APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

Lodged in accordance with ASX Listing Rule 4.3A

Company Details

Name of reporting entity:	DGL Group Limited
ABN:	71 002 802 646
Reporting period:	1 July 2025 - 30 June 2026
Prior corresponding reporting period:	1 July 2024 - 30 June 2025

Results for announcement to the market

Group Results (Audited)	30 June 2026 $'000	30 June 2025 $'000	Change %
Revenue	457,915	481,496	-5%
Earnings before depreciation, amortisation, finance costs and tax expense (EBITDA)	6,934	14,741	(53%)
Earnings before interest and tax	(26,776)	(19,708)	36%
Loss before tax (PBT)	(41,108)	(31,738)	30%
Loss after tax (NPAT)	(40,240)	(27,921)	44%
Net profit after tax (NPAT) attributable to owners of the Company	(40,240)	(27,921)	44%
Weighted average number of shares	285,225,261	285,225,261	0%
Basic EPS (cents)	(14.11)	(9.79)	44%
Net tangible asset backing per share ($)	0.69	0.81	(15%)
Net asset backing per share ($)	1.05	1.21	(13%)
Underlying EBITDA	**41,348**	**52,056**	(21%)
- refer to reconciliation below			

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year.

Reconciliation of Reported EBITDA to Underlying Earnings

	30 June 2026 $'000	30 June 2025 $'000	Change %
Reported EBITDA	6,934	14,741	(53%)
Add back one-off items incurred during the period[1]	34,414	37,315	(8%)
Underlying EBITDA	**41,348**	**52,056**	(21%)

[1] Underlying EBITDA adjusts for non-recurring costs including asset write downs, goodwill impairment, restructuring costs, ERP implementation costs and doubled up costs on site relocations for the year ended 30 June 2026.

Restructuring	725	1,419
Software Development	1,287	1,068
Gain/Loss on Property Sale	-	50
Acquisition costs	-	340
Doubled up costs on site relocations	799	898
Write down of Right-of-use assets	482	-
Write down of software assets	145	1,690
Write down of Property, Plant & Equipment	13,793	12,560
Write down of assets held for sale	2,451	2,167
Impairment of goodwill	14,732	17,123
Total non-recurring items	**34,414**	**37,315**

APPENDIX 4E
PRELIMINARY REPORT
FOR THE YEAR ENDED 30 JUNE 2026

EXPLANATION OF RESULTS

Please refer to the accompanying Review of Operations for an explanation of the FY26 financial results.

This Appendix 4E should be read in conjunction with the Financial Report which has been prepared in accordance with ASX Listing Rule 4.3A . The accompanying Financial Report has been audited and the audit opinion has been qualified with respect to the opening quantities of inventories.

Entities over which control has been gained or lost during the year

Not applicable.

Dividend reinvestment plans

Not applicable.

Details of associates and joint venture entities

Not applicable.

Foreign entities

The results of the New Zealand subsidiary, DGL (NZ) Limited, DGL Operations Ltd and DGL Property NZ Limited have been compiled using International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

DGL GROUP LIMITED
AND CONTROLLED ENTITIES

ABN: 71 002 802 646

Financial Report For The Year Ended
30 June 2026

DGL GROUP LIMITED
AND CONTROLLED ENTITIES

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Financial Report For The Year Ended 30 June 2026

CONTENTS **Page**

ABOUT DGL

DGL solves problems for customers by providing formulation and manufacturing for a range of potentially hazardous and reactive chemicals, the warehousing & distribution of these chemicals within a highly licensed transport and warehouse network, and the disposal or recycling required to safely manage the full life cycle of these products.

DGL is continuing to build a diverse business delivering vital chemical and industrial solutions to a broad range of industries in Australia, New Zealand and Internationally. DGL has infrastructure and capabilities built over 25 years, coupled with the expertise to offer a range of specialised services brought together on one platform. No other provider combines chemical logistics, formulation and packaging, secure warehousing services, and waste treatment of complex chemicals and dangerous goods like DGL.

Driven by our respect for quality and commitment to safety, DGL strives for continuous process improvement and develops the expertise of our employees through education and training.

CHAIRMAN AND CEO REPORT

FY26 was a challenging year for DGL with a general weakening of economic conditions, and the significant increase in fuel prices in the second half of FY26 which flowed through to material increases in a wide range of raw material costs later in the half year.

While underlying demand across the Group remained generally stable, after a mixed first half, the expected stronger second half was impacted by higher raw material, transport and logistics costs across the Group's operations.

The Group has worked closely with its customers to introduce pricing and operational changes to mitigate the higher fuel and commodity costs, but these cannot be passed on immediately or in full. The Group has also accelerated steps to improve its operating performance and productivity, implementing a range of efficiency and other mitigating actions.

While the current outlook for fuel and commodity costs remains uncertain, we expect these actions will at least partly offset higher costs in FY27.

Financial performance

Total revenue decreased 4.8% to $457.9 million in FY26, with gross margins decreasing 10.3% to $182.7 million due to higher cost of sales. Manufacturing and Logistics revenue improved but was significantly lower in Environmental, primarily due to the closure of DGL's lead acid battery recycling facility in Victoria in late FY25.

The Group reported a statutory loss after tax of $40.2 million (FY25: $27.9 million) with positive operating cash flows of $15.8 million (FY25: $44.7 million) for the year ended 30 June 2026. Operating cash flows included $11.3 million of income tax payments (FY25: $0.8 million), of which $9.7 million relates to finalisation of prior-year tax calculations. Operating cash conversion was solid at 100%.

DGL's underlying loss after tax amounted to $5.8 million (FY25: profit of $3.5 million) after adjusting for $34.4 million (FY25: $31.4 million) in one-off items post-tax in non-cash write-downs relating primarily to assets held for sale, plant and equipment and impairment of goodwill.

DGL's profitability was adversely impacted by generally weaker economic conditions, availability of used lead-acid batteries, and driver shortages leading to increased use of subcontractors. Margins were also impacted by higher fuel and raw material costs, increased international shipping rates, and low-cost imports of fully formulated chemical products. The strategic expansion of warehouse and manufacturing facilities also impacted margins due to underutilised capacity. Improving utilisation is a top priority.

The Group has implemented significant cost reduction initiatives, with the full benefit expected to be realised in FY27. Better utilisation of DGL's transport fleet, and new and expanded warehousing sites and manufacturing capacity is expected to increase revenues and drive improved margins and earnings.

Strategic focus

DGL's strategic focus is the provision of specialised chemical logistics and services to a broad range of industries throughout Australia and New Zealand, supported by targeted international logistics services. DGL provides complete solutions for sourcing, manufacturing, storage and transport, sampling, recycling, and disposal of chemicals.

The Company's focus is on products and sectors which require licences and technical accreditations for the production, handling and disposal of chemicals and other materials.

We increasingly see customers wanting to outsource their requirements to professional providers to reduce the burden of licensing, compliance and safety requirements for handling chemicals. Meeting this need is a key role in which DGL Group specialises.

Strategic developments

DGL made substantial capital investments during the year, expanding capacity and capability across our manufacturing network. Key projects included the commissioning of a new manufacturing facility at Narangba, Queensland, powder repacking capabilities at Derrimut, Victoria, boiler upgrades at Wingfield, South Australia, and investment in advanced manufacturing equipment and services at St Marys and Somersby in New South Wales.

Equipment at DGL Environmental's recycling facility at Unanderra, New South Wales is being optimised and upgraded to process a broader range and higher volumes of used lead-acid batteries, targeting improved profitability.

Completion of our new liquid waste treatment plant at Unanderra has taken longer than expected due to technical and resourcing delays. DGL has applied for additional licences to expand the range and volume of industrial liquid waste streams processed from external sources. Civil works were completed during H1 FY26, final installation works are underway, and full operation is expected during H1 FY27.

The Group's system integrations have continued. DGL completed implementation of a new group-wide HR and payroll system. Implementation of the new group ERP and Finance system and Logistics Management system were delayed but are progressing; on completion these systems will replace over 30 stand-alone systems. Earlier operational and product-costing issues at one major manufacturing plant have been resolved, and productivity benefits are beginning to emerge where the ERP has been fully rolled out.

Property & premises

DGL's proactive management of its owned and leased property portfolio continued during FY26. During the year, DGL completed the sale of a recycling facility at Laverton, Victoria, and sites at Seven Hills and Tomago in New South Wales.

We also completed the consolidation of warehouses into larger, newer and more efficient facilities in New South Wales, South Australia and Western Australia. These investments support growth but adversely affected FY26 performance through relocation costs, double lease costs during transition and higher fixed costs while utilisation increases. Collectively, the initiatives increased pallet capacity by 8.6% to 1.35 million pallets.

Health & safety

The nature of DGL's operations involves handling potentially hazardous and reactive chemicals and exposure to industrial risks. Safety and high environmental standards remain priorities for the Board and management.

In June 2026, DGL reported a fire at the Company's Envirostore facility in Victoria. The fire started outside business hours and there were no injuries. DGL is working closely with the authorities on any required remediation.

Our Total Recordable Injury Frequency Rate was stable in FY26. We continue to focus on enhancements to systems and process controls, investment in training, and maintenance of operations for further risk reduction.

DGL's talented team has continued to champion the safe supply of chemicals and services to our broad customer base across Australia and New Zealand. We thank each team member for the professionalism and commitment shown in continuing to deliver for customers through a year when the industry was under pressure.

FY27 Outlook

The DGL Board and senior management team are acutely focused on the need to improve performance.

Plans to reverse recent underperformance in FY27 are based on ongoing cost reduction initiatives, productivity improvements and material improvements in the utilisation and productivity of the Group's extensive network of production and storage facilities.

We expect ongoing economic and geopolitical uncertainties in FY27 and aim to remain agile in leveraging the diverse nature of our operations and capabilities, and the critical role we play in serving customers, to create significant value for shareholders and other stakeholders.

We thank our customers who put their trust in us, our suppliers who work closely with us, and our shareholders.

Chairman
Tim Hosking

Chief Executive Officer
Simon Henry

OPERATING AND FINANCIAL REVIEW

DGL Group is a fully integrated end-to-end specialty chemicals and dangerous goods business that services the needs of industry and agriculture.

DGL is an industry leader offering a wide range of products and services to its diverse customer base of more than 5,000 customers in Australia, New Zealand and beyond. DGL's service offering includes Chemical Formulation & Manufacturing, Warehousing & Transport, and Environmental Waste Treatment & Recycling. The Group's vision is to leverage its asset base, customer relationships, and trusted brand to further expand the products and services offered across the full chemical lifecycle and ultimately, develop itself as a one stop shop for its customers.

Our Business Model

DGL operates in three interconnected segments:

Procurement, manufacturing, packing of specialised chemical and materials product

DGL provides materials and formulations to a wide range of industry sectors, supplying products to both end-use consumer and industrial companies. DGL holds a wide range of specialised licenses and accreditations and is skilled in the safe supply of chemicals and other materials.

By outsourcing their chemical manufacturing and supply needs to DGL, our customers benefit from reduced risks, lower capital expenditure and the ability to focus on their core activities such as innovation and marketing. DGL is a specialised manufacturer offering procurement, formulation, compliance, production, labelling, packaging and logistics services, providing a complete service to customers.

The chemicals and chemical products manufacturing sector in Australia and New Zealand continues to grow, driven by increased demand, technological advancements, and government support.

Storage and handling of dangerous and specialised goods

DGL provides domestic and international logistics, transportation and freight management, inventory management, packaging and warehousing of dangerous and specialised goods.

DGL has the required skills and appropriate licenses for the correct storage and handling of dangerous goods and chemicals, being substances that potentially pose a risk to life and health, and the environment. Incorrect storage and handling of such goods and chemicals can result in spills, contamination, explosions, fires, burns, corrosive action and release of toxic fumes/gases.

Hazardous waste management

The waste management industry provides services to multiple sectors including waste collection, waste transport, processing, recycling, recovery, cleaning and disposal.

DGL's focus in the sector is on liquid waste treatment, recycling end-of-life lead acid batteries, lead smelting and refining. These waste streams are closely aligned and allow for the repurposing of key materials to reduce waste and enable reuse.

Review of operations

DGL supports its diverse customer base through a combination of manufacturing, storage, transport, and logistics services, providing a seamless supply chain solution. DGL has continued to integrate its international freight forwarding and internal transport capabilities with its manufacturing operations, delivering a comprehensive end-to-end service offering that enhances value for customers and strengthens long-term relationships.

During FY26, the Group delivered further growth in turnkey manufacturing and logistics solutions through increased collaboration across business divisions, including joint customer engagements and integrated service offerings. This differentiated approach remains a key component of DGL's go-to-market strategy and creates opportunities to drive both horizontal and vertical integration through cross-selling of services throughout the Group.

OPERATING AND FINANCIAL REVIEW

Group Operating Results

The consolidated loss for the Group after providing for income tax amounted to $40.2 million (2025: $27.9 million). On an underlying basis, adjusting for $34.4 million (post-tax) in one-off items, the underlying loss of the Group after providing for income tax amounted to $5.8 million (2025: $3.5 million profit). These one-off items included impairment of Property, plant and equipment of the Environmental division of $13.8 million, impairment of goodwill of the Logistics division of $14.7 million, write downs of assets held for sale (chlorine plants) of $2.5 million, write down of right-of-use assets $0.5 million, write down of software assets $0.1 million doubled up lease costs relating to relocations of $0.8 million, software development costs of $1.3 million and restructuring costs of $0.7 million and the tax impact of these items. Revenue decreased by 4.8%, from $481.2 million in FY25 to $457.9 million in FY26. Gross margin decreased by 10.3% from $203.6 million in FY25 to $182.7 million in FY26.

The decrease in revenue in FY26 was driven primarily by the closure of DGL's loss-making used lead-acid battery (ULAB) processing facility in Victoria in late FY25, along with reduced volumes of ULABs at the New South Wales facility.

The decline in gross margins was driven by:

- higher overheads and operating costs following a significant facility expansion at the Derrimut, Victoria, manufacturing facility
- ERP system roll out in July 25 at the Derrimut, Victoria, manufacturing facility which disrupted operations in early H1 FY26
- seasonal weather conditions which reduced demand for crop protection products
- highly competitive imports which put pressure on margins and customer growth
- increased use of subcontractors in the Logistics division due to driver shortages during certain periods in FY26
- strategic expansion of warehouse facilities also impacted margins due to duplicated rental while moving to new premises and underutilisation as larger storage facilities are filled

Operating expenses were lower in FY26, driven by decreased headcount and occupancy expenses.

$m	FY26	FY25	Variance
Revenue[1]	457.9	481.2	(23.3)
Cost of sales	(275.2)	(277.6)	2.4
Gross Margin	**182.7**	**203.6**	**(20.9)**
Gross Margin %	39.9%	42.3%	
Other income	1.2	1.8	(0.6)
Expenses	(142.6)	(153.3)	10.7
Underlying EBITDA	**41.3**	**52.1**	**(10.8)**
Underlying EBITDA %	9.0%	10.8%	
Depreciation & Amortisation	(33.7)	(34.4)	0.7
Underlying EBIT	**7.6**	**17.7**	**(10.1)**
Net finance costs	(14.3)	(12.0)	(2.3)
Underlying (loss)/profit before tax	**(6.7)**	**5.7**	**(12.4)**
Tax expense	0.9	(2.2)	3.1
Underlying NPAT	**(5.8)**	**3.5**	**(9.3)**
Non recurring items[2]	(34.4)	(31.4)	(3.0)
Statutory NPAT	**(40.2)**	**(27.9)**	**(12.3)**

- [1]Excludes rental income, included at 'Other income'.
- [2]Non-recurring items are reported on an after-tax basis.

Financial Position

The net assets of the Group have decreased to $299.7 million as at 30 June 2026.

Current assets of the Group have decreased by $24.9 million from $153.1 million as at 30 June 2025 to $128.2 million as at 30 June 2026. The decrease in current assets was largely attributable to assets "Held for Sale", down by $27.4 million.

Total assets decreased from $604.8 million to $552.6 million, a decrease of $52.2 million. Property, plant and equipment has decreased by $18.6 million from $254.7 million to $236.1 million, mainly due to impairment of assets of the Environmental division of $13.8 million. Intangibles have decreased by $15.5 million, driven by impairment of goodwill relating to the Logistics division of $14.7 million. Right of use assets have increased by $6.8 million in line with the Group's footprint expansion which increased the number of leased sites.

Total liabilities decreased from $259.9 million to $252.9 million. The Group's net debt was $93.9 million as at 30 June 2026, a reduction of $0.7 million year on year.

$m	FY26	FY25 (Restated)	Variance
Cash	11.6	15.9	(4.3)
Trade Receivables	55.6	53.2	2.4
Inventory	42.9	48.2	(5.3)
Asset held for sale	0.5	27.9	(27.4)
Other assets	17.6	7.8	9.8
Current Assets	**128.2**	**153.1**	**(24.9)**
Property, plant & equipment	236.1	254.7	(18.6)
Intangibles	118.2	133.7	(15.5)
Right of use assets	70.1	63.3	6.8
Non-current assets	**424.4**	**451.7**	**(27.3)**
Total assets	**552.6**	**604.8**	**(52.2)**
Trade Payables	43.3	39.7	3.6
Borrowings	11.9	6.6	5.3
Lease liabilities	16.5	16.9	(0.4)
Other liabilities	9.6	17.7	(8.1)
Current liabilities	**81.3**	**80.9**	**0.4**
Borrowings	93.6	104.0	(10.4)
Lease liabilities	59.3	49.7	9.6
Other liabilities	18.7	25.3	(6.6)
Non-Current liabilities	**171.6**	**179.0**	**(7.4)**
Total liabilities	**252.9**	**259.9**	**(7.0)**
Net assets	**299.7**	**344.9**	**(45.2)**
Share capital	258.5	258.5	-
Retained earnings	35.2	75.5	(40.3)
Reserves	6.0	10.9	(4.9)
Total equity	**299.7**	**344.9**	**(45.2)**

Group Cash Flows

Operating cash flows for the year were $15.8 million which was $28.9 million lower than last year. Operating cash flows included $11.3 million of income tax payments (FY25: $0.8 million), of which $9.7 million relates to finalisation of prior-year tax calculations. Investing cash inflows of $2.8 million are comprised of capex items and offset by inflows from disposal of non-core properties. Financing cash outflows of $23.2 million are comprised of debt repayments and repayments of lease liabilities. Total cash & cash equivalents were consequently $4.3 million lower compared to 30 June 2025. Operating cash conversion remains strong at 100%.

$m	FY26	FY25	Variance
Operating cash flows	15.8	44.7	(28.9)
Investing cash flows	2.8	(6.4)	9.2
Financing cash flows	(23.2)	(42.1)	18.9
Net cash flow	(4.6)	(3.8)	(0.8)

The Group comprises three operating segments: Chemical Manufacturing, Logistics, and Environmental Services.

Chemical Manufacturing

DGL's Chemical Manufacturing division provides a comprehensive range of services, including raw material procurement, full-service formulation solutions, toll blending and packing, product development, reformulation of existing products, and integrated label design and supply.

Our manufacturing operations combine extensive technical expertise, specialised process knowledge, and proprietary intellectual property to deliver tailored chemical solutions that meet the specific requirements of our customers. DGL serves a diverse customer base across Australia and New Zealand, supplying industries including crop protection, automotive, construction, mining, water treatment, and municipal utilities.

Continued investment in manufacturing facilities, customer development initiatives, and product diversification has enabled DGL to strengthen its market position, broaden its customer base, and expand its service offering throughout FY26.

Key Activities

Statutory sales revenue for the Chemical Manufacturing segment increased from $284.5 million in FY25 to $287.2 million in FY26 (including intercompany transactions). Underlying EBITDA decreased from $37.9 million to $25.4 million, primarily due to the decline in profitability at the Derrimut, Victoria manufacturing facility. The decline in profitability was driven by higher overheads and operating costs following a significant facility expansion at Derrimut, and by seasonal weather conditions which reduced demand. Highly competitive imports also put pressure on margins and customer growth. The ERP system roll out in July 25 disrupted operations, creating a temporary but material disruption in early H1 FY26. The combined impact of these factors reduced underlying EBIT from $24.6 million in FY25 to $11.5 million in FY26.

The division remains focused on five key industry sectors: crop protection, mining, water treatment, automotive, and construction. During FY26, DGL continued to strengthen its national manufacturing platform through investment in additional service capabilities across multiple facilities, further enhancing horizontal integration and enabling a broader range of services to be delivered consistently across Australia.

Significant capital investment during the year expanded both capacity and capability across the manufacturing network. Key projects included the commissioning of a new manufacturing facility at Narangba, QLD, the establishment of powder repacking capabilities at Derrimut, Victoria, boiler upgrades at Flexichem, Wingfield SA, and investment in advanced manufacturing equipment and services at the St Marys and Somersby facilities in NSW. These investments provide a strong foundation for future growth while enhancing DGL's ability to support customer demand across a wide range of product categories and market sectors.

DGL continues to leverage its extensive national footprint to support customers requiring integrated, multi-site service solutions.

Following the early implementation issues referred to above the Manufacturing Division has made significant progress in the rollout of the Group-wide ERP platform, with the majority of manufacturing sites now operating on the system. While implementation remains a complex undertaking, the benefits have been immediate. Enhanced visibility of financial performance, inventory management, and supply chain operations has strengthened decision-making and improved operational control across the division. As the system continues to mature, further efficiencies and process improvements are expected to be realised across both operational and finance functions.

FY26 marked a further milestone in the maturation of DGL's integrated management systems, with all manufacturing facilities maintaining certification to ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management). Standardised continuous improvement programs are now embedded across the manufacturing network, driving higher standards of quality assurance, environmental stewardship, and workplace safety. DGL's triple ISO certification remains a critical differentiator and valued credential, supporting the onboarding and continued growth of multinational customers who require robust and internationally recognised management systems from their supply partners.

Logistics

DGL’s Logistics segment provides specialised chemical warehousing and integrated logistics solutions across Australia and New Zealand, servicing the manufacturing, agricultural, automotive, mining and building sectors. Its offering encompasses bulk and packaged chemical transport, container services and end-to-end global freight, providing customers with a comprehensive supply chain solution from origin through to final delivery.

DGL provides local, intrastate and interstate transport services across all states of Australia and New Zealand, supported by a portfolio of more than 400 logistics assets. These include prime movers, rigids, side-loaders, bulk tankers, road trains and other specialised equipment, enabling the Group to service a broad range of customer requirements and product types.

The segment also provides specialised chemical warehousing, inventory management and wharf cartage, with facilities and operations designed to support the safe, compliant and efficient handling of chemicals and general products. DGL’s trained and accredited employees provide expertise across the handling, storage and movement of regulated products.

During FY26, DGL continued to strengthen its logistics network and integrated service offering, supporting customers through a combination of warehousing, transport and global freight capabilities. The Logistics segment works closely with DGL’s Chemical Manufacturing and Environmental Services businesses, providing customers with an integrated offering and greater assurance of supply.

This combination of specialised capability, geographic reach, infrastructure and integrated services positions DGL to provide customers with a reliable, end-to-end logistics solution across Australia and New Zealand.

Key activities

Statutory sales revenue of the logistics segment has increased from $167.2 million in FY25 to $178.9 million in FY26 (including intercompany transactions). The underlying EBITDA decreased from $23.1 million in FY25 to $16.9 million in FY26 primarily due to expansion of capacity in anticipation of volume growth, and the increased use of subcontractors due to driver shortages during certain periods in FY26.

The Warehousing and Transport divisions continued to play a critical role in supporting growth across DGL's customer base during FY26, while undertaking significant operational initiatives to strengthen the Group's long-term platform for growth. Across both divisions, management remained focused on expanding capacity, maintaining service levels, improving operational efficiency and positioning the business to improve profitability while continuing to capture future growth opportunities.

FY26 was a year of significant transition, consolidation and capacity investment for the Warehousing division. Annualised pallet-space capacity increased by 8.6% to 1.35 million pallet spaces, while utilised pallet spaces increased by 1.6% to 1.05 million. As a result, overall utilisation decreased from 83.4% to 78.0%, reflecting the deliberate expansion of capacity ahead of expected customer volume growth. The increase in capacity was primarily driven by facility initiatives in New South Wales, South Australia and Western Australia. Pallet-space capacity and utilisation are measured weekly in accordance with customer rate cards and charging arrangements and converted to monthly and annual measures for reporting purposes, with annualised pallet-space figures representing cumulative pallet-space capacity over the year rather than physical pallet positions.

A key achievement during the year was the successful transition of the NSW operation to a newer and more efficient facility at Erskine Park. This transition resulted in a temporary period of dual occupancy and associated double lease costs during the first half of FY26 while operations were maintained across both facilities. A similar facility transition was completed in South Australia, increasing available capacity and positioning the business for future growth. In Western Australia, capacity at Kewdale was expanded through the construction of a new facility adjacent to the existing warehouse, increasing the site's ability to support customer growth and operationa requirements. Collectively, these initiatives added approximately 107,000 annualised pallet spaces across the network, creating capacity to support future customer demand and strengthening DGL's warehousing footprint nationally.

Handling revenue increased by 14.8%, reflecting higher activity levels and throughput across the warehousing network. Direct labour costs remained broadly stable despite increased capacity and handling volumes, while indirect labour costs reduced as management continued to focus on productivity improvements and operating efficiencies.

The Transport division also delivered strong activity growth during the year, supporting increasing customer demand across packaged, bulk and container transport services. The division remained focused on maintaining service levels and meeting customer requirements despite labour shortages and capacity constraints across the transport sector. Operational teams worked to optimise routes, improve fleet utilisation and reduce reliance on external transport providers.

The division's broad service offering and integrated logistics capability continued to provide a competitive advantage and support customer growth across key industrial sectors.

Both divisions operated within a challenging macroeconomic environment characterised by elevated labour, property, fuel and operating costs. Driver shortages and labour availability remained significant challenges, particularly during the second half of FY26, contributing to higher subcontractor costs and lower utilisation of DGL's owned fleet. Broader freight and logistics market conditions, including capacity constraints and changes in customer demand across industrial and chemical markets, also influenced volumes, utilisation and margins throughout the year. Despite these challenges, underlying demand for DGL's specialised warehousing and transport services remained positive.

Management's focus in FY27 will be on converting the investments and revenue growth achieved during FY26 into improved earnings and returns.

- In Warehousing, the key priority will be increasing utilisation of the additional capacity created through the NSW, SA and WA facility initiatives and converting this capacity into incremental revenue and earnings growth. The newer facilities provide opportunities to improve warehouse efficiency, workflow, customer service and operational productivity while supporting future volume growth.
- In Transport, a major priority will be improving driver recruitment and retention to reduce reliance on subcontractors anc increase utilisation of DGL's owned fleet. Further route optimisation, fleet productivity initiatives and operating efficiencies will remain a focus, alongside ongoing efforts to grow volumes across bulk, packaged and container transport services.

Environmental Services

DGL's Environmental Services segment undertakes resource recovery and hazardous waste management activities. Its core activities comprise of liquid waste treatment, recycling end-of-life used lead acid batteries (ULAB), lead smelting and refining of recovered lead.

DGL recycles ULAB's at an EPA licensed recycling facility located in New South Wales. DGL's ULAB recycling facility in Victoria was closed during FY25 with the site sold subsequently. ULAB's are recycled in our battery recycling facility which is being upgraded with advanced sorting, heavy-duty processing, and enhanced thermal safety to handle next-generation batteries from high-capacity backup power banks.

The primary outputs from the ULAB recycling process are lead products, scrap plastic, waste and recovered acid. Lead products are sold to overseas smelters, scrap plastic is sold to a local recycler, and the waste streams are further processed and safely disposed in landfill.

DGL operates a wastewater treatment plant at the Unanderra site to process liquid waste generated from its end-of-life lead acid batteries recycling plant. The plant treats liquid waste from industrial customers, who include miners, aluminium extruders, galvanisers and wastewater customers.

Key activities

Statutory sales revenue of the Environmental Services segment has decreased from $77.1m in FY25 to $36.9 million in FY26 (including intercompany transactions). The decrease in revenue was driven primarily by the closure of DGL's loss making ULAB processing facility in Victoria in late FY25. Underlying EBITDA increased from $1.8m in FY25 to $3.0m in FY26, reflecting rationalisation of overheads at the New South Wales ULAB processing site, and the sale of the loss-making site in Victoria. The decrease in revenue was driven primarily by the closure of DGL's loss making ULAB processing facility in Victoria in late FY25.

DGL Environmental faced a challenging year in FY26, with the reduced volumes of used lead-acid batteries (ULAB's) being the key driver impacting profitability of the division. All ULAB recycling for the group is handled at DGL's Unanderra, NSW facility. Employee and overhead expenses at Unanderra were rationalised in H2 FY25 to align expenses. ULAB supply increased in late H2 FY26, and the facility equipment is being optimised and upgraded to process higher volumes of ULABs, targeting improved profitability.

DGL completed civil works for the new liquid waste treatment plant at Unanderra in H1 FY26 and final installation works are underway. Initial commissioning of key equipment commenced in H2 FY26, and full plant operation is expected during H1 of FY27.

In addition to expanding liquid waste treatment capacity, the new plant will include the shredding of plastics as a revenue stream for the division. DGL has applied for additional waste processing licences to expand the range of industrial liquid waste streams that can be processed by the new liquid waste treatment plant and increase the volume of liquid waste processed from external sources.

Effective integration of DGL's logistics capabilities into the environmental division has achieved cost savings, with more efficient services for the finished goods and liquid waste transportation.

DGL has planned growth of bulk logistics services to support the Unanderra Liquid Waste Treatment facility once it is operational in FY27 to support key customers with efficient collection, handling and removal of liquid waste to be processed.

NON-IFRS MEASURES USED IN THIS OFR

Term	Definition
Gross Margin	Sales revenue less cost of sales
Gross Margin %	Gross margin as a percentage of sales revenue
Underlying EBITDA	Underlying Earnings Before Interest, Tax, Depreciation & Amortisation
Underlying EBITDA %	Underlying Earnings Before Interest, Tax, Depreciation & Amortisation as a percentage of sales revenue
Underlying EBIT	Underlying Earnings Before Interest & Tax
Underlying EBIT %	Underlying Earnings Before Interest & Tax as a percentage of sales revenue
Underlying PBT	Underlying Profit Before Tax
Underlying NPAT	Underlying Net Profit After Tax
Statutory NPAT	Statutory Net Profit After Tax
Working Capital	The net of trade receivables, trade payables and inventory
Net Debt	The net of current and non-current borrowings and cash
Capex	Capital expenditure
Operating Cash Conversion	Operating cash flow excluding interest and tax divided by Underlying EBITDA adjusted for non-cash items

Key Business Strategies and Outlook

DGL has a clear strategy of focusing its core business on providing specialised chemical products and services to industries throughout Australia and New Zealand. DGL is focused on providing complete solutions for sourcing, manufacturing, storage and transport, sampling, recycling, and disposal of chemicals.

DGL Group Strategy

The Group's strategic focus is on products and sectors where specialised licences and accreditations are required for the production, handling, processing and disposal of chemicals and other materials. Removing the burden from our customers in managing multiple suppliers and agents, DGL Group offers a complete solution to fulfill our customer's needs.

All industries are experiencing increasing licensing, compliance and safety requirements that apply to an expanding range of chemicals and other materials, together with increasingly strict regulatory controls on material handling and environmental impact. These increasingly stringent requirements are driving companies across all industries to seek outsourced solutions for their chemical supply and handling requirements.

As a specialised provider of such services, DGL continues to see increasing demand for its expertise and capabilities from an expanding customer base.

Key investments in FY26

DGL invested in expanding both capacity and capability across the manufacturing network in FY26. Key projects included the commissioning of a new manufacturing facility at Narangba, QLD, the establishment of powder repacking capabilities at Derrimut, Victoria, boiler upgrades at Flexichem, Wingfield SA, and investment in advanced manufacturing equipment and services at the St Marys and Somersby facilities in NSW. These investments provide a strong foundation for future growth while enhancing DGL's ability to support customer demand across a wide range of product categories and market sectors.

FY26 was a year of significant transition, consolidation and capacity investment in DGL's Warehousing division. Investments in capacity increased annualised pallet-space capacity by 8.6% to 1.35 million pallet spaces, while utilised pallet spaces increased by 1.6% to 1.05 million. The increase in capacity was primarily driven by facility initiatives in New South Wales, South Australia and Western Australia.

DGL Environmental's recycling facility at Unanderra, NSW received additional investment to optimise and upgrade the facility to process a broader range and higher volumes of used lead-acid batteries, to drive improved profitability.

DGL continues to develop its new liquid waste treatment plant in NSW, and has applied for additional licences to expand the range and volume of industrial liquid waste streams that can be processed from external sources at the facility. Civil works were completed in H1 FY26, and final installation works are underway. Initial commissioning of key equipment commenced in H2 FY26, and full plant is expected to be fully operational in H1 FY27.

The Group continues to invest in the implementation of a new group-wide ERP & Finance system and an in-house Logistics Management system, which when completed will replace over 30 stand-alone systems and lead to substantial productivity and efficiency benefits.

Key Business Risks

Risk Management Policy

DGL operates across chemical manufacturing, warehousing, transport, importing and environmental services, with activities subject to a broad range of health, safety, environmental, dangerous goods, transport and other regulatory requirements across Australia and New Zealand.

During FY25 and FY26, significant events across the Group reinforced the importance of effective risk management, operational resilience and regulatory compliance. In response, the Board has placed a strong focus during the year on strengthening the Group's health and safety systems and operational controls, increasing the level of risk reporting provided to the Board, and developing targeted programs designed to strengthen critical risk management and improve operational discipline. Management has continued to strengthen the Group's risk management approach, with increased focus on preventative controls, assurance, incident response, business continuity and the consistency of risk controls across the Group. The Board is focused on developing and implementing strategies, systems, policies and procedures appropriate for an organisation of DGL's size and complexity.

OPERATING AND FINANCIAL REVIEW

The key business risks identified for the Group, and the way each is managed, are set out below. They are not listed in order of significance and are not a complete list of all risks to which the Group is exposed.

Risk	Description	How the risk is managed
Strategic execution and integration	DGL has grown substantially through many acquisitions completed over a concentrated period since listing in 2021. The Group is now focused on integrating these operations and on building the systems, processes and control structures suitable for an organisation of DGL's size and complexity. Until this work is complete, weaknesses in the control environment could also increase the likelihood or impact of the other risks described below. The Group incurred an underlying loss in FY26, and has initiatives underway to improve performance and to deliver synergies from these acquisitions. There is a risk that integration and improvement programs are not prioritised, resourced or executed effectively, or do not deliver the intended benefits within expected timeframes.	A program of work is underway to identify areas where operations can be consolidated, controls improved and operational efficiencies can be gained. Business management systems are documented and data is recorded centrally. Risk-based internal and external verification programs operate across the Group. Management of change and project delivery standards have been developed and are being embedded. The Board oversees this program as part of its focus on developing and implementing strategies, systems, policies and procedures appropriate for an organisation of DGL's size and complexity.
Economic conditions	DGL supplies products and services to customers across a broad range of industry sectors in Australia and New Zealand. Changes in the condition of the economies and sectors in which the Group operates may affect demand for its products and services, the prices it can achieve, and its operating and financial performance. Geopolitical developments and global supply conditions have increased the cost of a significant number of the Group's key inputs, including fuel and other petroleum-based products, and have led to higher freight costs associated with imported products. Where cost increases cannot be recovered from customers in a timely way, the Group's margins may be adversely affected.	The Group takes account of prevailing conditions, and its outlook for the sectors it serves, in preparing its corporate and financial plans.
Competition	The markets in which DGL operates are competitive. Competition from existing industry participants, new entrants and imported products, including increased competition from lower-cost overseas manufacturers, may place pressure on the Group's volumes, prices and margins.	Competitive conditions in the markets the Group serves, and how they are expected to develop, are considered in setting the Group's business and financial plans.
Financial reporting, internal controls and financial risk	The Group is transitioning its legacy financial systems onto a Group-wide ERP system. While this work is ongoing, weaknesses in financial controls or financial reporting processes could affect the reliability of the Group's financial reporting and the effectiveness of governance oversight, and could increase the risk of fraud. The Group is also exposed to financial risks, including credit risk on amounts owed by customers and other counterparties, interest rate risk on its borrowings, and foreign currency exposure arising from its operations across Australia and New Zealand and from imported products.	Financial control frameworks and review and approval processes are in place. Customer credit and counterparty exposures, and interest rate and foreign currency positions, are monitored by management.

Risk	Description	How the risk is managed
Regulatory compliance and licensing	DGL’s operations depend on a broad range of environmental, dangerous goods, transport, waste management and operational licences and permits across multiple jurisdictions. A failure to comply with regulatory requirements or licence conditions could result in regulatory enforcement, restriction or suspension of licences, fines, remediation costs, operational disruption, litigation and reputational damage, and could affect DGL’s ability to operate and to maintain stakeholder confidence.	Documented escalation protocols and periodic compliance reviews are in place, and material compliance matters are reported to the Board. Major hazard and environmental management plans are reviewed regularly.
Hazardous materials incident	DGL manufactures, stores and transports dangerous goods across multiple sites and jurisdictions. A significant incident could result in injury or fatality, environmental contamination, operational shutdown, licence restrictions, litigation, insurance impacts and reputational damage, and could materially affect the Group’s licence to operate.	Safety management systems, emergency response plans, dangerous goods certification processes and containment infrastructure are in place. Incidents are escalated under defined protocols and the Board has visibility over significant incidents and near misses.
Environmental liability and remediation	The Group’s operations involve hazardous materials and industrial sites with potential contamination exposures. These exposures could give rise to remediation expenditure, environmental enforcement action, operational restrictions, third-party claims, increased insurance costs and reputational damage.	Emergency response plans, containment infrastructure and incident escalation processes are in place, and the Board has visibility over significant incidents and near misses.
Cyber security and technology	DGL’s operations, logistics and reporting processes are increasingly dependent on technology platforms and operational systems. A cyber incident could disrupt operations, compromise information, result in ransomware or data loss, and potentially affect operational safety through hardware and software application in manufacturing environment.	Network firewalls are in place, two-factor authentication is enabled and user access controls are applied, critical suppliers are SOC2 compliant. Staff receive threat awareness, and IT threat response training. Cybersecurity framework aligned to NIST framework in adoption.
ESG and climate-related risks	Climate-related transition and physical risks may affect DGL’s operations, supply chains, operating costs, customer requirements and disclosure obligations over time. Potential impacts include operational disruption, increased operating costs, physical asset impacts, insurance impacts, and customer or regulatory pressures. Evolving ESG expectations among customers, investors, regulators and the community may also influence demand for the Group’s products and services, its compliance obligations and its reputation. DGL is a Tier 2 reporter under AASB S2 and is due to provide its initial report for the period from 1 July 2026.	Emissions monitoring is in place. A dedicated ESG and AASB S2 team has been established and planning for the Group’s initial climate report has commenced. Ecovadis rating commenced and DGL continues to mature in ESG governance. Climate-related risk forms part of the Board’s oversight agenda.

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of DGL Group Limited and its controlled entities for the financial year ended 30 June 2026.

Directors

The following persons were directors of DGL Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

Name	Position	Appointment/ Status	Profile
Tim Hosking	Chairman and Non-Executive Director	Appointed 31 August 2023	Tim has over 25 years' experience providing strategic, commercial and capital markets advice to public and private companies in Australia, UK and North America. Tim is a trusted adviser to business owners, executives and boards, with extensive experience across a wide range of industries including industrials, technology, biotech and healthcare and financial services. Tim was most recently Managing Director Investment Banking at Canaccord Genuity (Australia), previous roles include Head of Strategy ANZ Institutional Bank, Director JP Morgan Australia, and Head of Strategy AXA Australia. Tim is a graduate member of the Australian Institute of Company Directors and holds a Bachelor of Mechanical Engineering (Hons), and Bachelor of Economics (Accounting) from the University of Adelaide. Current directorships of other listed companies: N/A Former directorships of other listed companies (last 3 years): N/A
Simon Henry	Founder, Executive Director and Chief Executive Officer	Appointed 22 May 2012	Simon has been the CEO of the Company since 1999. He has over 35 years' experience in industrial property development, logistics, international trading, manufacturing, and production in Australia, New Zealand and Asia-Pacific. Current directorships of other listed companies: N/A Former directorships of other listed companies (last 3 years): N/A
John West	Non-Executive Director	Appointed 31 August 2023	John has over 50 years' experience in the Transport and Logistics Industry and currently serves as Managing Director of John West Logistics Pty Ltd, which specialises in Contract Logistics, running a fleet of 200+ vehicles throughout Australia and New Zealand. John has and continues to participate in industry bodies and advisory councils including the Australian Trucking Association, the Australian Road Transport Industrial Organisation and National Road Transport association. John held a seat on the Queensland Rail board for five years and his input continues to be sought from time to time by Government and other advisory bodies or committees Current directorships of other listed companies: N/A Former directorships of other listed companies (last 3 years): N/A
Elizabeth Smith	Non-Executive Director	Appointed 3 March 2025	Elizabeth (Liz) Smith is an experienced Non-Executive Director. Liz has strong skills in finance and accounting strategy, M&A, risk and governance and extensive experience advising businesses with strong growth aspirations. Liz has worked across a wide range ofindustries, with businesses ranging from private companies to large ASX listed entities. Liz holds a Bachelor of Commerce from the University of Melbourne and a Master of Business Administration from La Trobe University. She is a Fellow of Chartered Accountants Australia& New Zealand, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute and is a graduate of the Australian Institute of Company Directors. Other current directorships of listed companies:Pureprofile (ASX: PPL), Nuchev (ASX: NUC) Former directorships of other listed companies (last 3 years):Bikeexchange (ASX: BEX). Resigned 31 July 2024.

Shareholdings of directors

The interests of each Director, directly and indirectly, in the shares and options of the Company at the date of this report are as follows:

Director	Ordinary Shares	Performance Rights
Tim Hosking	142,000	-
Simon Henry	155,650,000	710,000
John West	202,000	-
Elizabeth Smith	-	-

Meetings of directors

During the financial year, 16 Board meetings, 8 Audit and Risk Committee meetings were held. No formal Remuneration and Nomination Committee meetings were held during the period with the business of that committee dealt with by the Board.

Attendances by each director at both Board and Committee meetings during the year were as follows:

Director	Board Held	Board Attended	Audit & Risk Held	Audit & Risk Attended	Remuneration Held	Remuneration Attended
Tim Hosking	16	16	8	7	-	-
Simon Henry	16	16	8*	7*	*	*
John West	16	16	8	7	-	-
Elizabeth Smith	16	15	8	8	-	-

* Simon Henry is not a member of the Audit & Risk Committee but attended meetings throughout the year as an invited attendee

Matters Subsequent to the End of the Financial Year

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Audit/Non-Audit Services

Auditors' remuneration is disclosed in Note 8. The directors are satisfied that the provision of non-audit services during the year are compatible with the general standard of independence for auditors and did not compromise the independence requirements of the Corporations Act 2001.

Indemnifying Officers or Auditor

During the year, the Group entered into an insurance policy to insure certain officers of the Company and its controlled entities. The officers of the Group covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of indemnity and that may be brought against the officers in their capacity as officers of the Group or a related body corporate.

The insurance policy does not contain details of the premium paid in respect of individual officers of the Group. Disclosure of the nature of the liability cover and the premium paid is subject to a confidentiality clause under the insurance policy.

The Group has entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

Neither the Group nor any of its subsidiaries have provided any insurance for any auditor of the Group or a related body corporate.

Environmental Regulation

The Group's operations are subject to environmental regulation under the laws and regulations of the Commonwealth of Australia, and various Australian State and local regulatory bodies. There were no material breaches of environmental statutory requirements in FY26.

On 9 June 2026, a fire occurred at the Group's Envirostore facility in Campbellfield, Victoria. Investigations by relevant regulatory and government authorities are ongoing. Refer to Note 34 for further information.

Capital Raising and Capital Structure

As at 30 June 2026, the Company has 285,225,261 fully paid ordinary shares. Please refer to Note 24 for further details.

Rounding off

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

REMUNERATION REPORT

This remuneration report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

Remuneration Policies

The Group's remuneration policy aims to align Director and Executive objectives with shareholder and business objectives by providing appropriate remuneration packages comprising of a fixed remuneration component and additional discretionary employment benefits. The Board believes the remuneration policy for its Directors and Executives to be appropriate and effective with the remuneration framework for all DGL Group senior executives under continued reviewed by the Board's Nomination and Remuneration Committee. A balanced scorecard approach for assessing at- risk remuneration to help attract and retain people with necessary qualifications, skills and experience to assist the company in achieving its desired results was introduced in FY25 together with an Employee Incentive Securities Plan ("EISP") which aligns senior executive performance with shareholder and business objectives.

The Group has a Nomination and Remuneration Committee to assist the Board to achieve its objective in the following areas:

- has a Board with effective composition, size and commitment to adequately discharge its responsibilities and duties, having regard to the Board skills matrix;
- has coherent remuneration policies and practices to attract and retain executives and directors who can reasonably be expected to create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

Remuneration Structure
In accordance with best practice corporate governance, the structure of Executive Director and Non-Executive Director remuneration is separate and distinct.

Remuneration of Executive Directors and Key Management Personnel

Objective

The Board aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group.

- reward Executives for Company, business unit and individual performance against financial targets set by reference to appropriate benchmarks;
- align the interest of Executives with those of shareholders;
- link award with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level of Executive remuneration, the Board considers external reports on market levels of remuneration for comparable executive roles. The Board adopted an employee incentive scheme in FY25, which ties Executive remuneration to the Company's performance.

The Executive directors and key management personnel have entered into employment contracts with the Company.

Remuneration of Non-Executive Directors

Objective

The Board seeks to set an aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

In accordance with the Company's Constitution, the Board decides the total amount paid to all Directors as remuneration for their services as a Director. However, subject to ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed an aggregate maximum amount of $800,000 per annum or such maximum amount determined by the Company at a general meeting of shareholders.

Non-Executive Directors may be reimbursed for all business related expenses properly incurred by them in connection with the Company's business.

Non-Executive Directors may be paid such additional remuneration if they, at the request of the Board, perform any extra services above the scope of duties in their role as a Non-Executive Director.

There are no retirement benefit schemes for Non-Executive Directors, other than statutory superannuation contributions.

Key Management Personnel (KMP)

Employment Contracts

Remuneration and other terms of employment for Executive Directors and KMP are formalised in written agreements, the major provisions of which are as follows as at 30 June 2026.

Name	Employment Contract	Remuneration[2]	Executive's (and Company's) notice period
Simon Henry[1] Chief Executive Officer	Permanent ongoing	A$700,000 (opted out of KiwiSaver contributions), A$20,000 car allowance, NZD$7,214 health insurance allowance.	6 months
Alexander Wing Chief Operating Officer (departed 10 March 2026)	-	A$362,250 exclusive of superannuation contributions. A$17,400 vehicle allowance.	-
Hanna Posa General Counsel and Company Secretary (departed 5 December 2025)	-	A$295,000 exclusive of superannuation contributions.	-
Frank Izzo Chief Financial Officer (departed 23 October 2025)	-	A$300,000 exclusive of superannuation contributions.	-
Gagandeep Singh Chief Financial Officer (appointed 23 October 2025)	Permanent ongoing	A$295,000 exclusive of superannuation contributions.	12 weeks
Shane Willuweit GM Logistics	Permanent ongoing	A$275,000 exclusive of superannuation contributions.	12 weeks
Lloyd Colligan GM Manufacturing	Permanent ongoing	A$270,000 exclusive of superannuation contributions.	8 weeks
Heath Pylyp GM Environmental Services (appointed 1 July 2025)	Permanent ongoing	A$195,000 exclusive of superannuation contributions.	8 weeks

1 On 15 April 2026, Simon Henry volutarily offered to reduce his salary to $150,000 per annum on an interim basis. All other material terms and conditions remain unchanged.

2. Superannuation contributions were in accordance with the applicable legislation, at 12% of base salary.

The Directors are not appointed for a fixed term.

REMUNERATION REPORT

Remuneration of Directors and other Key Management Personnel (KMP) for the Year Ended 30 June 2026

	Short-Term benefits		Post employment benefits	Share based benefits		Long-Term Benefits		
	Salaries, fees, allowances	Termination Payouts	Superannuation/ KiwiSaver	Equity Settled Performance Rights	Other Changes	Long Service Leave	Total	Proportion of remuneration performance related
June 2026	$	$	$	$	$	$	$	%
Tim Hosking (Chairman and Non-Executive Director)	119,077	-	16,238	-	-	-	135,315	0%
Simon Henry[1] (Executive Director and Chief Executive Officer)	281,087	-	280	142,131	-	-	423,498	34%
John West (Non-Executive Director)	80,000	-	9,600	-	-	-	89,600	0%
Elizabeth Smith (Non-Executive Director)	80,000	-	9,600	-	-	-	89,600	0%
Alexander Wing (departed 10 March 2026)	263,321	204,896	30,279	39,428	(72,642)	-	465,282	8%
Hanna Posa (departed 5 December 2025)	22,879	118,533	10,915	-	-	-	152,327	0%
Frank Izzo (departed 23 October 2025)[2]	94,615	102,722	11,354	-	(24,952)	-	183,739	0%
Gagandeep Singh (appointed 23 October 2025)[3]	202,336	-	21,427	12,112	-	4,782	240,657	5%
Shane Willuweit	307,789	-	30,254	-	-	4,494	342,537	0%
Lloyd Colligan	295,769	-	33,000	-	-	4,380	333,149	0%
Heath Pylyp (appointed 1 July 2025)	217,416	-	24,200	-	-	3,398	245,014	0%
	1,964,289	426,151	197,147	193,671	(97,594)	17,054	2,700,718	7%

1 On 15 April 2026, Simon Henry volutarily offered to reduce his salary to $150,000 per annum on an interim basis. All other material terms and conditions remain unchanged.

2 Under the Employment Incentive Security Plan, Mr Frank Izzo and Mr Alexander Wing were granted performance rights with a fair value of $24,952 and $72,641 respectively. Following the cessation of their employment, all performance rights were forfeited in accordance with the plan rules.

3 Mr Gagandeep Singh, Financial Controller at DGL group was appointed as Acting Chief Financial Officer since 23 October 2025 on an interim basis following the departure of the CFO Mr Frank Izzo. On 22 December 2025, he was officially appointed as Chief Financial Officer.

REMUNERATION REPORT

Remuneration of Directors and other Key Management Personnel (KMP) for the Year Ended 30 June 2025

	Short-Term benefits		Post employment benefits	Share based benefits		Long-Term Benefits	Total	Proportion of remuneration performance related
	Salaries, fees, allowances	Termination Payouts	Superannuation/ KiwiSaver	Equity Settled Performance Rights	Other Changes	Long Service Leave		
June 2025 (restated)[1]	$	$	$	$	$	$	$	%
Tim Hosking (Chairman and Non-Executive Director)	135,836	-	-	-	-	-	135,836	0%
Simon Henry (Executive Director and Chief Executive Officer)	761,534	-	-	59,622	-	-	821,156	7%
Robert Sushames (Executive Director, resigned 1 April 2025)	405,864	-	44,127	-	-	6,395	456,386	0%
John West (Non-Executive Director)	89,200	-	-	-	-	-	89,200	0%
Elizabeth Smith (Non-Executive Director, appointed 3 March 2025)	29,733	-	-	-	-	-	29,733	0%
Alexander Wing (departed 10 March 2026)	394,323	-	42,251	33,214	-	5,832	475,620	7%
Hanna Posa (departed 5 December 2025)	317,692	-	33,924	-	-	4,914	356,530	0%
Frank Izzo (departed 23 October 2025)	310,655	-	33,173	24,952	-	4,997	373,777	7%
Aaron Bardell (resigned 12 August 2024)	51,923	411,485	15,923	-	-	-	479,331	0%
Keith Mau (resigned 25 April 2025)	219,213	145,642	25,209	-	-	-	390,064	0%
Shane Willuweit (appointed 30 June 2025)	-	-	-	-	-	-	-	0%
Lloyd Colligan (appointed 5 May 2025)	49,926	-	5,374	-	-	4,502	59,802	0%
	2,765,899	557,127	199,981	117,788	-	26,640	3,667,435	3%

[1]During the current year, the Group identified that the FY25 comparative Key Management Personnel (KMP) compensation (stated above) excluded annual leave and long service leave benefits. Accordingly, the comparative FY25 disclosures have been restated to include these employee benefit amounts. This restatement affects presentation only and has no impact on the Group's previously reported profit or loss, financial position, cash flows, total employee benefit liabilities, or the aggregate compensation paid to KMP.

Directors' and KMP Shareholdings

The number of ordinary shares in DGL Group Limited held by each Director and KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Shares granted during the year	Options and Rights vested/ exercised during the year	Other changes during the year	Balance at end of year
Tim Hosking	142,000	-	-	-	142,000
Simon Henry	155,000,000	-	-	650,000	155,650,000
John West	202,000	-	-	-	202,000
Elizabeth Smith (appointed 3 March 2025)	-	-	-	-	-
Alexander Wing (departed 10 March 2026)	70,073	-	-	(70,073)	-
Hanna Posa (departed 5 December 2025)	-	-	-	-	-
Frank Izzo (departed 23 October 2025)	-	-	-	-	-
Gagandeep Singh (appointed 22 December 2025)	-	-	-	-	-
Shane Willuweit	-	-	-	-	-
Lloyd Colligan	-	-	-	-	-
Heath Pylyp (appointed 1 July 2025)	-	-	-	-	-

Long-Term Incentive (LTI) – Performance Rights

The Company grants performance rights its executives under the Performance Rights Plan, forming part of the long-term incentive (LTI) opportunity. The plan is designed to align executive rewards with sustained shareholder value creation. The Performance Rights require the holder to remain in continuous employment with the Company until the end of the performance period.

A summary of LTI Grants for FY26 and FY25 is as follows:

Summary of FY26 LTI Grant

Executive	Grant Date	Number of Rights		Fairvalue ($)		Vesting Date
		Class A	Class B	Class A	Class B	
CFO (Gagandeep Singh)	15 March 2026	137,850	137,850	54,451	40,404	30 June 2028

Summary of FY25 LTI Grant

Executive	Grant Date	Number of Rights		Fairvalue ($)		Vesting Date
		Class A	Class B	Class A	Class B	
CEO (Simon Henry)	17 January 2025	355,000	355,000	202,350	141,534	30 June 2027
CFO (Frank Izzo)[1]	22 January 2025	160,696	160,696	-	-	30 June 2027
COO (Alexander Wing)[1]	20 January 2025	198,298	198,297	-	-	30 June 2027

1. Forfeited upon departure before vesting date.

Class A: EPS CAGR Hurdle
Vesting is based on compound annual EPS growth over the three-year period (FY25–FY27):

EPS CAGR	% of Class A Rights that Vest
<7.5%	0%
7.5% - 15%	Pro-rata (25% - 100%)
>= 15%	100%

Class B: Related TSR Hurdle
TSR is measured relative to a defined ASX 300 peer group (excluding banks, resources, tech, REITs and ETFs):

TSR Percentile	% of Class B Rights that
< 50th percentile	0%
50th - 75th percentile	Pro-rata (25% - 100%)
> 75th percentile	100%

Other Terms
- Each Right entitles the holder to subscribe for one Share upon exercise of the Performance Right.
- Rights expire 12 months after vesting unless exercised earlier.
- Rights are forfeited if vesting conditions are not met or on cessation of employment (subject to Board discretion).
- On a change of control, the Board may determine how unvested rights are treated.

Valuation and Expense Recognition
The fair value of the performance rights granted during the year is calculated using Black Scholes and Monte Carlo simulation model. This approach is appropriate given the market-based nature of the Relative TSR hurdle, and has also been applied to the EPS hurdle for consistency across the grant.

The total fair value of the rights granted will be expensed over the three-year vesting period in accordance with AASB 2 Share-based Payment, with a corresponding increase in the share-based payment reserve.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

Tim Hosking
Chairman

Simon Henry
Chief Executive Officer

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DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF DGL GROUP LIMITED

As lead auditor for the audit of DGL Group Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of DGL Group Limited and the entities it controlled during the period.

Ryan Pollett

Ryan Pollett

Director

BDO Audit Pty Ltd

Sydney, 31 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	Group 2026 $000	Group 2025 $000
Sales revenue	4	457,915	481,496
Cost of sales		(275,214)	(277,634)
		182,701	203,862
Other income	4	1,167	1,471
Acquisition costs relating to business combinations		-	(340)
Employee benefits expense	5	(104,855)	(114,755)
Share based payments		(96)	(118)
Administration and general expenses		(22,285)	(21,091)
Legal and professional fees		(3,891)	(2,656)
Occupancy expense		(14,204)	(18,092)
Depreciation and amortisation expense		(33,710)	(34,449)
Finance costs		(14,332)	(12,030)
Write down of assets held for sale		(2,451)	(2,167)
Write down of software assets		(145)	(1,690)
Write down of property, plant & equipment	16	(13,793)	(12,560)
Write down of right of use assets		(482)	-
Impairment of goodwill	17	(14,732)	(17,123)
Loss before income tax		(41,108)	(31,738)
Tax benefit	6	868	3,817
Loss for the year		(40,240)	(27,921)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss when specific conditions are met:			
Loss on derivative contract held as hedging instruments, net of tax		-	(155)
Exchange differences on translating foreign operations, net of tax		(5,052)	375
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gain on land and buildings, net of tax		-	23,194
Total other comprehensive (loss)/income for the year		(5,052)	23,414
Total comprehensive income for the year		(45,292)	(4,507)
Net loss attributable to:			
Owners of the parent entity		(40,240)	(27,921)
		(40,240)	(27,921)
Total comprehensive income attributable to:			
Members of the parent entity		(45,292)	(4,507)
		(45,292)	(4,507)
Earnings per share			
Basic and diluted (loss) per share (cents)		(14.11)	(9.79)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

		Group		
	Note	2026 $000	2025 - Restated[1] $000	2024 - Restated[1] $000
Assets				
Current Assets				
Cash and cash equivalents	10	11,645	15,941	19,630
Trade and other receivables	11	55,571	53,208	60,151
Inventories	12	42,944	48,204	45,901
Asset held for sale	13	500	27,930	20,606
Other assets	18	17,571	7,783	9,085
Total Current Assets		128,231	153,066	155,373
Non-Current Assets				
Property, plant and equipment	16	236,137	254,717	260,123
Intangible assets	17	118,180	133,739	145,562
Right-of-use assets	19	70,111	63,266	44,952
Total Non-Current Assets		424,428	451,722	450,637
Total Assets		552,659	604,788	606,010
Liabilities				
Current Liabilities				
Trade and other payables	20	43,319	39,717	36,949
Other financial liabilities	14	265	255	3,507
Borrowings	21	11,879	6,555	3,656
Lease liabilities	19	16,461	16,877	14,458
Current tax liabilities	22	148	7,740	6,520
Provisions	23	9,171	9,660	9,575
Deferred income		29	28	1,244
Total Current Liabilities		81,272	80,832	75,909
Non-Current Liabilities				
Other financial liabilities	14	3,219	3,405	-
Lease liabilities	19	59,326	49,733	32,980
Borrowings	21	93,618	104,024	129,804
Deferred tax	22	14,150	20,629	16,396
Provisions	23	1,373	1,268	1,112
Deferred income		-	-	1,200
Total Non-Current Liabilities		171,686	179,059	181,492
Total Liabilities		252,958	259,891	257,401
Net Assets		299,701	344,897	348,609
Equity				
Issued capital	24	258,462	258,462	258,112
Reserves		6,005	10,961	(8,075)
Retained earnings		35,234	75,474	98,572
Total Equity		299,701	344,897	348,609

1. Please refer to Note 2 for particulars relating to the restatement

The accompanying notes form part of these financial statements.

DGL

	Share Capital	Retained Earnings	Asset Revaluation Reserve	Cash Flow Hedge Reserve	Merger Acquisition Reserve	Share-based Payments Reserve	Foreign Currency Translation Reserve	Total
$000's								
Consolidated Group								
Balance at 1 July 2024, as previously reported	258,112	92,172	48,005	20	(54,230)	-	(1,870)	342,209
Impact of restatement (refer Note 2)	-	6,400	-	-	-	-	-	6,400
Restated balance at 1 July 2024	258,112	98,572	48,005	20	(54,230)	-	(1,870)	348,609
Comprehensive income								
Loss for the year	-	(27,921)	-	-	-	-	-	(27,921)
Other comprehensive income for the year	-	-	23,194	(155)	-	-	375	23,414
Total comprehensive income for the year	-	(27,921)	23,194	(155)	-	-	375	(4,507)
Transactions with owners, in their capacity as owners, and other transfers								
Shares issued during the year	350	-	-	-	-	-	-	350
Share based payments reserve	-	-	-	-	-	118	-	118
Reclassification of reserves relating to disposed assets	-	4,496	(4,496)	-	-	-	-	-
Total transactions with owners and other transfers	350	4,496	(4,496)	-	-	118	-	468
Balance at 30 June 2025	258,462	75,147	66,703	(135)	(54,230)	118	(1,495)	344,570

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Share Capital	Retained Earnings	Asset Revaluation Reserve	Cash Flow Hedge Reserve	Merger Acquisition Reserve	Share-based Payments Reserve	Foreign Currency Translation Reserve	Total
Balance at 30 June 2025, as previously reported	258,462	75,147	66,703	(135)	(54,230)	118	(1,495)	344,570
Impact of restatement (refer Note 2)	-	327	-	-	-	-	-	327
Restated balance at 1 July 2025	258,462	75,474	66,703	(135)	(54,230)	118	(1,495)	344,897
Comprehensive income								
Loss for the year	-	(40,240)	-	-	-	-	-	(40,240)
Other comprehensive Loss for the year	-	-	-	-	-	-	(5,052)	(5,052)
Total comprehensive income for the year	-	(40,240)	-	-	-	-	(5,052)	(45,292)
Transactions with owners, in their capacity as owners, and other transactions								
Share based payments reserve	-	-	-	-	-	96	-	96
Total transactions with owners and other transactions	-	-	-	-	-	96	-	96
Balance at 30 June 2026	258,462	35,234	66,703	(135)	(54,230)	214	(6,547)	299,701

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Group 2026 $000	Group 2025 $000
Cash flows from operating activities			
Receipts from customers		455,185	488,980
Payments to suppliers and employees		(414,554)	(432,939)
Interest received/other income		800	1,471
Finance costs		(14,332)	(12,030)
Income tax paid		(11,275)	(793)
Net cash generated by operating activities	27	15,824	44,689
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,687	10,463
Proceeds from disposal of assets held for sale		27,759	11,075
Purchase of property, plant and equipment		(18,038)	(19,908)
Payments for acquisition costs		-	(340)
Purchase of intangibles		(324)	(801)
Purchase of subsidiary		-	(7,501)
Purchase of term deposit		(9,290)	-
Cash acquired from acquisition of subsidiary		-	584
Net cash from / (used in) investing activities		2,794	(6,428)
Cash flows from financing activities			
Net (repayment) / proceeds from borrowings		(5,081)	(24,072)
Repayment of principal portion of lease liabilities		(18,172)	(18,021)
Net cash (used in) financing activities		(23,253)	(42,093)
Net (decrease) in cash and cash equivalents		(4,635)	(3,832)
Cash and cash equivalents at beginning of financial year		15,941	19,630
Effect of exchange rates on cash holdings in foreign currencies		339	143
Cash and cash equivalents at end of financial year	10	11,645	15,941

The accompanying notes form part of these financial statements.

The Directors of DGL Group Limited and its subsidiaries ("the Group") submit herewith the annual report of the Group for the financial year ended 30 June 2026. The separate financial statements of the parent entity, DGL Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 31 August 2026 by the directors of the company.

Note 1 Material Accounting Policy Information

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and are in compliance with IFRS Accounting Standard as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars, which is the Group's functional currency.

(a) Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has reported a loss after tax of $40.2m (FY25: $27.9m) and positive operating cash flows of $15.8m (FY25: $44.7m) for the year ended 30 June 2026.

Adjusting for $34.4m (post-tax) in one off items (FY25: $31.4m), the underlying loss of the Group after providing for income tax amounted to $5.8m (FY25: profit of $3.5m). The Group has implemented significant cost reduction initiatives during the period, with the full impact of these initiatives expected to be realised in FY27. Continued investment in the fleet, new warehousing sites and manufacturing facilities is expected to result in cost efficiencies and margin improvements.

As at 30 June 2026, the Group had a positive net asset value position of $299.7m (2025: $344.9m) and cash balance of $11.6m (2025: $15.9m) measured by cash and cash equivalents, with $11.2m of the $11.6m of cash and cash equivalents contractually restricted under the debtor finance facility as disclosed in Note 10. The Group's working capital is funded primarily through a working capital facility. Disclosure of the key terms of the facility are included in Notes 21 and 30. The Company has prepared cash flow forecasts, on the basis of the available facility and forecast operating cash flows, and consider there is sufficient headroom to support forecast working capital needs.

Based on the available information to the Directors at the date of signing this financial report, the Directors are of the opinion that the Group will be able to pay its debts as and when they fall due and accordingly the Directors consider it appropriate for the financial report to be prepared on the going concern basis.

Note 1 Material Accounting Policy Information (continued)

(b) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

DGL assesses impairment of assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These conditions include financial performance, current economic conditions and future revenue growth expectations. If an impairment trigger exists, the recoverable amount of the asset is determined as the higher of value in use and fair value less costs of disposal.

DGL determines whether the brand names and goodwill are impaired on an annual basis. This requires an estimation of the recoverable amount of the associated cash-generating units, using a value in use discounted cash flow methodology, to which the brand names or goodwill is allocated.

(c) Revenue and Other income

The timing of revenue recognition for the Group's key revenue streams as they relate to specific performance obligations are outlined in the table below:

Segment	Main revenue streams and performance obligations	Revenue recognition pattern
Environmental services	Processing of used lead batteries to recover lead Liquid Waste Treatment	Point in time (on satisfaction of performance obligations, usually upon container being loaded onto ship at port of departure) Point in time (at the point of receipt of waste from customers)
Chemical manufacturing	Formulation and packaging of chemical and material products	Point in time (on satisfaction of performance obligations, usually on delivery)
Logistics	Warehousing - storage of customer goods Distribution - delivery of dangerous goods for customers	Over time (related to the period of storage) based on fixed price Point in time (on completion of delivery)

Note 1 Material Accounting Policy Information (continued)

(d) New Accounting Standards and Interpretations not yet mandatory or early adopted.

The Group has adopted all mandatory standards effective at 1 July 2025. The new standards and amendments, other than those described below, did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for financial period reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, is set out below.

AASB 18 Presentation and Disclosure in Financial Statements

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

Australian Sustainability Reporting Standards
The first Australian Sustainability Reporting Standards (ASRS) have been approved by the Australian Accounting Standards Board (AASB). They comprise:

> *AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information – a voluntary standard; and*

> *AASB S2 Climate-related Disclosures – a mandatory standard*

AASB S1 and AASB S2 are effective for annual reporting periods beginning 1 January 2025 and are applicable to the Group from 1 July 2026. The Group is in the process of assessing the impact of these standards.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs.

(f) Intangible assets

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Note 1 Material Accounting Policy Information (continued)

(g) Sale and leaseback transactions

The accounting treatment for sale and leaseback transactions depends on whether a genuine sale has taken place. If the buyer-lessor has not gained control over the asset (indicating no sale has taken place), the sale and leaseback is viewed as a financing arrangement, with the underlying asset acting as collateral. Substantive repurchase options for the seller or buyer-held put options are considered in determining whether the buyer-lessor has gained control of the asset.

If the asset transfer does not qualify as a sale, the transaction is treated as a financing transaction. The Group (as the seller-lessee) recognises a financial liability, and the underlying asset remains in the Group's statement of financial position as though no sale took place.

(h) Critical Accounting Estimates and Judgements

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

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the Group will make. The Group determines the likelihood to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Group.

Impairment

In assessing potential impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

All impairment losses are recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, Management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Long service leave

The liability for long service leave is recognised and measured as the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Note 1 Material Accounting Policy Information (continued)

Income tax

The Group is subject to income taxes across the jurisdictions in which it conducts its operations. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax payable based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available.

Based on an assessment of the New Zealand entities' performance over the past few years and into the next 12 months, it was considered improbable that future taxable amount will be available. Hence, no NZ deferred tax assets from losses have been recognised.

Provisions

Provisions are recognised when DGL Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Expected credit losses

In line with AASB 9, trade debtors are reviewed in accordance with the simplified approach to measuring expected credit losses based on the payment profile of sales over a period of four years and the corresponding historical credit losses experienced within this period, which is reassessed annually. The historical loss rates are adjusted if necessary to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. DGL Group's assessment of trade receivables and loss allowances did not indicate a material change to trade receivables and loss allowances.

Valuation of land and buildings

Land and buildings are stated at fair value. Formal valuations were performed in June 2025 based on a combination of valuation performed by an independent professional valuer and directors' valuations inline with the Group's triennial revaluation policy. Observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset are used in performing the valuation.

Valuation of Performance Rights

The cost of the equity-settled performance rights with employees is measured at the fair value of the instruments at grant date. The fair value is typically determined using the Black Scholes and Monte Carlo simulation models for those share performance rights subject to market performance hurdles.

The cost of equity-settled performance rights is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting reflects the extent to which the vesting period has expired, and the number of awards that, in the opinion of the directors, will vest ultimately.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met, as the effect of those conditions are included in the fair value at grant date. No expense is recognised for awards that do not vest based on non-market conditions.

Note 2 Restatement of Comparatives

AASB 102 Inventories requires the cost of inventories to include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. During the year, the Group identified that costs in the nature of conversion costs were not included in the cost of inventory as required by the Standard. The Group has identified and attributed these costs to inventories for 30 June 2024 (the beginning of the earliest period presented) and 30 June 2025. The costs identified are costs directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

This has led to a restatement of inventories as at 30 June 2025 and 1 July 2024, with the impact on the Statement of Profit or Loss and Other Comprehensive Income taken to Retained Earnings as shown below.

Statement of financial position at the beginning of the comparative period **$000's**	**As reported 1-Jul-24**	**Adjustment**	**1-Jul-24**
Current Assets			
Cash and cash equivalents	19,630	-	19,630
Trade and other receivables	60,151	-	60,151
Inventories	39,501	6,400	45,901
Asset held for sale	20,606	-	20,606
Other assets	9,085	-	9,085
Total Current Assets	148,973	6,400	155,373
Non-Current Assets			
Property, plant and equipment	260,123	-	260,123
Intangible assets	145,562	-	145,562
Right-of-use assets	44,952	-	44,952
Total Non-Current Assets	450,637	-	450,637
Total Assets	599,610	6,400	606,010
Liabilities			
Current Liabilities			
Trade and other payables	36,949	-	36,949
Other financial liabilities	3,507	-	3,507
Borrowings	3,656	-	3,656
Lease liabilities	14,458	-	14,458
Current tax liabilities	6,520	-	6,520
Provisions	9,575	-	9,575
Deferred income	1,244	-	1,244
Total Current Liabilities	75,909	-	75,909
Non-Current Liabilities			
Other financial liabilities	-	-	-
Lease liabilities	32,980	-	32,980
Borrowings	129,804	-	129,804
Deferred tax	16,396	-	16,396
Provisions	1,112	-	1,112
Deferred income	1,200	-	1,200
Total Non-Current Liabilities	181,492	-	181,492
Total Liabilities	257,401	-	257,401
Net Assets	342,209	6,400	348,609
Equity			
Issued capital	258,112	-	258,112
Reserves	(8,075)	-	(8,075)
Retained earnings	92,172	6,400	98,572
Total Equity	342,209	6,400	348,609

Note 2 Restatement of Comparatives (continued)

Statement of financial position at the end of the comparative period $000's	As reported 30-Jun-25	Adjustment	Restated 30 Jun 25
Current Assets			
Cash and cash equivalents	15,941	-	15,941
Trade and other receivables	53,208	-	53,208
Inventories	41,477	6,727	48,204
Asset held for sale	27,930	-	27,930
Other assets	7,783	-	7,783
Total Current Assets	146,339	6,727	153,066
Non-Current Assets			
Property, plant and equipment	254,717	-	254,717
Intangible assets	133,739	-	133,739
Right-of-use assets	63,266	-	63,266
Total Non-Current Assets	451,722	-	451,722
Total Assets	598,061	6,727	604,788
Liabilities			
Current Liabilities			
Trade and other payables	39,717	-	39,717
Other financial liabilities	255	-	255
Borrowings	6,555	-	6,555
Lease liabilities	16,877	-	16,877
Current tax liabilities	7,740	-	7,740
Provisions	9,660	-	9,660
Deferred income	28	-	28
Total Current Liabilities	80,832	-	80,832
Non-Current Liabilities			
Other financial liabilities	3,405	-	3,405
Lease liabilities	49,733	-	49,733
Borrowings	104,024	-	104,024
Deferred tax	20,629	-	20,629
Provisions	1,268	-	1,268
Total Non-Current Liabilities	179,059	-	179,059
Total Liabilities	259,891	-	259,891
Net Assets	338,170	6,727	344,897
Equity			
Issued capital	258,462	-	258,462
Reserves	10,961	-	10,961
Retained earnings	68,747	6,727	75,474
Total Equity	338,170	6,727	344,897

Note 3 Parent Information

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	**2026 $000**	**2025 $000**
Assets		
Current Assets	20,648	9,477
Non-current Assets	272,507	316,638
Total Assets	293,155	326,115
Liabilities		
Current Liabilities	22,450	24,007
Non-current Liabilities	98,682	107,816
Total Liabilities	121,132	131,823
Net Assets	172,023	194,292
Equity		
Issued Capital	258,462	258,462
Retained earnings	(102,989)	(80,306)
Reserves	16,550	16,136
Total Equity	172,023	194,292
Statement of Profit or Loss and Other Comprehensive Income		
Profit/Loss for the year	(22,683)	(34,094)
Other comprehensive income	-	23,194
Total comprehensive income	(22,683)	(10,900)

The parent entity had no contingent liabilities as at 30 June 2026 (30 June 2025: nil).

The parent entity had contractual commitments of $nil as at 30 June 2026 (30 June 2025: $1,533,000)

The parent entity had bank guarantees totalling $257,558 (30 June 2025: $2,437,171) covering rental leases, environmental protections, and export licenses. The parent entity's assets are pledged as collateral against the Group's borrowings. In addition there are cross guarantees entered into by DGL Group Limited as identified in note 33.

Note 4 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Group	
Continuing operations	**2026 $000**	**2025 $000**
Revenue from contracts with customers	457,915	481,496
Total sales revenue	457,915	481,496
Other income		
- Miscellaneous income	173	437
- Interest received	434	336
- Administration revenue	12	50
- Fuel tax credits income	76	111
- Gain on sale of fixed assets	363	412
- Foreign exchange gain/loss	109	125
Total other income	1,167	1,471

(a) Revenue disaggregation

The revenue is disaggregated by the following segments:

	Group	
	2026 $000	**2025 $000**
- Environmental Services	29,600	71,451
- Chemical Manufacturing	276,529	268,694
- Logistics	151,786	141,351
	457,915	481,496

Revenue is disaggregated by revenue recognition method below:

- Point in time	432,599	455,138
- Over time	25,316	26,358
	457,915	481,496

Note 5 Expenses for the period

	Group	
Loss before income tax from continuing operations includes the following specific expenses:	**2026 $000**	**2025 $000**
(a) Expenses		
Employee benefits expense		
- Salary and related costs	96,928	106,564
- defined contribution superannuation expense	7,927	8,191
	104,855	114,755

Note 6 Tax Expense

	Note	Group 2026 $000	Group 2025 $000
(a) The components of tax benefit comprises:			
Current tax		(2,342)	(1,817)
Current Tax - Prior Period Adjustment		(3,147)	-
Deferred tax	22	9,118	5,469
Deferred Tax - Prior Period Adjustment		(2,761)	165
		868	3,817
(b) The prima facie tax on profit from ordinary activities before income tax expense/(benefit) is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2025: 30%)			
- consolidated group		12,332	9,521
Add:			
Tax effect of:			
- non-deductible expenses		(5,064)	(5,445)
- current tax: under-provision for income tax in prior years		(3,147)	165
- deferred tax: under-provision for income tax in prior years		(2,761)	-
- unrecognised tax losses[1]		(459)	(498)
- other		(33)	74
		868	3,817
Less:			
Tax effect of:			
- non-taxable income		-	-
- utilisation of previously recognised tax losses		-	-
- other		-	-
Income tax benefit attributable to entity		868	3,817

1. Unrecognised carried forward tax losses for the NZ Group as at 30 June 2026 were $6.7m (30 June 2025: $4.1m).

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is DGL Group Limited.

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Any current tax liabilities (assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax consolidated group. Any difference between these amounts and amounts payable (receivable) under the tax funding agreement is recognised by the head entity as an equity injection or distribution.

Note 7 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2026.

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

	Group	
	2026	**2025**
	$000	**$000**
Short-term benefits	1,964,289	2,765,899
Termination benefits	426,151	557,127
Post-employment benefits	197,147	199,981
Share based payments - Equity-settled Performance Rights	96,077	117,788
Long-term benefits	17,054	26,640
Total KMP compensation	2,700,718	3,667,435

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Termination benefits

These amounts are comprised of financial compensation and support provided to employees when their employment is terminated, including annual leave, long service leave payout and other entitlements.

Post-employment benefits

These amounts are the current year's costs of providing for the KMP's superannuation contributions made during the year and post-employment life insurance benefits.

Other transactions

For details of other transactions with KMP, refer to note 29.

Share-based benefits-Shares

These amounts are share-based compensation issued in lieu of cash-based bonuses and not tied to any performance conditions

Share based benefits - Equity-settled Performance Rights

This is an equity settled share-based payment to eligible KMPs who hold Performance Rights that were granted during FY25 and FY26. The disclosed amount is based on the fair value of the performance rights determined using Black Scholes and Monte Carlo simulation models.

Note 8 Auditor's Remuneration

	Group	
	2026	**2025**
Remuneration of the auditor for:	**$**	**$**
- auditing or reviewing the financial statements of the Group - BDO	556,500	-
- auditing or reviewing the financial statements of the Group - PKF Melbourne	-	261,450
	556,500	261,450
Non-audit services - PKF Melbourne		
- Direct and indirect taxation services	156,988	115,000
	156,988	115,000

Note 9 Earnings per Share

	Group 2026 $000	Group 2025 $000
(a) Reconciliation of earnings to profit or loss from continuing operations		
Loss	(40,240)	(27,921)
Earnings used in the calculation of dilutive EPS	(40,240)	(27,921)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	285,226	285,226
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	285,226	285,226
Basic and diluted loss per share from continuing operations (cents)	(14.11)	(9.79)

Note 10 Cash and Cash Equivalents

	Group 2026 $000	Group 2025 $000
Cash at bank and on hand[1]	11,645	15,941
	11,645	15,941

As at 30 June 2026, the Group had bank guarantees in place totalling $7,182,857 with Australia and New Zealand Banking Group Limited. These guarantees cover rental leases, environmental protections, and export licenses. Following the refinancing of the Syndicated facility loans in March 2026, these bank guarantees were secured with a term deposit of $9,290,000.

[1]*Included in cash at bank and on hand as at 30 June 2026 is $11,249,688 of restricted cash in relation to debtor financing arrangements with ScotPac Business Finance. Refer to note 21.*

Note 11 Trade and Other Receivables

	Group 2026 $000	Group 2025 $000
Current		
Trade receivables	54,381	52,825
Provision for impairment	(815)	(899)
	53,566	51,926
Other receivables	2,005	1,282
Total current trade & other receivables	55,571	53,208

Note 11 Trade and Other Receivables (continued)

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the Company is considered to relate to the class of assets described as 'trade & other receivables'.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. For receivables that are not past due as at 30 June 2026, an assessment has been made of the level of provisioning required based on historical debt write offs, adjusted if necessary to reflect current and forward-looking information on macro-economic factors, affecting the ability of the customers to settle the receivables. The current level of provisioning is considered appropriate.

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

Days past due	**< 30**	**30 - 60**	**60 - 90**	**> 90**	**Total**
2026	**$000**	**$000**	**$000**	**$000**	**$000**
Expected loss rate					1.5%
Gross carrying amount	51,445	1,781	597	557	54,380
Loss allowance	-	-	-	(815)	(815)
2025					
Expected loss rate					1.7%
Gross carrying amount	47,598	2,821	494	1,912	52,825
Loss allowance	-	-	-	(899)	(899)

		Group	
		2026	**2025**
Financial Assets Measured at Amortised Cost	**Note**	**$000**	**$000**
Trade & other Receivables			
- Total current		55,571	53,208
Total financial assets measured at amortised cost less provision for impairment		55,571	53,208

Note 12 Inventories

	Group	
	2026	**2025**
	$000	**$000**
		(restated)
Current		
At cost:		
Raw materials and spares	22,353	27,300
Work in progress	369	665
Finished goods	21,140	20,542
Less:		
Stock provision	(918)	(303)
	42,944	48,204

Total cost of sales recognised as an expense during the year was $205.4m (FY25 : $200.5m)

Note 13 Asset held for sale

	Group	
	2026	2025
	$000	$000
Asset held for sale		
11 Boden Rd, Seven Hills	-	14,500
19 Little Boundary Rd, Laverton	-	7,500
25 School Drive, Tomago	-	1,769
Project - Nambour	-	4,401
Mt Isa Chlor-Alkali Project	500	-
Provision PE disposal	-	(240)
	500	27,930

At the date of this report, the status of each is outlined below:

- Assets held for sale relating to the Seven Hills, Laverton and Tomago sites were fully settled during the period. The Group received total consideration of $25.8 million, with settlements completed on 22 October 2025 and 13 November 2025. Upon settlement, the related assets were derecognised from the balance sheet in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

- Assets held for sale relating to the Nambour chlorine manufacturing plant were fully settled during the period.The Group received total consideration of $2.0 million, with settlement completed on 22 June 2026. Upon settlement, the related assets were derecognised from the balance sheet in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

- The Mt Isa chlorine plant was reclassified as an asset held for sale during the year and the carrying value of the asset was written down by $2.8 million.

- DGL has received an offer for the Mt Isa chlorine plants and negotiations are in progress as of the date of this report.

Note 14 Other Financial Liabilities

Other Financial Liabilities	Group	
	2026	2025
	$000	$000
Current		
Leaseback liability	265	255
	265	255
Other Financial Liabilities		
Non - Current		
Derivative cashflow hedge	-	167
Leaseback liability	3,219	3,238
	3,219	3,405

During FY24, DGL disposed of its non-core Carole Park property and entered into a sale-and-leaseback arrangement to continue occupying the site as a tenant. Although the transaction was structured as a sale-and-leaseback, it did not meet the requirements for recognising a sale under AASB 15 Revenue from Contracts with Customers. The commercially favourable terms negotiated by DGL restrict the purchaser's ability to control and direct the use of the property, meaning control did not transfer to the buyer for accounting purposes.

Accordingly, the proceeds received have been recognised as a leaseback liability rather than revenue. This liability will be amortised over the lease term in accordance with the applicable accounting standards.

Note 15 Interests in Subsidiaries

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest held by the Group	
Name of subsidiary	**Principal place of business**	**2026**	**2025**
DGL Manufacturing Pty Ltd	Australia	100%	100%
Flexichem Australia Pty Ltd	Australia	100%	100%
Australian Petro Chemical Storage Pty Ltd	Australia	100%	100%
DGL Warehousing & Distribution Pty Ltd	Australia	100%	100%
DGL Industries Pty Ltd	Australia	100%	100%
DGL Global Logistics Pty Ltd	Australia	100%	100%
DGL Townsville Pty Ltd	Australia	100%	100%
Enlog Pacific Holdings Pty Ltd	Australia	100%	100%
DGL Operations Australia Pty Ltd[1]	Australia	100%	100%
Labels Connect Pty Ltd	Australia	100%	100%
Triox Pty Ltd	Australia	100%	100%
DGL (NZ) Limited	New Zealand	100%	100%
DGL Operations Ltd	New Zealand	100%	100%
DGL Property NZ Limited[1]	New Zealand	100%	100%
DGL AusBlue Pty Ltd	Australia	100%	100%
Opal Australasia Pty Ltd	Australia	100%	100%
AusTech Chemicals Pty Ltd	Australia	100%	100%
Total Bio Group Pty Ltd	Australia	100%	100%
Total Coolant Management Solutions Pty Ltd	Australia	100%	100%
Aquadex Pty Ltd	Australia	100%	100%
BTX Group Pty Ltd	Australia	100%	100%
Acacia Ridge Container Park Pty Ltd	Australia	100%	100%
DGL North America Pty Ltd	Australia	100%	100%

1. On 7 November 2025, both DGL Warehousing (NZ) Limited and DGL Manufacturing (Australia) Pty Ltd changed their names to DGL Property NZ Limited and DGL Operations Australia Pty Ltd respectively

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Significant Restrictions

Other than the following, there are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.
All borrowings are secured by a charge over the assets of DGL Group. DGL Group is in full compliance with the financial covenants set by its lenders. Refer to Note 21 Borrowings.

Note 16 Property, Plant and Equipment

	Group 2026 $000	Group 2025 $000
Land & Buildings[1]		
Freehold land at:		
Fair value	99,131	99,371
Total land	99,131	99,371
Buildings at:		
Fair value	59,250	60,100
Accumulated depreciation	(9,506)	(6,507)
Total buildings	49,744	53,593
Total land & buildings	148,875	152,964
Plant & equipment:		
Leasehold improvements		
At cost	3,883	3,521
Accumulated depreciation	(103)	(422)
	3,780	3,099
Plant and equipment		
At cost	81,989	80,527
Accumulated depreciation & impairment	(57,955)	(44,951)
	24,034	35,576
Motor Vehicles		
At cost	58,229	58,049
Accumulated depreciation	(22,110)	(15,785)
	36,119	42,264
Plant under construction		
At cost	32,010	20,839
Accumulated amortisation & impairment	(8,681)	(25)
	23,329	20,814
Total plant & equipment	87,262	101,753
Total property, plant & equipment	236,137	254,717

[1] Freehold land and buildings are carried at fair value. These assets were last revalued in June 2025 by third party, professionally accredited valuers with appropriate experience and expertise in the valuation of comparable properties. The directors have assessed that there has been no material change in the fair value of these assets since the date of the most recent valuation.

Note 16 Property, Plant and Equipment (continued)

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Plant Under Construction	Total
	$000	$000	$000	$000	$000	$000	$000
Group							
Balance at 1 July 2024	94,099	55,022	1,460	42,602	44,161	22,779	260,123
Additions	693	2,115	980	5,423	4,205	8,378	21,794
Disposals	(7,508)	(398)	-	(251)	(643)	(1,251)	(10,051)
Write-offs	-	-	-	(2)	-	(253)	(255)
Acquisitions through business combinations			826	80	249	-	1,155
Depreciation expense	-	(1,735)	(169)	(7,759)	(5,722)	(16)	(15,401)
Reclassification	(22,259)	(251)	-	5,541	31	(8,155)	(25,093)
Movement in foreign currency	302	292	2	(112)	(17)	(191)	276
Asset Revaluation - ARR	34,104	625	-	-	-	-	34,729
Asset Revaluation - P&L	(60)	(2,077)	-	-	-	-	(2,137)
PPE Impairment	-	-	-	(9,946)	-	(477)	(10,423)
Balance at 30 June 2025	99,371	53,593	3,099	35,576	42,264	20,814	254,717
Balance at 1 July 2025	99,371	53,593	3,099	35,576	42,264	20,814	254,717
Additions	2,163	32	511	1,973	1,589	11,770	18,038
Disposals	-	(882)	(149)	(511)	(1,409)	(599)	(3,550)
Transfers	-	-	-	1,850	-	(1,850)	-
Depreciation expense	-	(1,441)	(362)	(6,387)	(5,605)	-	(13,795)
Reclassification[1]	-	-	681	3,591	(370)	(4,402)	(500)
Movement in foreign currency	(2,403)	(1,558)	-	-	(350)	(669)	(4,980)
PPE Impairment	-	-	-	(5,216)	-	(8,577)	(13,793)
Balance at 30 June 2026	99,131	49,744	3,780	30,876	36,119	16,487	236,137

1. The Mt Isa chlorine plant with a carrying value of $500,000 was reclassified as a held-for-sale asset at 30 June 2026. Refer to Note 13.

Note 16 Property, Plant and Equipment (continued)

Property

Freehold land & buildings are carried at their fair value, based on periodic valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Plant & equipment

Plant & equipment are carried at cost less accumulated depreciation and any accumulated impairment.

An impairment charge of $13.8 million was recognised during the year, comprising $5.2 million relating to Plant & Equipment and $8.6 million relating to Plant Under Construction. Of the total impairment, $11.0 million relates to the impairment assessment of the Environmental CGU (comprising $5.2 million of Plant & Equipment and $5.8 million of LWTP Plant Under Construction) (refer to Note 17). The remaining $2.8 million relates to the Mt Isa chlorine plant, which was impaired while classified as Plant Under Construction and subsequently reclassified as held for sale (refer to Note 13).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

Property, plant and equipment, excluding freehold land and assets under construction, are depreciated over the estimated useful economic life of specific assets as follows:

Class of Fixed Asset	Depreciation Rate	
	Straight line	Diminishing value
Buildings	2.0% - 25.0%	2.0% - 25.0%
Plant and equipment	4.0% - 67.0%	2.5% - 67.0%
Office equipment	10.0% - 67.0%	5.0% - 67.0%
Leasehold improvements	2.0% - 25.0%	-
Motor vehicles	10.0% - 40.0%	5.0% - 25.0%

Note 17 Intangible Assets

	Group	
	2026 $000	2025 $000
Goodwill		
Cost	146,359	147,136
Accumulated impairment losses	(32,699)	(17,967)
	113,660	129,169
Trademarks and certification		
Cost	373	373
Accumulated amortisation	(214)	(171)
	159	202
Software		
Cost	1,741	1,775
Accumulated amortisation	(1,169)	(1,068)
	572	707
Software under development		
Cost	1,069	864
	1,069	864
Hydroproc Process		
Cost	2,271	2,271
Accumulated amortisation	(1,590)	(1,590)
	681	681
Registrations and brands		
Cost	2,189	2,189
Accumulated amortisation	(150)	(73)
	2,039	2,116
Total intangible assets	118,180	133,739

Note 17 Intangible Assets (continued)

Consolidated Group:

	Goodwill	Trademarks and Certification	Software	Software under development	Hydroproc Process	Registration and Brands	Total
	$000	$000	$000	$000	$000	$000	$000
Year ended 30 June 2025							
Balance at the beginning of the year	140,218	226	392	1,946	663	2,117	145,562
Additions	-	-	214	534	18	35	801
Write off/ Disposal	-	-	(242)	(1,448)	-	-	(1,690)
Acquisitions through business combinations	5,965	-	-	-	-	-	5,965
Amortisation charge	-	(24)	(82)	-	-	(36)	(142)
Reclassification	-	-	235	(177)	-	-	58
Movement in foreign currency	109	-	190	9	-	-	308
Impairment - goodwill	(17,123)	-	-	-	-	-	(17,123)
	129,169	202	707	864	681	2,116	133,739
Year ended 30 June 2026							
Balance at the beginning of the year	129,169	202	707	864	681	2,116	133,739
Additions	-	-	119	205	-	-	324
Amortisation	-	(43)	(101)	-	-	(77)	(221)
Movement in foreign currency	(777)	-	(8)	-			(785)
Write down of software assets	-	-	(145)	-	-	-	(145)
Impairment - Goodwill	(14,732)	-	-	-	-	-	(14,732)
Closing value at 30 June 2026	113,660	159	572	1,069	681	2,039	118,180

Note 17 Intangible Assets (continued)

Impairment assessment

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	2026 $000	2025 $000
Environmental Services	-	2,225
Chemical Manufacturing	105,922	106,302
Logistics	7,738	20,642
Total	113,660	129,169

The value in use calculations use cash flow forecasts approved by management covering a five-year period. The forecast takes into account cumulative past performance, current market trading conditions and management's expectations of market development.

As part of the Group's strategic review and realignment of its Cash Generating Units (CGUs), management determined on 1 July 2025 that certain businesses should be reassigned to better reflect their operational characteristics and strategic direction.

Accordingly, BTX and Aquadex, with carrying values of $1.9 million and $5.5 million, respectively, were transferred from the Environmental CGU to the Manufacturing CGU. In addition, Acacia Ridge Container Park, with a carrying value of $9.4 million, was transferred from the Environmental CGU to the Logistics CGU.

The realignment is intended to align each business with the CGU that most appropriately reflects its underlying operations and strategic objectives. The revised structure is expected to enhance operational synergies, strengthen management focus, and support improved strategic and financial outcomes across the Group.

The discount rate applied to the cash flow projections as at 30 June 2026 is pre-tax which has been determined based on a weighted average cost of capital calculation which incorporates the specific risks relating to the cash generating units identified and benchmarked for reasonableness against businesses in similar industries.

	Growth Rate		Discount Rate		Terminal Growth Rate	
	2026	2025	2026	2025	2026	2025
Environmental Services	3.5%[1]	5.1%[1]	15.42%	11.00%	2.50%	2.50%
Chemical Manufacturing	4.00%	4.00%	14.16%	9.25%	2.50%	2.50%
Logistics	4.00%	4.50%	14.27%	9.00%	2.50%	2.50%

1.Underpinned by the new liquid waste treatment plant at Unanderra, NSW, revenue is forecast to increase by circa 15% in FY28, normalising to 3.5% over the remaining forecast period until FY31.

Note 17 Intangible Assets (continued)

Chemical Manufacturing CGU

The recoverable amount of the Chemical Manufacturing CGU was determined using a value-in-use methodology, incorporating discounted forecast cash flows for the period FY27 to FY31 and a terminal value. The assessment demonstrated substantial headroom between the recoverable amount and carrying value of the CGU and, therefore, no impairment charge was required. Recoverable amount of the CGU as at 30 June 2026 was $360 million against carrying value of $229 million. Any reasonable and possible change in the key assumptions would not cause an impairment to the assets of the CGU. Hence, no sensitivities have been disclosed.

Logistics CGU

The Group recognised a $14.7 million impairment charge against the Logistics CGU at 30 June 2026 following weaker-than-expected trading performance during the year. Profitability was adversely impacted by under-utilisation of fleet assets, increased use of higher-cost subcontractors due to driver shortages, and underutilisation of warehouse capacity. As a result of the impairment assessment, the recoverable amount of the Logistics CGU was determined to be $215.3 million, compared to a carrying value of $230 million, resulting in the recognition of the impairment. A sensitivity analysis was performed on the key assumptions used in the impairment assessment, applying reasonably possible changes to those assumptions. A negative change in the key assumptions would result in a further impairment charge.

Environmental CGU

The Group recorded a $11.6m impairment charge against the Environmental Services CGU in December 2025 due to the segment performing below expectations due to restricted supply of input materials and delays in the commissioning of the new LWTP Plant. Recoverable amount of the CGU as at 30 June 2026 was $35.9 million against carrying value of $24.2 million. As at June 2026,an impairment assessment of the Environmental CGU was performed due to a delay in commissioning the new Liquid Waste Treatment Plant. The estimated recoverable amount of the Environmental CGU is greater than its carrying value and no further impairment was recognised based on the assessment performed at 30 June 2026.

Sensitivities

The impact of the change in any single assumption on the recoverable amount of the Logistics and Environmental CGUs as at 30 June 2026 is summarised below:

	Logistics		Environmental	
Key Assumptions	Change	Impact $'000	Change	Impact $'000
Long term growth rate (terminal value)	0.50%	5,548	0.50%	786
	(0.50%)	(5,096)	(0.50%)	(727)
Pre-tax discount rate	1%	(14,303)	1%	(2,383)
	(1%)	16,879	(1%)	2,785
Revenue growth rate	0.50%	26,148	0.50%	5,257
	(0.50%)	(25,808)	(0.50%)	(5,190)

Note 18 Other Assets

	Group 2026 $000	Group 2025 $000
Prepayments	7,529	6,502
Bond and security deposits	752	1,181
Others	-	100
Term Deposits	9,290	-
	17,571	7,783

Note 19 Right-of-use Assets

The Group's lease portfolio predominantly relates to land & buildings, along with equipment leases. The leases for premises have an average of 6.1 years remaining in their lease term (if all available options are taken up).

Options to extend or terminate

The option to extend or terminate is contained in several of the property leases of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the lease liability and by extension, the right of use asset.

The short-term lease and low value lease exemptions have been adopted whereby payments associated with these leases are expensed through the profit or loss.

Note 19 Right-of-use Assets (continued)

AASB 16 related amounts recognised in the Consolidated Statement of Financial Position

	Group	
Right-of-use assets	**2026 $000**	**2025 $000**
Cost	152,760	127,847
Accumulated depreciation	(82,649)	(64,581)
Total right-of-use asset	70,111	63,266
Lease Liabilities		
Current	16,461	16,877
Non-current	59,326	49,733
Total lease liabilities	75,787	66,610

Movements in carrying amounts of Right-of-use assets

Leased buildings:

Opening net carrying amount	63,266	44,952
Additions	30,384	37,111
Disposal	(2,879)	-
Reclassification	(629)	-
Depreciation expense	(19,700)	(18,879)
Movement in foreign exchange	151	82
Impairment	(482)	-
Net carrying amount	70,111	63,266

	Group	
AASB 16 related amounts recognised in the statement of profit or loss	**2026 $000**	**2025 $000**
Depreciation charge related to right-of-use assets	19,700	18,879
Interest expense on lease liabilities	4,303	3,207
Rental expense related to low value and short-term leases	1,777	841

	Group	
	2026 $000	**2025 $000**
Total cash outflows for leases	22,475	21,228

Note 20 Trade and Other Payables

	Group	
	2026 $000	**2025 $000**
Current		
Unsecured liabilities		
Trade payables	32,627	26,416
Sundry payables and accrued expenses	10,692	13,301
	43,319	39,717

Note 21 Borrowings

	Group	
	2026 $000	2025 $000
Current		
Secured liabilities - amortised cost:		
Bank loans	-	4,604
Other loans	11,879	1,951
Total current borrowings	11,879	6,555
Non-current		
Secured liabilities - amortised cost:		
Bank loans	-	103,700
Other loans	93,618	324
Total non-current borrowings	93,618	104,024
Total borrowings	105,497	110,579

	Group	
	2026 $000	2025 $000
Total current and non-current secured liabilities:		
Bank loans	-	108,304
Other loans	105,497	2,275
	105,497	110,579

Collateral provided

On 27 March 2026, the Group refinanced its ANZ syndicated facility with a new funding arrangement provided by ScotPac Business Finance, comprising facilities of up to $120.0 million with a minimum tenure to 27 March 2028. Concurrently, all borrowings under the ANZ syndicated facility were refinanced. Details of the new facility are as follows:

- Chattel Mortgage Facility, purpose to finance the purchase of equipment, motor vehicles and machinery
- Debtor Financing Facility, purpose to provide financing of working capital and general corporate purposes
- Term Loan, purpose to refinance existing Financial Indebtedness of the Group.

The facilities are secured by a first ranking security charge over the Group's assets and property excluding those covered under the Chattel mortgage.

Note 21 Borrowings (continued)

Facilities drawn as at 30 June 2026

	Amount Drawn $000	Total facility $000
Chattel Mortgage - interest rate 0.66% p.a. plus other charges	44,648	49,000
Debtor Financing Facility[1] - prevailing 30 day BBSY plus 4%	40,728	51,000
Term Loan - interest rate 7.34% p.a.[2]	20,121	20,000
Total Other Loans	105,497	120,000

Facilities drawn as at 30 June 2025

	Amount Drawn $000	Total facility $000
Facility A - effective blended rate 5.81% p.a.	55,034	65,500
Facility B - effective rate 5.71% p.a.	30,906	40,000
Equipment finance facilities - effective interest rate 6.44% p.a.	22,364	37,445
Overdraft facility	-	3,000
Total Bank loans	108,304	145,945

Debtor Finance Facility

1. ScotPac has provided the Group with a recourse debtor finance facility, which forms part of the Group's working capital management. Under this facility, the Group sells receivables of its customers to ScotPac in exchange for cash. The receivables are recognised as an asset since the risk has not fully transferred to ScotPac at the time of sale. The Group is responsible for the collection of the receivables and bears the credit risk. ScotPac has recourse to the Group if the debt is unrecoverable.

2. Included in amount drawn is accrued interest.

Note 22 Tax

	Group 2026 $000	Group 2025 $000
Current		
Income tax payable	148	7,740
	148	7,740

Note 22 Tax (continued)

Non-Current	Opening Balance	Recognised in Profit & Loss	Charged directly to Equity	Exchange Differences	Closing Balance
Group	**$000**	**$000**	**$000**	**$000**	**$000**
Deferred tax liabilities					
Property, plant & equipment - tax allowance	10,705	(5,790)	-	-	4,915
Land & buildings revaluation	10,662	4	10,160	-	20,826
Right of Use Asset	12,355	4,693	-	-	17,048
Other	1,737	(391)	-	-	1,346
Balance at 30 June 2025	35,459	(1,484)	10,160	-	44,135
Property, plant & equipment - tax	4,915	(4,331)	-	-	584
Land & buildings revaluation	20,826	-	-	-	20,826
Right of Use Asset	17,048	6,725	-	-	23,773
Other	1,346	(752)	-	-	594
Balance at 30 June 2026	44,135	1,642	-	-	45,777
Deferred tax assets					
Provisions and accruals	4,694	(209)	-	-	4,485
Transaction costs on equity issue	320	(201)	-	-	119
Lease Liabilities	13,024	4,954	-	-	17,978
Other	1,025	(101)	-	-	924
Balance at 30 June 2025	19,063	4,443	-	-	23,506
Provisions and accruals	4,485	568	-	-	5,053
Transaction costs on equity issue	119	(115)	-	-	4
Lease Liabilities	17,978	7,846	-	-	25,824
Other	924	(178)	-	-	746
Balance at 30 June 2026	23,506	8,121	-	-	31,627

Note 23 Provisions

	Group	
Current	**2026 $000**	**2025 $000**
Employee Benefits	8,555	9,227
Site cleanup and disposal of battery acid and other chemicals	533	133
Others	83	300
Total	9,171	9,660
Non-Current		
Employee Benefits	1,373	1,268
Total	1,373	1,268

Analysis of Total Provisions

	2026 $000	2025 $000
Current	9,171	9,660
Non-current	1,373	1,268
	10,544	10,928

Note 24 Issued Capital

	Group 2026 $000	Group 2025 $000
285,225,261 fully paid ordinary shares	258,462	258,462
	258,462	258,462

Ordinary Shares	Group 2026 No.	Group 2026 $'000	Group 2025 No.	Group 2025 $'000
At the beginning of the reporting period	285,225,261	258,462	284,610,360	258,112
Shares issued during the year	-	-	614,901	350
At the end of the reporting period	285,225,261	258,462	285,225,261	258,462

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements other than covenants by funding partners.

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

	Note	Group 2026 $000	Group 2025 $000 (restated)
Total borrowings and lease liabilities	21, 19	181,284	177,189
Trade & other payables	20	43,319	39,717
Less cash & cash equivalents	10	(11,645)	(15,941)
Less Term deposits		(9,290)	-
Net debt		203,668	200,965
Total equity		299,701	344,897
Total net debt and equity		503,369	545,862
Gearing ratio		68%	58%

Note 25 Share Based Payments

Employee Incentive Security (EIS) Plan
During the year ended 30 June 2026, the Company granted performance rights to the Chief Financial Officer under the Performance Rights Plan as part of the Company's long-term incentive arrangements. During the year ended 30 June 2025, performance rights were granted to the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The rights were granted for nil consideration and will vest subject to the achievement of specific performance conditions over a three-year period.

	NUMBER OF PRS AWARDS	
	2026	2025
PRS on issue at the beginning of the financial year	1,427,987	-
Granted during the financial year	275,700	1,427,987
Forfeited during the financial year	717,987	-
PRS on issue at the end of the financial year	**985,700**	1,427,987
PRS exercisable at the end of the financial year	-	-

	Tranche 1 Performance Rights	**Tranche 2 Performance Rights**
Valuation Methodology	Black Scholes	Monte Carlo
Number of iterations	n/a	100,000
Grant date	15 March 2026	15 March 2026
Vesting date	30 June 2028	30 June 2028
Base price to calculate RSR ($)	n/a	0.391
Share price at grant date ($)	0.395	0.395
Exercise price ($)	nil	nil
Risk-free rate (%)	4.460	4.460
Volatility (%)	61.67	61.67
Dividend yield (%)	nil	nil
Fair value per security ($)	**0.395**	**0.293**
Number	137,850	137,850
Total value ($)	**54,451**	**40,404**

The Tranche 1 Performance Rights are subject to a non-market vesting condition and were valued using the Black-Scholes option valuation method.
The Relative Shareholder Return (RSR) condition on the Tranche 2 Performance Rights is a market based vesting condition. Monte Carlo simulation was used to incorporate a probability-based value impact of the market condition to determine the fair value of the Tranche 2 Performance Rights.

In determining the expected volatility of DGL share returns for the purpose of valuing equity-settled share-based payments under AASB 2 Share-based Payment, both historical share price volatility over a period commensurate with the expected life of the performance rights, as well as prevailing trends in share price volatility, were considered.

The fair value of performance rights granted is recognised as an employee benefit expense over the vesting period with a corresponding increase in equity. The total expense recognised for the financial year ended 30 June 2026 in relation to these performance rights was $96,077 (2025 : $117,788).

Note 26 Operating Segments

General Information

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment; and
- the type or class of customer for the products or service.

Types of products and services by segment

(i) Environmental Services

The Group's Environmental Solutions segment is focused on resource recovery and waste management. Its core activities comprise liquid waste treatment, and end-of-life lead acid battery ("ULAB") recycling.

ULAB recycling is undertaken at two EPA licensed recycling facilities located in New South Wales and Victoria. The division relies on an established and mature collection network of suppliers located throughout Australia. ULABs are recycled in state-of-the-art recycling facilities which are highly automated. The primary outputs from the ULAB recycling process are lead products, scrap plastic and waste.

The segment operates a waste water treatment plant at its New South Wales ULAB recycling plant to process liquid waste generated from its own plant and from external customers.

(ii) Chemical Manufacturing

The Group's Chemical Manufacturing segment produces its own range of speciality chemicals and undertakes advanced formulation and contract manufacturing on behalf of third parties. The Group believes the segment provides a versatile, end to end solution for its customers.

Operations are focused on deriving chemicals from complex reactions in controlled environments. Using internally developed intellectual property, the division also manufactures DGL branded goods.

(iii) Logistics

The Group's Logistics segment offers transport, logistics and warehousing services focusing on dangerous and hazardous goods across Australia and New Zealand. The segment also manages logistics and distribution for other goods including food, pharmaceutical products, agricultural products, security sensitive goods and temperature-controlled products.

Key components of the services provided by the Logistics segment include freight forwarding, inventory management, warehousing, and transport.

(iv) Corporate costs

The Group's Corporate Costs segment represents costs incurred by the Group not allocated to the operating segments.

Note 26 Operating Segments

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Intersegment transactions

An internally determined transfer price is set for all intersegment sales. This price is reset biannually and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

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

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Note 26 Operating Segments (continued)

Segment performance

Year ended 30 June 2026	Environmental Services $000	Chemical Manufacturing $000	Logistics $000	Corporate Costs $000	Eliminations $000	Total $000
REVENUE						
External sales	29,600	276,529	151,786	-	-	457,915
Inter-company revenue	7,302	10,663	27,108	9	(45,082)	-
Total segment revenue	36,902	287,191	178,894	9	(45,082)	457,915
Underlying EBITDA	2,971	25,396	16,971	(523)	(3,467)	41,348
Depreciation & amortisation	(2,148)	(13,936)	(20,431)	(642)	3,447	(33,710)
Underlying EBIT	823	11,460	(3,460)	(1,165)	(20)	7,638
Reconciliation of segment result to group net profit/loss before tax						
Finance costs						(14,332)
Restructuring						(725)
Software Development						(1,287)
Write down of software assets						(145)
Write down of Property, Plant & Equipment						(13,793)
Write down of Right-of-use assets						(482)
Doubled up costs on site relocations						(799)
Write down of assets held for sale						(2,451)
Impairment of goodwill						(14,732)
Net loss before tax from operations						(41,108)
Year ended 30 June 2025						
REVENUE						
External sales	71,451	268,694	141,343	8	-	481,496
Inter-company revenue	5,608	15,833	25,810	1,892	(49,143)	-
Total segment revenue	77,059	284,527	167,153	1,900	(49,143)	481,496
Underlying EBITDA	1,757	37,943	23,072	(7,463)	(3,253)	52,056
Depreciation & amortisation	(4,875)	(13,386)	(17,912)	(934)	2,658	(34,449)
Underlying EBIT	(3,118)	24,557	5,160	(8,397)	(595)	17,607
Reconciliation of segment result to group net profit/loss before tax						
Finance costs						(12,030)
Restructuring						(1,419)
Software Development						(1,068)
Write down of software assets						(1,690)
Gain/Loss on Property Sale						(50)
Acquisition costs						(340)
Write down of Property, Plant & Equipment						(12,560)
Doubled up costs on site relocations						(898)
Write down of assets held for sale						(2,167)
Impairment of goodwill						(17,123)
Net loss before tax from operations						(31,738)

Note 26 Operating Segments (continued)

Segment assets and liabilities

30 June 2026	Environmental Solutions $000	Chemical Manufacturing $000	Logistics $000	Corporate $000	Eliminations $000	Total $000
Segment assets	57,102	302,614	80,649	146,096	(33,802)	552,659
Segment liabilities	(13,503)	(82,509)	(72,459)	(119,796)	35,309	(252,958)
Segment assets include:						
- Additions to non-current assets (other than financial assets and deferred tax)	2,592	7,722	5,529	2,195	-	18,038
30 June 2025						
Segment assets (restated)	76,026	283,292	91,487	164,937	(10,954)	604,788
Segment liabilities	(28,664)	(69,205)	(66,603)	(102,312)	6,893	(259,891)
Segment assets include:						
- Additions to non-current assets (other than financial assets and deferred tax)	3,197	9,008	6,780	2,808	-	21,793

Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the selling entity.

	2026 $000	2025 $000
Australia	428,860	448,750
New Zealand	29,055	32,746
Total revenue	457,915	481,496

Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	2026 $000	2025 $000
Australia	511,157	537,333
New Zealand	41,502	60,729
Total Assets	552,659	598,062

Note 27 Cash Flow Information

	Group 2026 $000	Group 2025 $000
Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Profit after income tax	(40,240)	(27,921)
Non-cash flows in profit:		
Depreciation and amortisation	33,710	34,449
Write down right of use assets	482	-
Write down software assets	145	1,690
Write down assets held for sale	2,451	2,167
Write down Property, Plant & Equipment	13,793	12,560
Gain on sale of fixed assets	(363)	(412)
Impairment - Goodwill	14,732	17,123
Share based payment expense	96	118
Non-operating cash flows in profit:		
Acquisition costs	-	340
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease/(Increase) in trade and term receivables	(2,363)	6,943
(Increase) in prepayments	(1,027)	1,306
Decrease/(Increase) in inventories	5,260	(1,976)
Increase/(Decrease) in trade payables and accruals	3,602	2,768
Increase/(Decrease) in income taxes payable	(7,592)	1,220
Increase in deferred taxes payable	(6,479)	(5,927)
Increase/(Decrease) in provisions	(383)	241
Net cash generated by operating	15,824	44,689

Note 28 Events After the Reporting Period

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 29 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. **Key Management Personnel:**

The Board, the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Executive Managers who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer tonote 7.

ii. **Other Related Parties**

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Note 29 Related Party Transactions (continued)

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Group 2026 $	Group 2025 $
i. ***Transactions with Simon Henry & his controlled entities***		
Administration revenue charged to Simon Henry and his controlled entities	11,486	49,637
Rental and related expenses charged by Simon Henry and his controlled entities	22,341	12,761
ii. ***Transactions with other related parties***		
Company secretary fees and tax services, paid to DW Accounting & Advisory Pty Ltd, of which Mr Andrew Draffin, Company secretary (appointed on 16 October 2025) is a director and shareholder. DW Accounting & Advisory Pty Ltd is a shareholder of DGL Group Limited.	80,000	147,361
Rental and related expenses charged by entities that Mr Robert Sushames (resigned on 4 July 2025) or his close family members have an interest in.	97,228	1,148,670
Upgrading LMS system, processes, training and advice provided by John West Logistics Pty Ltd which John West is the Managing Director	-	175,000

All transactions noted above have been carried out on an arms-length basis.

Note 30 Financial Risk Management

The Group's financial instruments consist mainly of cash and cash equivalents, leases, borrowings, trade and other receivables and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	Group 2026 $000	Group 2025 $000
Financial Assets			
Financial assets at amortised cost			
- Cash & cash equivalents	10	11,645	15,941
- Trade & other receivables	11	55,571	53,208
- Other asset	18	9,290	-
Financial assets at fair value			
- Other financial assets		-	-
Total Financial Assets		76,506	69,149
Financial Liabilities			
Financial liabilities at amortised cost			
- Lease liabilities (premises)	19	75,787	66,610
- Sale and leaseback liability	14	3,484	3,493
- Trade & other payables	20	43,319	39,717
- Borrowings	21	105,498	110,579
Financial liabilities at fair value			
- Contingent consideration		-	-
- Derivative cashflow hedge		-	167
Total Financial Liabilities		228,088	220,566

Note 30 Financial Risk Management (continued)

Financial Risk Management Policies
The Group's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management
The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 7 to 90 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Group has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default

Significant increase in credit risk for financial instruments
The Group evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Group takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available. Prospective information taken into consideration includes the future volatility of the industries in which the Group's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information that Group's core operations can relate to.

Credit Risk Exposures by class of financial assets
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees given to third parties in relation to obligations under its bank facility.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group has significant credit risk exposures to Australia and New Zealand given the substantial operations in those regions. Details with respect to credit risk of trade and other receivables is provided in note 11.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at note 11.

Note 30 Financial Risk Management (continued)

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Consolidated Group	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**
Financial liabilities due for payment								
Bank overdrafts and loans	11,879	6,555	93,618	104,024	-	-	105,497	110,579
Trade & other payables	43,319	39,717		-		-	43,319	39,717
Lease liabilities	22,508	16,877	54,600	44,046	6,216	5,687	83,324	66,610
Total expected outflows	77,706	63,149	148,218	148,070	6,216	5,687	232,140	216,906

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to note 21 for further details.

c. Market Risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows and earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

The Group does not currently enter into interest rate hedges. Management regularly assesses funding arrangements to ensure it maintains access to necessary liquidity and manages cashflow volatility arising from interest rate changes. Based on the Group's interest-bearing assets and liabilities at the reporting date, management has assessed the Group's exposure to interest rate risk as immaterial. Consequently, no interest rate sensitivity analysis has been disclosed in these consolidated financial statements.

ii. *Foreign currency risk*

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are held in other currencies than the AUD functional currency of the Group.

The Group has entered into foreign exchange forward contracts to manage a portion of the foreign currency risk associated with booked purchase transactions in USD.

With overseas operations in New Zealand, fluctuations in the NZ Dollar to AU Dollar exchange rate impact on the Group's equity

Note 30 Financial Risk Management (continued)

Sensitivity Analysis

The following table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible as at 30 June.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Group	
	Profit	Equity
Year ended 30 June 2026	**$000**	**$000**
AUD strengthens 10% against the USD	(1,171)	(27)
AUD weakens 10% against the USD	648	30
AUD strengthens 10% against the NZD	(41)	3,219
AUD weakens 10% against the NZD	50	(3,934)
Year ended 30 June 2025		
AUD strengthens 10% against the USD	(6)	(145)
AUD weakens 10% against the USD	13	178
AUD strengthens 10% against the NZD	(181)	3,497
AUD weakens 10% against the NZD	221	(4,274)

iii. *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities. The price of lead affects the Group's environmental segment. The Group held no financial instruments at 30 June 2026 (30 June 2025: nil) that would be impacted by a change in the price of lead.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are compared to their carrying amounts as presented in the statement of financial position. Refer to note 31 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

Management do not believe there are any material differences between carrying values of financial assets and their fair value.

Note 31 Fair Value Measurements

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

— financial assets at fair value through other comprehensive income
— freehold land and buildings.
— derivatives in foreign exchange
— Asset held for sale on a non-recurring basis

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

(a) Fair value hierarchy

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

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

Note 31 Fair Value Measurements (continued)

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

		2026			
Recurring & Non-recurring fair value measurements	**Note**	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Assets and Liabilities measured at fair value					
Assets					
Freehold land	16	-	99,131	-	99,131
Buildings	16	-	49,744	-	49,744
Asset held for sale	13	-	500	-	500
Total assets		-	149,375	-	149,375
Liabilities					
Derivative Liabilities	14	-	-	-	-
Total Liability		-	-	-	-

		2025			
Recurring fair value measurements	**Note**	**Level 1 $000**	**Level 2 $000**	**Level 3 $000**	**Total $000**
Assets and Liabilities measured at fair value					
Assets					
Freehold land	16	-	99,371	-	99,371
Buildings	16	-	53,593	-	53,593
Assets held for sale	13	-	27,930	-	27,930
Total assets		-	180,894	-	180,894
Liabilities					
Derivative Liabilities	14	-	167	-	167
Total Liability		-	167	-	167

(b) Valuation techniques and inputs used to measure Level 2 fair values

Non-financial assets

Freehold land (i)	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology
Buildings (i)	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology

(i) The fair value of freehold land and buildings is determined periodically based on valuations by an independent valuer. At the end of each intervening period, the directors will review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies or seek updated independent valuations.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Note 32 Reserve

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of land and buildings.

Cash Flow Hedge Reserve

The cash flow hedge reserve records revaluations of hedging instruments

Merger Acquisition Reserve

When the Company acquired DGL Manufacturing Pty Ltd, DGL Warehousing & Distribution Pty Ltd, DGL (NZ) Limited, DGL Manufacturing Limited and DGL Warehousing NZ Limited, the transactions were assessed as a transaction involving entities under common control.

In accordance with the accounting policy adopted, all assets and liabilities will be recorded at their book value at the date of acquisition. The remaining difference between the fair value of the consideration paid and the book value of the net assets acquired is allocated to equity.

Note 33 Deed of Cross Guarantee

On the 5 June 2023 DGL Group Limited entered into a Deed of Cross Guarantee with the following wholly owned entities:

- DGL Manufacturing Pty Ltd
- Flexichem Australia Pty Ltd
- DGL Warehousing & Distribution Pty Ltd
- DGL Industries Pty Ltd
- DGL Global Logistics Pty Ltd
- DGL Townsville Pty Ltd
- DGL Manufacturing Australia Pty Ltd
- Labels Connect Pty Ltd
- DGL AusBlue Pty Ltd
- Opal Australasia Pty Ltd
- AusTech Chemicals Pty Ltd
- Total Bio Group Pty Ltd
- Total Coolant Management Solutions Pty Ltd
- Aquadex Pty Ltd
- BTX Group Pty Ltd
- Acacia Ridge Container Park Pty Ltd
- Australian Petro Chemical Storage Pty Ltd[1]
- Triox Pty Ltd[1]
- Enlog Pacific Holdings Pty Ltd[1]

[1] *On 29 June 2026, these entities joined the Deed of Cross Guarantee.*

Under the deed each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The above companies represent a 'closed group' for the purposes of the instrument and as there are no other parties to the deed of cross guarantee that are controlled by DGL Group Limited, they also represent the 'extended closed group'.

Set out below are a consolidated statement of financial positions, a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2026 of the closed group assuming all members of the group were members from 1 July 2024 or, if at a later date, from the date DGL Group Limited gained control of the entity.

Note 33 Deed of Cross Guarantee (continued)

Statement of Profit or Loss and Other Comprehensive Income

	2026 $000	2025 $000
Sales revenue	428,860	434,993
Cost of sales	(255,669)	(256,080)
	173,191	178,913
Other income	2,049	2,312
Acquisition costs relating to business combinations	-	(293)
Employee benefits expense	(99,682)	(102,095)
Administration and general expenses	(19,242)	(17,171)
Legal and professional fees	(3,798)	(2,396)
Occupancy expense	(14,604)	(14,769)
Depreciation and amortisation expense	(31,419)	(31,696)
Write down assets held for sale	(2,451)	(2,167)
Write down software assets	(145)	(1,398)
Finance costs	(14,046)	(11,680)
Share based payments	(95)	(118)
Write down Property, Plant & Equipment	(13,793)	(12,560)
Write down of right of use assets	(482)	-
Impairment of goodwill	(14,732)	(17,123)
Loss before income tax	(39,249)	(32,241)
Tax expense/ (benefit)	(797)	3,817
Loss from continuing operations	(40,046)	(28,424)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss when specific conditions are met:		
Exchange differences on translating foreign operations, net of tax	-	-
Items that will not be reclassified subsequently to profit or loss:		
Revaluation gain on land and buildings, net of tax	-	23,194
Total other comprehensive income/(loss) for the year	-	23,194
Total comprehensive income for the year	(40,046)	(5,230)

Note 33 Deed of Cross Guarantee (continued)

Consolidated Statement of Financial Position

	2026 $000	2025 $000
Assets		
Current Assets		
Cash and cash equivalents	10,810	13,512
Trade and other receivables	52,249	49,701
Asset held for sale	500	27,930
Inventories	37,648	32,883
Other assets	17,212	4,516
Total Current Assets	118,419	128,542
Non-Current Assets		
Investments in subsidiaries	52,038	55,244
Inter-company receivables	15,202	8,536
Property, plant and equipment	200,941	217,267
Intangible assets	112,110	116,627
Right-of-use assets	66,720	57,486
Total Non-Current Assets	447,011	455,160
Total Assets	565,430	583,702
Liabilities		
Current Liabilities		
Lease liabilities	14,682	14,537
Trade and other payables	40,923	34,853
Other financial liabilities	3,482	3,635
Borrowings	11,879	4,290
Current tax liabilities	148	8,433
Provisions	8,998	8,767
Deferred Income	30	30
Total Current Liabilities	80,142	74,545
Non-Current Liabilities		
Lease liabilities	57,455	45,989
Borrowings	93,618	104,024
Deferred tax liabilities	14,434	20,507
Provisions	1,373	1,086
Total Non-Current Liabilities	166,880	171,606
Total Liabilities	247,022	246,151
Net Assets	318,408	337,551
Equity		
Issued capital	266,046	258,462
Reserves	61,159	47,840
Retained earnings	(8,797)	31,249
Total Equity	318,408	337,551

Summary of Movements in Consolidated Retained Earnings

	2026 $000	2025 $000
Opening retained earnings	31,249	59,673
Profit for the year	(40,046)	(28,424)
Closing retained earnings	(8,797)	31,249

Note 34 Contingent Liabilities

Environmental Protection Authority (EPA) Proceedings

The Group is currently subject to proceedings by the Environmental Protection Authority (EPA) concerning alleged breaches of environmental regulations at one of its sites in 2024. DGL has pleaded guilty in these proceedings. At the date of this report, the extent of any penalties imposed on DGL cannot be measured with sufficient reliability but it is not considered likely to lead to a material outflow of resources.

Envirostore Fire Incident

On 9 June 2026, a fire occurred at the Group's Envirostore facility in Campbellfield, Victoria. Investigations by relevant regulatory and government authorities are ongoing. As at the reporting date, the Group is unable to reliably estimate any potential obligations, penalties, remediation costs or third-party claims that may arise. Accordingly, no provision has been recognised, except for the insurance excess payable under the Group's insurance arrangements.

In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the above two matters have been assessed as a contingent liability. The Group has not recognised a provision in the financial statements, as a material outflow of resources is not considered probable at this stage. The matter will continue to be monitored and reassessed in future reporting periods.

Note 35 Capital Commitment

The table below reflects the capital commitments the Group had entered into as at the end of the financial year.

	Group	
	2026	2025
	$000	$000
Purchase of land at 27 Mania Road, Christchurch, NZ	-	1,903
Development works at 27 Mania Road, Christchurch, NZ	-	4,031
Development works - 42 Magnesium, Narangba, QLD	53	61
Plant and Equipment (Steam Boiler) at 8 Berger Wingfield, SA	-	935
Liquid Waste Treatment Plant at 201 Five Islands Rd, Unanderra NSW	-	1,533
Plant safety upgrades	244	-
Labels printing equipment	195	-
Site works and installation of plant and equipment at Sommersby & St. Marys	-	600
	492	9,063

Note 36 Company Details

The registered office of the company is:

DGL Group Limited
Level 1, Suite 2, 80 George Street
Parramatta, New South Wales 2150

The principal places of business are:

DGL Warehousing and Distribution
739 Progress Road
Wacol, QLD 4076
Brisbane, Australia

DGL Environmental Solutions
201 Five Islands Road
Unanderra NSW 2526
Wollongong, Australia

DGL Chemical Manufacturing
120 Fulton Drive
Derrimut VIC 3026
Melbourne, Australia

Name of entity	Type of entity	Trustee, partner, or participant in JV	% share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
DGL Group Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
Acacia Ridge Container Park Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Aquadex Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Austech Chemicals Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
BTX Group Limited	Body Corporate	N/A	100	Australia	Australian	N/A
DGL (NZ) Limited[1]	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
DGL Ausblue Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Global Logistics Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Group Inc[1]	Body Corporate	N/A	100	United States of America	Foreign	United States of America
DGL Industries Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Manufacturing (Australia) Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Operations Ltd[1]	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
DGL Manufacturing Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL North America Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Townsville Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Warehousing & Distribution Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
DGL Property NZ Limited[1]	Body Corporate	N/A	100	New Zealand	Foreign	New Zealand
Flexichem Australia Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Labels Connect Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Opal Australasia Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Total Bio Group Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Total Coolant Management Solutions Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Triox Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Australian Petro Chemical Storage Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Enlog Pacific Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A

1. These companies are not members of the tax consolidated group.

The Group's subsidiaries at 30 June 2026 are set out above. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Determination of tax residency

Section 295 (3A) of the Corporations Act 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.

In the directors' opinion:

1. the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

5. at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33 to the financial statements; and

6. the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors

Director

Dated this 31/08/2026

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Parramatta NSW 2150
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of DGL Group Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of DGL Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion, except for the effects of the matters described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

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

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

Basis for qualified opinion

We were appointed as auditors of the Group on 15 December 2025 and thus did not observe the counting of physical inventories at the beginning of the year. We were unable to satisfy ourselves by alternative means concerning inventory quantities at 30 June 2025. Since opening inventories enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the period reported in the consolidated statement of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of non-financial assets

Key audit matter	How the matter was addressed in our audit
Refer to Notes 16, 17 and 19 of the Financial Report (Property, plant and equipment, Intangible assets and Right of use assets of $424,428,000). Impairment testing of non-financial assets is a key audit matter, given the size of the balance (being 77% of total assets) and due to a number of historic business acquisitions which resulted in goodwill being recognised. This results in the Group being required to exercise a level of judgement to determine the value-in-use of each cash generating unit (CGU) and whether or not an impairment charge is necessary. This involves critical judgment by management about future growth rates of the business in each CGU, discount rates applied to future cash flow forecasts for each CGU and sensitivities of inputs and assumptions used in the cash flow models. Significant audit effort was therefore required to assess the appropriateness of critical judgements being made in relation to forecast future revenue and costs, discount rates, and terminal growth rate, and gather sufficient audit evidence.	Our procedures included: • Considering the appropriateness of the value in use method applied by the Group to perform impairment testing of property, plant and equipment, right of use assets and intangible assets against the requirements of the accounting standards; • Evaluating the Group's determination of the CGUs to which goodwill and other intangible assets are allocated; • Inquiring with the Group regarding the impacts of the current economic conditions to the Group; • Assessing the accuracy of the Group's previous forecasts to inform our evaluation of forecasts incorporated into the current year model. We applied increased scepticism to assumptions in areas where previous forecasts were not achieved; • Challenging key assumptions, including forecast growth rates by comparing them to historical results, business trends and industry forecasts; • Independently assessing the range of revenue growth and discount rate assumptions that might reasonably be expected to occur based on external market data and recalculating the model using these assumptions;

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Key audit matter	How the matter was addressed in our audit
	• Working with our valuation specialists, we • Independently developed a discount rate range taking into consideration publicly available market data for comparable entities and adjusting for risk factors specific to the Group and the industry it operates in; • Compared terminal growth rates to published studies of industry trends and expectations, and considered differences for the Group's operations; • Assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • Performing sensitivity analysis on the key financial assumption in the models. These included revenue growth rate, terminal growth rates and the discount rates applied; and • Assessing the disclosures in the financial report against the requirements of the accounting standard and using our understanding obtained from our testing.

Existence and valuation of inventories at 30 June 2026

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 12 of the financial report, the Group holds inventories of $42,944,000 (net of the provision for obsolescence) in the statement of financial position as at 30 June 2026. The Group's inventory consists of a high volume of items that are dispersed throughout the various locations across Australia and New Zealand. The Group conducts rolling and annual stocktakes throughout the year and around period end, across the	Our procedures included: • Obtaining an understanding of the Group's process and controls around 30 June 2026 stock takes and evaluating the appropriateness of these procedures and controls; • Attending a selection of stocktakes around period end, across various location within the Group's operations; • Performing test counts on a sample of items at each location to ensure the accuracy of the count

Key audit matter	How the matter was addressed in our audit
various manufacturing locations in the Group to assess the existence and valuation of stock on hand. A prior year restatement has been recognised in the financial statements for the year ended 30 June 2026, with respect to the 30 June 2025 comparatives, due to the absorption of costs of conversion into inventories taking place for the first time in the 30 June 2026 financial statements. Refer to Note 2 of the financial report. Assessing the existence and valuation of inventory as at 30 June 2026 was determined to be a key audit matter due to the material nature of the balance and extent of auditor effort required.	performed by management and that count results were appropriately reflected in the inventory system; • Performing inventory roll-forward procedures from the date of count to year end to ensure completeness of the count; • Performing a sample of inventory price testing for raw materials and finished goods to ensure relevant cost are included in the costing of the individual inventory items; • Reviewing management's basis for absorbing costs of conversion into inventories as at 30 June 2026 and the impact on prior periods; • Performing a sample test to ensure finished goods are recorded at lower of cost and net realisable value ("NRV"); and • Performed an inventory obsolescence assessment in line with the group accounting policy and ensured an adequate provision was recorded on obsolete and slow-moving inventory.

Revenue recognition

Key audit matter	How the matter was addressed in our audit
Refer to Note 4 of the financial report. Revenue recognition was considered a key audit matter due to the significance of revenue to the Group's financial performance. For the year ended 30 June 2026, the Group recognised sales revenue of $457,915,000. The Group generates revenue from multiple distinct streams in accordance with AASB 15 Revenue from Contracts with Customers as noted in note 1(d). These revenue streams involve differing contractual terms and performance obligations, requiring management to determine the appropriate timing of revenue recognised.	Our procedures included: • Reviewing revenue recognition policies for all material sources of revenue and assessed the appropriateness of these policies to ensure appropriateness and compliance with AASB 15 Revenue from Contracts with Customers; • Testing a sample of revenue transactions recognised throughout the period for existence and accuracy through vouching samples to sales invoice, proof of delivery and cash receipt; • Performing cut-off procedures to ensure revenue was recognised in the appropriate accounting period, by selecting a sample of revenue transactions both pre- and post-year end, and assessing the revenue recognition with respect to the underlying documentation such as proof of delivery and job sheets; • Reviewing deferred revenue and contract asset balances for reasonableness based on detailed testing and recalculations of deferred revenue and contract asset balances; • Selected a sample of customer contracts and obtained a detailed understanding of the key terms, and performed an assessment of the revenue recognised with respect to the performance obligations in the contract; and • Reviewed manual journal entries to revenue for evidence of management bias or fraudulent transactions.

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Management override of controls

Key audit matter	How the matter was addressed in our audit
Management override of controls was considered a key audit matter due to the disclaimer of opinion issued by PKF in the 30 June 2025 financial statements. The audit report in the 30 June 2025 financial statements included a statement that the basis for the disclaimer of opinion was due to failures identified in the system of internal control, specifically relating to the potential for management to override controls as a result of weaknesses in the system of internal control and corporate governance processes allied to complex accounting and reporting systems. Significant audit effort was therefore required to assess the robustness of the internal control environment and to test for indications of management override of controls.	Our procedures included: • Reviewed manual journal entries posted to the general ledger throughout the year for evidence of fraudulent entries or management bias; • Reviewed board and ARC minutes from throughout the period and subsequent to the period end for any indication of management override of controls or bias; • Performed fraud inquiries with key management personnel from various divisions throughout the business; • Selected a sample of expense transactions from throughout the year and vouched to underlying purchase invoice; • Reviewed Australian Business Numbers (ABNs) for all expense items sampled to ensure legitimacy of the supplier; • Reviewed subsequent payments for each expense item sampled; • Assessed the design and implementation of the control environment across key business cycles for evidence of lack of sufficient controls; and • Reviewed key accounting judgements and estimates for indications of management bias.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Chairman and CEO Report, Operating and Financial Review, and Directors' Report for the year ended 30 June 2026 (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Additional Shareholder Information and Corporate Directory, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Additional Shareholder Information and Corporate Directory, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Other matter

Another auditor was engaged to audit the financial report of DGL Group Limited for the year ended 30 June 2025. That auditor issued a disclaimer of opinion on 17 October 2025. The reasons for the disclaimer of opinion were failures identified in the system of internal control and issues related to the existence and valuation of inventory as at 30 June 2025. As a result, the corresponding figures for the year ended 30 June 2025 are unaudited.

Responsibilities of the directors for the Financial Report

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

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

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

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

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 18 to 23 of the directors' report for the year ended 30 June 2026.

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

Other Matter

Another auditor was engaged to audit the financial report of DGL Group Limited for the year ended 30 June 2025. That auditor issued a disclaimer of opinion on 17 October 2025, and extended that disclaimer to the content of the Remuneration Report. As a result, the corresponding figures in the Remuneration Report for the year ended 30 June 2025 are unaudited.

Responsibilities

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

BDO Audit Pty Ltd

BDO
Ryan Pollett

Ryan Pollett
Director

Parramatta, 31 August 2026