



MINING EQUIPMENT

ANNUAL REPORT

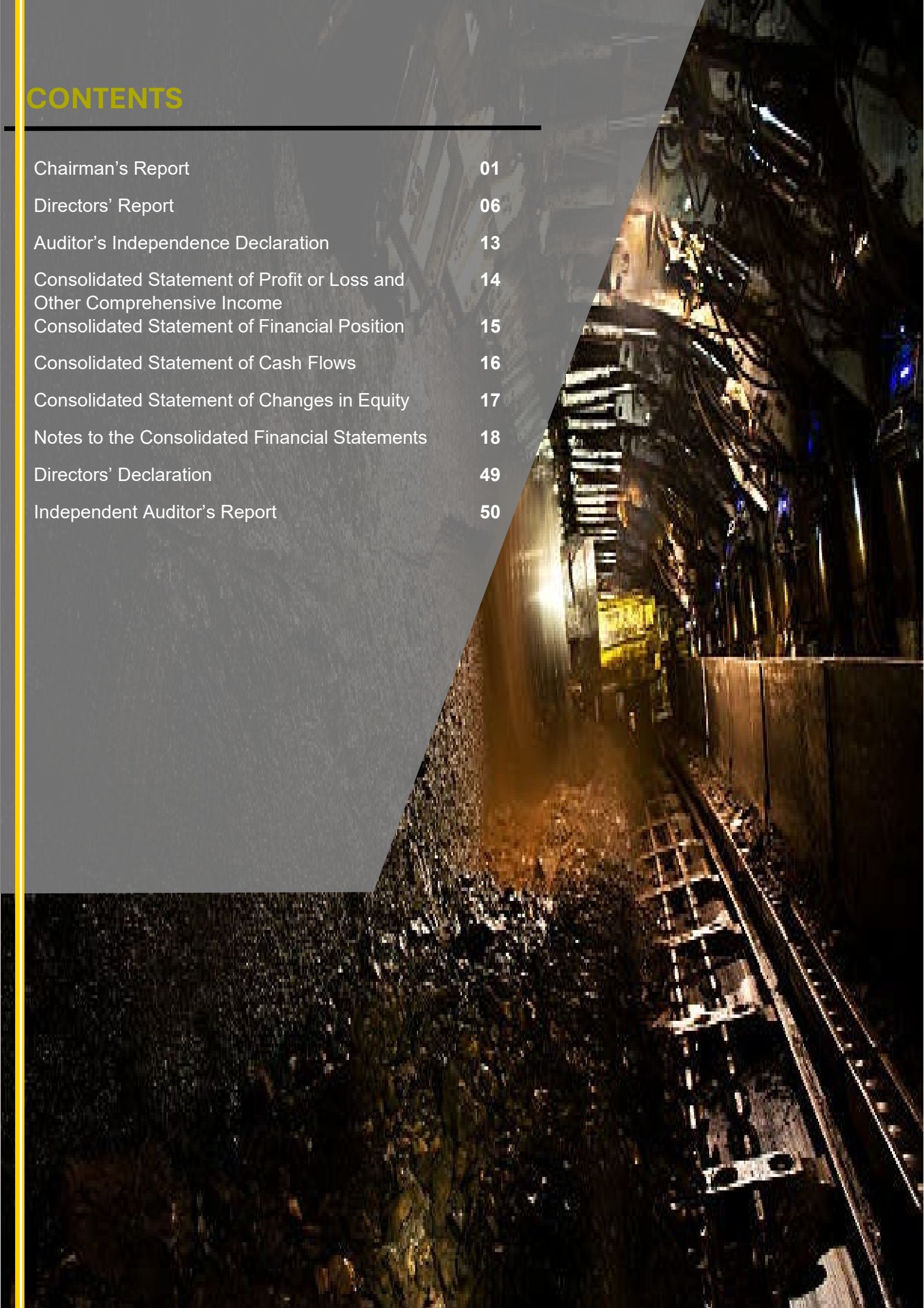
2025

PPK MINING EQUIPMENT GROUP LTD
ACN: 121 201 705



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CHAIRMAN'S REPORT

It is my pleasure to provide an update on the progress your company, PPK Mining Equipment Group Limited (PPKMEG), has made in Financial Year 2025.

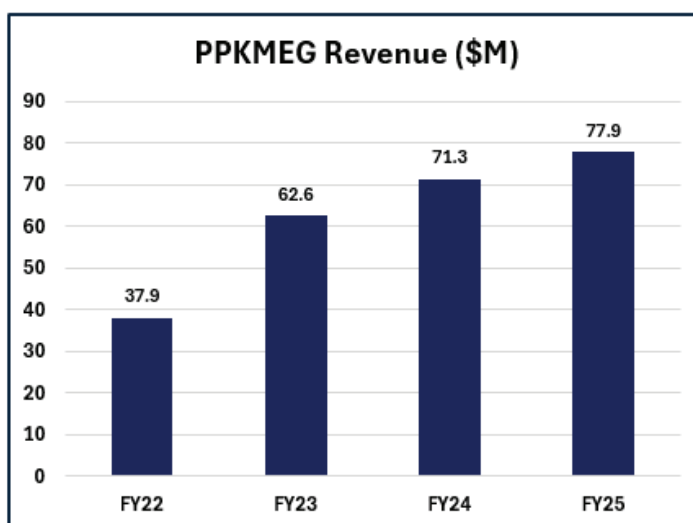
We are continuing to see operational and financial improvements occurring across the group since the acquisition of the NSW and QLD-based business of Valley Longwall International Diesel (VLI) in July 2022 for \$9.2 million, and the subsequent integration of this business into the Company's operations.

Positively, FY 2025 Turnover increased more than 9% to \$77.9M (FY24: \$71.3M), primarily driven by organic growth across key business sectors. Prior year procurement of key contracts with a multi-national resource company generated strong workshop growth and is expected to continue in upcoming years.

The operating Net Profit After Tax (NPAT) increased 63% to \$2.6M. However, the statutory accounting NPAT shown on page 14 includes a once off non-cash tax adjustment of \$1.5M, resulting in a statutory reporting NPAT of \$4.1M.

The business continues to maintain a strong Balance Sheet, with existing lending facilities sufficient to finance M&A if the opportunity presents.

Following successful acquisition and integration of the VLI businesses' leading mining vehicle brands, PPKMEG secured three contracts in the previous period and has secured an additional two contracts in the current reporting period. These two new contracts are for complete Fleet Overhauls, namely the service and overhaul of 27 x Jug-A-0 LHD's and Driftrunner personnel carriers. The two executed contracts in the current period will add an additional invoice base value of \$9.7M.



GEOGRAPHICAL PRESENCE

We now have 181 staff based in four operating centres across the group:

- Tomago, NSW (Workshop)
- Port Kembla, NSW (Workshop)
- Mackay, QLD (Warehouse/Support)
- Mt Thorley, NSW (Manufacturing)

PPKME operates three sites across the key New South Wales mining centres of Wollongong and the Illawarra Basin, the Hunter Valley, as well as the Bowen Basin in Queensland.

The decision to consolidate Queensland operations in Mackay will result in annual cost savings in subsequent years. In conjunction with this initiative, the appointment of a key service agent in the Central Queensland region has ensured the uninterrupted continuation of vehicle service programs for major customers, while PPKMEG's core operations across Queensland have continued to generate strong returns.



CAPITAL EQUIPMENT

Given sustained high interest rates and cost of investment in recent years, we continue to field significant customer interest for new capital equipment for our OEM vehicles, with forecast demand will further increase following the commercialisation of key R&D projects, expected by Dec-25.

Discussions are ongoing with one of China's largest mining equipment manufacturing companies for the build of new heavy machines, further bolstering the Group's expanding product offering. The discussions continue to be positive and rely on Australian approvals and purchase orders being received. Last reporting period we recommenced selling into the Indian market, seeing continued growth this reporting period into India, as well as the wider Asian region. The Indian market remains a key international focus for PPKMEG, with the Driftrunner vehicle the only certified foreign vehicle available for sale in India. The group previously sold vehicles into the Indian market and believes existing key relationships abroad will again result in new capital equipment sales.

NEW TECHNOLOGY UPDATE

PPKMEG continues to invest in new technology to improve safety and emissions across the underground mining sector. Our new ExDES systems are designed to deliver the lowest emissions in the market, while maintaining our strong reputation for reliability, ease of maintenance, and operational efficiency. These in-demand upgrades demonstrate PPKMEG's ongoing commitment to innovation, compliance and safety in underground mining environments.

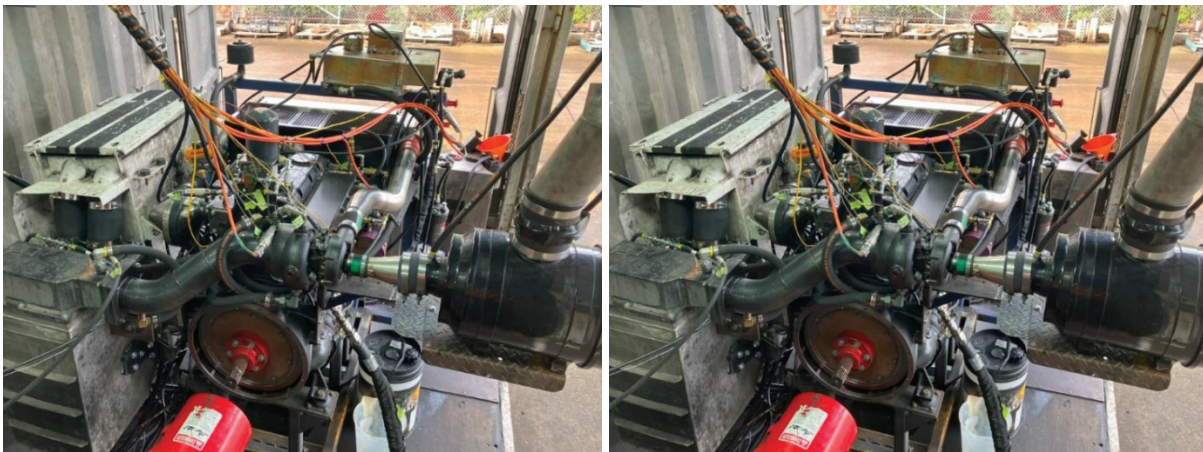
The Group spent more than \$3.0M in key Research and Development projects during the current reporting period, including, but not limited to, projects listed below. The continued progression and anticipated commercialisation of these initiatives are expected to strengthen the Group's competitive position in the years ahead.

Key new technology products and upgrades include:

1. Driftrunner GEN 2 – Engine Package & Braking System

Engine Upgrade

- Transmission and driveshaft geometry unchanged, simplifying integration into existing fleets.
- Increased power and torque compared to existing Perkins 1006-6 package.
- Performance advantage over competitors' equivalent systems.
- Cleaner emissions, meeting the latest environmental and occupational health standards.
- Lower cost of ownership: more affordable to purchase and maintain.
- Manufactured by Perkins on a production line, ensuring quality and long-term support.
- Readily available spare parts, improving uptime and reducing supply chain risk.



Axle & Braking Upgrade

- Brake wear check access at both front and rear axle arms
- Components globally available and cost-effective
- Universal upper front and lower saddles with unchanged rear suspension, reducing retrofit complexity.
- Extended brake life

The GEN 2 Driftrunner sets a new benchmark in performance, emissions compliance, and lifecycle cost reduction for underground fleets.

2. COALTRAM® – BELFORD Ceramic Wall Flow Filter

The Belford Ceramic Wall Flow Filter is currently undergoing site testing with positive results.

Performance & Operational Benefits

- Demonstrates strong reduction in particulate matter emissions under test conditions.
- A red light warning system alerts operators of filter blockage, prompting corrective action.
- Filter regeneration requires the vehicle to be driven harder to burn off excess carbon buildup.



This innovation provides PPKMEG with an effective emissions control solution, supporting customer sustainability and cost saving goals, without the use of disposable diesel particulate filters.

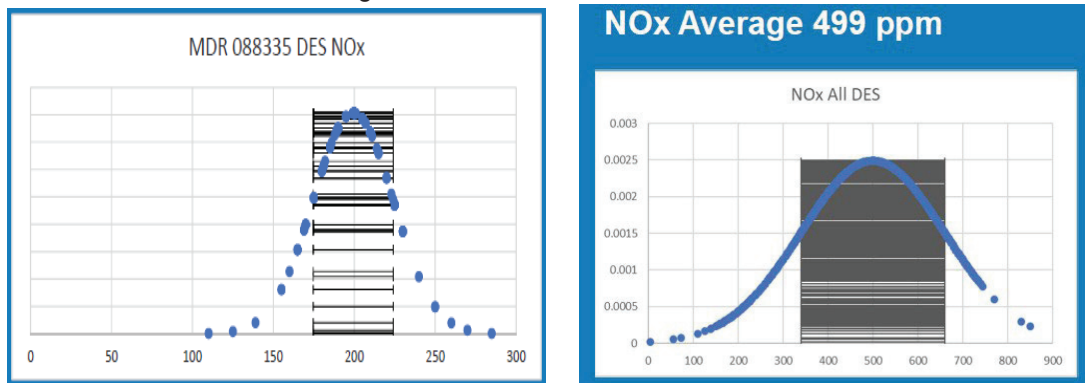
3. New-Gen C7 - LHD ECU & Engine Platform - MDR 088335 DES

The New-Gen COALTRAM incorporates a stand-alone ECU with enhanced safety, monitoring, and performance management system.

Dual-Mode Power Management

- High Power Mode: 147 kW, requiring 8.8 m³/s of clean air.
- Low Power Mode: 80 kW, requiring 4.8 m³/s of clean air.
- Provides operators with flexibility to balance performance and emissions based on site conditions.
- Ability to be retrofitted to existing PPKMEG LHD models, as well as other underground LHDs.

The following graphs illustrate NOx emissions performance, comparing industry average levels with results from the MDR 088335 DES test engine.



Environmental & Compliance Benefits

- The New-Gen C7 engine achieves ~50% lower NOx emissions than current industry average.
- Supports compliance with revised Workplace Exposure Limits (WEL) for nitrogen oxides.
- Low Power Mode offers a major advantage for mine sites with ventilation restrictions, reducing operator exposure to harmful gases.

The New-Gen platform positions PPKMEG as an industry leader in clean diesel innovation, offering both regulatory compliance and customer-focused performance gains.

The Driftrunner GEN 2, COALTRAM - Belford filter, and New-Gen C7 LHD platform demonstrate PPKMEG's ongoing commitment to innovation, compliance, emission reductions and safety. Together, these flagship ExDES packages provide:

- Significant emission reductions, reducing short-term and long-term health impacts to personnel and the environment.
- Proven reliability under type testing.

By delivering practical, market-ready solutions, PPKMEG is setting a new benchmark for diesel engine technology in underground mining applications.

WORKFORCE, CULTURE AND SAFETY PERFORMANCE

The business's sustained focus on staff education, targeted training and strong workplace culture continue to foster safe workplace environments, with lost-time injuries accounting for less than 0.2% of Total Labour Costs. Safe workplace environments created for all staff continue to offer improved safety and well-being, while generating tangible cost reductions, reducing Workers Compensation by more than \$0.1M or 16% in the current reporting period.

Reinforcing our unwavering commitment to safety, PPKMEG continues to train, build and improve the capability of our teams of people to support forecast future growth, with the attraction and retention of high performing employees an ongoing imperative. Following ongoing annual distribution of shares to staff, the overwhelming majority of employees are now shareholders in our business and we continue to move forward with the same shared goals for the business' success.

SHARE BUYBACK

In accordance with Company policy, PPKMEG continued its program to buy back and cancel small value shareholdings to streamline the register and reduce associated administrative costs. During FY2025, 286,000 shares were cancelled under this initiative

SUMMARY

The acquisition of the VLI business continues to create much needed scale and PPKMEG is well positioned on an upward growth trajectory, which will continue to be underpinned by disciplined cost and capital management. Our customers remain primarily tier-one blue chip mining companies, mining Metallurgical Coal and we continue to strongly hold the view metallurgical coal will remain a key input of the steel making industry for the foreseeable future. The high-quality nature of the coal is reflected in the premium prices, some of the cleanest burning and lowest emission coal globally.

PPKMEG remains optimistic about forecast demand for major ongoing support to extend vehicle lifecycles, as well as an expectation of significant capital investment in the medium-term. With more than one thousand coal mining vehicles underground today, the bulk of which are rapidly aging, PPKMEG is positioned for this key renewal cycle and believe our extensive geographical coverage throughout the Eastern seaboard, along with our Australian Original Equipment Manufacturer status, places us in the leading position to capitalise on these opportunities.



Robin Levison

Chairman

DIRECTORS' REPORT

Your directors present their report together with the financial statements of the consolidated entity, being PPK Mining Equipment Group Limited ("PPKMEG") and its 100% owned subsidiaries ("the "Group") for the financial year ended 30 June 2025.

DIRECTORS

The names of directors in office at any time during or since the beginning of the financial year and up until the date of this report are:

Robin Levison
Dale McNamara
Simon Napoli
Glenn Molloy

Glenn Molloy was appointed to the Board on 26 July 2024. All other Directors have been in office since the start of the financial year to the date of this report, unless otherwise noted.

INFORMATION ON DIRECTORS

Details of the current directors' qualifications, experience and special responsibilities are detailed below:

Robin Levison CA MBA F.A.I.C.D.
Chairman

Member of the PPK Mining Equipment Group Limited Board since 22 October 2013.

Robin has more than 25 years of public company experience management and board experience. During this time, he has served as Managing Director of Industrea Limited and Spectrum Resources Limited and has held senior roles in KPMG, Barclays Bank and Merrill Lynch. He was previously the Non-Executive Chairman of PPK Group Limited and a Non-Executive Director of a number of PPK's related companies including ASX listed Li-S Energy Limited and unlisted public company White Graphene Limited and private companies including BNNT Technology Pty Ltd, BNNT Precious Metals Pty Ltd, 3D Dental Technology Pty Ltd, Ballistic Glass Pty Ltd, Strategic Alloys Pty Ltd, AMAG Holdings Australia Pty Ltd and Craig International Ballistics Pty Ltd.

Robin holds a Master of Business Administration from the University of Queensland, is a Member of the Institute of Chartered Accountants Australia and NZ and is a Graduate and Fellow of the Australian Institute of Company Directors. Robin recently retired as Chair of the University of Queensland Business, Economics and Law Alumni Ambassador Council.

Other listed public company directorships held in the last 3 years:

- Non-Executive Chairman of PPK Group Limited (Appointed: 22 October 2013 to 31 August 2024)
- Non-Executive Chairman of Mighty Craft Limited (formerly Founders First Limited), (Appointed: 17 December 2019 to 22 November 2022)
- Non-Executive Director of Li-S Energy Limited (Appointed: 12 July 2019 to 31 August 2024)

Dale McNamara
Executive Director

Member of the PPK Mining Equipment Group Limited Board since 30 April 2015.

Dale has more than 30 years of experience in operational and management roles in the coal mining industry in Australia and China.

Dale founded Wadam Industries Pty Ltd, a subsidiary of Industrea Limited, and served as its Managing Director from 1993. Dale was appointed as Deputy Chief Executive Officer of Industrea in 2009. Following the takeover of Industrea in November 2012, Dale was appointed as Global Director, Mining with the new owner. Dale was then appointed as an Executive Director of PPK Group Limited.

Other listed public company directorships held in the last 3 years: Nil

Simon Napoli
Non-Executive, Independent Director

Member of the PPK Mining Equipment Group Limited Board since 24 May 2022.

Simon Napoli is the Managing Director and Chief Executive Officer of EDG Capital Limited, an unlisted public company that operates as a boutique, fully integrated property group. Simon has more than 20 years' experience in the property industry having held senior roles in Lend Lease Corporation, Queensland Investment Corporation and as an advisor for several non-profit organisations.

Other listed public company directorships held in the last 3 years: Nil

Glenn Molloy
Non-Executive Director

Appointed to the PPK Mining Equipment Group Limited Board on 31 July 2024.

Glenn Molloy has held, and continues to hold, executive roles across ASX listed companies, including Executive Director at PPK Group Limited, where he was Chairman of the Audit Committee and now continues to be a Member of the Audit Committee and a Member of the Remuneration and Nomination Committee. He has extensive experience on public company boards, and in advising publicly listed and private entities on commercial aspects of mergers, acquisitions and divestment activities.

Glenn Molloy founded the former entity Plaspak Pty Ltd in 1979.

Other listed public company directorships held in the last 3 years:

- PPK Group Limited (Appointed: 21 December 1994)

INFORMATION ON COMPANY SECRETARIES

Liam Fairhall Blaw (Hons); Bmed Rad Sci; Grad Dip ACGRM

Appointed as Company Secretary on 30 June 2022.

Liam specialises in all aspects of corporate law and governance and has acted on a wide range of complex transactions, assisted multiple companies list on the ASX and advised Boards on a diverse range of regulatory and complex issues. Liam also hold the position of Deputy General Counsel and Company Secretary for PPK Group Limited and Li-S Energy Limited and was previously Head of Legal and Company Secretary at a technology focused bank that specialises in the provision of payment products and financial crime services. Before this he was a Senior Associate in the Corporate Advisory Group of one of Brisbane's largest independent law firms.

PRINCIPAL ACTIVITIES

PPKMEG has been in operation for more than fourteen years and provides a range of solutions and market-leading products that service and support underground coal mines in the Hunter Valley and Illawarra regions in NSW, as well as the Bowen Basin in Queensland.

The Group is an original equipment manufacturer (OEM) specialising in the maintenance, hire, repair and overhaul of plant and equipment, tooling and consumables for the mining sector and related industries.

This includes the manufacture, sales and servicing of the:

- CoalTram LHD (Load, Haul, Dump) utility vehicles, the only Tier 3 certified electronic engine management system with some of the lowest exhaust emissions for underground coal mines;
- Driftrunner personnel carriers, the highest Australian selling personnel carrier, with approximately 683 vehicles manufactured to date;
- Jug-A-0 diesel powered for wheel drive LHD vehicle capable of lifting between 10 and 12 tonnes;
- Brumby utility vehicles; and
- Small mining equipment (under the internationally known brands of Rambor and Firefly).

The Group operates two major workshops in Tomago, NSW and Port Kembla, NSW. Additionally, sales and servicing centres are strategically located in Mt Thorley, NSW and Mackay, QLD.

OPERATING RESULTS

PPKMEG significantly increased total revenues and other income to \$77.894M from \$71.294M in FY24, an increase of more than 9%. This includes the sale of parts and equipment of \$27.370M, consistent with the previous year (\$27.908M), and significant increase in workshop revenues to \$49.759M, being 16% over the previous year and more than 45% from FY23.

The operating Net Profit After Tax (NPAT) increased 63% to \$2.577M (FY24: \$1.584M). However, the statutory accounting NPAT shown on page 14 includes a once off non-cash tax adjustment of \$1.522M, resulting in a statutory reporting NPAT of \$4.099M.

DIVIDENDS PAID OR DECLARED

No dividends were declared or paid during the year.

REVIEW OF OPERATIONS

Information pertaining to Review of Operations are included in the Chairman's Report, in pages 1 - 5.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Business Consolidation

During the financial year, the Board of Directors undertook a strategic review of company operations, where the decision was made to consolidate the company's Queensland operations to Mackay, resulting in the closure of the Emerald facility. PPKMEG engaged an agent to continue servicing and supporting the Bowen Basin region, as well as greater Queensland, and this arrangement has proven to be mutually beneficial for all stakeholders.

Leases

During the financial year, the Group terminated the lease at the Emerald workshop facility in Queensland. The lease was due to expire July 2025; however, the lease was terminated May 2025, following the Board's decision to close the Emerald facility.

REVIEW OF FINANCIAL CONDITION

Net Assets increased 23% to \$23.885M, while current working capital increased to \$20.635M from \$16.389M in 2024, a 28% increase.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no significant matters subsequent to the end of the financial year.

FUTURE DEVELOPMENTS

The likely developments in the operations of the Group and the expected results of those operations in the financial years subsequent to the year ended 30 June 2025 are included in the Chairman's Report set out on pages 1 to 5 and in the Review of Operations, which form part of this report.

ENVIRONMENTAL ISSUES

The Group remains committed to:

- the effective management of environmental issues having the potential to impact on its operations; and
- minimising the consumption of resources utilised by its operations.

The Group has otherwise complied with all government legislation and regulations with respect to the disposal of waste and other materials and has not received any notices of breach of environmental laws and/or regulations.

The Group acknowledges the importance of ESG and recognises the critical role the Group plays in shaping a sustainable and inclusive future for both present and future generations. The Group is committed to actively engaging in discussions with its investors, customers, suppliers and other key stakeholders to deepen its understanding of emerging ESG issues, challenges and opportunities to drive positive change and sustainable outcomes.

Environmental

The Group operates from four locations and its leases and government regulations require strict adherence to environmental practices and legislation. The Group undergoes internal and external audits to ensure regulatory compliance is maintained.

Lowering climate change and carbon emissions

The Group is committed to research and development of new technologies to reduce emissions and lower the risk of explosions in underground coal mines such as:

- the Belford Ceramic Filter, tested as one of the most efficient and effective filters in the underground coal market and can be installed on a wide variety of vehicles.
- the Coaltram LHD T3 engines, which have some of the lowest exhaust emissions, with continued enhancements being made to the vehicle; and
- a battery-electric vehicle utilising the latest world-class battery electric technology being developed by a leading electrical engineering company in NSW.
- the new Driftrunner engine package, expected to be available for sale by the end of FY25, will deliver increased power, cleaner emissions, reduction in hazardous materials, with the ability to be retrofitted to multiple vehicles.

The Group is committed to continually reducing its energy consumption and greenhouse gas emissions by:

- using cloud technology for our information and platform services, where practical, which provides innovative solutions to reducing carbon emissions and energy consumption.
- partnering with suppliers who are carbon neutral, such as Microsoft, who has been carbon neutral since 2012 and has committed to becoming carbon negative by 2030.
- continuing to hold virtual meetings, where practical and possible; and
- when travel is necessary, the Group strives to combine meetings and extend the time away so that more can be achieved to avoid multiple trips.

Waste Management

The Group is committed to further improving our recycling methods by:

- recycling paper, cardboard, glass, hard plastics, aluminium, tin cans and other materials.
- recycling IT equipment and printer cartridges using recycling companies that seek to recycle responsibly; and
- re-using IT equipment and parts, where possible.

Social

The Group seeks to attract, employ and retain people with a diverse background of culture, gender and experience. Our objective is to continue to promote equal employment opportunities and reward our staff appropriately.

Governance

The Directors are committed to the principles underpinning good corporate governance applied in a manner which is most suited to the Group, and to best addressing the Directors' accountability to Shareholders and other stakeholders. This is supported by an overriding organisation-wide commitment to the highest standards of legislative compliance and financial and ethical behaviour.

Due to the size of the Group and the number of Directors, the Board does not have formal audit, risk or remuneration Committees. The full Board maintains responsibility for the integrity of corporate and financial reports, identification and management of risks and the composition of the Board members to ensure the appropriate skills are maintained to meet the Group's needs.

SHARES UNDER OPTION

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

SHARES ISSUED ON THE EXERCISE OF OPTIONS

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

SHARES UNDER RIGHTS

There are 6,208,203 unissued shares of PPKMEG under rights at the date of this report. The employee share trust operated by the Company currently holds shares to meet this demand. No person entitled to exercise the rights had or has any right by virtue of the right to participate in any share issue of the Company or of any other body corporate.

PROCEEDINGS ON BEHALF OF THE COMPANY

No matter or circumstance has arisen which is not otherwise dealt with in this Annual Report that has significantly affected or may significantly affect the operations, the results of those operations or state of affairs of the consolidated entity in subsequent years.

DIRECTOR'S MEETINGS

The number of Director's meetings and number of meetings attended by each of the Directors of the Company during the year ended 30 June 2025 are set out in the table below:

Directors	No. of meetings eligible to attend	No. of meetings attended
Robin Levison (Chair)	12	12
Dale McNamara	12	12
Simon Napoli	12	11
Glenn Molloy	12	12

DIRECTORS' INDEMNIFICATION

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except to the extent prohibited by the Corporations Act.

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

AUDITOR'S INDEMNIFICATION

To the extent provided by law, PPKMEG has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

NON-AUDIT SERVICES

Non-audit services provided by the Group's auditor, Ernst & Young Australia, in the current financial year and prior financial year included taxation advice to the Group. The Directors are satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The nature and scope of each type of non-audit service to the Group means that auditor independence was not compromised. During the year, the following fees were paid or payable for non-audit services provided by the auditor of the Group and its related practices:

	2025	2024
Taxation advice	26,366	17,875
Total remuneration	26,366	17,875

AUDIT INDEPENDENCE

The lead auditor has provided the Auditor's Independence Declaration under section 307C of the Corporations Act 2001 (Cth) for the year ended 30 June 2025 and a copy of this declaration forms part of the Directors' Report.

ROUNDING OF ACCOUNTS

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), where noted (\$000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Signed in accordance with a resolution of the Board of Directors.



ROBIN LEVISON
Chairman



DALE MCNAMARA
Executive Director

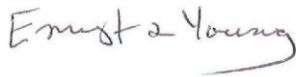
Dated this 20th day of October 2025

Auditor's independence declaration to the directors of PPK Mining Equipment Group Limited

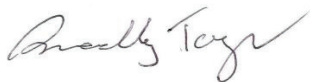
As lead auditor for the audit of the financial report of PPK Mining Equipment Group Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PPK Mining Equipment Group Limited and the entities it controlled during the financial year.



Ernst & Young



Brad Tozer
Partner
20 October 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated Entity	
		2025	2024
	Notes	\$000	\$000
Revenue from contracts with customers	3	77,129	70,809
Rental income	3	752	341
Interest Income	3	13	144
Total revenue and other income		77,894	71,294
Expenses			
Cost of sales		(58,745)	(55,190)
Employee expenses		(5,266)	(5,376)
Administration expenses		(3,296)	(2,576)
Short-term leases	21	(294)	(513)
Share-based payments	4.3	(467)	(373)
Depreciation	14.1	(3,636)	(3,889)
Other expenses		(1,145)	(414)
Interest expense		(1,717)	(1,853)
Total expenses		(74,566)	(70,184)
PROFIT BEFORE INCOME TAX EXPENSE		3,328	1,110
Income tax payable		(751)	(260)
Income tax adjustments (non-cash)		1,522	734
Income tax benefit attributable to profit	6	771	474
PROFIT AFTER INCOME TAX EXPENSE		4,099	1,584
OTHER COMPREHENSIVE INCOME			
<i>Items that may be re-classified to profit or loss</i>		-	-
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,099	1,584

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		2025	2024
	Notes	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents	10	3,959	223
Trade and other receivables	11	10,164	10,632
Contract assets	12	2,976	2,778
Inventories	13	18,722	22,233
Other current assets		1,333	593
TOTAL CURRENT ASSETS		37,154	36,459
NON-CURRENT ASSETS			
Property, plant and equipment	14	3,518	4,356
Right-of-use assets	15	12,189	14,552
Intangible assets	16	1,766	1,966
Other non-current assets		406	104
Held for sale assets	14	796	796
Deferred tax assets	6	2,552	1,177
TOTAL NON-CURRENT ASSETS		21,227	22,951
TOTAL ASSETS		58,381	59,410
CURRENT LIABILITIES			
Trade and other payables	17	7,664	11,334
Provisions	18	3,038	2,998
Interest bearing loans and borrowings	19	3,314	2,304
Lease and other liabilities	20	1,879	3,109
Provisions for tax		624	325
TOTAL CURRENT LIABILITIES		16,519	20,070
NON-CURRENT LIABILITIES			
Provisions	18	306	408
Interest bearing loans and borrowings	19	6,412	7,614
Lease liabilities	20	11,259	11,961
TOTAL NON-CURRENT LIABILITIES		17,977	19,983
TOTAL LIABILITIES		34,496	40,053
NET ASSETS		23,885	19,357
EQUITY			
Contributed equity	21	18,137	18,141
Reserves	22	686	253
Retained earnings (accumulated losses)		5,062	963
TOTAL EQUITY		23,885	19,357

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

		Consolidated Entity	
		2025	2024
	Notes	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		82,201	74,970
Cash payments to suppliers and employees		(74,171)	(70,441)
Interest received		13	144
Interest paid		(1,717)	(1,853)
Income Taxes paid		(305)	-
Net cash provided by operating activities	5.1	6,021	2,820
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchases of plant and equipment		(29)	80
Proceeds from sale of property		-	79
Proceeds from other financial assets		-	893
Net cash used in (provided by) investing activities		(29)	1,052
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment for commercial loan		(1,202)	(1,205)
Proceeds from short-term loan		2,114	-
Principal payment for lease liabilities		(2,026)	(1,866)
Payment for Ordinary Share Cancellation		(37)	(360)
Net cash provided by (used in) financing activities		(1,151)	(3,431)
Net increase in cash held		4,841	441
Cash at the beginning of the financial year		(882)	(1,323)
Cash at the end of the financial year (net of overdraft)	5.2	3,959	(882)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

CONSOLIDATED ENTITY		Notes	Issued Capital (Note 21) \$000	Retained Earnings \$000	Reserves (Note 22) \$000	Share-based Payments Reserve (Note 22) \$000	Total Equity \$000
At 1 July 2024			18,140	963	10	244	19,357
Total comprehensive income (loss) for the year							
Profit (loss) for the year			-	4,099	-	-	4,099
Total comprehensive income (loss) for the year			-	4,099	-	-	4,099
Share buyback and cancellation		21.1	(37)	-	-	-	(37)
Share issue to employees from Treasury Shares		21.1	34	-	2	-	36
Share-based payments reserve - Service Rights		4.3	-	-	-	400	400
Share-based payments reserve - Director Fees settled as Service Rights		4.3	-	-	-	30	30
At 30 June 2025		21.1	18,137	5,062	12	674	23,885

FOR THE YEAR ENDED 30 JUNE 2024

CONSOLIDATED ENTITY		Notes	Issued Capital (Note 21) \$000	Retained Earnings \$000	Reserves (Note 22) \$000	Share-based Payments Reserve (Note 22) \$000	Total Equity \$000
At 1 July 2023			18,381	(621)	-	-	17,760
Total comprehensive income (loss) for the year							
Profit (loss) for the year			-	1,584	-	-	1,584
Total comprehensive income (loss) for the year			-	1,584	-	-	1,584
Share buyback and cancellation		21.1	(360)	-	-	-	(360)
Share issue to employees from Treasury Shares		21.1	119	-	10	-	129
Share-based payments reserve - Service Rights		4.3	-	-	-	76	76
Share-based payments reserve - Director Fees settled as Service Rights		4.3	-	-	-	168	168
At 30 June 2024		21.1	18,140	963	10	244	19,357

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

NOTE 1 CORPORATE INFORMATION

The financial statements of consolidated entity, being PPK Mining Equipment Group Limited ("PPKMEG") and its 100% owned subsidiaries (the "Group") for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 20 October 2025 and covers PPK Mining Equipment Group Limited and its 100% owned subsidiaries as required by the Corporation Act 2001.

PPKMEG is a for-profit company limited by shares, incorporated and domiciled in Australia. PPKMEG is registered in Queensland and has its head office at Level 13, 120 Edward Street, Brisbane, Queensland, 4000.

Separate financial statements for PPKMEG as an individual entity are not required to be presented, however, limited financial information for PPKMEG is provided as an individual entity in Note 9.

PPKMEG has been in operation for more than eleven years and is a key provider of mining equipment and services in the Hunter Valley, Illawarra and Central Queensland underground coal mines.

The nature of the Group's principal activities are the overhaul, servicing and parts sales from its two major workshops in Tomago and Port Kembla, as well as the manufacture and sale of small mining equipment (under the internationally known brands of Rambor and Firefly) into NSW, Queensland and the wider international underground coal markets. This includes the manufacture, sale of and servicing of the Jug-A-0, Brumby utility vehicle and the CoalTram LHD, the only Tier 3 certified electronic engine management system in the underground coal market, first launched in 2009.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation and Statement of Compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cashflows of PPKMEG as a result of the change in the basis of preparation.

The financial statements have been prepared on an accruals basis and are based on historical costs. The accounting policies have been consistently applied to the entities of the consolidated entity unless otherwise stated.

PPKMEG is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2.2 New and revised standards effective for these financial statements

There were no first-time standards and amendments effective for the financial period ended 30 June 2025 material to the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued, but is not yet effective.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.3 Basis of consolidation

The Group financial statements consolidate those of PPKMEG and all of the entities it controls on 30 June each year. PPKMEG controls an entity if it is exposed, or has rights, to variable returns from its involvement with the entity and could affect those returns through its power over the entity. Potential substantive voting rights, whether or not they are exercisable or convertible, are considered when assessing control. All entities have a reporting date of 30 June.

All intercompany balances and transactions, including unrealised profits arising from intergroup transactions have been eliminated on consolidation. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective.

Profit or loss and other comprehensive income of entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.4 Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. When a business combination arises and no consideration is paid, the fair value of the Group's investment prior to acquisition is used in lieu of consideration paid. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values unless otherwise required by the relevant accounting standard. Where there is no consideration transferred, the Group attributes to the owners of the acquiree the amount of the acquiree's net assets recognised in accordance with the relevant accounting standard.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

2.5 Foreign currency translation

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of PPKMEG and all subsidiaries, associates and joint ventures.

Foreign currency transactions during the period are converted to Australian currency at rates of exchange applicable at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses, whether realised or unrealised, resulting from the settlement of such transactions, amounts receivable and payable in foreign currency at the reporting date, and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rate at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.6 Revenue and revenue recognition

Revenue arises mainly from the:

- sale of manufactured non-mining products; and
- sale, service, support and rental of underground coal mining vehicles, equipment and parts.

To determine whether to recognise revenue, the Group follows a five step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligation;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligations are satisfied.

Revenue is recognised, based on the transaction price allocated to the performance obligation, after consideration of the terms of the contract and customary business practices.

The transaction price is the amount of the consideration the Group expects to be entitled to receive in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties (ie sales taxes and duties). The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of manufactured non-mining products, mining equipment, spare parts or any machine built for inventory purposes are recognised at a point in time, in most cases when they leave the warehouse and control has passed to the buyer. Revenue is measured at the fair value of consideration received or receivable, net of returns, trade allowances and duties and taxes paid. The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 60 days from delivery.

Rendering of Services

Performance obligations for the repair and maintenance of underground coal mining vehicles and equipment are satisfied over time and the Group recognises the revenue over time for one of the following reasons:

- the Group's performance creates or enhances an asset (ie work in progress) that the customer controls as the asset is created or enhanced or;
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In almost all cases, the asset that is being created or enhanced is owned by the customer and the Group only performs repair and maintenance on the asset. At contract inception, it is determined that the customer has contractual ownership of the asset and the Group has an enforceable right to payment for performance completed to date. The transaction price is determined by customary business practices, generally a signed purchase order from the customer, which identifies the consideration the Group expects to be entitled in exchange for transferring the promised goods or services to the customer. The transaction price is the stand-alone selling price at contract inception.

For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of the performance obligation.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Group uses the cost-based input method to determine satisfaction of the performance obligation by measuring the labour hours expended, the cost of materials consumed and other costs incurred relative to the total expected costs to be incurred at the contract inception to satisfy the performance obligation to determine the percentage of completion. The Group then applies the percentage of completion to the total transaction price to calculate the percentage of revenue to be recognised at a point in time. On a monthly basis, the Group remeasures its progress towards complete satisfaction of a performance obligation over time.

In almost all cases, the performance obligation is satisfied within one to two months of contract inception.

Lease Income on operating leases

Lease income on mining equipment is accounted for on a straight-line basis over the term of the lease agreement and is included in revenue in the statement of profit or loss due to its operating nature.

Interest income

Revenue is recognised as it accrues using the effective interest rate method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

2.7 Operating expenses

Operating expenses are recognised in the profit or loss upon utilisation of the services or at the date of their origin.

2.8 Share-based payments

All goods and services received in exchange for the grant of any share-based payment were measured at their fair values. Where directors and employees were rewarded using share right-based payments, the cost of directors' and employees' services was determined by the fair value at the date when the grant was made using an appropriate valuation model and revalued when modified. Market performance conditions and service conditions were reflected within the grant date fair value.

All share-based remuneration is ultimately recognised in share-based payments expense with a corresponding credit to share-based payments reserve. If vesting periods or other vesting conditions apply, the expense was allocated over the vesting period, based on best available estimate of the number of share rights expected to vest.

Non-market vesting conditions were included in assumptions about the number of share rights expected to become exercisable. Estimates were revised if there was any indication the number of share rights expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting were recognised in the current period. No adjustment was made to any expense recognised in prior periods if share rights ultimately exercised were different to that estimated on vesting.

When the terms of an equity-settled award are modified, the minimum expense recognised was the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, was recognised for any modification that increased the total fair value of the share-based payment transaction, or was otherwise beneficial to the employee. Where an award was cancelled by the entity or by the counterparty, any remaining element of the fair value of the award was expensed immediately through profit or loss.

2.9 Finance costs

All borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is necessary to complete and prepare the asset for its intended use or sale. Other finance and borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

2.10 Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand, and at call deposits with banks or financial institutions that have a maturity of no more than three months, net of bank overdrafts as they are considered an integral part of the Group's cash management.

2.11 Trade receivables and other receivables

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through the profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For Trade Receivables and Contract Assets, the Group applies a simplified approach to calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and economic environment.

2.12 Contract assets

The costs incurred to fulfil a contract with a customer were recognised when:

- the costs related directly to a contract or an anticipated contract that the Group could specifically identify;
- the costs generated or enhanced resources of the Group that would be used in satisfying (or in continuing to satisfy) performance obligations of the future; and
- the costs were expected to be recovered.

The revenue for these costs will be recognised in rendering of services (see Note 2.6).

The Group makes use of a simplified approach in accounting for trade and other receivables as well as lease receivables and contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

2.13 Inventories

Inventories included raw materials, work in progress and finished goods and were stated at the lower of cost and net realisable value. Costs comprised all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads were allocated based on normal operating capacity. Costs were assigned to inventory using an actual costing system. Net realisable value was the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

2.14 Property, plant and equipment

Land and buildings are brought to account at cost less, where applicable, any accumulated depreciation. After initial recognition, land and buildings are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation and impairment. The cost of fixed assets constructed within the Group includes the cost of materials used in construction, direct labour and an appropriate proportion of fixed and variable overheads.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 %
Leasehold Improvements	over the term of the lease
Plant & Equipment	10-50 %

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

2.15 Intangible assets

Research and Development

Research is recognised as an expense as incurred. Costs incurred on development (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets at cost less any accumulated amortisation and impairment losses and amortised over the period of expected future sales from the related projects which vary from five to seven years. The carrying value of development costs is tested annually for impairment when the asset is not yet ready for use, or when events or circumstances indicate that the carrying value may be impaired.

Intellectual Property

Intellectual Property is recognised when it is probable it will generate future economic benefits and costs can be measured reliably. Intellectual Property has a finite useful life of 15 years and is carried at cost less accumulated amortisation and impairment losses. All Intellectual property is amortised on a straight-line basis. The asset is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

2.16 Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group's investments are at fair value through profit and loss.

i) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Financial assets are classified according to the characteristics of their contractual cash flow and the Group's business model for managing them. Except for those trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do contain a significant financing component for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note 2.11.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are “solely payments of principal and interest (SPPI)” on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit and loss (“FVTPL”), irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through the OCI with no recycling of cumulative gains or losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised. The Group’s financial assets at amortised cost includes trade receivables.

Financial assets fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, impairment losses or reversals are recognised in the statement of profit and loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group has no debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group has no equity instruments at fair value through OCI.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments, listed and unlisted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in Note 2.23.

ii) Financial liabilities

Initial measurement and recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL
- Financial liabilities at amortised cost (loans and borrowings)

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated up initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Trade and other payables

These amounts represent unpaid liabilities for goods received and services provided to the Group prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 to 60 days, except for imported items for which 90 or 120 day payment terms can be available.

2.18 Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss statement over the period of the loans and borrowings using the effective interest method. Bank loans are subject to set-off arrangements.

2.19 Employee benefit provisions

Salary, wages and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled are recognised in other liabilities or provision for employee benefits in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Long service leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measure as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and period of service. Expected future payments are discounted using high quality corporate bond rates at the end of the reporting period with terms to maturity that match as close as possible, the estimated future cash outflows.

Retirement benefit obligations

The Group contributes to defined contribution superannuation funds for employees. All funds are accumulation plans where the Group contributed various percentages of employee gross incomes, the majority of which were as determined by the superannuation guarantee legislation. Benefits provided are based on accumulated contributions and earnings for each employee. There is no legally enforceable obligation on the Group to contribute to the superannuation plans other than requirements under the superannuation guarantee legislation. Contributions are recognised as expenses as they become payable.

2.20 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are only recognised for deductible temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or liability if they arose in a transaction other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if there is reasonable certainty that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in other comprehensive income or equity are also recognised directly in other comprehensive income or equity.

PPKMEG and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation and entered into a tax funding agreement and a tax sharing agreement effective from 29 June 2022, where each subsidiary will compensate PPKMEG for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity. PPKMEG is the head entity in the tax consolidated group.

The separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax expense to wholly owned subsidiaries that form part of the tax consolidated group. PPKMEG has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables because a tax funding arrangement has been in place effective from 29 June 2022.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The amounts receivable/payable under tax funding arrangements are due upon notification by the head entity. Interim funding notices may also be issued by the head entity to its wholly owned subsidiaries in order for the head entity to be able to pay tax instalments.

2.21 Dividends

Provision is made for dividends declared, and no longer at the discretion of the Group, on or before the end of the financial year, but not distributed at the end of the reporting period.

2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.22.1 Right-of-use assets

In the previous year, the Group recognised right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets were measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the costs reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.22.2 Lease liabilities

At the commencement date of the lease, the Group recognised lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depended on an index or rate, and amounts expected to be paid under residual lease guarantees. The lease payments also included the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that did not depend on an index or a rate were recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group used its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease was not readily determinable. After the commencement date, the amount of lease liabilities was increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e. changes to future payments resulting from a change in an index or rate to be used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2.22.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (i.e. those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option).

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

2.22.4 Group as lessor

Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature.

Initial direct costs

incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Variable lease payments are recognised as revenue in the period in which they are earned.

When assets are leased out under finance leases, the present value of the lease payments is recognised as a lease receivable. Any difference between the present value of the lease receivable and the asset derecognised is recorded in the profit and loss. Interest income is recognised as the discount unwinds.

2.23 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

Significant Management Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determined the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under the property leases, to lease the assets for an additional term of five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all the relevant factors that create an economic incentive for it to exercise the renewal and reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (i.e. change in business strategy). The Group did not include the renewal period as part of the lease term.

The renewal option for leases of motor vehicles is not included as part of the lease term because the Group typically leases motor vehicles for not more than four years, hence it is not exercising any renewal periods. The renewal option for leases of forklifts is not included as part of the lease term because the Group typically does not exercise any renewal periods.

Recognition of fixed contract revenues

Recognising the stage of completion for fixed price contracts and applicable work in progress requires significant judgement in determining the actual work completed and the estimated amount of labour and materials required to complete the work.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of raw materials and finished goods

Management has used significant judgement to determine the net realisable value, based on the most reliable evidence available at the time the estimates are made, of the amount that inventories are expected to realise and the estimate of costs to complete. The net realisable value is based on management's analysis of stock movements for all individual stock items.

For LHD and utility machines, including Coaltrams, Jug-A-0s and Driftrunners, heavy machinery, pneumatic, hydraulic and small mining equipment parts there is a four step process:

- Management reviews the stock items which had no sales during the year and:
- Provides for 50% of the inventory value as impaired for those stock items which have no sales for more than one year; and
- Provides for 100% of the inventory value as impaired for those stock items which have no sales for more than three years.
- Management then reviews the remainder of all stock items and, for those which management consider to be slow moving:
 - Provides for 15% of the inventory value as impaired for stock items with stock holdings of 1-2 years;
 - Provides for 20% of the inventory value as impaired for stock items with stock holdings of 2-3 years;
 - Provides for 25% of the inventory value as impaired for stock items with stock holdings of 3-4 years;
 - Provides for 40% of the inventory value as impaired for stock items with stock holdings of 4-5 years;
 - Provides for 50% of the inventory value as impaired for stock items with stock holdings more than 5 years;
- Management then reviews the remainder of the stock items, forecasts future stock sales for the next one year and, for those stock items which appear to be in excess of sales, an impairment provision is made using the same formulas as slow-moving stock.
- Finally, management then performs a review of the remainder of the stock items to determine the net realisable value and, if any additional impairment provisions should be made or if there is a reversal of the impairment provisions made in previous years.

Impairment of work in progress

Management has used significant judgement to determine the net realisable value, based on the most reliable evidence available at the time the estimates are made, of the amount that work in progress is expected to realise and the estimate of costs to complete.

The net realisable value is based on management's analysis of work in progress for individual jobs on a three-step process:

- Management performs a review of all jobs in progress for more than six months and provides for up to 50% of the work in progress value as impaired;
- Management then performs a review of these jobs to determine if any specific jobs will be completed and total costs will be less than the expected revenue to determine if any jobs should be removed from the impairment provision;
- Management then reviews individual jobs less than six months old to determine if they will be completed, total costs will be less than the expected revenue to determine if any additional impairment provision should be made to determine net realisable value.

NOTE 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. The Group has a long-term incentive plan called the Executive Rights Plan (ERP) which is managed by a Trust on behalf of directors, executives and senior managers, who are offered Performance Rights, which can be converted to PPKMEG shares on a one-for-one basis, subject to meeting vesting conditions.

Management has reviewed the terms and conditions of each tranche to determine the value of each Right, the service period for which each Right pertained to, the vesting period for each Rights and the period for which the Rights are expensed (Note 2.8).

Deferred tax asset

A Deferred tax asset is only recognised to the extent there is reasonable certainty of realising future taxable amounts sufficient to recover the carrying value. Due to carry forward tax losses and an expectation the current challenging industry conditions would continue in the short term, the Directors assessed deferred tax assets would only be recognised to the extent of, and offset against, available deferred tax liabilities.

2.24 GST

Revenues and expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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

2.25 Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

On 20 October 2025, being the date of approval of the financial report, the Directors believe it is appropriate to prepare the financial report on a going concern basis. In making this assessment, the Directors have identified and considered the following at 30 June 2025:

- during the whole of the 2025 financial year, and at all times subsequent, PPKMEG has been able to meet its obligations as and when they fell due. Reliance on the Working Capital facility of \$6.000M continues to decrease in the short-term, supporting operational forecasts indicating the facility will transition to only be used if and when needed.
- The initial \$10.000M facility from a leading Australian bank has decreased to \$7.600M as at the reporting date, with principal and interest repayable on a quarterly basis and the final payment due May 2028.
- the Group has \$10.164M of trade and other receivables;
- the Group has \$20.635M of working capital – net of overdraft;
- the Group has \$23.885M of net assets; and

The Directors have formed a view that PPKMEG will continue as a going concern.

NOTE 3 REVENUE AND OTHER OPERATING INCOME AND EXPENSES

3.1 Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue contracts with customers:

	Notes	Consolidated Entity 2025 \$000	2024 \$000
Type of goods or services			
Sale of goods		27,370	27,908
Rendering of services		49,759	42,901
Total revenue from contracts with customers		77,129	70,809
Rental income		752	341
Other income		13	144
Total revenue		77,894	71,294
Timing of revenue recognition			
Goods transferred at a point in time		27,370	27,908
Services rendered over time		50,524	43,386
Total revenue from contracts with customers		77,894	71,294

3.2 Direct Employee Costs

Expense recognition for employee costs attributable to the revenue from contracts with customers was \$21.704M in 2025 (2024: \$15.251M). This expense is recognised as cost of sales.

NOTE 4 SHARE-BASED PAYMENTS

Liabilities for share-based payments where the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date are presented as Current. Liabilities for share-based payments where the Group has an unconditional right to defer settlement for at least twelve months after the reporting date are presented as Non-Current.

4.1 Share-based payments

Directors and Employees (including senior executives) of the Group may receive remuneration in the form of share-based payments, whereby services are rendered in exchange for equity instruments (equity-settled transactions). Employees who satisfy minimum employment tenure continue to be eligible to participate in complying Employee Share Schemes (ESS).

Eligible employees (excluding Directors and Senior Executives) were invited to participate in a complying Employee Share Scheme (ESS) in the current reporting period. A total of 284,000 Ordinary Shares were transferred to eligible employees on 29 November 2024 at a valuation of 13 cents per share. These shares were previously held as Treasury Shares and eliminated on consolidation.

4.2 Executive Rights Plan

Under the Group's Executive Rights Plan (ERP), share rights of the Company are granted to senior management of the Company, including members of key management personnel and Directors. The share rights can be exercised up to fifteen years after the grant date and will be taken to lapse if not exercised before the end of the term. The exercise price for all share rights granted under the ERP is nil.

As noted in the 2024 Annual Report, Simon Napoli was not paid director fees for the FY24 period and fees were accrued. During the FY25 period, Mr Napoli was issued 230,769 service rights under the ERP in lieu of accrued fees for the FY24 period.

Additionally, during FY25, the Board issued 583,333 rights to Dale McNamara as a performance incentive and 583,333 rights to the Company's strategic advisor in lieu of cash payment for accrued consultancy fees

The number of Service Rights issued to Mr Napoli, Mr McNamara, and the Company's strategic advisor was calculated by dividing the respective fees or performance incentive by the Share price of \$0.13 per Share, being the price PPKMEG Shares most recently traded prior to the issuance. The fair value of all Service Rights at the time they were granted reflects these calculations.

Service Rights may not be disposed of at any time except by force of law such as on death. Service Rights may be exercised at any time once vested. Each Service Right has a term ending fifteen years after the Grant Date. If not exercised before the end of their term, the Service Rights will lapse. If the participant ceases to be engaged or hold office during a tranche, then Service Rights for that tranche vested in proportion to time elapsed as served in the tranche. All subsequent tranches will lapse. A participant in the ERP must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Service Rights. If the Board forms the view that a participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, all unexercised Service Rights will be forfeited.

4.3 Share-Based Payments

	Notes	Consolidated Entity	
		2025 \$000	2024 \$000
Type of share-based payment			
Share issue to employees from Treasury Shares		37	129
Share-based payments reserve - Service Rights		400	76
Share-based payments reserve - Director Fees settled as Service Rights		30	168
Total share-based payment expenses		467	373

NOTE 5 CASH FLOW INFORMATION

5.1 Reconciliation of profit (loss) after income tax to the cash provided by operating activities

	Notes	Consolidated Entity	
		2025 \$000	2024 \$000
Profit (loss) after income tax		4,099	1,584
<u>Cash flows in operating activities but not attributable to operating result:</u>			
Amortisation	14.1	200	218
Depreciation	14.1	3,436	3,671
Disposal of PPE		(111)	408
Share-based payments		467	373
Reversal of tax benefit accrued		(771)	(474)
Income Tax Instalments		(305)	-
<u>Changes in assets and liabilities:</u>			
Decrease (increase) in trade and other receivables		(26)	(2,268)
Decrease (increase) in other current assets		(747)	42
Decrease (increase) in inventories		3,511	(3,628)
(Decrease) increase in provisions		(62)	344
(Decrease) increase in trade creditors and accruals		(3,670)	2,550
Net cash provided by operating activities		6,021	2,820

5.2 Reconciliation of Cash

For the purposes of the cash flow statement, cash includes:

Call deposits with financial institutions	3,959	223
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NOTE 6 INCOME TAX EXPENSE

	Consolidated Entity	
	2025	2024
Notes	\$000	\$000
(a) The prima facie tax payable (benefit) on the profit (loss) before income tax is reconciled to the income tax expense as follows:		
Profit (loss) before tax	3,328	1,110
Prima facie tax payable (benefit) at 30.0% (2024: 30.0%)	998	333
(Non-assessable income) non-deductible expenses	17	3
Recognition of prior period temporary differences not recognised	(1,844)	(535)
Change of applicable tax rate	-	(89)
Tax payable (benefit) of prior year losses carried forward	-	(40)
Other	58	(147)
Income tax expense (benefit)	(771)	(474)
The applicable weighted average effective tax rates are as follows:	(23.2%)	(42.7%)
(b) The components of tax expense comprise:		
Current Tax	706	260
Deferred Tax	(1,346)	(733)
(Over) under provision in respect of prior years	(132)	(1)
Income tax expense (benefit)	(771)	(474)
(c) Recognised in the Statement of Financial Position		
Deferred Tax Assets – tax losses	-	-
Deferred Tax Assets – temporary differences	6,739	6,116
Deferred Tax Liabilities – temporary differences	(4,187)	(4,939)
Total	2,552	1,177
(d) Not recognised in the Statement of Financial Position		
<i>Unrecognised deferred tax assets/(deferred tax liabilities)</i>		
Temporary Differences	-	1,844
Total	-	1,844
Movements		
Opening balance	1,844	2,266
Reassessment of tax rate	-	113
Temporary differences (recognised)/not recognised current year	(1,844)	(535)
Closing balance	-	1,844

The Group recorded an accounting tax benefit of \$771,000 during the period (2024: \$474,000 benefit). This benefit is comprised as follows:

Tax Item	\$'000
Actual cash Tax Payable on profits	751
Tax effect accounting adjustments (non-cash)	(1,390)
(Over) under provision in respect of prior years	(132)
Total Benefit	(771)

As can be seen in the above table, the tax benefit recorded is net of a significant, non-cash accounting adjustment of \$1,390,000. This adjustment seeks to recognise a net basis temporary difference tax asset which, while now probable of realisation, allowing recognition, will not result in lower cash tax payments until future periods.

The Group has a net cash tax payable obligation for the 2025 year to the Australian Tax Office of \$751,000 of which \$624,000 was outstanding at 30 June 2025.

NOTE 7 AUDITORS' REMUNERATION

Consolidated Entity
2025 2024
\$ \$

Remuneration of the auditor of the Company for Audit Services:

Audit Services

Group audit fee per Financial Statements (including all subsidiaries)	101,630	124,535
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Non-audit Services

Tax compliance services and general taxation advice	26,366	17,875
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Total fees for services provided	127,996	142,410
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NOTE 8 KEY MANAGEMENT PERSONNEL REMUNERATION

8.1 Key management personnel (KMP) remuneration

	2025	2024
	\$000	\$000
Short-term benefits	352	320
Share-based payments	182	146
Post-employment benefits	-	-
Total KMP remuneration	534	466

The above table discloses remuneration of the KMP of PPKMEG, either paid or accrued during the reporting period. The amounts included in 2025 and 2024 comprise solely of fees directly related to the Group's Directors remuneration. During the current financial year, Simon Napoli and Glenn Molloy opted for their fees not to be paid during this period. These fees have been accrued and are included in Trade and other payables at year end.

	2025	2024
	\$000	\$000
Notes		
Total Fees included in Trade and other payables	120	40

NOTE 9 PARENT ENTITY INFORMATION

	2025	2024
	\$000	\$000
Notes		
Current assets	-	-
Non-current assets	16,771	15,920
Total Assets	16,771	15,920
Current liabilities	809	833
Non-current liabilities	-	1
Total Liabilities	809	834
Net Assets	15,962	15,086
Contributed equity	18,464	18,501
Reserves	674	244
Retained earnings	(3,176)	(3,659)
Total Equity	15,962	15,086
Profit (loss) for the year (including impairments)	483	64
Other comprehensive income (loss) for the year	-	-
Total comprehensive income (loss) for the year	483	64

NOTE 10 CASH AND CASH EQUIVALENTS – CURRENT

	Notes	2025 \$000	2024 \$000
Cash at bank and on hand		3,959	223
Total		3,959	223

NOTE 11 TRADE AND OTHER RECEIVABLES – CURRENT

	Notes	2025 \$000	2024 \$000
Trade Receivables		10,706	10,632
Trade Receivables Provision		(542)	-
Total Receivables		10,164	10,632

	Current	> 60 days \$000	Total \$000
Ageing Analysis			
Total Receivable	9,265	1,441	10,706

Current trade receivables are non-interest bearing and are generally 30 to 60 days.

The Group recognises two distinct customer segments:

- those that are major customers, the majority of which are listed public companies, of which the Group has a long history of providing goods and services. This customer segment represents 76% of the cash inflows during the period for which the historical credit loss experience was determined and there were no historical losses during the period.
- the other customer segment includes smaller listed public companies, large private companies and all remaining customers the Group provides goods and services. This customer segment represents 17% of the cash inflows during the period for which the historical credit loss experience was determined. There was one credit loss during the period, totalling \$0.132M. The Directors do not expect this will impact business operations.

A customer default is defined as a customers' failure to pay its debt. The last failure experienced by the Group was during the current period. At 30 June 2025 it was determined an Expected Credit Loss (ECL) provision was required in accordance with AASB 9 Financial Instruments and an amount of \$0.542M is recognised to Trade Receivables.

NOTE 12 CONTRACT ASSETS – CURRENT

	2025 \$000	2024 \$000
Contract assets	2,976	2,778
Carrying amount at start of year	2,778	2,869
Consideration received for services rendered in the previous period	(2,778)	(2,869)
Revenue recognised for rendering services not yet received	2,976	2,778
Total	2,976	2,778

See Notes 2.12 and 2.23

NOTE 13 INVENTORIES - CURRENT

	2025 \$000	2024 \$000
Inventories	18,722	22,233
At net realisable value:		
Raw Materials	36	112
Finished goods	9,951	9,304
Work in progress	8,735	12,817
Total	18,722	22,233

Expenses incurred for inventories sold was \$36.030M in 2025 (2024: \$33.079M). This expense is recognised as cost of sales. During the year, the Group reassessed the net realisable carrying value of inventories with consideration to sales growth and product mix demanded by customers. This resulted in the recognition of a \$2.579M reversal of inventories (2024: reversal \$1.168M).

All stock is held at net realisable value as determined per the policy outlined in note 2.23.

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – NON-CURRENT

	2025 \$000	2024 \$000
Land and buildings	1,500	1,500
Less: accumulated depreciation	(201)	(168)
	1,299	1,332
Plant and equipment – at cost	11,601	11,461
Less: accumulated depreciation and impairment	(9,382)	(8,437)
	2,219	3,024
Total Property, Plant and Equipment	3,518	4,356
Assets Held for Sale – at cost	796	796
Total property, plant and equipment	4,314	5,152

	Land & Buildings \$'000	Plant & Equipment \$'000	Assets Held for Sale \$'000	Total \$'000
Consolidated – 2025				
Carrying amount at start of year	1,332	3,023	796	5,151
Revaluation	-	-	-	-
Additions	-	140	-	140
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation and amortisation	(33)	(944)	-	(977)
Carrying amount at end of year	1,299	2,219	796	4,314

Consolidated – 2024				
Carrying amount at start of year	1,445	3,671	-	5,116
Revaluation	-	-	-	-
Additions	-	1,709	1,276	2985
Disposals	(79)	(930)	(480)	(1,489)
Transfers	-	-	-	-
Depreciation and amortisation	(34)	(1,427)	-	(1,460)
Carrying amount at end of year	1,332	3,023	796	5,152

14.1 Summary of depreciation and amortisation expense:

		2025	2024
	Notes	\$000	\$000
Property, plant and equipment – depreciation	14	978	1,460
Right-of-use – depreciation	15	2,458	2,211
Total depreciation		3,436	3,671
Intangible assets – amortisation	16	200	218
Total depreciation and amortisation		3,636	3,889

NOTE 15 RIGHT-OF-USE ASSETS

	2025	2024
	\$000	\$000
Right-of-use assets – at cost	17,435	17,379
Less: accumulated depreciation and impairment	(5,246)	(2,827)
Carrying amount at end of year	12,189	14,552
Consolidated		
Carrying amount at start of year	14,552	6,663
Additions	55	10,100
Lease Revaluations	40	-
Depreciation & amortisation expense	(2,458)	(2,211)
Carrying amount at end of year	12,189	14,552

The Group did not renew or extend any lease during the current period. The Group recognised an expense from short-term leases of \$0.294M for the period ended 30 June 2025 (2024: \$0.513M).

NOTE 16 INTANGIBLE ASSETS – NON-CURRENT

	2025	2024
	\$000	\$000
Development costs - Mining equipment manufacturing - at cost	2,611	2,610
Less: Accumulated amortisation and impairment	(2,611)	(2,556)
Total Development Costs	-	54
Intellectual Property	2,200	2,200
Less: Accumulated amortisation	(434)	(288)
Total Intellectual Property	1,766	1,912
Total Carrying amount at end of year	1,766	1,966
Development Costs		
Balance at beginning of year	54	125
Amortisation expense	(54)	(71)
Carrying amount at end of year	-	54
Not yet ready for use	-	-
Other	-	54
Total	-	54
Intellectual Property		
Balance at beginning of year	1,912	2,059
Additions	-	-
Amortisation expense	(146)	(147)
Carrying amount at end of year	1,766	1,912

NOTE 17 TRADE AND OTHER PAYABLES – CURRENT

	2025 \$000	2024 \$000
Trade payables – unsecured	5,157	5,906
Contract liabilities – unsecured	640	3,224
GST payables	189	499
Sundry payables and accruals – unsecured	1,678	1,705
Total	7,664	11,334

NOTE 18 PROVISIONS

	2025 \$000	2024 \$000
Current		
Annual leave	1,731	1,920
Long service leave	1,208	980
RDO Provision	99	98
Total Current	3,038	2,998
Non-Current		
Long service leave	266	368
Make good	40	40
Total Non-Current	306	408

Annual Leave and current Long Service Leave comprise amounts payable that are vested and could be expected to be settled within twelve months of the end of the reporting period.

Non-Current Long Service Leave comprises amounts not vested at the end of the reporting period and the amount and timing of the payments to be made when leave is taken is uncertain.

RDO provision comprises amounts payable that are vested and could be expected to be settled within twelve months of the end of the reporting period.

Make good provision comprise estimated costs to return leased premises and assets to their contractual agreed condition on expiry of the lease.

NOTE 19 INTEREST BEARING LOANS

	2025 \$000	2024 \$000
Current		
Interest bearing loan from bank - secured	1,200	1,200
Interest bearing loan from bank – unsecured	2,114	1,104
Total current	3,314	2,304
Non-Current		
Interest bearing loan from bank - secured	6,412	7,614
Total Non-current	6,412	7,614
Total	9,726	9,918
Balance at beginning of year	9,918	11,348
Loan drawdown	1,010	(222)
Loan repaid	(1,200)	(1,200)
Interest Accrued	(2)	(8)
Carrying amount at end of year	9,726	9,918

PPKMEG has a \$7.600M loan with a major Australian bank, secured against commercial property in Mt Thorley, NSW, as well as working capital and a general security agreement over all present and future rights, property and undertaking of PPKMEG and all wholly owned subsidiaries. The loan is required to be repaid on 30 April 2028.

The secured bank loan is subject to the following covenants:

- Minimum Gross Debt/EBITDA ("Earnings before Interest, taxes, depreciation and amortisation").
- Minimum EBIT ("Earnings before Interest and Taxes") Interest cover. This is calculated as EBIT divided by Interest expense.
- Tangible Net Worth. Tangible Net Worth is equal to Net Assets excluding Intangible assets.

All covenants are tested half-yearly, at 30 June and 31 December. The Group has no indication that it will have difficulty complying with these covenants and has complied with all covenants during the reporting period.

NOTE 20 LEASE LIABILITIES

	2025 \$000	2024 \$000
Current	1,879	3,109
Non-Current	11,259	11,961
Total Lease Liabilities	13,138	15,070

Reconciliation of movement in Lease Liabilities

Opening balance	15,069	6,835
New leases entered into	95	10,101
Payments	(2,767)	(2,302)
Interest expense	741	436
Closing lease liability	13,138	15,070

Total amounts recognised in the profit or loss under AASB 16

Amortisation of Right-of-use assets	2,458	2,211
Interest expense on lease liabilities	741	436
Expenses related to short-term leases	294	513
Totals amounts in the profit or loss	3,494	3,160

All leases recognised are at commercial rates and vary in term from twelve months to fourteen years. Refer to Note 2.22.2 for the accounting policy applied by the company. The maturity analysis of lease liabilities is disclosed in Note 23.3.

NOTE 21 SHARE CAPITAL

21.1 Issued capital

	2025 \$	2024 \$
86,229,426 (2024: 86,515,678) ordinary shares fully paid	18,137,356	18,140,527
Movements in ordinary share capital		
Balance at the beginning of the financial year	18,140,527	18,381,625
Shares issued to employees via complying Employee Share Scheme	34,080	119,472
Shares cancelled via Selective Buyback	(37,251)	(360,570)
Elimination of Treasury shares held in Trust	-	-
Total	18,137,356	18,140,527

21.2 Share movements

Movements in number of ordinary shares:	No. of Shares	No. of Shares
Balance at the beginning of the financial year	86,515,678	89,289,293
Shares cancelled via Selective Buyback	(286,252)	(2,773,615)
Total	86,229,426	86,515,678

In November 2024, PPK Mining Equipment Plans Pty Ltd (in its capacity as trustee of the PPK Mining Equipment Group Limited Employee Share Trust) issued 284,000 ordinary shares to employees via a complying Employee Share Scheme (ESS), whereby eligible employees were issued shares in PPKMEG.

The remaining shares held by the Employee Share Trust following the ESS allotment continue to be held on trust for the PPK Mining Equipment Group Limited Executive Rights Plan. The shares do not have a par value and each share is entitled to one vote at shareholder meetings. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

21.3 Capital risk management

The Group considers its capital to comprise its ordinary shares and retained earnings.

In managing its capital, the Group's primary objective is to increase profitability, to provide a future return for equity shareholders, through capital growth and the payment of dividends to its shareholders. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

In making decisions to adjust its capital structure to achieve these aims, either through altering dividend policy, new share issues, share buy-backs, or the increase/reduction of debt, the Group considers not only its short-term position, but also the long-term operational and strategic objectives.

The Group's Capital Risk policy continues to be the decline of its gearing ratio towards the lower of the range 25% - 50% (2024: 40% - 65%). The Group expects to maintain its gearing ratio towards the lower of this range for each subsequent year, as a result of principal debt repayments and increased cash holdings from operational activities.

The Group's gearing ratio at the Statement of Financial Position date is shown below:

	2025 \$000	2024 \$000
Gearing Ratios		
Total borrowings	7,612	8,800
Less cash and cash equivalents	(3,959)	(223)
Add bank overdraft	2,114	882
Net debt	5,767	9,459
Total equity	18,137	18,141
Total capital	18,137	18,141
Gearing ratio	32%	52%

The gearing ratio is calculated excluding lease liabilities.

The Group intends to minimise debt; however, intentionally maintains the ability to access debt, if necessary, with a focus on funding intangible assets to completion and commercialisation, as well as acquiring additional strategic assets as and when the opportunity presents. There is no change as to what the Group considers to be capital.

NOTE 22 RESERVES

	2025 \$000	2024 \$000
Reserves		
Share premium reserve	686	253
Asset revaluation reserve	-	-
Total Reserves	686	253
Movement in Reserves		
23.1 Share premium reserve		
Balance at beginning of year	253	-
Issue of share capital by PPKMEG for ESS	433	253
Carrying amount at end of year	686	253

NOTE 23 FINANCIAL INSTRUMENTS RISK

The Group's financial instruments include investments in deposits with banks, receivables, payables and interest bearing liabilities. The accounting classifications of each category of financial instruments, as defined in Note 2.10, Note 2.11, Note 2.16, Note 2.17, Note 2.18 and Note 2.22 and their carrying amounts are set out below.

	Weighted Average Interest Rate	Notes	Floating \$000	Within 1 Year \$000	More than 1 Year \$000	Total \$000
Consolidated 2025						
Financial assets						
Receivables	0.0%	11	-	10,164	-	10,164
Contract assets	0.0%	12	-	2,976	-	2,976
Cash and cash equivalents	0.0%	10	3,959	-	-	3,959
Total financial assets			3,959	13,140	-	17,099
Financial liabilities						
Interest-bearing loans	7.3%	19	-	-	7,612	7,612
Trade and other payables	0.0%	17	-	7,664	-	7,664
Lease liabilities	5.4%		-	1,879	11,259	13,138
Debtor finance facility	8.2%	19	2,114	-	-	2,114
Total financial liabilities			2,114	9,543	18,871	30,528
Consolidated 2024						
Financial assets						
Receivables	0.0%	11	-	10,632	-	10,632
Contract assets	0.0%	12	-	2,778	-	2,778
Cash and cash equivalents	0.0%	10	223	-	-	223
Total financial assets			223	13,410	-	13,633

Financial liabilities

Interest-bearing loans	8.3%	19	-	-	8,814	8,814
Trade and other payables	0.0%	17	-	11,334	-	11,334
Lease liabilities	5.4%		-	3,109	11,961	15,070
Debtor finance facility	9.2%	19	1,104	-	-	1,104
Total financial liabilities			1,104	14,442	20,775	36,322

Financial risk management

The Board of Directors have overall responsibility for establishment and oversight of financial risk management framework. The Group's activities expose it to a range of financial risks, including credit risk and liquidity risk. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group, where such impacts have the potential to be material.

The Board receives monthly internal management reports, which it reviews and regularly discusses the effectiveness of the processes in place and the appropriateness of the objectives and policies to support the delivery of the Group's financial targets, while protecting future financial security. The Group does not use derivatives.

23.1 Interest risk

Interest rate risk is the risk the fair value or future cash flows of a security will fluctuate due to changes in interest rates. Exposure to interest risk arises due to holding floating rate interest bearing liabilities, investments in cash and cash equivalents and loans to related parties and other entities.

Loans to and from related parties and other entities are at fixed rates. The Group has performed sensitivity analysis relating to its interest rate risk based on the Group's year-end exposure. This sensitivity analysis demonstrates the effect on pre-tax results and equity which could result from a movement of interest rates of +/- 1%.

Change in profit before tax	2025 \$000	2024 \$000
- increase in interest rates by 1%	(97)	(99)
- decrease in interest rates by 1%	97	99

23.2 Credit risk

The Group's maximum exposure to credit risk is generally the carrying amount in trade and other receivables, net of any allowance for credit losses. The Group has in place formal policies and periodic review processes for establishing credit approval and limits to manage this risk.

The Group also has a credit risk exposure in relation to cash at bank. The Group's policy is to ensure funds are exclusively invested with Tier 1 Australian banks, thus minimising the Group's exposure to this credit risk. Refer to Note 11 for detail on the Group's trade and other receivables.

The Group was not exposed to exchange rate transaction risk on foreign currency sales or foreign currency purchases during the year as sales are made in Australian currency and most foreign currency purchases are paid in advance. The Group does not take forward cover or hedge its risk exposure.

23.3 Liquidity risk

Liquidity risk is the risk the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's objective to mitigate liquidity risk is to maintain a balance between continuity of funding and flexibility through the use of bank loans, other loans and lease agreements. The Group exposure to liquidity risk is not significant based on existing available funding facilities and cash flow forecasts. Details of the Group's financing facilities are set out in Notes 19 and 23.

Financial liabilities maturity analysis

The tables below reflect the undiscounted, contractual settlement terms for the Group's financial liabilities of a fixed period of maturity, as well as the earliest possible settlement period for all other financial liabilities. As such the amounts may not reconcile to the balance sheet.

	Carrying amount	<6 months	6-12 months	1-3 years	>3 years	Contractual Cash flows
	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated 2025						
Financial liabilities (current & non-current)						
Debtor finance facility	2,114	2,114	-	-	-	2,114
Trade and other payables	7,664	7,664	-	-	-	7,664
Interest-bearing loan	7,612	600	600	3,600	2,812	7,612
Lease liabilities	13,138	1,296	1,265	3,756	11,122	17,439
Total financial liabilities	30,528	11,674	1,865	7,356	13,934	34,829
Consolidated 2024						
Financial liabilities (current & non-current)						
Debtor finance facility	1,104	1,104	-	-	-	1,104
Trade and other payables	11,334	11,334	-	-	-	11,334
Interest-bearing loan	8,814	600	600	3,600	4,014	8,814
Lease liabilities	15,070	1,380	1,382	6,219	11,122	20,103
Total financial liabilities	36,322	14,418	1,982	9,819	15,136	41,355

NOTE 24 CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities exist in the Group due to various undertakings in the ordinary course of business, of which, none are anticipated to materialise into Current or Non-Current Liabilities. The Group's guarantees and indemnities include:

- bank guarantees held by four unrelated parties, for a consolidated value of \$568,894, in relation to operational commercial property leases.
- a Corporate Market loan of \$7.600M from a major Australian bank, secured by a guarantee over all of the present and future rights, property and undertakings of PPKMEG and its subsidiaries;
- a finance facility up to \$6.000M from a major Australian bank, secured against the Group's debtors, and secured by a guarantee over all of the present and future rights, property and undertakings of the Group and its subsidiaries;
- a credit card facility for \$0.100M with a general security agreement over all of the present and future rights, property and undertakings of the Group and its subsidiaries;
- the lease motor vehicle fleet provider has a guarantee and indemnity from the Group for the run-off of the existing leased motor vehicle fleet in the amount of \$0.274M.
- five cash backed bank guarantees, with a leading Australian institutional bank, provided to customers for the value of \$405,303.

NOTE 25 RELATED PARTIES

For details on transactions between related parties refer to Note 8.

NOTE 26 INVESTMENTS IN SUBSIDIARIES

	Country of Incorporation	Notes	Percentage Owned	
Subsidiaries of PPK Mining Equipment Group Limited:			2025 %	2024 %
PPK Mining Equipment Pty Ltd	Australia		100%	100%
PPK Mining Equipment Hire Pty Ltd	Australia		100%	100%
PPK Mining Repairs Alternators Pty Ltd	Australia		100%	100%
PPK Firefly Pty Ltd	Australia		100%	100%
PPK Properties Pty Ltd	Australia		100%	100%
PPK Electrics Pty Ltd	Australia		100%	100%
York Group Limited	Australia		100%	100%
Rambor Pty Ltd	Australia		100%	100%
Rambor Manufacturing Pty Ltd	Australia		100%	100%
Rambor Logistics & Asset Management Pty Ltd	Australia		100%	100%
PPK Electrics Holdings Pty Ltd	Australia		100%	100%
Coaltec Pty Ltd	Australia		100%	100%
PPK IP Pty Ltd	Australia		100%	100%
PPK Mining Equipment Plans Pty Ltd	Australia		100%	100%
PPKME Filters Pty Ltd	Australia		100%	100%

NOTE 27 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen which is not otherwise dealt with in this Annual Report that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of the consolidated entity in subsequent years.

NOTE 28 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to PPK Mining Equipment Pty Ltd from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial report.

As a condition of the Corporations Instrument, PPK Mining Equipment Group Ltd and PPK Mining Equipment Pty Ltd (the "Closed Group"), entered into a deed of cross guarantee on 22 May 2024. The effect of the deed is that PPK Mining Equipment Group Ltd has guaranteed to pay any deficiency in the event of winding up of a controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that PPK Mining Equipment Group Ltd is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated statement of profit or loss, consolidated statement of comprehensive income, and consolidated statement of financial position of the entities that are members of the Closed Group consisting of PPK Mining Equipment Group Ltd and PPK Mining Equipment Pty Ltd are as follows:

	2025 \$000	2024 \$000
CONSOLIDATED STATEMENT OF PROFIT OR LOSS		
Revenue from contracts with customers	72,488	65,978
Interest Income	13	144
Other income	-	-
Total revenue and other income	72,501	66,122

Expenses		
Cost of sales	(54,826)	(51,283)
Employee expenses	(4,869)	(4,990)
Administration expenses	(2,702)	(1,802)
Short-term leases	(248)	(483)
Share-based payments	(467)	(373)
Depreciation	(3,602)	(3,855)
Other expenses	(1,399)	(825)
Interest expense	(1,717)	(1,853)
Total expenses	(69,830)	(65,464)
PROFIT BEFORE INCOME TAX EXPENSE	2,671	658
Income tax benefit attributable to profit	771	474
PROFIT AFTER INCOME TAX EXPENSE	3,442	1,132
OTHER COMPREHENSIVE INCOME		
<i>Items that may be re-classified to profit or loss</i>	-	-
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,442	1,132

	Notes	2025 \$000	2024 \$000
STATEMENT OF FINANCIAL POSITION			
CURRENT ASSETS			
Cash and cash equivalents		3,959	222
Trade and other receivables		10,164	10,632
Contract assets		2,951	2,717
Inventories		17,735	18,605
Other financial assets		54	894
Other current assets		1,597	59
TOTAL CURRENT ASSETS		36,460	33,129
NON-CURRENT ASSETS			
Property, plant and equipment		3,015	3,819
Right-of-use assets		12,189	14,552
Intangible assets		1,766	1,966
Other non-current assets		706	404
Deferred tax asset		2,552	1,177
TOTAL NON-CURRENT ASSETS		20,228	21,918
TOTAL ASSETS		56,688	55,047
CURRENT LIABILITIES			
Trade and other payables		7,082	8,036
Provisions		3,038	2,998
Interest bearing loans and borrowings		3,314	2,304
Lease and other liabilities		1,879	3,109
Provisions for tax		624	325
TOTAL CURRENT LIABILITIES		15,937	16,772
NON-CURRENT LIABILITIES			
Provisions		306	408
Interest bearing loans and borrowings		6,412	7,614
Related party loans		12,489	11,665
Lease liabilities		11,259	11,960
TOTAL NON-CURRENT LIABILITIES		30,466	31,647
TOTAL LIABILITIES		46,403	48,419
NET ASSETS		10,285	6,628
EQUITY			
Contributed equity		18,464	18,501
Reserves		674	244
Retained earnings (accumulated losses)		(8,853)	(12,117)
TOTAL EQUITY		10,285	6,628

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

	Entity Type	Body Corporate Country of Incorporation	Country of tax residence	Body Corporate % of share capital held
Subsidiaries of PPKMEG Limited:				
PPK Mining Equipment Pty Ltd	Body corporate	Australia	Australia	100%
PPK Mining Equipment Hire Pty Ltd	Body corporate	Australia	Australia	100%
PPK Mining Repairs Alternators Pty Ltd	Body corporate	Australia	Australia	100%
PPK Firefly Pty Ltd	Body corporate	Australia	Australia	100%
PPK Properties Pty Ltd	Body corporate	Australia	Australia	100%
PPK Electrics Pty Ltd	Body corporate	Australia	Australia	100%
York Group Limited	Body corporate	Australia	Australia	100%
Rambor Pty Ltd	Body corporate	Australia	Australia	100%
Rambor Manufacturing Pty Ltd	Body corporate	Australia	Australia	100%
Rambor Logistics & Asset Management Pty Ltd	Body corporate	Australia	Australia	100%
PPK Electrics Holdings Pty Ltd	Body corporate	Australia	Australia	100%
Coaltec Pty Ltd	Body corporate	Australia	Australia	100%
PPK IP Pty Ltd	Body corporate	Australia	Australia	100%
PPK Mining Equipment Plans Pty Ltd ¹	Body corporate	Australia	Australia	100%
PPK Mining Equipment Group Limited	Trust	N/A	Australia	N/A
Employee Share Trust				
PPKME Filters Pty Ltd	Body corporate	Australia	Australia	100%

¹ Entities are trustees for the PPK Mining Equipment Group Limited Employee Share Trusts in the consolidated entity.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2025

1. In the opinion of the Directors of PPK Mining Equipment Group Limited;
 - a) The consolidated financial statements and notes of PPK Mining Equipment Group Limited are in accordance with the *Corporations Act 2001*, including
 - (i) Giving a true and fair view of its financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australia Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - b) There are reasonable grounds to believe that PPK Mining Equipment Group Limited will be able to pay its debts as and when they become due and payable.
 - c) As at the date of this declaration, there are reasonable grounds to believe that PPK Mining Equipment Group Limited and the subsidiaries identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.
2. Note 2 confirms the consolidated financial statements comply with International Financial Reporting Standards.
3. The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

Signed in accordance with a resolution of the Board of Directors:



ROBIN LEVISON
Chairman



DALE MCNAMARA
Executive Director

Dated this 20th day of October 2025

PPK MINING EQUIPMENT GROUP LIMITED
ABN: 26 121 201 705

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Independent auditor's report to the members of PPK Mining Equipment Group Limited

Opinion

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

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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



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Responsibilities of the directors for the financial report

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

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

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark ink that reads 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in dark ink that reads 'Brad Tozer' in a cursive script.

Brad Tozer
Partner
Brisbane
20 October 2025

