flows and manages risks on a rolling basis.
Medium-term	Approximately 3 to 10 years	Technology and energy transition decisions, evolving customer and market requirements, and chronic physical risks influencing asset performance.	Aligns with Capral's approved strategic planning horizons, capital allocation framework and major equipment refurbishment cycles.
Long-term	Beyond 10 years	Long-lived asset exposure, stranded asset considerations, and business model resilience under higher physical and transition risk scenarios.	Reflects the upper bound of economic life for major long-lived assets, such as extrusion presses and site infrastructure, and is used to assess potential stranded asset and business model risks. Given the inherent uncertainty, long-term impacts are assessed qualitatively rather than through detailed financial forecasting.

3.1 Materiality Assessment Process

Capral applies a structured, multi-stage approach to identify, assess and prioritise CROs. CROs are considered alongside other enterprise risks using the same materiality thresholds, likelihood and consequence criteria, ensuring relative prioritisation is consistent across Capral's broader risk portfolio. The assessment process is outlined below:

PHASE	DESCRIPTION	OUTPUT
Phase 1 Universe Development	Broad scanning of potential climate impacts using "Taskforce on Climate Related Disclosures" sector guidance, peer disclosures, regulatory drivers, historical incident analysis, customer sustainability expectations, and supply-chain vulnerability mapping and potential climate-related opportunities relevant to Capral's business model.v	Initial universe of potential physical (acute/chronic) and transition (policy/market/technology/ reputation) risks.
Phase 2 Scenario-Based Assessment	Each identified CRO is assessed across relevant time horizons and climate scenarios to understand the nature, magnitude and timing of potential impacts.	Assessment for each potential risk for each time horizon and climate scenario.
Phase 3 Materiality Assessment	CROs are screened using financial significance, likelihood, exposure, and operational relevance. A financial impact threshold is used as one quantitative indicator, supported by qualitative criteria. Qualitative considerations include operational criticality, geographic exposure, risk velocity, potential for compounding impacts across sites, regulatory sensitivity, and relevance to strategic decision-making.	Schedule of prioritised risks, being those with strategic significance.
Phase 4 Stakeholder Validation	Cross-functional workshops (Operations, Distribution, Corporate functions) review and validate the prioritised risks to ensure operational relevance and practical grounding.	Final validated list of material risks.

The material climate-related risk (carbon pricing) identified through scenario analysis are integrated into Capral's enterprise risk framework. Mitigation and response actions are developed or adapted to reflect the nature of the material climate-related risk and are managed through the same risk register, governance, escalation and review processes applied to other material business risks.

Scenario-specific assessments and indicative financial impacts are incorporated into enterprise-level risk ratings and are monitored through management review and the Audit & Risk Committee at least twice per year. This process is reviewed periodically and updated to reflect changes in Capral's operating environment, strategy and available information.

Quantitative estimates are applied where potential impacts can be reasonably estimated using available and supportable information. Where impacts cannot be estimated with sufficient reliability, they are assessed qualitatively. The degree of quantification reflects the nature of the underlying risk, the availability of decision-useful data and the inherent uncertainty in climate-related assumptions.

In assessing materiality, Capral considers whether a climate-related risk or opportunity could reasonably be expected to affect the entity's prospects across any of the defined short-, medium- or long-term time horizons. This assessment includes consideration of quantitative financial thresholds as well as qualitative factors such as operational disruption, strategic positioning, regulatory exposure and stakeholder expectations. A risk may be disclosed as material where it meets Capral's enterprise materiality threshold in at least one time horizon, or where qualitative considerations indicate potential significance, even if impacts are not material in the current reporting period.

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3.2 Climate Scenario Analysis

Capral's climate scenario analysis uses two climate-related scenarios to assess exposure to transition and physical climate risks. The scenarios are selected to meet the requirements of the Corporations Act and AASB S2 and to provide a clear contrast between high-transition and high-physical-risk outcomes relevant to Capral's business model:

SCENARIO	RATIONALE AND DESCRIPTION	DEGREE FUTURE*	TRANSITION SPEED	KEY ASSUMPTIONS
SSPs 1-2.6**	Representing a rapid transition consistent with global warming limited to ~1.8°C by 2100, including accelerated decarbonisation, strong policy action and increased deployment of low-emissions technologies.	Warming limited to ~1.8 degrees by 2100	Rapid	Higher and earlier carbon pricing with expansion of the Safeguard Mechanism; growing market demand for low-embodied-carbon and recycled-content products; moderated but increasing extreme heat and water scarcity impacts; accelerated grid decarbonisation with coal retirement and increased renewables; and faster adoption of energy efficiency and recycling technologies.
SSPs 3-7.0	Representing a delayed and fragmented transition characterised by slower policy action, higher emissions and significantly elevated physical climate risks, with global warming well in excess of 2.5°C.	In the order of 3°C or higher	Slow	Lower and delayed carbon pricing with fragmented policy settings; reduced market incentives for low-carbon products; more severe extreme heat, water scarcity, bushfire and flooding impacts on operations and supply chains; continued fossil fuel reliance with higher grid emissions intensity and energy security shortfalls; and slower uptake of low-carbon production technologies.

* Temperature outcomes are indicative and based on published scenario pathways. Actual outcomes are uncertain.

**SSP1-2.6 represents a climate-related scenario aligned with the latest international agreement on climate change (the Paris Agreement, December 2015), consistent with its goal of holding warming well below 2°C above pre-industrial levels.

The scenarios inform Capral's assessment of CROs across its defined time horizons and are used to test the resilience of its strategy and business model rather than to forecast precise outcomes.

The climate scenarios applied are based on published Shared Socioeconomic Pathway (SSP) scenarios developed by the Intergovernmental Panel on Climate Change and related international climate modelling. Scenario analysis covers Capral's Australian manufacturing, distribution and corporate operations and considers material upstream and downstream value chain exposures where relevant.

Our scenario analysis incorporates critical assumptions across economic, policy, and technology dimensions.

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3.3 Climate Related Risks and Opportunities (CROs)

Through Capral's enterprise risk management process and scenario analysis, potentially relevant physical and transition risks were identified and assessed across short, medium and long-term time horizons, having regard to their financial significance, likelihood and operational relevance.

CATEGORY	POTENTIALLY RELEVANT CROS
Transition Risks	Carbon Pricing, Energy Cost and Grid Reliance, Market Demand Shifts, Technology Changes
Physical Risks	Extreme Heat, Water Scarcity, Coastal Flooding
Opportunities	Lower-Carbon Products, Energy Efficiency, Circular Economy

While several potentially relevant risks and opportunities were identified (above), only carbon pricing was assessed as material at the reporting date that may impact across upstream, operational and downstream segments of the value chain. The other risks and opportunities listed above were evaluated but did not meet Capral's enterprise materiality threshold for disclosure, or could not be quantified with any level of accuracy

MATERIAL RISK IDENTIFIED:	CARBON PRICING
Description	Carbon pricing risk is a transition risk arising from the potential introduction, expansion or strengthening of regulatory mechanisms that impose a direct or indirect cost on greenhouse gas emissions, which could increase operating and compliance costs under evolving climate policy settings. This may include emissions trading schemes, safeguard mechanisms, carbon taxes, border adjustment mechanisms or other regulatory instruments affecting energy prices, fuel costs or emissions-intensive inputs. The risk reflects potential changes in policy settings under different climate transition pathways.
Time Horizon	Assessed primarily over the medium to long term, reflecting the potential for regulatory developments and increasing policy stringency over time under lower warming, high-transition scenarios
Value chain and business model impacts	Potential impacts include increased operating costs through higher electricity and fuel prices, increased input costs across the supply chain, and potential margin pressure where cost pass-through is constrained. Carbon pricing may also influence capital allocation decisions, investment planning and customer demand for lower-emissions products. At the reporting date, no separately identifiable or material financial impacts have arisen.
Uncertainties	Uncertainty relates to the timing, scope, design and price trajectory of carbon pricing mechanisms, including jurisdictional alignment and policy consistency. The magnitude and timing of impacts are scenario-dependent and subject to regulatory developments and broader transition dynamics.
Strategic response and mitigation	Capral monitors policy developments and incorporates potential carbon cost exposure into its enterprise risk management, strategic planning and capital allocation processes (including capital expenditure evaluation). Mitigation measures include operational efficiency initiatives, emissions intensity reduction, energy management and product strategy adjustments. These responses are designed to enhance resilience under both lower warming (high transition) and higher warming scenarios.

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MATERIAL RISK IDENTIFIED: CARBON PRICING

Affected location

Carbon pricing risk is concentrated across Capral's Australian manufacturing and processing facilities (Scope 1 and 2 emissions) and may extend to increased input costs through the supply chain, particularly energy procurement and aluminium raw material pricing. Exposure is highest at emissions-intensive extrusion and processing sites.

Current financial effects

At the reporting date, no direct carbon pricing mechanism applies to Capral's operations in Australia, and carbon pricing has not resulted in any separately identifiable or material impacts on Capral's financial position, financial performance or cash flows. Over the short term, having regard to current policy settings, carbon pricing is not expected to give rise to material financial impacts. Any future exposure would depend on changes to regulatory settings or the introduction of broader carbon pricing mechanisms.

Anticipated financial effects

Over the longer term, the introduction or expansion of carbon pricing mechanisms in Australia or in jurisdictions relevant to Capral's supply chain represents a credible regulatory development under lower warming, high-transition scenarios. While no economy-wide carbon price currently applies to Capral's operations, climate policy settings continue to evolve domestically and internationally, and the probability of more explicit carbon cost mechanisms emerging over time is considered realistic. For this reason, carbon pricing has been assessed as a material transition risk.

By way of sensitivity analysis, applying an indicative carbon price of $36 per tonne* of CO_2 to Capral's estimated annual Scope 1 and Scope 2 emissions of approximately 30,000 tonnes would imply a gross exposure of approximately $1.1 million per annum before mitigation actions or cost pass-through. On this basis, direct exposure from Scope 1 and Scope 2 emissions alone would remain below Capral's enterprise materiality threshold.

However, if carbon pricing mechanisms were expanded to include Scope 3 emissions, or if the carbon price exceeded $36 per tonne, the potential financial impact could become material. Based on current emissions estimates, the enterprise materiality threshold would be exceeded where total emissions (Scope 1, 2 and 3 combined) exceed approximately 65,000 tonnes at a carbon price of $36 per tonne, or where the carbon price increases beyond $36 per tonne at current emissions levels.

This analysis is illustrative and scenario-based and does not represent a forecast of future regulatory settings. The magnitude and timing of any financial impact would depend on the design, scope and implementation of any carbon pricing regime, including coverage thresholds, transitional arrangements and Capral's ability to reduce emissions intensity or manage cost pass-through.

* Source: Clean Energy Regulator, Quarterly Carbon Market Report – June Quarter 2025

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3.4 Risk Management Integration and Monitoring

All identified climate risks are integrated into Capral's enterprise risk register with:

- Risk ratings incorporating scenario-specific impacts
- Quarterly monitoring through management review
- Half-yearly reporting to Audit & Risk Committee
- Annual Board strategy review
- Trigger-based escalation for material changes (>20% risk profile shift)

This systematic approach ensures climate risks inform capital allocation, strategic planning, and operational decision-making while maintaining flexibility to respond as scenarios evolve. Transition risks and opportunities are reviewed alongside physical climate risks as part of Capral's broader enterprise risk management process.

Transition risk assessment included consideration of indicative carbon price trajectories, energy cost sensitivities and regulatory change assumptions to test the resilience of Capral's operations and strategy. These inputs were used directionally to inform strategic planning and risk assessment rather than to quantify forecast financial impacts.

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4 Strategy

4.1 Climate Strategy Overview

Capral's climate strategy is designed to respond directly to the material climate-related risk identified through scenario analysis, as described in Section 3. The strategy focuses on reducing exposure to transition risks, strengthening operational resilience, and positioning the business to adapt to evolving customer and regulatory expectations under different climate scenarios.

Delivery of the climate strategy is aligned with Capral's defined short, medium and long-term planning horizons and is integrated into existing strategic planning, capital allocation and risk management processes. The strategy is designed to remain flexible and responsive as climate-related risks, opportunities and external conditions evolve.

4.2 Strategic Response to CROs

Capral's strategic response to carbon pricing risk is structured around three core themes designed to reduce emissions intensity and moderate potential cost exposure under future carbon pricing mechanisms.

4.2.1 Reducing operational emissions and energy intensity

Capral prioritises energy efficiency improvements and process optimisation across its manufacturing and distribution operations to reduce Scope 1 and Scope 2 emissions. Initiatives such as the installation of more efficient electrical log heaters, ongoing process upgrades and on-site solar generation reduce electricity consumption and reliance on grid energy, thereby moderating potential exposure to direct carbon pricing and indirect carbon cost pass-through in electricity prices. These measures are integrated into normal asset maintenance, refurbishment and capital allocation processes.

4.2.2 Transitioning inputs toward lower-carbon alternatives

Capral progressively increases the procurement of lower-carbon aluminium billet where commercially viable. This reduces Scope 3 emissions intensity and moderates potential exposure should carbon pricing mechanisms extend upstream across the value chain. Supplier engagement and responsible sourcing practices support improved emissions transparency and assist in managing potential cost impacts embedded in input pricing.

4.2.3 Managing residual emissions within long-term planning

Capral recognises that certain emissions may be difficult to eliminate in the near term due to technological and operational constraints. Residual emissions are considered within long-term strategic planning and scenario analysis, with decisions assessed through Capral's enterprise risk management and capital allocation frameworks. This approach enables the business to respond proportionately to evolving carbon pricing regimes while maintaining operational flexibility.

4.3 Climate Transition Approach

PILLAR	KEY ACTIVITIES	ASSUMPTIONS AND DEPENDENCIES	RESOURCING
Decarbonise the operations	**Energy efficiency and operational performance** Capral monitors energy efficiency and related operational metrics to support cost management, emissions intensity improvement and resilience to energy price volatility. These metrics inform continuous improvement initiatives and operational decision-making across sites (including plant and equipment replacement decisions). **Circular economy and recycled content** Capral tracks indicators related to recycled aluminium content and circular economy initiatives to support material efficiency, customer expectations and supply chain engagement. Performance against these metrics is influenced by external factors, including scrap availability, customer specifications and market conditions. **Waste and resource management** Operational metrics relating to waste generation, recycling and landfill diversion are monitored to support resource efficiency and environmental performance across Capral's operations. Supporting metrics and enablers are reviewed periodically through established governance and operational processes and may evolve over time in response to changes in technology, market conditions and data availability.	Delivery of Capral's climate strategy is underpinned by a number of key assumptions and dependencies that influence transition outcomes across scenarios, including: Progressive decarbonisation of the Australian electricity grid over time, enabling progressively lower-emissions electricity procurement. Gradual strengthening of climate-related policy, customer and market expectations, rather than abrupt regulatory intervention. Expected availability and commercial viability of energy-efficiency, electrification and low-emissions process technologies within Capral's asset replacement cycles. Access to verified lower-carbon aluminium and ASI-certified material as upstream markets evolve. Capital allocation aligned with existing investment planning horizons and operational priorities, rather than accelerated asset retirement. These assumptions are subject to uncertainty and may evolve over time; accordingly, Capral's strategy and transition approach are reviewed periodically through established governance, budgeting and capital allocation processes.	Capral's climate resilience assessment considers the availability and flexibility of existing financial resources, recognising that responses to climate-related risks and opportunities are implemented through established capital allocation and funding processes rather than through a dedicated climate investment program. Management has considered the potential scale and timing of climate-related responses within Capral's existing capital allocation framework. These considerations inform prioritisation and sequencing of actions but do not constitute committed investment plans or standalone climate capital expenditure. Capral trained personnel and employed key staff to build climate transition capability across the business. In addition to Capral's own funds, the utilisation of ARENA grants to assist in transition to lower emission equipment. During the current reporting period no capital expenditure, financing or investment has been deployed towards material climate risks.
Support customer transition to net zero	**Lower-carbon products and customer engagement** Metrics relating to lower-carbon product offerings, including demand for products with verified environmental attributes and Environmental Product Declarations (EPDs), are used to monitor customer requirements and market trends. These metrics support product development and customer engagement but do not represent commitments to specific revenue outcomes. LocAl® is Capral's lower-carbon aluminium product range, differentiated through transparent carbon accounting and third-party certification. **Product Transparency and Industry Standards** Product differentiation is supported through Environmental Product Declarations (EPDs) and Aluminium STEWARDSHIVP Initiative (ASI) certification, which provide customers with verified information on product environmental attributes and responsible sourcing practices.		

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4.4 Climate Resilience of Strategy

In the current reporting period Capral assessed the resilience of its climate strategy using the climate scenarios described in Section 3, representing a rapid transition scenario consistent with global warming limited to ~1.8°C by 2100 and a delayed, higher-warming scenario characterised by elevated physical climate risks. The assessment considered how the material climate-related risk may affect Capral's business model, operations and value chain across defined short, medium and long-term time horizons (as defined in Section 3).

Under the rapid transition scenario, the assessment focused on exposure to transition risks, including energy costs, regulatory change and evolving customer requirements. The strategy emphasises measures intended to reduce emissions intensity, manage operating cost exposure and adapt product offerings as markets evolve. These responses are integrated into existing planning and risk management processes to support adaptability under transition-led outcomes.

Under the higher-warming scenario, the assessment focused on physical climate risks and longer-term uncertainty. Physical risks were assessed as episodic rather than structural, with no reasonable expectation, based on current information, of material impairment to Capral's core manufacturing and distribution footprint. The strategy incorporates flexibility in capital allocation and asset management to respond to changing physical risk conditions over time.

Across both scenarios, the strategy is intended to support resilience by avoiding reliance on a single pathway, sequencing actions in line with asset lives and technology availability, and maintaining flexibility to adjust as external conditions evolve. Given the inherent uncertainty associated with long-term climate outcomes, resilience is assessed qualitatively rather than through detailed financial modelling.

Key variables considered in assessing strategy resilience across scenarios include:

- macro-economic conditions, including economic growth, inflation and demand variability;
- climate policy and regulatory settings at national and regional levels, including carbon pricing signals;
- energy prices, energy mix and grid decarbonisation trajectories;
- availability, cost and maturity of emissions-reduction technologies relevant to Capral's operations;
- customer demand patterns, willingness to pay for lower-carbon products and competitive dynamics.

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5. Metrics and Targets

5.1 Overview

This section sets out Capral's climate-related metrics and targets used to monitor performance and support the management of CROs identified in Sections 3 and 4. For planning purposes, management has considered indicative climate-related investment requirements over a longer-term horizon to support emissions reduction, resilience and operational efficiency initiatives. These estimates are scenario-dependent, subject to uncertainty and governance approval, and are not disclosed as committed capital expenditure or funding requirements in this report.

Unless otherwise stated, emissions reduction targets disclosed in this section relate to Scope 1 and Scope 2 emissions. Scope 3 emissions are managed through engagement and procurement initiatives but are not currently subject to quantitative reduction targets. The initiatives and pathways described in this section represent indicative measures identified by management to support Capral's emissions reduction target. They do not constitute a Board-approved transition plan and remain subject to ongoing assessment through Capral's established governance, budgeting and capital allocation processes.

Where quantitative estimates have been provided, such as the indicative carbon pricing sensitivity analysis in Section 3, these are illustrative and scenario-based and do not represent forecasts of future financial outcomes. Broader quantitative ranges, sensitivities or scenario-specific financial estimates beyond those disclosed have not been included at this stage, reflecting the current maturity of data and methodologies available

No climate-related financial impacts have been separately recognised or adjusted for in Capral's financial statements for FY2025. Climate-related considerations are incorporated into budgeting, investment evaluation and operational decision-making processes, reflecting the current maturity of data and methodologies

5.2 Climate-Related Transition Risk Exposure

All of Capral's manufacturing, processing and distribution operations are considered vulnerable to climate-related transition risks, primarily through exposure to potential carbon pricing mechanisms. This represents 100% of the Group's revenue-generating business activities.

5.3 Emissions Metrics

Capral's primary climate-related metric is its Scope 1 and Scope 2 greenhouse gas emissions, measured in tonnes of carbon dioxide equivalent (tCO_2e). These emissions metrics are used to monitor performance over time and to assess progress against Capral's emissions reduction target.

Scope 1 and Scope 2 emissions are measured on an operational control basis, consistent with Capral's organisational boundary. Capral has adopted the operational control approach as it aligns with the organisational boundary used for National Greenhouse and Energy Reporting (NGER) and reflects the operations over which Capral has the authority to introduce and implement operating policies, although the NGER framework applies its own facility-level reporting thresholds. Emissions are calculated in accordance with applicable Australian regulatory requirements and recognised greenhouse gas accounting methodologies, namely the National Greenhouse and Energy Reporting (NGER) framework.

Capral has identified Scope 3 emissions as relevant to its climate risk profile, particularly upstream aluminium sourcing. Consistent with the transitional relief, Scope 3 emissions have not been included in this report and will be reported from 2026 onwards. Scope 3 emissions are estimated internally for risk assessment and scenario analysis purposes; however, quantitative Scope 3 disclosures are not presented in this report in accordance with transition relief.

Capral uses a 2022 baseline year as the reference point for its emissions reduction targets. Emissions data is compiled annually and subject to internal review processes consistent with those applied to other key operational and regulatory metrics.

Emissions intensity is calculated as total Scope 1 and Scope 2 emissions (tCO_2e) divided by tonnes of aluminium processed.

Where actual consumption data is unavailable, emissions are estimated using conservative assumptions based on historical consumption patterns, supplier invoices and available meter data. Emissions are measured on an operational control basis, including all Australian manufacturing facilities, distribution centres, aluminium centres and corporate offices operated by Capral during the reporting period. Capral reports Scope 2 emissions on a location-based basis and did not have contractual instruments such as PPAs or RECs in place during FY25 that materially affect Scope 2 emissions reporting.

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5.4 Key measurement assumptions

Scope 1 and Scope 2 emissions are calculated using site-level activity data and emissions factors are sourced from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Compilation 17), as applicable to the 2024–25 reporting year.

Electricity emissions reflect location-based factors applicable to the relevant reporting period. Estimation methodologies were refined during FY25 to improve the accuracy and representativeness of emissions estimates. Where estimation is required due to incomplete data, Capral now applies a rolling 12-month average based on available consumption and operational data, replacing the use of a fixed uplift factor applied in prior periods. This refinement does not represent a change in the underlying measurement approach, but reflects improved data availability and is intended to enhance consistency and reliability of emissions estimates over time.

Capral's climate-related metrics are subject to internal review processes and are reported in accordance with NGER requirements. Scope 1 and Scope 2 emissions data have been subject to limited assurance by KPMG for FY25.

5.5 Historical Performance

Historical Scope 1 and Scope 2 emissions performance is summarised below:

YEAR	SCOPE 1 (tCO_2e)	SCOPE 2 (tCO_2e)	TOTAL (tCO_2e)	REDUCTION VS. BASELINE	INTENSITY (tCO_2e/t^*)
FY2022 Baseline	9,543	27,721	37,263	_	0.65
FY2025	9,239	21,018	30,257	18.8% ↓	0.57

* T – Tonne of aluminium

Key Insights:

- Scope 1 and Scope 2 emissions have declined from 37,263 tCO_2e in FY22 to 30,257 tCO_2e in FY25.
- Reductions to date primarily reflect lower Scope 2 emissions associated with efficiency initiatives and changes in grid emissions factors.
- Emissions intensity has declined over the same period.

5.6 Emissions Reduction Targets

Capral has set an emissions reduction target for its Scope 1 and Scope 2 greenhouse gas emissions, measured on an absolute basis. The target applies to Capral in its entirety, covering all operations within the operational control boundary. The target covers carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) arising from the combustion of natural gas, LPG, diesel and petrol across Capral's operations (Scope 1) and purchased electricity (Scope 2). Carbon dioxide represents substantially all of Capral's emissions profile.

5.6.1 2030 emissions reduction target

Capral's interim target is to achieve a 20% reduction in Scope 1 and Scope 2 emissions by 2030, relative to a 2022 baseline year. This target is intended to support Capral's response to transition risks and to position the business for progressively lower-emissions operations over time. This target has been selected as an interim step towards aligning Capral with the Australian government's 2050 Net Zero target.

Capral's 2030 emissions reduction target represents a gross absolute reduction in Scope 1 and Scope 2 emissions relative to the baseline year. Capral's target and the methodology used to set it have not been validated by a third party. Capral's emissions reduction target was not derived using a formal sectoral decarbonisation approach. The target is informed by consideration of industry benchmarks and customer expectations, including ASI certification requirements.

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5.7 Pathways and Indicative Measures Supporting Target

The emissions reduction target described in Section 5.6 is supported by a set of indicative pathways and measures identified by management to inform planning and support progress towards the target

Capral does not currently plan to use carbon credits to achieve its emissions reduction target. No carbon credits have been purchased as of the reporting date. Any future consideration of carbon credits would relate only to residual emissions associated with the 2050 net emissions ambition and would be subject to governance approval. Capral has not selected the type of carbon credits, the verification scheme or whether credits would be nature-based or technological removals. Any future use would be guided by prevailing integrity criteria, including considerations of additionality, permanence and verification standards.

5.7.1 Indicative measures supporting emissions reduction target include:

- improvements in energy efficiency and process optimisation.
- progressive electrification and increased use of lower-emissions energy sources, where commercially viable; and
- other operational initiatives identified through ongoing asset replacement and improvement cycles.

The timing, scale and sequencing of these measures are not fixed and are assessed through Capral's established governance, budgeting and capital allocation processes.

5.8 Use of Metrics and Targets in Decision-Making

Capral uses climate-related metrics and target to inform decision-making across strategic planning, capital allocation and operational management, alongside other financial and operational considerations.

Emissions metrics and reduction target are considered in the evaluation of capital expenditure proposals, including investments in energy efficiency, process improvements and energy procurement. Climate-related considerations are integrated into investment prioritisation through established governance and budgeting processes, rather than through separate or stand-alone decision frameworks.

Management monitors performance against emissions metrics on a regular basis and reviews progress against target as part of ongoing operational and strategic reporting. Where relevant, insights from climate scenario analysis are used to test the robustness of decisions under different transition pathways and to inform risk management, planning assumptions and operational responses.

The use of metrics and target in decision-making is intended to support disciplined, flexible responses to CROs over time and does not imply fixed investment pathways or committed transition plans.

Progress toward the 2030 emissions reduction target is monitored through management reporting using absolute emissions and emissions intensity metrics, with performance reviewed quarterly by the MD and Executive Team and twice yearly by the Board, through existing governance and budgeting processes rather than formal interim target.

As carbon pricing has not been implemented in Australia, Capral does not currently apply a formal internal carbon price in investment decision-making. Capral has not established a price per metric tonne of greenhouse gas emissions for use in investment evaluation or transfer pricing.

No capital expenditure has been separately deployed towards climate-related risks or opportunities during FY2025. Climate-related investment requirements are being assessed and are expected to be incorporated into future operational and capital budgets through Capral's established governance and planning processes.

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Directors' Declaration - Sustainability Report

In the opinion of the directors of Capral Limited, reasonable steps have been taken to ensure the substantive provisions of the sustainability report, including:

- the climate statements and notes and
- statements and notes required by legislative instrument

for the consolidated entity set out on pages 103 to 121, are in accordance with the Corporations Act 2001 (Cth), including section 296C and section 296D, and are in compliance with the Australian Sustainability Reporting Standards (being AASB S2 Climate-related Disclosures).

This declaration is made in accordance with a resolution of the directors.

Signed for and on behalf of the Board.

M. White
Chair

A. M. Dragicevich
Managing Director

Sydney
26 February 2026

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Independent Auditor's Review Report

To the shareholders of Capral Limited

Report on specified Sustainability Disclosures of Capral Limited presented in the Sustainability Report prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of Capral Limited for the year ended 31 December 2025 in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section 2 "Governance", paragraphs 2.1–2.7 on pages 107-111*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section 3 "Climate Risk" and subsection 3.3 "Climate Related Risks and Opportunities", on pages 111-116*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Section 5.3 "Emissions Metrics", Table 5.5"Scope 1 (tCO_2e)", page on 120, including the emissions calculation methodology described in the accompanying notes to the table*
Scope 2 greenhouse gas emissions		*Section 5.3 "Emissions Metrics", Table 5.5"Scope 2 (tCO_2e)", page on 120, including the emissions calculation methodology described in the accompanying notes to the table*

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited related to sustainability assurance engagements.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other Information

The Directors of *Capral Limited* are responsible for the other information. The other information comprises the financial and non-financial information included in Capral Limited's Annual Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, 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.

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Responsibilities for the specified Sustainability Disclosures

The Directors of Capral Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with relevant Capral Limited personnel to understand the governance structures and reporting process;
- Enquired with relevant Capral Limited personnel to understand the process for developing the governance, strategy and metrics and targets disclosures;
- Obtained an understanding of relevant processes, information flow and related systems for key data sets;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed Capral's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures;
- For scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis;
- Attended a site visit at Bremer Park to understand the sources of emissions and processes to measure scope 1 greenhouse gas emissions. We performed analytical procedures, including testing of select inputs back to source documentation; and
- Reconciled the Specified Sustainability Disclosures to underlying information.



KPMG



Daniel Camilleri
Partner

26 February 2026

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Member Details

Top holders (grouped) as of 28/02/26

1 Twenty Largest Holders

Details of Capral's twenty largest shareholders were as follows:

RANK	NAME	UNITS	UNIT %
1	CITICORP NOMINEES PTY LIMITED	2,798,899	17.33
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,131,155	13.19
3	PRUDENTIAL NOMINEES PTY LTD	1,550,000	9.60
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,480,119	9.16
5	NATIONAL EXCHANGE PTY LTD	700,000	4.33
6	MR ANTHONY MATTHEW DRAGICEVICH	450,941	2.79
7	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	422,663	2.62
8	MR GRAHAM WALLACE RAY	239,817	1.48
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	186,309	1.15
10	PACIFIC CUSTODIANS PTY LTD <EMP INCENTIVE PLANS TST A/C>	150,000	0.93
11	RAVENSCOURT PROPRIETARY LIMITED	150,000	0.93
12	MR ANDREW ROY NEWBERY SISSON	150,000	0.93
13	MR JOHN GEORGE WHITING + MRS DIANA PATRICIA WHITING <THE WHITING INVESTMENT A/C>	133,334	0.83
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	123,724	0.77
15	ANCHORFIELD PTY LTD <BRAZIL FAMILY FNDN A/C>	123,444	0.76
16	MRS ANTONIA CAROLINE COLLOPY	120,747	0.75
17	SOUTHERN STEEL INVESTMENTS PTY LIMITED	114,820	0.71
18	UBS NOMINEES PTY LTD	97,644	0.60
19	MR JORIS ARJEN LUGTENBURG + MRS ADRIANE LUGTENBURG <YELLOW ZONE SUPER FUND A/C>	92,498	0.57
20	DEBUSCEY PTY LTD	91,687	0.57
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**11,307,801**	**70.01**
	Total Remaining Holders Balance	**4,844,982**	**29.99**

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2 Substantial Shareholders

Substantial shareholders as notified to Capral in accordance with the Corporations Act 2001:

NAME	NUMBER OF SHARES	% OF SHARES HELD	AS NOTIFIED ON
Allan Gray Australia PTY LTD	3,753,208	23.21	11/02/2026
National Exchange Pty Ltd	2,100,000	11.86	20/12/2023
Perpetual Limited	1,675,828	10.36	13/02/2026
Total	**7,529,036**	**46.57**	

3 Number of holders

a) Quoted equity securities: There were 2,162 holders of ordinary shares.
b) Unquoted equity securities – options: There were Nil unquoted options.
c) Unquoted equity securities – performance rights: There were 585,500 unquoted performance rights issued to 27 holders under the Capral Long Term Incentive Plan. There is 1 holder who holds 20% or more performance rights under this plan.

4 Voting Rights

a) Voting rights attaching to the fully paid ordinary shares are, on a show of hands, one vote per person present as a member proxy, attorney, or representative thereof and on a poll, one vote per share for every member present in person or by proxy or by attorney or by representative.
b) Holders of options and performance rights do not have any voting rights on the equity securities held by them. Ordinary shares issued on exercise of options or vesting of performance rights will carry the same voting rights as all other fully paid ordinary shares of Capral.

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5 Distribution of Equity Securities

(a) Quoted ordinary shares

NAME	NUMBER OF HOLDERS
1 – 1,000	1,443
1,001 – 5,000	505
5,001 – 10,000	99
10,001 – 100,000	98
100,001 and over	17
Total	**2,162**

(b) Unquoted performance rights

RANGE OF SHARES	NUMBER OF HOLDERS
1 – 1,000	0
1,001 – 5,000	4
5,001 – 10,000	2
10,001 – 100,000	20
100,001 and over	1
Total	**27**

6 Marketable parcels

The number of shareholders holding less than a marketable parcel* of shares is 318 holders.

* Minimum parcel size of shares: 39

7 On-market buy back

A further on-market buy-back for up to 10% of issued shares to commence on or after 2 March 2026.

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Corporate Directory

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Telephone +61 (02) 9682 0710
Email InvestorRelations@capral.com.au

Share Registry
Computershare Investor Services Pty Limited
ABN 48 078 279 277
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone 1300 855 080

Auditor
KPMG
ABN 51 194 660 183
Level 38 Tower Three
300 Barangaroo Avenue
Sydney NSW 2000

Securities Exchange Listing
Capral's shares are quoted on the Australian Securities Exchange (Code: CAA).

Company Secretary
Mr T Campbell (Joint)
Ms L Osbich (Joint)

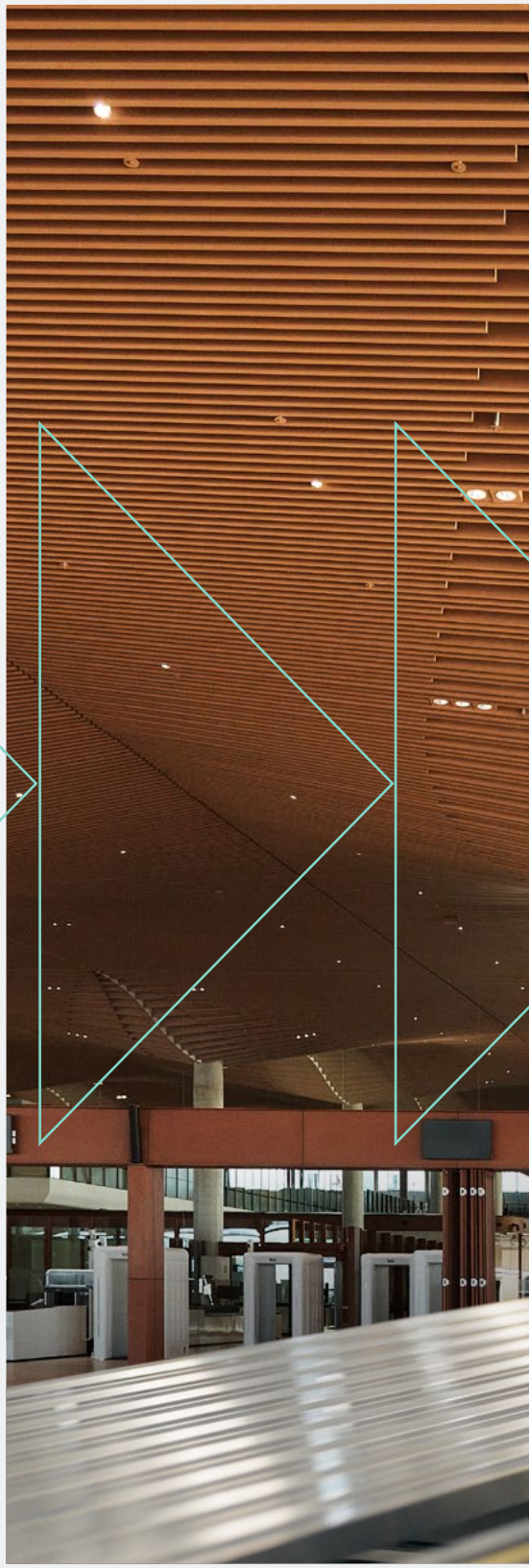
Corporate Governance Statement
capral.com.au/investor-centre/





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