CTI Logistics Limited

ACN 008 778 925

ANNUAL REPORT 2026

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Directory

DIRECTORS
David Robert Watson
(Executive Chairman)

David Anderson Mellor
(Executive)

Bruce Edmond Saxild
(Executive)

Owen Roy Venter
(Executive)

Matthew David Watson
(Executive)

William Edward Moncrieff
(Non-executive)

Roger Maitland Port
(Non-executive)

SECRETARY
Owen Roy Venter

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SHARE REGISTRY
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ASX CODE
CLX

The financial report covers the Group consisting of CTI Logistics Limited and its subsidiaries.

The financial report is presented in Australian dollars.

The financial report was authorised for issue by the directors on 26 August 2026.

CTI Logistics Limited is a company limited by shares, incorporated and domiciled in Australia.

Chairman's Statement

Revenue for the year was up 9.7% to $357.1m. EBITDA (earnings from operating activities before interest, taxes, depreciation and amortisation expense) of $76.4m was up 29.6% and net profit after tax of $24.0m was up 68.9% on the previous year, resulting in fully diluted earnings per share of 30.31 cents. The Company declared dividends totalling 14.0 cents per share, fully franked, for the year ended 30 June 2026.

The 2026 financial results have benefitted from increased freight volumes across the transport network coupled with increased ongoing project work supported by the expansion of the regional WA network, an exceptionally strong finish to the year in May and June and increased demand for flooring products storage space.

On 12 August 2026 the Group entered into a binding agreement to acquire a property in Welshpool, Western Australia for $24.1m. The property is located near the Kewdale Rail Terminal and the Group expects to relocate its interstate transport business to the property following redevelopment and the expiry of two existing leases. The acquisition is consistent with the Group's strategy of securing property assets to support its operating businesses and adding significant value to the Company through appreciation over time.

The Company has again retained its ISO certifications for Quality, Environment and Health and Safety across all Group activities. Moving forward, we continue to develop our plans to reduce and offset our carbon footprint.

The Company's excellent safety record is a priority and has been maintained while continuing to operate at high volumes of activity. Staff are invested in a positive health and safety culture, and this reflects in the Company's strong operational results.

I would like to acknowledge the Company's management, staff, drivers and subcontractors for their efforts and dedication in what has been another successful year for the Company.

David Watson
EXECUTIVE CHAIRMAN
26 August 2026

Directors' Report

Your directors present their report on the group of companies (Group) consisting of CTI Logistics Limited (Company) and its controlled entities for the year ended 30 June 2026.

Directors

Directors of the Company who were in office during the financial year and up to the date of this report are (unless otherwise indicated):

David Robert Watson (Executive Chairman)

Mr Watson is the founder, executive chairman and chief executive officer of the Group. Mr Watson is a member of the Remuneration and Nomination Committee. Mr Watson has not held any other directorships in listed companies over the past 3 years.

David Anderson Mellor (Executive Director)

Mr Mellor is a chartered accountant who has been with the Group since 1978. He is responsible for the Group's finances and accounts. Mr Mellor has not held any other directorships in listed companies over the past 3 years.

Bruce Edmond Saxild (Executive Director)

Mr Saxild has been with the Group since 1977. He is responsible for the Group's logistics and transport operations. He is a member of the Audit and Risk Committee. Mr Saxild has not held any other directorships in listed companies over the past 3 years.

Owen Roy Venter (Executive Director)

Mr Venter is a chartered accountant who has been with the Group since 2014. He is the Company Secretary and has finance and accounts responsibilities for the Group. Mr Venter has previously been a director with PricewaterhouseCoopers in the UK as well as a senior manager with KPMG in Perth. During his career of over 30 years he has worked in audit and advisory in public accounting in South Africa, the UK and the US across various industries and sectors. Mr Venter has not held any other directorships in listed companies over the past 3 years.

Matthew David Watson (Executive Director)

Mr Watson is a chartered management accountant who has been with the Group since 2019 and previously was a non-executive director of CTI Logistics Limited from 2010 to 2019. During his career of 25 years, Mr Watson has worked for Rio Tinto in Perth, Cisco Systems in London and Accenture in Europe in various financial, operational and project management positions. Mr Watson is a member of the Audit and Risk Committee and has compliance and operational responsibilities for the Group. Mr Watson has not held any other directorships in listed companies over the past 3 years.

William Edward Moncrieff (Non-Executive Director)

Mr Moncrieff is a non-executive director of CTI Logistics Limited following his appointment in 2021. Mr Moncrieff is counsel with the law firm Blackwall Legal LPP and a proprietor of McKenzie Moncrieff Consulting. He has previously been a partner of the law firms Jackson McDonald and Clayton Utz, a director of McKenzie Moncrieff Lawyers and an executive officer with ASX Limited. He has over 30 years' experience in corporate and commercial law, advising on corporate governance and compliance, mergers and acquisitions, securities law and equity capital markets. Mr Moncrieff is a member of the Audit and Risk Committee and the chair of the Remuneration and Nomination Committee. Mr Moncrieff has not held any other directorships in listed companies over the past 3 years.

Roger Maitland Port (Non-executive Director)

Mr Port was appointed as a non-executive director of CTI Logistics Limited on 22 September 2023. Mr Port is a chartered accountant and former partner of PricewaterhouseCoopers with extensive experience in financial analysis, company and business valuations, transaction due diligence and mergers and acquisitions. He is a Fellow of the Australian Institute of Company Directors and a Fellow of Chartered Accountants Australia and New Zealand. Mr Port has held a number of board and audit and risk committee positions over the past 25 years and is currently a board member of Eagle Mountain Mining Limited (ASX:EM2) and the chair of Linear Clinical Research Limited and Cullen Wines (Australia Pty Ltd). Mr Port is the chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Directors' Report

Principal activities of the Group
The principal activities of the Group during the year were the provision of logistics and transport services and the provision of security services.

Dividends
Dividends paid or declared by the Company to members since the end of the previous financial year were:

Declared and paid during the year	Cents per share	Total amount	Franked	Date of payment
Final 2025				
Ordinary	5.5	$4,305,664	Fully franked	2 October 2025
Interim 2026				
Ordinary	6.0	$4,715,151	Fully franked	31 March 2026

Declared after end of year
After the balance sheet date, the directors have declared the following dividend:

Declared	Cents per share	Total amount	Franked	Date of expected payment
Final 2026				
Ordinary	8.0	$6,345,500	Fully franked	6 October 2026

The financial effect of this post balance sheet date dividend has not been brought to account in the financial statements for the year ended 30 June 2026 and will be recognised in subsequent financial reports.

Review of operations and results
The Company is a national transport and logistics provider. Transport operations cover couriers and taxi trucks, business-to-business (B2B) and business-to-customer (B2C) parcel distribution, container handling, fleet management, WA regional road freight and interstate road and rail freight. Logistics includes third party logistics (3PL), offsite fourth party logistics (4PL), supply chain and distribution centre (DC) warehousing, flooring products logistics, e-commerce fulfilment, temperature-controlled warehousing, minerals and energy supply base services, quarantine and preservation wrapping and fumigation, document storage, media destruction and recycling. The Company also has a security business providing installation, maintenance and monitoring of alarms, CCTV visual verification and lone worker protection.

For the year ended 30 June 2026, revenue from operations was up 9.7% to $357.1m, with significant growth in the transport segment revenue of 12.3% and consistently strong growth in the logistics segment revenue of 6.4%.

EBITDA* increased by 29.6% on the previous financial year to $76.4m and the profit after tax of $24.0m was 68.9% higher than the previous financial year (current financial year figures include the reversal of a prior impairment of $2.1m). These strong results have resulted from:

- increased freight volumes across the transport network including an increase in express freight, coupled with increased ongoing project work supported by the expansion of the regional WA network,
- an exceptionally strong finish to the year in May and June with volumes exceeding expectations,
- increased demand for flooring products storage space, delivered through the expansion of capacity, improved storage utilisation and increased transport and handling volumes,
- improved staff retention rates and enhanced training and development of our staff leading to the achievement of targeted improvements in productivity, and
- a continued focus on quality revenue and tighter cost controls to offset rising wage, consumable and property costs.

**EBITDA is earnings from operating activities before interest, taxes, depreciation and amortisation expense.*

Operating cash flow improved by $11.8m to $53.5m for the financial year. The Company's receivables and cash flow management remained well controlled with debtors' days outstanding in line with the prior year. Credit losses of $0.4m were incurred in the financial year. Through the combination of paying down debt from cash generated and the increase

Directors' Report

in retained earnings, the gearing ratio has decreased to 20% with interest bearing debt down by $8.2m to $45.9m. The available cash balance marginally decreased to $9.9m with unutilised debt facilities of $20.7m available at 30 June 2026.

Construction of the 10,600 sqm facility adjoining the Regional Freight hub at Hazelmere, Western Australia was completed during the financial year, providing the Company with over 250,000 sqm of buildings with available capacity to support future growth. During the year ended 30 June 2026, management obtained an independent valuation of the newly developed facility, which confirmed that the current value of the land and building exceeds its original cost. As such, the full amount of the original impairment on this land of $2.1m has been reversed.

The Group has historically invested in owner-occupied WA property for its operations, which has generated significant returns through capital appreciation and operational efficiencies. Property assets are recognised on the balance sheet at historical cost less accumulated depreciation. The Company obtains independent external valuations on a rolling 3-year basis for material owned properties. However, during the current financial year, an independent valuation of the newly completed Hazelmere property was the only valuation conducted. The total value of the property assets based on the latest independent valuations has increased to $190.0m, representing a significant value premium of $73.9m or 64% above the reported carrying value as at 30 June 2026. The property assets support a strong balance sheet to pursue further growth and comfortably underpin the current share price.

As part of our annual ISO commitments, the Company was independently audited and was again successful in retaining certification for Quality (9001:2015), Environment (14001:2015) and Health and Safety (45001:2018). Environmental, social and governance (ESG) issues remain a focus, and we continue to invest in staff wellbeing, safety initiatives and emissions reduction. Moving forward, we continue to develop our plans to reduce and offset our carbon footprint including seeking a 5 Star Green Star rating for the new facility at Hazelmere.

While market conditions remain dynamic and difficult to forecast with certainty, we remain confident in the long-term fundamentals of the freight and logistics sector. Australia's growing population, ongoing regional development and continued expansion of e-commerce are expected to support freight demand over time. With a dominant Western Australian network, an expanding national footprint and significant recent investment in property, fleet and equipment, CTI is well positioned to pursue growth opportunities as they emerge while continuing to assess synergistic acquisition opportunities.

Risk Management

The Group's principal business risks include labour force management, fuel price volatility, health and safety compliance, regulatory risks, cyber security threats, economic conditions affecting freight demand, fleet availability and climate-related disruptions and credit risk. Management actively monitors these risks through established governance, compliance and operational frameworks and implements mitigation strategies aimed at reducing the likelihood and impact of adverse events. While no risk management framework can eliminate risk entirely, the Board believes these measures support the Group's ability to achieve its strategic objectives and maintain sustainable long-term performance.

Labour Force Management

The transport and logistics industry continues to experience driver shortages, warehouse labour constraints and cost pressures. An inability to attract and retain qualified personnel, or disruptions arising from industrial action, could impact service delivery and financial performance. Management maintains active recruitment programs, employee retention strategies, market-based remuneration reviews, succession planning and regular engagement with employees and workforce representatives. Further to this, management utilises an extensive subcontractor fleet and engages with labour-hire providers to manage fluctuations in requirements and potential labour shortages.

Fuel Price Volatility

Fuel represents a significant operating cost. Material increases in diesel prices may adversely impact margins where fuel cost increases cannot be fully recovered through contractual fuel surcharge mechanisms. The Group mitigates this risk through the use of industry accepted fuel levy arrangements in the vast majority of arrangements with customers. Fuel levy arrangements comprise a rise and fall mechanism that moves in line with fuel prices and is calculated on a regular basis, with additional costs passed through to customers.

Health, Safety and Chain of Responsibility Compliance

The Group operates a fleet of heavy vehicles and logistics facilities which expose it to workplace health and safety risks and obligations under Australia's Heavy Vehicle National Law and Chain of Responsibility framework. The Group is ISO accredited for Quality (9001:2015), Environment (14001:2015) and Health and Safety (45001:2018). The Group maintains a comprehensive safety management system including regular driver and employee training programs, fatigue management programs, incident reporting processes, internal audits, vehicle maintenance programs and continuous monitoring of safety performance indicators.

Regulatory and Compliance Risk
Changes in transport, environmental, workplace relations, taxation or safety regulations may increase operating costs or require capital investment. Dedicated compliance frameworks, external legal and regulatory advice, employee training, periodic compliance reviews and governance oversight assist in ensuring compliance with applicable laws and regulations. Additional costs are considered and form part of annual customer pricing reviews.

Cyber Security and Technology Risk
The Group relies on transport management systems, warehouse management systems, fleet telematics and customer-facing technology platforms. Cyber incidents or system outages could disrupt operations and impact customer service. The Group invests in cyber security controls including multi-factor authentication, network monitoring, penetration testing, employee awareness training, regular system updates, disaster recovery planning and cyber incident response procedures.

Economic and Freight Demand Risk
Demand for transport and logistics services is influenced by broader economic conditions, customer activity levels and freight volumes. Management seeks to diversify revenue streams across multiple industries, service offerings and customer segments, while maintaining flexible cost structures and ongoing monitoring of market conditions and freight trends.

Fleet Availability and Asset Management Risk
The Group's ability to provide services depends on the availability and reliability of its vehicle fleet and associated equipment. Management operates preventative maintenance programs, scheduled fleet replacement plans, ongoing asset monitoring, supplier relationship management as well as utilising subcontractors to minimise operational disruption.

Climate and Extreme Weather Risk
Severe weather events leading to flooding and bushfires and other climate-related impacts may disrupt transport routes, customer operations and supply chains. Management maintains business continuity and disaster recovery plans, monitors weather and operational risks, utilises both road and rail as alternative route strategies for national freight movements, maintains appropriate insurance coverage and considers climate-related risks in strategic planning decisions.

Customer Credit Risk
The Group is exposed to the risk that customers may experience financial distress and fail to meet payment obligations. Credit approval procedures, customer credit assessments, trading limits, regular debtor reviews, active collection processes and monitoring of overdue accounts are used to minimise exposure to bad debts and customer defaults.

Changes in the state of affairs
No other significant changes in the state of affairs of the Group have occurred other than those matters referred to elsewhere in this report.

Events subsequent to balance date
On 12 August 2026 the Group entered into a binding agreement to acquire a property in Welshpool, Western Australia for $24.1m. The property is located near the Kewdale Rail Terminal and the Group expects to relocate its interstate transport business to the property following redevelopment and the expiry of two existing leases. The acquisition is consistent with the Group's strategy of securing property assets to support its operating businesses.

The directors are not aware of any other matters or circumstances that have significantly or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in subsequent financial years.

Directors' Report

Likely developments
The major objectives encompassed in the Business Plan of the Group are:

- expansion of existing operations by targeted marketing and by acquisition;
- establishment or acquisition of businesses in fields related to or compatible with the Group's existing core operations; and
- to maximise the profits and returns to shareholders by constant review of existing operations.

Company secretary
The company secretary is Mr O R Venter. He was appointed to the position on 26 August 2016.

Directors' meetings
The number of directors' meetings held in the period each director held office during the financial year and the number of meetings attended by each director were:

Board of Directors

	Number held whilst in office	Number Attended
D A Mellor	9	9
W E Moncrieff	9	9
B E Saxild	9	9
O R Venter	9	9
D R Watson	9	9
M D Watson	9	9
R M Port	9	9

Audit and Risk Committee

	Number held whilst in office	Number Attended
W E Moncrieff	4	4
B E Saxild	4	4
M D Watson	4	4
R M Port	4	4

Remuneration and Nomination Committee

	Number held whilst in office	Number Attended
W E Moncrieff	1	1
R M Port	1	1
D R Watson	1	1

Particulars of directors' interests in shares of CTI Logistics Limited at the date of this report
The relevant interest of each director in the shares issued by the Company as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Direct Holding	Indirect Holding
D A Mellor+	522,080	2,538,864
W E Moncrieff	-	-
R M Port	-	-
O R Venter+	-	-
B E Saxild+	347,120	2,337,605
D R Watson	18,627,488	7,273,093
M D Watson	324,512	-

+The above do not include contingently issuable shares which may be issued under the Employee Share Plan (refer page 10)

Directors' Report

Directors' and officers' indemnity insurance
The Company's directors' and officers' indemnity insurance policy indemnifies the directors named in this report in respect of their potential liability to third parties for wrongful acts committed by them in their capacity as directors (as defined in the policy). The disclosure of the premium paid in respect of the insurance policy is prohibited under the terms of the policy.

Environmental regulation
The operations of the Company are not subject to any particular or significant environmental regulation. However, the Board believes the Company have adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company and its controlled entities.

Non-audit services
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor, KPMG, for audit services provided during the year are set out in note 20 of the financial statements. No non-audit services were provided during the year. The directors are satisfied the auditor did not compromise the auditor independence requirements of the Corporations Act 2001.

The Lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

Directors' Report

Remuneration report - audited

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

A. Principles used to determine the nature and amount of remuneration
B. Service agreements
C. Details of remuneration
D. Share-Based compensation
E. Equity holdings of key management personnel
F. Consequences of performance on shareholder wealth

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A. Principles used to determine the nature and amount of remuneration
Executive directors
The Remuneration and Nomination Committee makes specific recommendations on remuneration packages and other terms of employment for executive directors. Remuneration is set to competitively reflect market conditions for comparable roles. There are no guaranteed base pay increases each year, no element of base salary and fees are based upon the Company's performance and no short-term incentive bonus schemes operated during the financial year.

Executive directors are eligible to participate in the Employee Share Plan that was last approved by shareholders at a General meeting on 9 April 2026. Refer to section (D) below for further details.

Non-executive directors
Remuneration of non-executive directors is determined by the Board within the maximum amount of $900,000, approved by shareholders at the annual general meeting on 25 November 2021.

Other management personnel
Having regard to the size and structure of the Group, the nature of its operations, and the close involvement of the executive directors, it is the opinion of the directors that there are no other key management personnel apart from the directors.

B. Service Agreements
There are no service agreements in existence and any entitlements payable on termination would be subject to assessment by the Remuneration and Nomination Committee within the legislative framework at the time.

C. Details of remuneration
Details of the nature and amount of each element of the emoluments of each director of the Company and the Group is set out in the following table.

	Short-term		Long-term	Post-employment		
	Cash salary and fees (a) $	Non-monetary benefits (b) $	Share-based payments $	Superannuation $	Total $	Performance -based remuneration %
2026						
D A Mellor	589,734	23,734	-	30,000	643,468	-
W E Moncrieff	71,429	-	-	8,571	80,000	-
B E Saxild	657,577	41,187	-	30,000	728,764	-
O R Venter	409,634	29,262	11,000	30,000	479,896	2.3
D R Watson	594,804	5,168	-	30,000	629,972	-
M D Watson	432,861	47,584	11,000	30,000	521,445	2.1
R M Port	71,429	-	-	8,571	80,000	-
Total	2,827,468	146,935	22,000	167,142	3,163,545	0.7

Directors' Report

Remuneration report – audited (continued)

	Short-term		Long-term	Post-employment	
	Cash salary and fees (a) $	Non-monetary benefits $	Share-based payments $	Superannuation $	Total $
2025					
D A Mellor	549,996	11,945	-	30,000	591,941
W E Moncrieff	71,749	-	-	8,251	80,000
B E Saxild	629,469	21,441	-	30,000	680,910
O R Venter	382,387	14,631	-	30,000	427,018
D R Watson	592,104	-	-	30,000	622,104
M D Watson	405,257	23,792	-	30,000	459,049
R M Port	71,749	-	-	8,251	80,000
Total	2,702,711	71,809	-	166,502	2,941,022

(a) Cash salary and fees includes movements in annual and long service leave provisions for the year.
(b) Non-monetary benefits for the year ended 30 June 26 include the associated fringe benefits tax costs of motor vehicle benefits.

D. Share-Based compensation
The Company's original Employee Share Plan (ESP) allowed for the issuance of contingently issuable shares. These contingently issuable shares were issued between 2011 and 2017 with no issuances thereafter.

On 9 April 2026 at a General Meeting of Shareholders, the Company approved a revised ESP under which certain senior employees and executive directors were offered the opportunity to receive Performance Rights (Rights) under this revised plan.

Details of contingently issuable shares and performance rights under the Company's ESP are set out below.

Contingently issuable shares
The number of contingently issuable shares in the Company held during the financial year by each director of CTI Logistics Limited, including their personally-related entities, under the Employee Share Plan are set out below.

	Number at the start of the year	Exercised during the year	Number at the end of the year
D A Mellor (issued 05/12/11, 01/12/14)	330,000	-	330,000
B E Saxild (issued 05/12/11, 01/12/14)	330,000	-	330,000
O R Venter (issued 28/11/14, 18/01/17, 22/12/17)	60,000	-	60,000

The shares vested 2 years after issue and may be purchased with the assistance of an interest-free, limited recourse loan. The shares were priced using a Black-Scholes pricing model to determine the fair value and amortised through the statement of profit or loss and other comprehensive income over the vesting period. There is no expiry date for these shares subject to exercise by the executive directors.

Remuneration report – audited (continued)

Performance Rights
The key terms and conditions related to the grant of these Rights under the ESP are as follows:

Grant Date	Number of instruments	Vesting conditions	Expiry date
9 April 2026	36,000	3 years' service from 1 July 2025 and achievement of annual individual performance requirements (performance period). Up to 14,400 of the Rights will vest based on Relative Total Shareholder Return (RTSR) being equal to or up to 5% greater than the Small Ordinary Accumulation Index over the performance period (3 years from 1 July 2025). Up to 21,600 of the Rights will vest based on Earnings per Share (EPS) compounded annual growth being between 3% and 5% over the performance period.	31 December 2028

The Rights will vest on a sliding scale with 50% of the Rights vesting on achieving the minimum RTSR or EPS and up to 100% vesting on achieving or exceeding the upper targets. The Board also holds discretion to waive the performance conditions and vest up to 50% of the Rights.

Share options granted under the ESP are designed to link remuneration to the Group's long-term performance by linking the strategic goals and operating performance of the Group and aligning those to business, shareholder and stakeholder interests.

RTSR was selected as a long-term performance hurdle because it directly measures the value delivered to shareholders through share price appreciation and dividends. The Board believes RTSR provides a strong alignment between executive reward outcomes and shareholder returns over the long-term.

The Board considers EPS growth to be an appropriate long-term performance measure as it reflects the Company's success in delivering sustainable earnings growth. The use of EPS as a performance hurdle supports alignment between executive remuneration outcomes and the creation of shareholder value over time.

The number of Rights held during the financial year by each director of CTI Logistics Limited, including their personally-related entities, under the ESP are set out below.

	Number of Rights granted	Value at grant date (a)	Number of Rights vested during the year	Number of Rights exercised during the year
O R Venter	18,000	$33,001	-	-
M D Watson	18,000	$33,001	-	-

(a) *The value at the grant date is calculated in accordance with AASB2 Share-based Payments of Rights granted during the year as part of remuneration. The assessed fair value at grant date of Rights granted to the individuals is allocated equally over the period from the 3-year performance period, and the amount is included in the remuneration tables above.*

Directors' Report

Remuneration report – audited (continued)

Summary
The number and movement of all share-based compensation (contingently issuable shares and performance rights) on issue during the financial year are as follows.

	Balance at 30 June 2025		Granted during the year	Vested and exercisable during the year	Exercised	Balance at 30 June 2026	
	Unvested	Vested				Unvested	Vested
D A Mellor	-	330,000	-	-	-	-	330,000
B E Saxild	-	330,000	-	-	-	-	330,000
O R Venter	-	60,000	18,000	-	-	18,000	60,000
M D Watson	-	-	18,000	-	-	18,000	-

E. Equity holdings of Key management personnel
The number of ordinary shares in the Company held during the financial year by each director, including their personally-related entities, are set out below. There were no shares granted during the reporting period as remuneration or any additions relating to additional shares purchased during the year or issued as part of the dividend reinvestment plan.

	Balance at the start of the year	Additions during the year	Disposed during the year	Balance at the end of the year
D A Mellor	3,060,944	-	-	3,060,944
W E Moncrieff	-	-	-	-
B E Saxild	2,684,725	-	-	2,684,725
O R Venter	-	-	-	-
D R Watson	25,900,581	-	-	25,900,581
M D Watson	324,512	-	-	324,512
R M Port	-	-	-	-

F. Consequences of performance on shareholder wealth
The table below shows for the current financial year and previous four financial years the total remuneration cost of the key management personnel, earnings per ordinary share, dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

Financial year	Total remuneration $	Fully Diluted Earnings (cents per share)	Dividends (cents per share)	Share price $
2022	2,381,321	20.14	6.5	0.99
2023	2,609,402	22.12	10.0	1.60
2024	2,833,261	20.36	10.5	1.36
2025	2,941,022	18.06	10.5	1.75
2026	3,163,545	30.31	14.0	2.69

DAVID WATSON
Director

Perth, WA
26 August 2026

KPMG

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

To the Directors of CTI Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of CTI Logistics Limited for the financial year ended 30 June 2026 there have been:

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

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

KPMG

KPMG

Ryan Hastie
Partner
Perth
26 August 2026

Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2026

	Notes	Consolidated 2026 $	2025 $
Revenue	5	357,133,942	325,429,463
Other income	6	1,181,247	1,218,772
Changes in inventories of finished goods and work in progress		(80,210)	31,590
Raw materials and consumables used		(1,471,677)	(1,429,037)
Employee benefits expense		(105,062,917)	(98,631,952)
Subcontractor and freight costs		(125,608,715)	(122,234,209)
Depreciation and amortisation expense	7	(33,447,429)	(31,535,644)
Motor vehicle and equipment costs		(20,850,010)	(19,243,048)
Property costs		(10,195,802)	(8,512,831)
Reversal of prior impairment	10	2,055,780	-
Other expenses		(20,720,480)	(17,704,965)
Results from operating activities		42,933,729	27,388,139
Finance income		208,438	222,294
Finance expenses	7	(8,494,930)	(7,956,556)
Net finance costs		(8,286,492)	(7,734,262)
Profit before income tax		34,647,237	19,653,877
Income tax expense	8	(10,650,909)	(5,447,995)
Profit for the year		**23,996,328**	**14,205,882**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI – net change in fair value		10,336	3,671
Total comprehensive income		**24,006,664**	**14,209,553**
Earnings per share for profit attributable to the ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	25(a)	30.51	18.23
Diluted earnings per share	25(b)	30.31	18.06

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

Consolidated Statement of Financial Position as at 30 June 2026

	Notes	Consolidated 2026 $	Consolidated 2025 $
ASSETS			
Current assets			
Cash and cash equivalents		9,854,735	10,542,613
Trade and other receivables	9	47,129,435	42,619,412
Inventories		118,874	199,084
Total current assets		57,103,044	53,361,109
Non-current assets			
Other investments		71,031	56,265
Property, plant and equipment	10	163,610,965	154,727,062
Right-of-use assets	11	78,253,153	76,236,313
Investment property	12	2,207,021	2,207,021
Deferred tax assets	8	4,391,607	2,797,341
Intangible assets	13	23,973,296	23,585,760
Total non-current assets		272,507,073	259,609,762
Total assets		329,610,117	312,970,871
LIABILITIES			
Current liabilities			
Trade and other payables	15	29,034,387	27,246,862
Lease liabilities	16	20,662,022	18,555,650
Current tax liabilities		3,247,383	1,235,686
Employee benefits provision		11,622,278	10,639,124
Total current liabilities		64,566,070	57,677,322
Non-current liabilities			
Lease liabilities	16	72,420,989	70,363,294
Loans and borrowings	16	45,872,873	54,065,832
Employee benefits provision		2,369,945	2,372,683
Total non-current liabilities		120,663,807	126,801,809
Total liabilities		185,229,877	184,479,131
Net assets		**144,380,240**	**128,491,740**
EQUITY			
Contributed equity	17	32,061,400	31,327,019
Reserves		1,399,065	1,681,958
Retained profits		110,919,775	95,482,763
Total equity		**144,380,240**	**128,491,740**

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

Consolidated Statement of Changes in Equity for the year ended 30 June 2026

	Notes	Contributed equity $	Reserves $	Retained profits $	Total equity $
Consolidated					
Balance at 1 July 2024		30,321,136	1,842,352	89,276,887	121,440,375
Total comprehensive income for the year			3,671	14,205,882	14,209,553
Transactions with equity holders in their capacity as equity holders:					
Contributions from dividend reinvestment plan	17	845,047	-	-	845,047
Contingently issuable shares exercised	17	94,134	(164,065)	164,065	94,134
Dividends provided for/paid, net of bonus share plan	18	66,702	-	(8,164,071)	(8,097,369)
Balance at 30 June 2025		31,327,019	1,681,958	95,482,763	128,491,740
Balance at 1 July 2025		31,327,019	1,681,958	95,482,763	128,491,740
Total comprehensive income for the year		-	10,336	23,996,328	24,006,664
Transactions with equity holders in their capacity as equity holders:					
Contributions from dividend reinvestment plan	17	604,172	-	-	604,172
Contingently issuable shares exercised	17	53,850	(461,499)	461,499	53,850
Share-based payment transactions	17	-	168,270	-	168,270
Dividends provided for/paid, net of bonus share plan	18	76,359	-	(9,020,815)	(8,944,456)
Balance at 30 June 2026		32,061,400	1,399,065	110,919,775	144,380,240

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2026

	Notes	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		388,365,287	358,444,194
Payments to suppliers and employees (inclusive of goods and services tax)		(316,608,956)	(299,977,969)
Dividends received		2,721	2,553
Interest received		208,438	222,294
Interest paid		(8,228,146)	(7,681,712)
Income taxes paid net of income tax refunded		(10,237,908)	(9,316,294)
Net cash inflow from operating activities	24	53,501,436	41,693,066
Cash flows from investing activities			
Payments for property, plant and equipment		(19,887,905)	(34,095,280)
Payments for intangibles		(594,526)	(179,212)
Proceeds from sale of property, plant and equipment		1,286,378	1,231,044
Net cash outflow from investing activities		(19,196,053)	(33,043,448)
Cash flows from financing activities			
Proceeds from borrowings		26,094,400	38,161,029
Proceeds from exercise of contingently issuable shares		53,850	94,134
Repayment of borrowings		(32,787,957)	(21,405,000)
Repayment of lease liabilities		(20,013,270)	(18,100,520)
Dividends paid to Company's shareholders net of dividend reinvestment/bonus share plan shares issued		(8,340,284)	(7,252,322)
Net cash outflow from financing activities		(34,993,261)	(8,502,679)
Net increase/(decrease) in cash and cash equivalents		(687,878)	146,939
Cash and cash equivalents at the beginning of the financial year		10,542,613	10,395,674
Cash and cash equivalents at the end of the financial year		9,854,735	10,542,613

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

Notes to the Financial Statements

REPORTING ENTITY

CTI Logistics Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office is 1 Drummond Place, West Perth, Western Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is a for-profit entity and is primarily involved in the provision of logistics and transport services and the provision of security services.

The future economic environment continues to be uncertain in the context of global economic markets and events, inflation and interest rates, along with wage cost pressure. The Group has considered the impact of this uncertain environment on each of its significant accounting judgments and estimates, particularly with respect to assumptions used in determining expected credit losses on receivables, impairment of non-current assets and going concern. At this stage no further significant estimates have been identified, however management is continuing to monitor the increased level of uncertainty in future cash flow forecasts used for asset valuation and financial viability assessment purposes.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial report are set out below. These policies have been consistently applied to all the years presented, except as described below. The financial report is for the consolidated entity consisting of CTI Logistics Limited and its subsidiaries.

(a) BASIS OF PREPARATION OF FINANCIAL REPORT

This general purpose financial report has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board and the *Corporations Act 2001.*

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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

Historical cost convention

These financial statements have been prepared under the historical cost convention except for Fair value through other comprehensive income (FVOCI) investments which are measured at fair value.

Functional and presentation currency

All Group entities are based in Australia. The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(b) PRINCIPLES OF CONSOLIDATION

Subsidiaries

The financial statements incorporate the assets and liabilities of all entities controlled by the Company as at 30 June 2026 and the results of all subsidiaries for the period the Company controlled them during the year then ended.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(c) SEGMENT REPORTING

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Chairman to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Executive Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly parent company and items that cannot be allocated to specific segments in respect of revenue, profit, assets and liabilities.

(d) INCOME TAX

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent they relate to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Tax consolidation

CTI Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to or distribution from wholly-owned tax consolidated entities.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases.*

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of use has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' or 'right-of-use assets' and lease liabilities in 'lease liabilities' in the statement of financial position.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise the right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

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

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from AASB 16.

(f) IMPAIRMENT OF ASSETS

Non-derivative financial assets
Financial instruments
The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost, being trade and other receivables.

These loss allowances are measured at an amount equal to lifetime ECLs. Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any held).

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Measurement of ECLs
ECLs are probability weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 60 days past due;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment of customers with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of the amount due.

Assets classified as available-for-sale
Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Value-in-use calculations are described in note 14.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(g) CASH AND CASH EQUIVALENTS

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

(h) FINANCIAL ASSETS

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held with the objective to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss de-recognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(iii) De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(i) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment other than freehold land is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All repairs and maintenance expenses are charged to profit or loss during the financial year in which they are incurred.

Land is recorded at historical cost and not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost net of their residual values, over their estimated useful lives, as follows:

Buildings	25 - 40 years
Plant and equipment	5 - 15 years
Motor vehicles	5 - 10 years
Furniture and fittings	3 - 8 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss under other income and other expenses.

(j) INTANGIBLE ASSETS

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 4).

(ii) Security lines

Security lines have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

(iii) Software

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software.

(iv) Trade names

Trade names have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

(v) Customer relationships

Customer relationships acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

Amortisation
Amortisation is calculated over the cost of the asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Security lines	5 - 7 years
Software	2.5 - 4 years
Trade names	5 - 8 years
Customer relationships	5 - 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(k) TRADE AND OTHER PAYABLES
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are paid based on the terms of trade which are usually 30 to 60 days from the date of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) BORROWINGS
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 profit or loss over the period of the borrowings using the effective interest method.

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Borrowings are classified as current liabilities unless the Group has a substantive right to defer settlement of the liability for at least 12 months after the reporting date.

(m) EMPLOYEE BENEFITS
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of service provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Group of 100 Discount Rates provided by Milliman at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(iii) Retirement benefit obligations

Contributions to the defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payment transactions

The Company's Employee Share Plan (ESP) allows certain Group employees to acquire shares of the Company. The grant date fair value of the shares granted to employees is recognised as an employee expense with a corresponding increase in equity, over the period during which the employees become unconditionally entitled to the shares. The fair value of the shares granted is measured using a Black-Scholes pricing model, taking into account the terms and conditions upon which the shares were granted. The amount recognised as an expense is adjusted to reflect the actual number of shares that vest.

Employees have been granted a limited recourse 10 year interest-free loan in which to acquire the shares. The loan has not been recognised as the Company only has recourse to the value of the shares.

(n) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(o) DIVIDENDS

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

(p) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is determined by dividing profit for the year by the weighted average number of ordinary shares outstanding during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amounts of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, CTI Logistics Limited, disclosed in note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any impairment in the financial statements of CTI Logistics Limited.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(ii) Tax consolidation legislation
CTI Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, CTI Logistics Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, CTI Logistics Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into tax sharing and funding agreements. Under the terms of these agreements, the controlled entities will reimburse the Company for any current tax payable by the Company arising in respect of their activities and the Company will reimburse the controlled entities for any tax refund due to the Company arising in respect of their activities. The reimbursements are payable by the Company and will limit the joint and several liability of the controlled entities in the case of default by the Company.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreements are recognised as a contribution to or distribution from wholly-owned tax consolidated entities.

(iii) Financial guarantees
Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees is not recognised as contributions or as part of the cost of the investment.

(s) REVENUE RECOGNITION

Under AASB 15 *Revenue from Contracts with Customers*, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgment. The details of the Group's revenue recognition for major business activities are set out below:

Income inside the scope of AASB 15
(i) Logistics and transport
Revenue is recognised over the period of time that the goods or services are being delivered to or collected by a customer in accordance with the arrangements made within the Group. The provision of these services and sale of goods is in most cases either performed on the same day, or within a week for long distance freight.

(ii) Security, manufacturing and other
A sale is recorded when goods have been despatched to a customer pursuant to a sales order and control has transferred to the customer. A sale is recorded for services over the period of time the service is performed.

Other income outside the scope of AASB 15
(iii) Interest income
Interest income is recognised on a time proportion basis using the effective interest method.

(iv) Dividends
Dividends are recognised as revenue when the right to receive payment is established.

Notes to the Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(v) Other revenue
Revenue from outside the operating activities includes rent. This revenue is recognised over time on a straight-line basis.

(t) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

There were no new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

A number of new Accounting Standards are effective for annual periods beginning after 1 July 2026, earlier application permitted. The Group has not early adopted any of the amended Accounting Standards in preparing these consolidated financial statements.

AASB 18 *Presentation and Disclosure in Financial Statements* was issued by the Australian Accounting Standards Board and is effective for annual reporting periods beginning on or after 1 July 2027. The standard introduces new requirements relating to the presentation and disclosure of information in the financial statements, including specified subtotals in the statement of profit or loss and enhanced disclosure requirements for management-defined performance measures. The Group has not early adopted AASB 18. Management is currently assessing the impact of the new standard on the Group's financial statements. At the date of these financial statements, the extent of the impact of adopting AASB 18 has not yet been determined.

There are no other Accounting Standards issued but not yet effective at 30 June 2026 which are expected to have a material impact on the financial statements of the Group.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements may be used to assess the measurement of certain items of income and expense, and assets and liabilities. Such estimates, assumptions and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Where estimates and assumptions are made concerning the future, the resulting accounting estimates may not equal the related actual outcome. The estimates and assumptions which give rise to a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangible assets
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(f). The recoverable amounts of CGUs have been determined based on value-in-use calculations as described in note 14.

The fair value of trade names acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the trade names being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Property, plant and equipment and right-of-use assets
Property, plant and equipment and right-of-use assets are tested for impairment where there is an indicator of impairment, in accordance with the accounting policy stated in note 1(f). The recoverable amounts of CGUs have been determined based on value-in-use calculations or fair value less cost to dispose as described in note 14.

Notes to the Financial Statements

3. FINANCIAL RISK MANAGEMENT

Overview
The Group has exposure to the following risks from the use of financial instruments:
(a) Market risk
(b) Credit risk
(c) Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework
The Board of directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management is carried out by the director responsible for finance under the guidance of the Board of directors. The Board of directors considers principles for overall risk management, as well as determining policies covering specific areas, such as mitigating interest rate and credit risks and investing excess liquidity.

The Group's risk management policies are established to identify and analyse the risks faced by the Group. These policies are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk
(i) Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as other investments.

The price risk for listed and unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity and no sensitivity analysis is completed.

The Group is not significantly exposed to commodity price risk, or foreign exchange risk from currency exposure.

(ii) Cash flow and fair value interest rate risk
The Group's interest rate risk arises from borrowings and cash and cash equivalents. Borrowings and lease liabilities (hire purchases component only) issued at variable rates expose the Group to cash flow interest rate risk. Borrowings and lease liabilities (hire purchases component only) issued at fixed rates expose the Group to fair value interest rate risk. At the year end, 32.1% (2025 – 27.9%) of borrowings and lease liabilities were at fixed rates.

(iii) Borrowings and cash and cash equivalents
At the reporting date the Group had the following borrowings and cash and cash equivalents.

	Consolidated			
	Weighted average interest rate 2026 %	**2026 $**	**Weighted average interest rate 2025 %**	**2025 $**
Cash and cash equivalents	3.84	9,854,735	4.08	10,542,613
Bank loans	5.35	32,500,000	4.62	39,905,000
Other borrowings	5.36	13,372,873	5.36	14,160,832
Lease liabilities	5.38	93,083,011	5.91	88,918,944

An analysis by maturities is provided in note 3(c) below.

The Group manages interest rate risk by assessing the appropriateness of fixed or floating rate debt when funding is required. The Group monitors loan covenants on a regular basis to ensure compliance with agreements.

Notes to the Financial Statements

3. FINANCIAL RISK MANAGEMENT (continued)

Group sensitivity
The Group's main interest rate risk arises from loans and cash and cash equivalents. At 30 June 2026, if the interest rates had changed by -/+ 100 basis points (bps) from the year end rates with all other variables held constant, post-tax profit for the financial year would have been higher/lower by $227,500 (2025 - change of 100bps: $279,335 higher/lower) for bank loans and higher/lower by $68,983 (2025 - change of 100bps: $73,798 higher/lower) for cash and cash equivalents, mainly as a result of higher/lower interest expense from borrowings and higher/lower interest income from cash and cash equivalents.

(b) Credit risk
Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

Financial institutions holding cash and deposits have Standard and Poor's credit ratings of AA and higher at 30 June 2026. There is no independent rating of individual customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Customers that are graded as high risk are placed on a restricted customer list and monitored on a weekly basis. Receivables balances are monitored on an ongoing basis.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as follows:

	Consolidated	
	2026	**2025**
	$	**$**
Cash and cash equivalents	9,854,735	10,542,613
Trade receivables	40,106,391	36,945,014
Other receivables	4,858,991	3,247,432
	54,820,117	50,735,059

Trade receivables are non-interest bearing and terms of trade are 30 days from month end. At 30 June 2026, 2.6% (2025 – 2.7%) of trade receivables of the Group exceed 30 days.

Other receivables are non-interest bearing and have repayment terms exceeding 30 days but are not considered impaired.

The ageing of receivables that are past due but not impaired at the reporting date is as follows:

	Past due but not impaired		
	30-60 days	**> 60 days**	**Total**
	$	**$**	**$**
2026			
Consolidated			
Trade receivables	1,062,249	52,729	1,114,978
2025			
Consolidated			
Trade receivables	956,972	63,165	1,020,137

Notes to the Financial Statements

3. FINANCIAL RISK MANAGEMENT (continued)

Provision for expected credit losses
The Group uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual credit loss experience over the past 5 years, adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The Group's recoverability of receivables is closely monitored due to the ongoing changes in market conditions. Credit limits continue to be monitored and the Group continues to have strong recovery of its trade receivables.

The following table provides information about the ECLs for trade receivables as at 30 June.

	Consolidated	
	2026	**2025**
	$	**$**
1 to 30 days	436,643	203,562
31 to 60 days	287,173	183,480
Over 60 days	162,802	44,076
Total	886,618	431,118

Movements in the ECLs of receivables are as follows:

Balance at 1 July	431,118	439,368
Net loss allowance recognised	878,381	67,781
Receivables written off during the year as uncollectable	(422,881)	(76,031)
Balance at 30 June	886,618	431,118

The creation and release of the ECLs provision has been included in 'other expenses' in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering cash.

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of current financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Board of directors aims to maintain flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

Financing arrangements
The Group had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated	
	2026	**2025**
	$	**$**
Floating rate		
Expiring beyond one year (note 16(c))	20,675,973	13,322,623

The bank loan facilities may be drawn at any time subject to the continuance of satisfactory credit ratings and are also subject to annual review. The bill acceptance facilities have defined maturity dates.

3. FINANCIAL RISK MANAGEMENT (continued)

Maturities of financial liabilities

The following table sets out the Group's financial liabilities at the reporting date into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2026, the Group had variable rate bank loans of $32,500,000 which are due to mature in October 2027 and June 2028 as well as fixed rate other borrowings of $13,372,873 linked with construction of a warehouse in Hazelmere and due to mature in August 2028 (refer note 16 for further detail). These borrowings are reviewed on an ongoing basis.

	Maturity					
Consolidated	**1 year or less $**	**1 to 2 years $**	**2 to 5 years $**	**> 5 years $**	**Total contractual cash flows $**	**Carrying amount $**
2026						
Trade and other payables	29,034,387	-	-	-	29,034,387	29,034,387
Lease liabilities*	20,349,072	18,517,557	44,799,660	14,117,882	97,784,171	93,083,011
Bank loans	1,737,950	33,297,717	-	-	35,035,667	32,500,000
Other borrowings	716,786	716,786	13,492,337	-	14,925,909	13,372,873
Total	51,838,195	52,532,060	58,291,997	14,117,882	176,780,134	167,990,271
2025						
Trade and other payables	27,246,862	-	-	-	27,246,862	27,246,862
Lease liabilities*	23,739,034	21,969,364	42,561,333	16,677,107	104,946,838	88,918,944
Bank loans	1,845,510	1,845,510	40,817,651	-	44,508,671	39,905,000
Other borrowings	632,517	759,021	15,046,356	-	16,437,894	14,160,832
Total	53,463,923	24,573,895	98,425,340	16,677,107	193,140,265	170,231,638

*Lease liability cash flows include fixed rate contractual cash flows of $2,127,619 (2025 - $1,381,397) which are linked to hire purchase liabilities with a carrying value of $2,037,063 (2025 - $1,284,582) (included within lease liabilities).

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Group has not disclosed the fair value for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair values. The Group's assets measured and recognised at fair value at 30 June 2026 comprises of 'Level 1' equity securities of $71,031 (2025 - $56,265).

Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of the gearing ratio (a non-IFRS measure). This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings excluding 'lease liabilities' less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Notes to the Financial Statements

3. FINANCIAL RISK MANAGEMENT (continued)

The gearing ratios at 30 June 2026 and 30 June 2025 were as follows:

	Notes	Consolidated 2026 $	Consolidated 2025 $
Total debt (excluding lease liabilities)	16	45,872,873	54,065,832
Less: cash and cash equivalents		(9,854,735)	(10,542,613)
Net debt		36,018,138	43,523,219
Total equity		144,380,240	128,491,740
Total capital employed		180,398,378	172,014,959
Gearing ratio		20%	25%

The Group's gearing ratio has decreased during the financial year as a result of paying down debt balances through operational cashflows.

4. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group's Executive Chairman.

The Group's Executive Chairman considers the business from a product and services perspective and has identified three reportable segments: logistics, transport and property.

The reportable segments operate solely in Australia and are involved in the following operations:

- Transport services - includes the provision of courier, taxi truck, parcel distribution and fleet management and line haul freight.
- Logistics services - includes the provision of warehousing and distribution, flooring products logistics, supply based management services and document storage services.
- Property - rental of owner-occupied and investment property.

Other segments includes the provision of security services. These segments do not meet any of the quantitative thresholds for determining reportable segments.

The Group does not have a single external customer which represents greater than 10% of the entity's revenue.

The Group's Executive Chairman assesses the performance of the operating segments based on segment profit before income tax, as included in internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(b) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1(c) and Accounting Standard AASB 8 *Operating Segments.*

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an arm's length basis and are eliminated on consolidation.

Segment assets and liabilities

Segment assets are allocated based on the operations of the segment and the physical location of the asset. Segment liabilities are allocated based on the operations of the segment.

Notes to the Financial Statements

4. SEGMENT INFORMATION (continued)

Unallocated amounts

Unallocated amounts are made up of the parent company and amounts that cannot be allocated to specific segments in respect of revenue, profit, assets and liabilities.

(c) Information about reportable segments

The segment information provided to the Group's Executive Chairman for the reportable segments for the year ended 30 June 2026 is as follows:

	Transport $	Logistics $	Property $	Other $	Consolidated $
2026					
Reportable segment revenue					
Sales to external customers	214,837,333	135,030,568	134,252	7,129,068	357,131,221
Intra and inter-segment revenue	44,421,995	41,650	10,020,987	727,588	55,212,220
Total segment revenue	259,259,328	135,072,218	10,155,239	7,856,656	412,343,441
Other income	445,570	417,556	5,632	133,677	1,002,435
Interest expense	2,003,374	4,824,534	1,949,214	30,265	8,807,387
Depreciation and amortisation	11,470,767	18,478,019	1,865,115	529,705	32,343,606
Reportable segment profit before income tax	24,102,945	6,262,749	6,038,453	542,424	36,946,571
Reportable segment assets	72,056,840	117,096,561	118,681,894	3,354,105	311,189,400
Capital expenditure	6,625,785	3,365,674	7,486,353	794,803	18,272,615
Reportable segment liabilities	32,395,175	94,442,051	45,442,367	2,257,120	174,536,713
2025					
Reportable segment revenue					
Sales to external customers	191,315,619	126,915,620	161,575	7,032,747	325,425,561
Intra and inter-segment revenue	40,895,538	41,052	9,527,684	723,083	51,187,357
Total segment revenue	232,211,157	126,956,672	9,689,259	7,755,830	376,612,918
Other income	713,994	470,444	8,068	26,266	1,218,772
Interest expense	1,907,396	4,474,198	1,595,882	20,496	7,997,972
Depreciation and amortisation	11,223,122	17,362,599	1,583,015	483,854	30,652,590
Reportable segment profit before income tax	9,703,832	6,089,962	4,457,678	404,185	20,655,657
Reportable segment assets	71,619,497	111,087,596	111,062,961	3,247,452	297,017,506
Capital expenditure	7,974,561	6,665,484	17,666,085	937,982	33,244,112
Reportable segment liabilities	37,294,007	87,013,021	44,648,286	2,502,314	171,457,628

Notes to the Financial Statements

4. SEGMENT INFORMATION (continued)

	Notes	Consolidated 2026 $	2025 $
(d) Reconciliations of reportable segment revenues, profit, assets and liabilities and other items			
Revenues			
Total segment revenue for reportable segments		412,343,441	376,612,918
Elimination of intra-segment and inter-segment revenue		(55,212,220)	(51,187,357)
Unallocated revenue		2,721	3,902
Consolidated revenue	5	357,133,942	325,429,463
Profit			
Total profit before tax for reportable segments		36,946,571	20,655,657
Unallocated amounts		(2,299,334)	(1,001,780)
Consolidated profit before income tax		34,647,237	19,653,877
Assets			
Total assets for reportable segments		311,189,400	297,017,506
Elimination of intersegment receivables		(5,335,801)	(7,573,017)
Unallocated amounts		23,756,518	23,526,382
Consolidated total assets		329,610,117	312,970,871
Capital expenditure			
Total capital expenditure of reportable segments		18,272,615	33,244,112
Unallocated capital expenditure		1,615,290	1,030,380
Consolidated total capital expenditure		19,887,905	34,274,492
Liabilities			
Total liabilities for reportable segments		174,536,713	171,457,628
Elimination of intersegment payables		(5,335,801)	(7,573,017)
Unallocated amounts		16,028,965	20,594,520
Consolidated total liabilities		185,229,877	184,479,131
Other material items			
Interest Income			
Unallocated amounts		208,438	222,294
Consolidated interest income		208,438	222,294
Other income			
Total for reportable segments		1,002,435	1,218,772
Unallocated amounts		178,812	-
Consolidated other income		1,181,247	1,218,772
Interest expense			
Total for reportable segments		8,807,387	7,997,972
Elimination of intersegment interest		(830,133)	(607,475)
Unallocated amounts		250,892	291,215
Consolidated interest expense	7	8,228,146	7,681,712
Depreciation and amortisation			
Total for reportable segments		32,343,606	30,652,590
Unallocated amounts		1,103,823	883,054
Consolidated depreciation and amortisation	7	33,447,429	31,535,644

The reports provided to the Group's Executive Chairman with respect to reconciliation of reportable segment revenues, profit, assets and liabilities are measured in a manner consistent with the financial statements.

Notes to the Financial Statements

5. REVENUE

The Group generates revenue primarily from the provision of transport, logistics and security services. Other sources of revenue include rental income from the investment property and dividends from other investments (refer to note 1(s)).

In the following table, revenue from contracts with customers is disaggregated by major services provided.

	Consolidated	
	2026	2025
	$	$
Revenue from contracts with customers		
Sales revenue		
Transport	214,837,333	191,315,619
Logistics	135,030,568	126,915,620
Other services, including security	7,129,068	7,032,747
	356,996,969	325,263,986
Other revenue		
Dividends	2,721	2,553
Rent	134,252	161,575
Other	-	1,349
	136,973	165,477
	357,133,942	325,429,463

6. OTHER INCOME

Net gain on disposal of property, plant and equipment	785,615	943,161
Other	395,632	275,611
	1,181,247	1,218,772

7. EXPENSES

Profit before income tax includes the following specific expenses:

Employee benefits		
Defined contribution superannuation	9,246,735	8,406,733
Depreciation and amortisation		
Buildings	2,421,112	2,109,383
Plant and equipment and motor vehicles	10,137,908	9,373,851
Right-of-use assets	20,681,419	19,543,827
Security lines	51,057	50,197
Software	54,474	66,871
Trade name and customer relationships	101,459	391,515
	33,447,429	31,535,644
Finance expenses		
Interest	8,228,146	7,681,712
Finance charges	266,784	274,844
	8,494,930	7,956,556

Notes to the Financial Statements

8. INCOME TAXES

	Consolidated 2026 $	2025 $
(a) Income tax expense		
Current tax	12,053,053	7,844,574
Deferred tax	(1,598,694)	(1,887,664)
Under/(over) provided in prior years	196,550	(508,915)
Income tax expense	10,650,909	5,447,995
Deferred income tax (benefit) included in income tax expense comprises:		
Increase in deferred tax assets (note 8(d))	(1,591,298)	(3,083,932)
Increase/(decrease) in deferred tax liabilities (note 8(e))	(7,396)	1,196,268
	(1,598,694)	(1,887,664)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	34,647,237	19,653,877
Tax at the Australian rate of 30% (2025 - 30%)	10,394,171	5,896,163
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation	33,154	42,440
Rebatable dividends	(1,166)	(1,094)
Sundry items	28,200	19,401
	10,454,359	5,956,910
Under / (over) provision in prior years	196,550	(508,915)
Income tax expense	10,650,909	5,447,995
(c) Amounts recognised directly in equity		
Net deferred tax – (credited) directly to equity (note 8(d))	(4,428)	(1,573)
(d) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Doubtful debts	265,985	129,335
Employee benefits	4,197,667	3,903,543
Depreciation and amortisation	81,609	63,553
Lease liabilities	27,313,784	26,290,308
Other	778,639	659,645
	32,637,684	31,046,384
Amounts recognised directly in equity		
Other investments	13,495	17,925
	32,651,179	31,064,309
Set-off of deferred tax liabilities (note 8(e))	(28,259,572)	(28,266,968)
Net deferred tax assets	4,391,607	2,797,341

Notes to the Financial Statements

8. INCOME TAXES (continued)

	Consolidated	
	2026	**2025**
	$	**$**
Movements (deferred tax assets)		
Balance at 1 July	31,064,309	27,981,950
Credited to profit or loss	1,591,298	3,083,932
Debited/(credited) to equity	(4,428)	(1,573)
Balance at 30 June	32,651,179	31,064,309

(e) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss		
Right-of-use assets	23,475,946	22,870,894
Depreciation and amortisation	4,025,616	4,608,940
Other	758,010	787,134
	28,259,572	28,266,968
Set-off of deferred tax assets (note 8(d)	(28,259,572)	(28,266,968)
Net deferred tax liabilities	-	-
Movements (deferred tax liabilities)		
Balance at 1 July	28,266,968	27,070,700
Debited/(credited) to profit or loss	(7,396)	1,196,268
Balance at 30 June	28,259,572	28,266,968

9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Trade receivables	40,993,009	37,376,132
Provision for impairment of receivables (note 3(b))	(886,618)	(431,118)
	40,106,391	36,945,014
Other receivables	4,858,991	3,247,432
Prepayments	2,164,053	2,426,966
	7,023,044	5,674,398
	47,129,435	42,619,412

Notes to the Financial Statements

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Consolidated	Freehold land $	Freehold buildings $	Plant and equipment and fixtures and fittings $	Motor vehicles $	Total $
1 July 2024					
Cost	45,499,191	61,646,216	34,791,498	55,822,851	197,759,756
Accumulated depreciation	(2,655,780)	(10,601,677)	(24,189,305)	(27,910,095)	(65,356,857)
Net book amount	42,843,411	51,044,539	10,602,193	27,912,756	132,402,899
Year ended 30 June 2025					
Opening net book amount	42,843,411	51,044,539	10,602,193	27,912,756	132,402,899
Additions	-	18,888,778	7,092,480	8,114,022	34,095,280
Disposals	-	(5,127)	(46,948)	(235,808)	(287,883)
Depreciation charge	-	(2,109,383)	(3,151,285)	(6,222,566)	(11,483,234)
Closing net book amount	42,843,411	67,818,807	14,496,440	29,568,404	154,727,062
At 30 June 2025					
Cost	45,499,191	80,706,992	39,268,900	59,483,694	224,958,777
Accumulated depreciation*	(2,655,780)	(12,888,185)	(24,772,460)	(29,915,290)	(70,231,715)
Net book amount	42,843,411	67,818,807	14,496,440	29,568,404	154,727,062
Year ended 30 June 2026					
Opening net book amount	42,843,411	67,818,807	14,496,440	29,568,404	154,727,062
Additions	3,042,000	2,768,079	5,933,694	8,144,132	19,887,905
Disposals	-	-	(116,515)	(384,247)	(500,762)
Reversal of impairment**	2,055,780	-	-	-	2,055,780
Depreciation charge	-	(2,421,112)	(3,557,904)	(6,580,004)	(12,559,020)
Closing net book amount	47,941,191	68,165,774	16,755,715	30,748,285	163,610,965
At 30 June 2026					
Cost	48,541,191	83,540,172	42,898,429	63,261,548	238,241,340
Accumulated depreciation*	(600,000)	(15,374,398)	(26,142,714)	(32,513,263)	(74,630,375)
Net book amount	47,941,191	68,165,774	16,755,715	30,748,285	163,610,965

* Includes depreciation and historical impairment charges

**During the year construction of the new 10,000 sqm facility adjoining the Regional Freight hub at Hazelmere reached practical completion. During the year ended 30 June 2020, the land associated with the new facility was valued and as a result an impairment of $2,055,780 was recognised. For the year ended 30 June 2026 management obtained an independent valuation of the newly developed facility, which confirmed that the current value of the land and building exceeds its original cost. As such, the full amount of the original impairment on this land, being $2,055,780, has been reversed.

Freehold land and buildings include properties owned by the Group throughout Western Australia. These properties are included in the financial statements at 30 June 2026 at $116,106,965 (30 June 2025: $110,662,218), being historical cost less accumulated depreciation and historical impairment charges. On a rolling 3-year basis, properties owned by the Group are valued by independent external valuation experts. These valuations may be completed for bank mortgage purposes as part of compliance with bank lending facilities or commissioned by management for internal purposes, such as assessing inter-segment rental charges. However, during the current financial year, an independent valuation of the newly completed Hazelmere property was the only valuation conducted.

Notes to the Financial Statements

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (continued)

Based on these external valuations, the total value of the Group's properties is $190,043,212 (30 June 2025: $174,541,432) representing an additional $73,936,247 (30 June 2025: $63,879,214) of value above the recognised carrying value of these properties at 30 June 2026.

Non-current assets pledged as security
Refer to note 16(b) for information on non-current assets pledged as security.

11. NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS

A. Leases as lessee
The Group leases warehouse and transport depot facilities. These leases typically run for a period of 5 years, however the lease periods range from 1 year to 12 years, generally with an option to renew the lease after that date. Lease payments increase with CPI or fixed percentages based on the underlying lease, with market reviews generally coming into effect at the time of renewal.

These property leases provide for the payment of outgoings in addition to rent payments. These payments are determined to be variable in nature and have not been included within the calculation of the lease liability. The Group also leases plant and equipment.

Information about leases for which the Group is a lessee is presented below.
(i) Right-of-use assets

Consolidated	Land and buildings $	Plant and equipment $	Total $
1 July 2024			
Cost	108,790,061	9,328,430	118,118,491
Accumulated depreciation	(42,798,725)	(5,465,295)	(48,264,020)
Net book value	65,991,336	3,863,135	69,854,471
Year ended 30 June 2025			
Opening net book amount	65,991,336	3,863,135	69,854,471
Depreciation for the year	(16,502,047)	(3,041,780)	(19,543,827)
Additions to right-of-use assets	21,450,570	4,529,853	25,980,423
Disposal of right-of-use assets	(27,679)	(27,075)	(54,754)
Closing net book amounts	70,912,180	5,324,133	76,236,313
At 30 June 2025			
Cost	130,630,872	11,973,999	142,604,871
Accumulated depreciation	(59,718,692)	(6,649,866)	(66,368,558)
Net book amount	70,912,180	5,324,133	76,236,313
Year ended 30 June 2026			
Opening net book amount	70,912,180	5,324,133	76,236,313
Depreciation for the year	(17,294,583)	(3,386,836)	(20,681,419)
Additions to right-of-use assets	14,181,365	8,942,707	23,124,072
Disposal of right-of-use assets	(150,726)	(275,087)	(425,813)
Closing net book amounts	67,648,236	10,604,917	78,253,153
At 30 June 2026			
Cost	142,177,158	18,601,685	160,778,843
Accumulated depreciation	(74,528,922)	(7,996,768)	(82,525,690)
Net book amount	67,648,236	10,604,917	78,253,153

11. NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS (continued)

Additions to right-of-use assets during the financial year were driven by long-term extensions to existing properties and leases entered into for forklifts and rail containers.

(ii) Amounts recognised in profit or loss

	2026 $	2025 $
Interest on lease liabilities	6,222,443	5,254,621
Expenses relating to short-term leases	1,928,955	1,967,334
Variable lease payments excluded from lease liability calculations	5,871,120	4,100,372

(iii) Extension options

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

B. Leases as lessor

The Group leases its investment property to an unrelated third party and occasionally sub-leases leased and owned properties to unrelated third parties on a short-term basis. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the financial year was $134,252 (2025: $161,575).

12. NON-CURRENT ASSETS - INVESTMENT PROPERTY

(a) Valuations

Investment freehold land and buildings were recorded at cost (net of prior impairments) at 30 June 2026 at $2,207,021, which approximates fair value (2025 - $2,207,021).

The basis of valuation of the investment property for impairment testing purposes is fair value being the amounts for which the property could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

(b) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Notes to the Financial Statements

13. NON-CURRENT ASSETS - INTANGIBLE ASSETS

Consolidated	Goodwill $	Trade names $	Customer relationships $	Security lines $	Software $	Total $
1 July 2024						
Cost	26,461,029	3,726,914	9,178,756	1,649,739	2,242,707	43,259,145
Accumulated impairment	(3,074,710)	-	-	-	-	(3,074,710)
Accumulated amortisation	-	(3,552,998)	(8,923,026)	(1,611,141)	(2,182,139)	(16,269,304)
Net book amount	23,386,319	173,916	255,730	38,598	60,568	23,915,131
Year ended 30 June 2025						
Opening net book amount	23,386,319	173,916	255,730	38,598	60,568	23,915,131
Additions	-	-	-	171,712	7,500	179,212
Amortisation charge	-	(135,785)	(255,730)	(50,197)	(66,871)	(508,583)
Closing net book amount	23,386,319	38,131	-	160,113	1,197	23,585,760
At 30 June 2025						
Cost	26,461,029	3,726,914	9,178,756	1,821,451	2,250,207	43,438,357
Accumulated impairment	(3,074,710)	-	-	-	-	(3,074,710)
Accumulated amortisation	-	(3,688,783)	(9,178,756)	(1,661,338)	(2,249,010)	(16,777,887)
Net book amount	23,386,319	38,131	-	160,113	1,197	23,585,760
Year ended 30 June 2026						
Opening net book amount	23,386,319	38,131	-	160,113	1,197	23,585,760
Additions	-	-	381,734	83,089	129,703	594,526
Amortisation charge	-	(38,131)	(63,328)	(51,057)	(54,474)	(206,990)
Closing net book amount	23,386,319	-	318,406	192,145	76,426	23,973,296
At 30 June 2026						
Cost	26,461,029	3,726,914	9,560,490	1,877,285	2,171,555	43,797,273
Accumulated impairment	(3,074,710)	-	-	-	-	(3,074,710)
Accumulated amortisation	-	(3,726,914)	(9,242,084)	(1,685,140)	(2,095,129)	(16,749,267)
Net book amount	23,386,319	-	318,406	192,145	76,426	23,973,296

The segment-level summary of goodwill allocation is presented below.

	Transport $	Logistics $	Other $	Total $
2025	5,474,232	17,868,016	44,071	23,386,319
2026	5,474,232	17,868,016	44,071	23,386,319

Notes to the Financial Statements

14. IMPAIRMENT

The Group annually tests whether CGUs that include goodwill have suffered any impairment. CGUs within the transport, logistics and other segments with goodwill were tested for impairment utilising value-in-use calculations.

The summary of CGUs tested for impairment is presented below aggregated by segment. In the analysis below, the assets not tested represent assets in CGU's that do not contain goodwill.

	Transport $	Logistics $	Property $	Other / Unallocated $	Consolidated $
2026					
Property, plant and equipment	27,307,147	14,877,257	116,450,484	4,976,077	163,610,965
Right-of-use assets	8,731,504	69,521,649	-	-	78,253,153
Intangible asset – goodwill	5,474,232	17,868,016	-	44,071	23,386,319
Intangible assets – other	318,406	-	-	268,571	586,977
Total assets available for testing	41,831,289	102,266,922	116,450,484	5,288,719	265,837,414
Less assets not tested	(4,693,653)	(24,429,010)	(74,083,879)	(4,908,646)	(108,115,188)
Subject to impairment testing*	37,137,636	77,837,912	42,366,605	380,073	157,722,226

*Assets subject to impairment testing in the property segment are owner occupied properties utilised by CGUs within the transport segment.

	Transport $	Logistics $	Property $	Other/ Unallocated $	Consolidated $
2025					
Property, plant and equipment	27,138,804	14,451,776	107,794,260	5,342,222	154,727,062
Right-of-use assets	12,019,110	64,217,203	-	-	76,236,313
Intangible asset – goodwill	5,474,232	17,868,016	-	44,071	23,386,319
Intangible assets – other	-	38,131	-	161,310	199,441
Total assets available for testing	44,632,146	96,575,126	107,794,260	5,547,603	254,549,135
Less assets not tested	(4,212,137)	(18,629,768)	(76,673,351)	(5,167,528)	(104,682,784)
Subject to impairment testing	40,420,009	77,945,358	31,120,909	380,075	149,866,351

Key assumptions utilised in the value-in-use calculations are as follows:
Cash flows for year 1 are based on the budget for the year ending 30 June 2027. This budget represents the current forecast sustainable earnings of CGUs as approved by the Board.

Cash flows for years 2 to 5 are projected based on the budget, adjusted for changing market conditions, with an assumed annual growth rate of 2.5% (2025 – 2.5%). Terminal value calculations utilise a long-term expected annual growth rate of 2.5% (2025 – 2.5%). Nominal post-tax discount rates ranging between 8.5% and 10.0% (2025 – 8.5% and 10.0%) are used to discount the forecast future attributable post-tax cash flows when performing the value-in-use calculations. Management has applied a discount rate commensurate with the size of the relevant CGU, with higher discount rates applied to smaller size CGUs.

Reasonable possible change in assumptions
Management considered reasonably possible changes of assumptions associated with the CGUs as a 1% (2025 - 1%) increase in the discount rate, or a 7.5% (2025 - 7.5%) reduction in EBITDA margins. Management has not identified any reasonably possible change in the key assumptions of the cashflow model that would cause the carrying amount to exceed the recoverable amount of the CGU. Should a combination of these sensitivities occur in the same manner, there may be a potential impairment.

Notes to the Financial Statements

14. IMPAIRMENT (continued)

Management has determined that there are no other reasonably possible changes that could result in material impairments to the CGUs, however management recognise the uncertainty associated with the national economy which could result in a worsening of the Group's performance. These outcomes have not been reflected in management's assessment.

15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2026	**2025**
	$	**$**
Trade payables	12,849,786	15,592,258
Other payables	16,184,601	11,654,604
	29,034,387	27,246,862

16. LEASE LIABILITIES AND LOANS AND BORROWINGS

Lease liabilities - current	20,662,022	18,555,650
Lease liabilities - non-current	72,420,989	70,363,294
Bank loans - non-current	32,500,000	39,905,000
Other borrowings - non-current	13,372,873	14,160,832
Total interest-bearing borrowings	138,955,884	142,984,776

Other borrowings relate to the construction of the new warehouse in Hazelmere, funded by a third party financier and is repayable in August 2028. Interest is payable at a fixed rate of 5.36% per annum.

(a) Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

Secured		
Bank loans	32,500,000	39,905,000
Lease liabilities*	2,037,063	1,284,582
Other borrowings	13,372,873	14,160,832
Total secured liabilities	47,909,936	55,350,414

*Represents hire purchase liabilities included within the lease liabilities balance.

The Group's bank loans are subject to various covenants which are reported on a quarterly basis. Key financial covenants relate to the Group being required to maintain certain debt to earnings before depreciation, amortisation interest and tax (EBITDA) and interest cover ratios (measured on a pre-AASB 16 *Leases* basis).

The Group has complied with all bank covenants at 30 June 2026 and accordingly the bank loans are classified as non-current. The Group expects to comply with the quarterly bank covenants within 12 months after the reporting date.

Notes to the Financial Statements

16. LEASE LIABILITIES AND LOANS AND BORROWINGS (continued)

(b) Assets pledged as security

Bank overdrafts, bank loans and other borrowings are secured by mortgages over the majority of the Group's freehold land and buildings, investment property and fixed and floating charges over the remaining Group assets (excluding AASB 16 right-of-use assets).

Hire purchase liabilities are effectively secured as the rights to the assets recognised in the financial statements revert to the financier in the event of default.

The carrying amounts of assets pledged as security for current and non-current interest-bearing liabilities are:

	Consolidated	
	2026	**2025**
Current	**$**	**$**
Cash and cash equivalents	9,854,735	10,542,613
Receivables	44,965,382	40,192,446
Inventories	118,874	199,084
Total current assets pledged as security	54,938,991	50,934,143
Non-current		
Other investments	71,031	56,265
Plant, equipment and motor vehicles	47,504,000	44,064,844
Freehold land and buildings	116,106,965	110,662,218
Investment property	2,207,021	2,207,021
Intangible assets	268,571	161,310
Total non-current assets pledged as security	166,157,588	157,151,658
Total assets pledged as security	221,096,579	208,085,801

(c) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

Credit standby arrangements		
Total facilities		
Secured bill acceptance facility	52,883,000	53,227,623
Secured financial guarantee and documentary credit facility	3,500,000	3,155,377
	56,383,000	56,383,000
Utilised		
Secured bill acceptance facility	32,500,000	39,905,000
Secured financial guarantee and documentary credit facility	3,207,027	3,155,377
	35,707,027	43,060,377
Bank loan facility		
Total facility	56,383,000	56,383,000
Utilised at balance date	(35,707,027)	(43,060,377)
Unutilised at balance date	20,675,973	13,322,623

The bank overdraft facilities may be drawn at any time and are subject to annual review. The bill acceptance facilities have defined maturity dates. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

The current interest rates are 5.60% - 5.80% per annum on bank bill facilities and 8.11% per annum on bank overdraft facilities (2025 – bank bill facilities 4.51% - 4.75%, bank overdraft facilities – 7.60%).

Notes to the Financial Statements

16. LEASE LIABILITIES AND LOANS AND BORROWINGS (continued)

(d) Interest rate risk exposure
Information concerning interest rate risk is set out in note 3.

(e) Fair value
The carrying amounts of interest-bearing liabilities approximate their fair value at balance date.

17. CONTRIBUTED EQUITY

(a) Share capital

	Consolidated	
Ordinary shares (fully paid)	**Number of shares**	**$**
At 30 June 2025		
Opening balance	77,524,663	30,321,136
Dividend reinvestment plan	507,713	845,047
Bonus share plan	40,179	66,702
Exercise of contingently issuable shares	215,000	94,134
Closing balance	78,287,555	31,327,019
At 30 June 2026		
Opening balance	78,287,555	31,327,019
Dividend reinvestment plan	314,399	604,172
Bonus share plan	39,797	76,359
Exercise of contingently issuable shares	677,000	53,850
Closing balance	79,318,751	32,061,400

At 30 June 2026 there were 1,580,000 contingently issuable shares (2025 – 2,257,000) relating to shares issued under the Company's Employee Share Plan. There is no expiry on these shares subject to exercise by the employee.

During the financial year, 677,000 (2025 - 215,000) of the previously vested contingently issuable shares were issued as a result of the exercise of options relating to these shares. Share capital contributions represent payments for outstanding loans against these shares on exercise.

During the financial year, no contingently issuable shares were issued to any employees under the Company's Employee Share Plan (2025 - nil).

(b) Ordinary shares
All ordinary shares are fully paid and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a general meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Share-based payment

Employee Share Plan
During the financial year, the Company offered certain senior employees and directors the opportunity to receive Performance Rights (Rights) under the Company's ESP. Subject to the applicable vesting conditions being satisfied, each Right will be automatically exercised resulting in the issue for no consideration of one fully paid ordinary share in the Company.

Notes to the Financial Statements

17. CONTRIBUTED EQUITY (continued)

(c) Share-based payment (continued)

The key terms and conditions related to the grant of these Rights under the ESP are as follows:

Grant Date	Number of instruments	Vesting conditions	Expiry date
Senior Employees 1 September 2025 *Directors* 9 April 2026	 316,500 36,000	3 years' service from 1 July 2025 and achievement of annual individual performance requirements (performance period). Up to 40% of the Rights will vest based on Relative Total Shareholder Return (RTSR) being equal to or up to 5% greater than the Small Ordinary Accumulation Index over the performance period. Up to 60% of the Rights will vest based on Earnings per Share (EPS) compounded annual growth being between 3% and 5% over the performance period.	31 December 2028

The Rights will vest on a sliding scale with 50% of the Rights vesting on achieving the minimum RTSR or EPS and up to 100% vesting on achieving or exceeding the upper targets. The Board also holds discretion to waive the performance conditions and vest up to 50% of the Rights.

Measurement of fair values

The fair value of the Rights granted under the ESP for subject to the market based RTSR vesting condition were measured using a Monte Carlo simulation. The fair value of Rights subject to the EPS growth rate vesting condition were measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility over a period commensurate with the term.

The inputs used in the measurement of the fair value of the Rights at grant date were as follows:

	Performance rights Senior employees 2026	Performance rights Directors 2026
Fair value at grant date	\$0.92 - \$1.665	\$1.462 - \$2.081
Share price at grant date	\$1.86	\$1.88
Exercise price	Nil	Nil
Expected volatility (weighted average)	30%	30%
Term	3 years	3 years
Risk-free interest rate	3.4%	4.24%
Fair value recognised as remuneration during the year	\$146,270	\$22,000

There were no shares issued under the ESP in the prior year.

Notes to the Financial Statements

18. DIVIDENDS

	Parent Entity	
	2026	2025
	$	$
(a) Ordinary shares		
Final dividend for the year ended 30 June 2025 of 5.5 cents (2024 – 5.0 cents) per fully paid share		
Fully franked dividend based on tax paid @ 30% (2024 - 30%)	4,305,664	4,263,716
Less – bonus issue of ordinary shares under the Company's Bonus Share Plan	(36,937)	(32,142)
	4,268,727	4,231,574
Interim dividend for the year ended 30 June 2026 of 6.0 cents (2025 – 5.0 cents) per fully paid share		
Fully franked dividend based on tax paid @ 30% (2025 - 30%)	4,715,151	3,900,355
Less – bonus issue of ordinary shares under the Company's Bonus Share Plan	(39,422)	(34,560)
	4,675,729	3,865,795
(b) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since the end of the financial year the directors have declared the payment of a final dividend of 8.0 cents per fully paid ordinary share, (2025– 5.5 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 6 October 2026 out of retained profits at 30 June 2026, but not recognised as a liability at year end, is	6,345,500	4,305,815

(c) Franked dividends

Franking credits available at 30 June 2026 for subsequent financial years based on a tax rate of 30% amount to $43,934,948 (2025 - $37,670,146 based on a tax rate of 30%).

19. RELATED PARTIES

(a) Parent entity

CTI Logistics Limited is the ultimate Australian parent entity of the Group and head entity of the tax consolidated group.

(b) Transactions with key management personnel

Key management personnel compensation

	Consolidated	
	2026	2025
	$	$
Key management personnel compensation comprised the following:		
Short-term	2,974,403	2,774,520
Long-term	22,000	-
Post-employment	167,142	166,502
	3,163,545	2,941,022

20. REMUNERATION OF AUDITORS

The following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Audit services

KPMG Australia		
Audit and review of financial reports	298,000	299,000

Notes to the Financial Statements

21. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities comprises of plant and equipment of $2,847,848 (2025 - $3,726,884) payable within one year.

22. SUBSIDIARIES

All subsidiaries are incorporated in Australia.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of Incorporation	Equity holding (Ordinary shares) 2026 %	2025 %
CTI Logistics Limited	Australia		
Directly controlled by CTI Logistics Limited			
Controlled entities			
Bring Transport Industries Pty Ltd	Australia	100	100
Mercury Messengers Pty Ltd	Australia	100	100
CTI Security Services Pty Ltd	Australia	100	100
CTI Transport Systems Pty Ltd	Australia	100	100
CTI Taxi Trucks Pty Ltd	Australia	100	100
CTI Security Systems Pty Ltd	Australia	100	100
CTI Transport Services Pty Ltd	Australia	100	100
CTI Freight Management Pty Ltd	Australia	100	100
Action Logistics (WA) Pty Ltd	Australia	100	100
CTI Freight Systems Pty Ltd	Australia	100	100
CTI Couriers Pty Ltd	Australia	100	100
CTI Swinglift Services Pty Ltd	Australia	100	100
CTI Xpress Systems Pty Ltd	Australia	100	100
CTI Nationwide Logistics Pty Ltd	Australia	100	100
Consolidated Transport Industries Pty Ltd	Australia	100	100
CTI Logistics (NSW) Pty Ltd	Australia	100	100
Australian Fulfilment Services Pty Ltd	Australia	100	100
Other controlled entities			
Directly controlled by CTI Nationwide Logistics Pty Ltd			
Lafe (WA) Pty Ltd	Australia	100	100
CTI Freightlines Pty Ltd	Australia	100	100
Blackwood Industries Pty Ltd	Australia	100	100
Directly controlled by Blackwood Industries Pty Ltd			
CTI Logistics (Vic) Pty Ltd	Australia	100	100
CTI Online Pty Ltd	Australia	100	100
CTI Records Management Pty Ltd	Australia	100	100
CTI Quarantine & Fumigation Services Pty Ltd	Australia	100	100
Directly controlled by Consolidated Transport Industries Pty Ltd			
Foxline Logistics Pty Ltd	Australia	100	100
Directly controlled by CTI Logistics (NSW) Pty Ltd			
G.M. Kane & Sons Pty Ltd	Australia	100	100

These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note 23.

Notes to the Financial Statements

23. DEED OF CROSS GUARANTEE

CTI Logistics Limited and its wholly-owned entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 2016/785 issued by the Australian Securities and Investments Commission. The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee, they also represent the Extended Closed Group.

The consolidated results of the Company and all the parties to the Deed are the same as the consolidated results of the Group.

24. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2026	**2025**
	$	**$**
Profit for the year	23,996,328	14,205,882
Depreciation and amortisation	33,447,429	31,535,644
Provision for doubtful debts	455,500	(8,250)
Reversal of prior impairment	(2,055,780)	-
Employee share-based payment	(168,270)	-
Net gain on sale of non-current assets	(785,615)	(943,161)
Net gain on disposal of right-of-use assets	(20,326)	(2,895)
Change in operating assets and liabilities		
(Increase) in trade and other debtors	(4,628,985)	(409,860)
(Increase)/decrease in inventories	80,210	(31,590)
Increase/(decrease) in provision for income taxes	2,011,697	(1,980,633)
Increase in deferred tax assets	(1,598,694)	(1,887,664)
Increase in trade creditors, employee benefits and other provisions	2,767,942	1,215,593
Net cash inflow from operating activities	53,501,436	41,693,066

25. EARNINGS PER SHARE

	Consolidated	
	2026	**2025**
	Cents per share	
(a) Basic earnings per share		
Basic earnings per share attributable to the ordinary equity holders of the Company	30.51	18.23
	$	**$**
Profit attributable to ordinary shareholders used in calculating basic earnings per share	23,996,328	14,205,882
	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	78,637,934	77,931,676

Notes to the Financial Statements

25. EARNINGS PER SHARE (continued)

	2026	2025
	Cents per share	
(b) Diluted earnings per share		
Diluted earnings per share attributable to the ordinary equity holders of the Company	30.31	18.06

	$	$
Profit attributable to ordinary shareholders used in calculating diluted earnings per share	23,996,328	14,205,882

	2026 Number	2025 Number
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share		
Weighted average number of shares (basic)	78,637,934	77,931,676
The effect of the vesting of contingently issuable shares	541,705	719,633
Weighted average number of shares (diluted)	79,179,639	78,651,309

The average market value of the Company's shares for the purposes of calculating the dilutive effect of the vesting of contingently issuable shares was based on quoted market prices for the period during which the contingently issuable shares were outstanding. At 30 June 2026, nil (2025: nil) contingently issuable shares and 352,500 performance rights were considered anti-dilutive and excluded from the calculation.

26. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2026 $	2025 $
Balance sheet		
Current assets	15,299,713	17,437,916
Total assets	49,001,636	51,663,644
Current liabilities	3,666,599	7,420,030
Total liabilities	4,352,479	12,816,397
Net assets	44,649,157	38,847,247
Shareholders' equity		
Issued capital	32,061,400	31,327,019
Reserves	1,399,065	1,681,958
Retained earnings	11,188,692	5,838,270
Total equity	44,649,157	38,847,247
Profit for the year	13,909,738	13,095,310
Total comprehensive income	13,920,074	13,098,981

26. PARENT ENTITY FINANCIAL INFORMATION (continued)

(b) Guarantees entered into by the parent entity

	2026 $	2025 $
Carrying amount included in Group		
- current liabilities	897,118	510,659
- non-current liabilities	33,639,945	40,678,923
	34,537,063	41,189,582

The parent entity has provided financial guarantees in respect of bank loans and hire purchase commitments of subsidiaries amounting to $34,537,063 (2025 - $41,189,582). The loans are secured by registered mortgages over the freehold properties of the subsidiaries.

In addition, there are cross guarantees given by CTI Logistics Limited as described in note 23. No deficiencies of assets exist in any of these entities.

27. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 12 August 2026 the Group entered into a binding agreement to acquire a property in Welshpool, Western Australia for $24,100,000. The property is located near the Kewdale Rail Terminal and the Group expects to relocate its interstate transport business to the property following redevelopment and the expiry of two existing leases.

The acquisition is consistent with the Group's strategy of securing property assets to support its operating businesses.

There are no other events since the end of the financial year that provide additional evidence of conditions that existed at the end of the financial year or that reveal for the first time a condition that existed at the end of the financial year.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

Name of entity	Body corporate, partnership or trust	Place incorporated / formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident
CTI Logistics Limited (the Company)	Body corporate	Australia	N/A	Australian
Bring Transport Industries Pty Ltd	Body corporate	Australia	100%	Australian
Mercury Messengers Pty Ltd	Body corporate	Australia	100%	Australian
CTI Security Services Pty Ltd	Body corporate	Australia	100%	Australian
CTI Transport Systems Pty Ltd	Body corporate	Australia	100%	Australian
CTI Taxi Trucks Pty Ltd	Body corporate	Australia	100%	Australian
CTI Security Systems Pty Ltd	Body corporate	Australia	100%	Australian
CTI Transport Services Pty Ltd	Body corporate	Australia	100%	Australian
CTI Freight Management Pty Ltd	Body corporate	Australia	100%	Australian
Action Logistics (WA) Pty Ltd	Body corporate	Australia	100%	Australian
CTI Freight Systems Pty Ltd	Body corporate	Australia	100%	Australian
CTI Couriers Pty Ltd	Body corporate	Australia	100%	Australian
CTI Swinglift Services Pty Ltd	Body corporate	Australia	100%	Australian
CTI Xpress Systems Pty Ltd	Body corporate	Australia	100%	Australian
CTI Nationwide Logistics Pty Ltd	Body corporate	Australia	100%	Australian
Consolidated Transport Industries Pty Ltd	Body corporate	Australia	100%	Australian
CTI Logistics (NSW) Pty Ltd	Body corporate	Australia	100%	Australian
Australian Fulfilment Services Pty Ltd	Body corporate	Australia	100%	Australian
Lafe (WA) Pty Ltd	Body corporate	Australia	100%	Australian
CTI Freightlines Pty Ltd	Body corporate	Australia	100%	Australian
Blackwood Industries Pty Ltd	Body corporate	Australia	100%	Australian
CTI Logistics (Vic) Pty Ltd	Body corporate	Australia	100%	Australian
CTI Online Pty Ltd	Body corporate	Australia	100%	Australian
CTI Records Management Pty Ltd	Body corporate	Australia	100%	Australian
CTI Quarantine & Fumigation Services Pty Ltd	Body corporate	Australia	100%	Australian
Foxline Logistics Pty Ltd	Body corporate	Australia	100%	Australian
G.M. Kane & Sons Pty Ltd	Body corporate	Australia	100%	Australian

Key assumptions and judgements

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

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

Directors' Declaration

In the opinion of the directors of CTI Logistics Limited (the Company):

(a) the consolidated financial statements and notes that are set out on pages 18 to 52 and the Remuneration report on pages 9 to 12 in the Directors' Report, are in accordance with the Corporations Act 2001, including:

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

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

(b) the Consolidated Entity Disclosure Statement is true and correct in accordance with the Corporations Act 2001; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the Group entities identified in note 22 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 Group entities pursuant to ASIC Class Order 2016/785.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration is made in accordance with a resolution of the directors.

DAVID WATSON
Director

Perth, WA
26 August 2026

Independent Auditor's Report

To the shareholders of CTI Logistics Limited

Report on the audit of the Financial Report

Opinion

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

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

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

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Asset Valuation

Refer to Note 14 to the Financial Report

The key audit matter	How the matter was addressed in our audit
A key audit matter for us was the Group's testing of goodwill and property, plant and equipment for impairment given the size of the balances. Impairment testing was performed by the Group on the following significant Cash Generating Units (CGUs) containing goodwill: • Couriers – West Perth • CTI Regional • CTI Interstate, and • GMK. We focused on the significant forward-looking assumptions the Group applied in its value in use models, including forecast operating cash flows, growth rates, terminal growth rates and discount rates. Forward looking assumptions of this nature are inherently judgemental, which drives additional audit effort specific to their feasibility given the uncertainty in market conditions. The Group's modelling can be highly sensitive to small changes in certain key assumptions. The Group has a large number of operating businesses necessitating our consideration of the Group's determination of CGUs, based on the smallest group of assets to generate largely independent cash inflows. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill against the criteria in the accounting standards. • We analysed the Group's determination of its CGUs based on our understanding of the operations of the Group's business, how the identifiable CGUs generate independent cash inflows, and against the requirements of the accounting standards. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. • We considered the sensitivity of the models by varying key assumptions, such as the discount rate and growth rates within a reasonably possible range, to focus our further procedures. • We compared forecasts to Board approved budgets. • We challenged the Group's forecast cash flows and growth assumptions, considering the uncertainty in market conditions. We compared forecast cash flows to historical performance of the Group, and forecasts to published studies of industry trends and expectations. We used our knowledge of the Group, its past performance, business and customers, and our industry experience in assessing the feasibility of forecast growth rates and terminal growth rates applied by the Group.

	• We assessed the Group's allocation of corporate assets to CGUs for reasonableness and consistency based on the requirements of the accounting standards. • Working with our valuation specialists, we: - Independently developed a discount rate range using publicly available market data for comparable entities, adjusted for risk factors such as size. - Assessed the integrity of the value in use models used, including the accuracy of the underlying calculation formulas. • We assessed the disclosures in the financial report, using the results of our testing and against the requirements of the accounting standards.

Other Information

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

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

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

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

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001;*

- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error,

- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

- to issue an Auditor's Report that includes our opinion.

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

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

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

Report on the Remuneration Report

Opinion

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

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in pages 9 to 12 of the Directors' report for the year ended 30 June 2026.

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

KPMG

KPMG

Ryan Hastie
Partner
Perth
26 August 2026

Corporate Governance Statement

The Australian Securities Exchange (ASX) Corporate Governance Council has published a number of principles and recommendations relating to the direction and management of companies. These guidelines form a corporate governance framework intended to provide a practical guide for listed companies and their investors.

The Company's Board of directors (Board) are fully cognisant of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Recommendations) and have adopted those recommendations where they are appropriate to the Company's circumstances.

Under the ASX Listing Rules companies are required to provide a statement disclosing the extent to which they have followed all the ASX Recommendations and identify the recommendations that have not been followed and give reasons for not following them.

Role of the Board

The role of the Board is to approve the purpose, values, and strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans, review, approve and monitor the Company's risk management systems across its businesses, and to oversee overall good governance practice.

The role, responsibilities, structure and processes of the Board are set out in the Board Charter, which is published on the Company's website www.ctilogistics.com.

The Board's primary objective is to oversee the Group's business activities and management for the benefit of all stakeholders by:

- approving the Company's purpose, values, strategy, business plans and policies;
- monitoring the Company's strategic direction and portfolio of activities, overseeing management goal setting and instilling the Company's values;
- setting the Company's risk appetite and reviewing the effectiveness of the Company's risk management systems;
- approving the annual report, financial statements and other published reporting in accordance with the Constitution, Corporations Act and ASX Listing Rules;
- approving and monitoring budgets, capital expenditure, capital management, acquisitions and divestments and the payment of dividends;
- overseeing the financial position and monitoring the business and financial affairs of the Company;
- approving and monitoring the effectiveness of the Company's system of corporate governance, ethical, environmental and health and safety standards;
- ensuring significant business risks are identified and appropriately managed;
- ensuring appropriate resources are available;
- ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contribution of individual directors; and
- ensuring the integrity of risk management, internal control, legal compliance and management information systems.

Role of Management

The Board has delegated responsibilities and authorities to management to enable management to conduct the Company's day to day businesses. Core business management issues are handled by the Executive Committee, which comprises the executive directors and senior managers from within the Company. Matters which are not within these delegations, such as expenditure and activity approvals which exceed certain parameters, require separate Board approval.

The role of management is set out in the Board Charter.

Agreements with Directors

The ASX Recommendations recommend that a listed company should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has entered into written agreements with its non-executive directors setting out their terms of engagement with Company and with executive directors Owen Venter and Matthew Watson as employees of the Company, but does not have written agreements with the chairman, David Watson, and its executive directors Bruce Saxild and David Mellor as a result of being employed as founding directors.

Corporate Governance Statement

Board Composition

The Board comprises seven directors, including five executive directors and two non- executive directors.

Non-executive directors Roger Port and William Moncrieff are independent directors.

The Board does not comprise a majority of independent directors. Due to the size of the Company and its operations, and to avoid additional layers of management, the executive directors are necessarily involved in the day to day operations of the Group's businesses.

The Board has, and will continue to consider the appointment of additional non-executive directors, including a process for succession to ensure the Board maintains a balance of skills, experience and independence appropriate for the Company.

The Company has established a Remuneration and Nomination Committee comprising William Moncrieff (chair, an independent non-executive director), Roger Port (an independent non-executive director) and David Watson (executive chairman), which is considered appropriate given the size and nature of the Company. The committee has a formal charter which has been approved by the Board. A formal charter for the committee was established in June 2025 and is published on the Company's website, www.ctilogistics.com.

When appointing a new director, the Company performs checks which include a check on a person's character, experience, education, criminal record and bankruptcy history.

Due to the executive directors' individual separate operational functions, the Board is able to effectively review the performance of management and exercise independent judgement.

The directors have a broad range of qualifications, experience and expertise. External professional advisors are engaged by the Company to supplement the Board's skills when required. Details of individual directors are set out in the Annual Report.

The role of chairman and chief executive officer is filled by David Watson the founder of the business, who is also a substantial shareholder. His knowledge, experience and understanding of the businesses comprising the Group are integral to his performance of both these roles. The chairman is not an independent director because he is the chief executive officer and a substantial shareholder of the Company.

The Board has adopted a formal policy on access to independent professional advice which provides that directors are entitled to seek such advice for the purposes of the proper performance of their duties. The advice is at the Company's expense and is made available to all directors.

The ASX Recommendations recommend that a listed company should have and disclose a board skills matrix. The Company has not established a formal skills matrix for the Board due to the size and nature of the Company and the Board is satisfied with the experience and skills of the directors.

Company Secretary

The appointment and removal of a company secretary is a matter for decision by the Board. The company secretary is accountable directly to the Board (through the chairman) on all matters to do with the proper functioning of the Board. Details of the company secretary are set out in the Annual Report.

Ethical and Responsible Decision Making

The Company has clarified the ethical behaviour expected of directors and staff, as well as its attitude towards trading in the Company's securities.

The Company has adopted a code of conduct to provide a set of guiding principles, practices and standards of behaviour which are to be observed by all employees, contractors and business partners.

The Board encourages all employees to conduct business in a fair and ethical manner and to report any instances where standards may be at risk.

Corporate Governance Statement

The Company's business conduct and ethics policy, anti-bribery and anti-corruption policy, code of conduct, modern slavery statement and the policy on trading in company securities, are published on the Company's website www.ctilogistics.com.

Diversity

The Company is committed to diversity and equality in all areas and all levels of its operations. Diversity means those attributes which may differ from person to person, including gender, age, ethnicity and cultural background.

The Company recognises that the strength of the business is built on the understanding of individual strengths and differences and seeks to respect these. The Company is committed to providing an inclusive work environment with equal opportunities for all current and prospective employees, customers and suppliers and does not condone harassment or unlawful discrimination of any kind.

The Company recognises that there are many areas in which people experience discrimination and will continue to work towards an anti-discriminatory environment, based on open discussions with employees, customers, suppliers and others on perceptions of discrimination and by ensuring that our processes reflect relevant legislation and good practice.

The Company reports annually to the Workplace Gender Equality Agency which has confirmed that the Company is compliant with the Workplace Gender Equality Act 2012.

Currently the gender split of the Group's employees is 75% male : 25% female. At management levels the split is 92% male : 8% female. There are currently no female Board members.

The Company has a diversity policy, which is published on the Company's website www.ctilogistics.com.

The ASX Recommendations recommend that a listed company's Board should set out measurable objectives for achieving general diversity in the composition of the Board, senior executives and workforce generally, and the company should give disclosure of those measurable objectives.

The Company has not set measurable objectives for achieving general diversity in the composition of the Board, senior executives and workforce generally because of the size of the Company.

Evaluating Performance of Board and Management

The Board generally reviews and evaluates the performance of its directors and committees annually.

However, the Company has not established a formal process for periodically evaluating the performance the Board, the Board's committees and individual directors because of the size of the Company.

The Company evaluates the performance of its senior executives in an annual review process measured against a range of performance criteria determined by the Board and during the reporting period performance evaluations were undertaken in accordance with that process.

Integrity in Financial Reporting

The Company has formed an Audit and Risk Committee consisting of independent directors Roger Port (chair, an independent non-executive director) and William Moncrieff (an independent non-executive director), and executive directors Bruce Saxild and Matthew Watson. Meetings are also attended by executive directors David Mellor and Owen Venter. The Audit and Risk Committee has a formal charter which has been approved by the Board. The charter is published on the Company's website, www.ctilogistics.com.

The ASX Recommendations recommend that a majority of a listed entity's audit committee comprise independent directors. The Company's Audit and Risk Committee does not comprise a majority of independent directors because two of the four members of the committee are executive directors. The size and composition of the Audit and Risk Committee is considered to be appropriate for the size and complexity of the Company.

The Audit and Risk Committee reports directly to the Board and has unlimited access to the Company's external auditors and company employees. The Audit and Risk Committee meets regularly with the external auditors and reviews all comments and findings from them.

Corporate Governance Statement

The external auditors meet with the Audit and Risk Committee at least twice a year to review their audit procedures and findings. It is the policy of the external auditors to rotate the audit partner at 5 yearly intervals. The Board is satisfied with the external auditor's competence and independence.

In accordance with the ASX Recommendations, the chief executive officer and the chief financial officer have written to the Board giving assurances as to the accuracy and integrity of the Company's financial statements.

Timely and Balanced Disclosure

The Board is committed to ensuring that all matters which should be disclosed to the market are disclosed in a timely and balanced manner. All matters for disclosure are vetted and authorised by the Board prior to disclosure.

The Company's continuous disclosure policy aims to ensure that:

- there is full and timely disclosure of the Company's activities to shareholders, investors and other interested parties in accordance with all statutory obligations;
- all parties have equal access to externally available information about the Company.

The Company's continuous disclosure policy reflects the Company's responsibility to comply with the disclosure requirements of the ASX and is reviewed regularly to reflect any changes in legislative or regulatory requirements and best practice. The continuous disclosure policy is published on the Company's website www.ctilogistics.com.

Rights of Shareholders

The Board encourages direct communication with shareholders.

Shareholders are encouraged to attend general meetings where formal and informal discussions can take place with Board members, senior employees and the external auditors.

The Company's external auditors are always invited to attend the Company's Annual General Meetings and are available to answer shareholders' queries at that time.

Shareholders may also communicate freely with Board members at any time either directly or via our investor relations email address communications@ctilogistics.com.

The Company recognises the importance and value of keeping shareholders fully informed of all matters, in addition to those prescribed by law, which may impact upon their financial interest in the Company. The Company's shareholder communication strategy is published on the Company's website www.ctilogistics.com.

The Company's website will continue to be developed as a medium to facilitate communication with shareholders.

Risk Recognition and Management

The Board has established policies and procedures to recognise, minimise and manage all material aspects of risk affecting the Company.

The Board has overseen with the management of each business unit the drawing up of a risk management plan. Management has submitted reports to the Board on the areas of risk, the impacts of risks and risk categorisation affecting the business units.

A robust system for identifying, monitoring and mitigating material risk throughout the Group has been established and each business unit can access the system on-line. It is reviewed at least annually and updated immediately a change is identified.

The Audit and Risk Committee assists the Board in fulfilling its corporate governance and oversight responsibilities, including corporate reporting processes, external audit and compliance, risk management and mitigation and internal control. The Audit and Risk Committee charter sets out the roles and responsibilities of the committee, including reviewing the effectiveness of the processes for identifying the Company's risks and the appropriateness of the risk management procedures in managing financial, fraud, operational, contract, insurance, cyber security and regulatory compliance risks.

Corporate Governance Statement

Business continuity plans incorporate disaster recovery and IT risk management plans covering the Company's on and off premise IT infrastructure and cyber risks and controls which are reviewed periodically.

Whilst there is no formal internal audit function, the Company's chief financial officer performs and delegates certain internal audit procedures on a rotational basis throughout the year.

The ASX Recommendations recommend that the chief executive officer and the chief financial officer write to the Board giving assurances regarding risk recognition and management, so that the Board is assured of considering all relevant factors. This has not been undertaken as the Company's chief executive officer is also the chairman of the Company's Board and the chief financial officer is also a member of the Company's Board and report to the Board directly.

Remuneration

The Remuneration and Nomination Committee reviews and makes recommendations on remuneration policies for the Company including, in particular, those governing the directors. Remuneration of directors is periodically benchmarked against similar listed companies.

The Board has the discretion to provide employees with equity-based remuneration including under the Company's Employee Share Plan.

Board members have access to continuing education within their spheres of operation and the Board encourages directors and staff to embark on continuing professional development.

Directors have access to all information required to efficiently discharge responsibilities and may request additional information from management at any time. Operational management are invited to attend Board meetings on a regular basis to facilitate directors' understanding of operational matters.

The ASX Recommendations recommend that a listed entity should disclose its policies and practices regarding the remuneration of its directors. The Company has not established formal policies for the remuneration of directors due to the size of the Company.

Interests of Stakeholders

The Board acknowledges the legitimate interests of all stakeholders and its legal and other obligations to employees, clients and the community as a whole.

Shareholder Information

THE TWENTY LARGEST SHAREHOLDERS AS AT 7 AUGUST 2026

	NUMBER OF SHARES	PERCENTAGE
David R Watson	18,627,488	23.03
Dynamic Supplies Investments Pty Ltd	9,956,463	12.31
David Watson Nominees Pty Ltd	5,395,969	6.67
Parmelia Pty Ltd	4,453,000	5.50
DAM Nominees Pty Ltd	2,798,871	3.46
Simon Dirk Kenworthy-Groen	2,613,168	3.23
Bruce E Saxild and Michelle P Saxild	2,579,302	3.19
Catherine R Watson	1,823,486	2.25
Citicorp Nominees Pty Ltd	1,806,079	2.23
Dixson Trust Pty Ltd	1,686,633	2.08
NCH Pty Ltd	1,639,204	2.03
J P Morgan Nominees Australia Pty Ltd	1,579,681	1.95
HSBC Custody Nominees (Australia) Limited	746,497	0.92
Bond Street Custodians Limited	600,000	0.74
David A Mellor	522,080	0.65
Mr Walter Hall and Mrs Hilary Hall	521,000	0.64
Mr Simon Wiltshire & Mr Andrew Kerr & Mr Gavin Riley	419,228	0.52
Keiser Investments Pty Ltd	390,000	0.48
Semblance Pty Ltd	390,000	0.48
Geolyn Pty Ltd	374,104	0.46
	58,922,253	72.82

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders as disclosed in the last substantial shareholder notices given to the Company under the *Corporations Act 2001*.

	DATE OF NOTICE	NUMBER OF SHARES	PERCENTAGE
David R Watson	14 November 2018	25,902,933	33.41
Dynamic Supplies Investments Pty Ltd	12 August 2021	9,064,737	11.64
Parmelia Pty Ltd	16 October 2023	4,091,176	5.13

DISTRIBUTION OF EQUITY SECURITIES AS AT 7 AUGUST 2026

(i) Distribution schedule of holdings

	NUMBER OF SHAREHOLDERS	ORDINARY SHARES	PERCENTAGE
1 - 1,000	332	141,413	0.17
1,001 - 5,000	407	1,083,812	1.34
5,001 - 10,000	174	1,309,556	1.62
10,001 - 100,000	340	10,762,843	13.30
100,001 and over	72	67,601,127	83.57
	1,325	80,898,751	100.00

(ii) There were 71 shareholders holding less than a marketable parcel of ordinary shares.
(iii) There were a total of 80,898,751 ordinary shares on issue.

VOTING RIGHTS

Ordinary shares carry voting rights of one vote per share.