# Appendix 4E (Preliminary Final Report) and FY24 Annual Report

27 August 2024: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) releases its Appendix 4E (Preliminary Final Report) and Annual Report for the year ended 30 June 2024 (FY24).

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*This announcement was approved for release by the Quickstep Board of Directors.*


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### About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia, with facilities in Sydney, Geelong, Melbourne and Dallas. More information about Quickstep is available at www.quickstep.com.au

### Important Information - Forward looking statements

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release.

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# Appendix 4E

## Preliminary Final Report to the Australian Securities Exchange

**Part 1**

| | |
|---|---|
| Name of Entity | Quickstep Holdings Limited |
| ABN | 55 096 268 156 |
| Financial Period | Year ended 30 June 2024 |
| Previous Corresponding Reporting Period | Year ended 30 June 2023 |

**Part 2 – Results for Announcement to the Market**

| | **2024 $'000** | **2023 $'000** | **Percentage increase/(decrease) over previous corresponding period** |
|---|---|---|---|
| **Revenue from continuing operations** | **88,970** | 89,046 | (0.1%) |
| **EBIT** | **1,268** | 875 | 45.0% |
| **Net Finance Costs** | **1,677** | 2,729 | 38.6% |
| **Profit / (Loss) before income tax** | **(720)** | (1,214) | 40.7% |
| **Profit / (Loss) after related income tax benefit** | **(1,081)** | (737) | (46.7%) |
| **Profit / (Loss) attributable to members of the parent entity** | **(4,771)** | (5,710) | 16.4% |

| **Dividends (distributions)** | **Amount per security** | **Franked amount per security** |
|---|---|---|
| **Final Dividend** | **Nil** | Nil |
| **Interim Dividend** | **Nil** | Nil |
| **Record date for determining entitlements to the dividends (if any)** | | Not Applicable |

**Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**
Please refer to the commentary included in the Annual Report attached along with the Company's results announcement to the ASX.

**Part 3 – Contents of ASX Appendix 4E**

| **Section** | **Contents** |
|---|---|
| Part 1 | Details of the entity, reporting period |
| Part 2 | Results for announcement to the market |
| Part 3 | Contents of ASX Appendix 4E |
| Part 4 | Details relating to dividends |
| Part 5 | Net tangible assets per security |
| Part 6 | Details of entities over which control has been gained or lost |
| Part 7 | Financial Position |
| Part 8 | Subsequent events |

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**Part 4 – Details relating to Dividends**

| | |
|---|---|
| **Date the dividend is payable** | Not Applicable |
| **Record date to determine entitlement to the dividend** | Not Applicable |
| **Amount per security** | Not Applicable |
| **Total dividend** | Not Applicable |
| **Amount per security of foreign sourced dividend or distribution** | Not Applicable |
| **Details of any dividend reinvestment plans in operation** | Not Applicable |
| **The last date for receipt of an election notice for participation in any dividend reinvestment plans** | Not Applicable |

**Part 5 – Net Tangible Assets per Security**

| | **2024** | **2023** |
|---|---|---|
| **Net tangible assets backing per ordinary security** | **17.9 cents** | 23.8 cents |

**Part 6 – Details of Entities over which control has been gained or lost**

Not Applicable

**Part 7 – Financial Position**

| |
|---|
| As at 30 June 2024 the Group had cash and deposits of $5,263,000. |

**Pert 8 – Subsequent Events**

| |
|---|
| To assist with the restructuring of the Structures business unit, CBA made available to the Company a temporary facility with the term of 13 months to be used to fund employee termination payments including entitlements. The facility is capped at $2.3 million and can only be used for the purpose of restructuring.<br><br>Other than the matters noted above, no matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years. |

**Part 9 - Audit Status**

| **This report is based on accounts to which one of the following applies: (Tick one)** | | | |
|---|---|---|---|
| The accounts have been audited | ✓ | The accounts have been subject to review | |
| The accounts are in the process of being audited or subject to review | | The accounts have not yet been audited or reviewed | |

| |
|---|
| **If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of the matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.**<br><br>Not applicable. |
| **If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.**<br><br>Not applicable. |

26 August 2024 - Authorised by the Board

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# Quickstep Holdings Limited

## Annual Report
## for the year ending 30 June 2024

# Directors' Report

The Directors present their report on the consolidated entity consisting of Quickstep Holdings Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024. Throughout the report, the consolidated entity is referred to as the "Group" or "Quickstep".

**Directors**

The following persons were Directors of Quickstep Holdings Limited during the whole of the financial year and up to the date of this report:

Mr. P Largier
Mr. M H Burgess
Mrs. L Heywood
Mrs. E Mannes
Air Vice Marshal K Osley (Ret'd)

Mr. P Largier was appointed Chairman on 31 August 2020 and continues in this role at the date of this report. Ms. L Heywood Non-executive Director resigned from the Quickstep Board on 1 July 2024.

**Principal Activities**

During the year the continuing principal activities of the Group consisted of:

- production of parts for Northrop Grumman Corporation for the Joint Strike Fighter Project
- production of C-130J wing flaps for Lockheed Martin Corporation
- production of parts for the Joint Strike Fighter vertical tails for BAE Systems and Marand Precision Engineering
- manufacturing and development of parts using Qure Technology
- maintenance, repair and overhaul of aircraft
- continued development of technologies for scaled volume production.

**Review of Operations**

Total Revenue for the year ended 30 June 2024 was $99.3 million (FY23: $94.4 million) representing a 5.3% increase on the prior year. The revenue increase is largely attributable to stable production levels in the Structures business combined with growth in the Services business (94%) and Engineering Development (drones) (57%). Excluding the Services business unit FY24 Group Revenue was $89 million (FY23: $89 million).

The underlying full year Group Net Profit Before Tax (excluding the Services business unit and restructuring costs) was $1.3 million ($1 million FY23) which demonstrates the stability in the core business units. The Services business unit performed better in both revenue and profit in FY24, but requiring additional investment to achieve its full growth potential, the directors have made the decision to sell the Services business unit and this is reflected in this report with Services being disclosed as a discontinued operation.

In June 2024 Quickstep announced a major restructuring initiative which, among other things, delivered a reduction in direct production headcount of approximately 20% and a reduction in operational support headcount of a similar amount. The key changes included transitioning from a 3 shift / 6-days a week operation to a 2 shift / 5-days a week pattern and the implementation of leaner Operations Leadership, Quality, Procurement and Engineering teams. A rationalisation of the corporate support functions was also implemented. These changes are aimed at further strengthening the profitability of the core businesses.

Total bank debt as at 30 June 2024 was $12.1 million (FY23: $13.3 million) with Net Debt also reducing from $7.7 million to $6.8 million.

Cash from operating activities of $3.4 million for FY24 reflected a more stable operating environment in FY24.

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**Material Risks**

The material business risks faced by the Group that are likely to have an effect on the financial prospects of the Group and how the Group manages these risks include:

- Foreign exchange – the reliance on sales from key customers which are billed in US dollars and sourcing of raw material product in US dollars, directly impacts both sales and operating profit. The Group has adopted a Foreign Exchange Hedging Policy which is considered to be suitable to the business. The risk associated with exchange rate fluctuation is expected to continue.

- Supply chain cost inflation – global and domestic inflationary pressures have been and continue to be a strong theme within the aerospace and defence sector. Along with direct inflation impacts, the absence of alternate suppliers in some cases has the potential to disrupt production. Tight management of the supply chain along with price negotiations has largely mitigated disruptions to date however a degree of risk remains.

- Equipment failure – an extended failure of critical equipment has the potential to disrupt production. Preventative maintenance programmes including the major overhaul of key assets, monitoring tools, critical spares stock and equipment supplier support arrangements are in place to mitigate this risk.

- Flooding – the area of Bankstown, where the Structures business unit manufacturing site is located, is susceptible to localised flooding from nearby tributaries. Whilst historical water egress on the site itself has been minimal, employee access to site has been impacted for periods of time which has the potential to disrupt production.

- Revenue growth – growth in the Australian aerospace market relevant for Quickstep is largely predicated on Australian defence customers' requirements. For Quicksteps Structures business unit, current long-term contracts on the F-35 and C130 programs are quite mature and are now relatively stable. The evolution of defence strategy in Australia, as it is in much of the world, is shifting towards Guided Weapons and UAVs. Quickstep is active through its Structures business unit developing manufacturing solutions supporting these evolving products and markets. The Group's strategy to mitigate a portion of this risk is to actively participate in the Guided Weapons and UAV markets in Australia and enter the much larger US market for new and existing products and services offered to the Australian market today.

- Environmental, Social & Governance (ESG) – Quickstep takes a proactive approach to ESG and mitigating associated risks by having in place and conducting regular review and update of a robust suite of policies and procedures many of which are publicly available on the Company's website. In relation to sustainability and Mandatory Climate Reporting requirements, although Quickstep falls into Group 3 which requires reporting from 30 June 2028, the Group will expand existing sustainability programs which are focused on waste reduction and compliance with environmental regulation into areas that will support climate reporting requirements and further mitigate environmental risks.

**Dividends**

No dividends have been paid during the financial year. The Directors do not recommend that a dividend be paid in respect of the financial year (2023: $ Nil).

**Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

**Events Since the end of the Financial Year**

To assist with the restructuring of the Structures business unit, CBA made available to the Company a temporary facility with the term of 13 months to be used to fund employee termination payments including entitlements. The facility is capped at $2.3 million and can only be used for the purpose of restructuring.

Other than the matter noted above, no matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

# Directors' Report

### Shares under Options

There are Nil (2023: Nil) unissued ordinary shares of Quickstep Holdings Limited under option at the date of this report. No options were granted during the year and since the end of the financial year.

### Likely developments and expected results of operations

The Group's focus in FY25 remains improving the profitability of the core Structures business in Australia which is facilitated among other things by the restructuring initiative implemented in July 2024 and the continued development of products and solutions in the Guided Weapons and UAV markets. The development of new products and solutions are, at this stage, engineering focused activities. The proposed sale of the Service business unit will free up resources to focus on these priority initiatives and the expansion of Quicksteps business into the US.

The Directors expect the operational changes along with the renewed focus on core aerospace structures will help deliver improved margin performance in the Australian operations and provide a solid platform for growth into the US market. Further, the Directors are confident that the evolution of new products and services in the Guided Weapons and UAV segments will lead to new opportunities on both sides of the Pacific.

### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on Directors

The following information is current as at the date of this report

| | **Mr. Patrick Largier**<br>**Independent Non-Executive Director - appointed 19 December 2019** | |
|---|---|---|
| **Experience and expertise** | Mr Largier is an experienced non-executive director and has over 30 years' executive experience in the oil, chemicals and industrial sectors in Australia, the UK and South Africa.<br>Prior to taking up non-executive director roles, he was Managing Director of Ludowici, an ASX-listed global specialist mining services company with operations across five continents. Over five years he led the company through a turnaround, followed by rapid international growth and the ultimate sale of the company to the Danish group FLSmidth in 2012. He then became Managing Director of FLSmidth Pty Limited for two years. Before this, Patrick spent 15 years in numerous business general manager roles at ICI and Orica's Plastics and Chemicals Groups. His final role in the company was on Orica's Group Executive team as General Manager - Strategy & Acquisitions. Before emigrating to Australia in 1992, Patrick spent ten years with Shell in Cape Town and Shell International in London.<br>Since 2014 he has focussed his energies on non-executive director roles. He is currently a non-executive director and chairman of several private and private equity companies across a range of industries. | |
| **Qualifications** | Patrick has a Chemical Engineering degree (with honours) from the University of Cape Town and completed the Advanced Management Program (AMP) at Harvard in 2004. He is also a Graduate of the AICD. | |
| **Special responsibilities** | Chair of the Board from 31 August 2020 and member of the Audit, Risk and Compliance Committee from 1 July 2024. | |
| **Other current Directorships** | None | |
| **Interests in shares and options** | Ordinary shares in Quickstep Holdings Limited | 583,000 |

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# Directors' Report

**Information on Directors**

| | **Mr. Mark H Burgess**<br>**CEO and Managing Director - appointed 18 May 2017** | |
|---|---|---|
| **Experience and expertise** | Mr. Burgess joined Quickstep in May 2017 bringing with him over 20 years' experience in the global aerospace and defence industry, where his successful delivery of profitable growth and complex projects in advanced technology businesses has led to significant employer, customer and industry recognition. Mr Burgess has held leadership roles across Europe, USA, the Middle East and Asia Pacific.<br><br>After a sixteen-year career with BAE Systems covering sales, contracts, project and general management he joined Honeywell in 2013 as Vice President Honeywell Aerospace, Asia Pacific. During his four years at Honeywell, he was responsible for driving sustained profitable growth across a defence, space and commercial helicopter portfolio.<br>Mr. Burgess has extensive experience of governance and stakeholder management, working with public, private and not-for-profit sectors and has held numerous board positions in the public and private sectors. | |
| **Qualifications** | Mark holds a degree in Politics and Economics from the University of Hull and has completed several post graduate studies in business and operations management. | |
| **Special responsibilities** | Chief Executive Officer | |
| **Other current Directorships** | None | |
| **Interests in shares** | Ordinary shares in Quickstep Holdings Limited | 480,972 |
| **Interests in options** | Performance rights in Quickstep Holdings Limited | 3,067,223 |

| | **Mrs. Leanne Heywood**<br>**Independent Non-Executive Director - appointed 21 February 2019– finished 1 July 2024** |
|---|---|
| **Experience and expertise** | Mrs Heywood joined the Quickstep board in February 2019 and brings experience as an ASX listed non-executive director, Audit and Risk committee and Nominations and Remuneration committee chair along with broad general management experience gained through an international career in the sales and distribution, mining, rural, government and not-for-profit sectors.<br>Leanne has extensive international and domestic marketing experience and brings international customer relationship management, stakeholder management (including governments and investment partners) and team leadership experience in China, Japan, Mongolia, Singapore, South America, Europe and India.<br>Leanne is an experienced leader of transformational change having lead organisational restructuring, disposals and acquisitions, including integration. She has strong skills across Marketing, Business Analysis, Contracts, Procurement, Logistics, Accounting and Business Improvement along with an advanced ability to facilitate complex negotiations. |
| **Qualifications** | Leanne holds an executive MBA from Melbourne Business School and a Bachelor of Business (majoring in Accounting) from Charles Sturt University. She is a graduate of the AICD International Company Directors Course and a Fellow of CPA Australia. |

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**Information on Directors**

| | Mrs. Elisabeth Mannes<br>Independent Non-Executive Director - appointed 22 August 2019 | |
|---|---|---|
| **Experience and expertise** | Mrs Mannes joined the Quickstep board in August 2019, she is a highly experienced C-Suite executive with a career that has spanned both the fast-moving consumer and industrial goods industries. She has both international and domestic General and Operations management experience and was most recently Executive General Manager of CHEP Australia Limited, a wholly owned subsidiary of Brambles Limited (ASX: BXB), retiring in January 2023. Lis brings global leadership skills and has a proven track record of driving value by leading complex businesses through strategic, operational, and cultural challenges within competitive commercial environments. She has led business growth, organisational restructuring, disposals & acquisitions, and business integrations. Prior to joining CHEP she was Executive General Manger of the Consumer and Industrial division of Pact Group Holdings (ASX: PGH), and before this she was Operations and Business Development Director of Tip Top, a division of George Weston Foods (GWF) - a wholly owned subsidiary of Associated British Foods (LSE: ABF).<br>Her skill set includes Business Strategy; Financial Management; Supply Chain Optimisation; People & Culture; Customer & Operational Excellence; Risk Management; ESG/Sustainability. She was a founder board member of the National Association of Women in Operations (NAWO). | |
| **Qualifications** | Lis is a Chartered Engineer (CEng) and a Fellow of the UK Institution of Mechanical Engineers (FIMechE). She holds an MBA, completed the Advanced Management Programme at INSEAD and is a Graduate of the Australian Institute of Company Directors. | |
| **Special responsibilities** | Chair of the Remuneration, Nomination and Diversity Committee and member of the Audit, Risk and Compliance Committee. | |
| **Other current Directorships** | PeopleIN (ASX: PPE) | |
| **Interests in shares and options** | Ordinary shares in Quickstep Holdings Limited – (held in spouse's name) | 42,176 |

| | Air Vice Marshal Kym Osley (Ret'd)<br>Independent Non-Executive Director - appointed 11 June 2020 | |
|---|---|---|
| **Experience and expertise** | Kym Osley joined the Quickstep board in June 2020 and has over 47 years of Defence and aerospace experience including prior experience as the Program Manager of the Australian F-35 Joint Strike Fighter Program. Kym retired in 2021 from his full-time position as a Managing Director in an international consulting firm, working with Government and Defence clients to take up Board positions and private consulting work. Kym continues to support Defence in his active Reserve role.<br>Kym has extensive international experience with Defence and aerospace industry gained through various Defence-related appointments in the UK and the US, and through his previous work as a Reservist officer promoting exports as a military specialist and leader in Team Defence Australia. He was awarded a Defence Industry Service Commendation by the Minister for Defence in 2019 for leading teams that have been supporting future Defence capability planning since 2016. Earlier in his military career, Kym was an aviator who flew in F-111, Phantom and F-18 aircraft with the RAAF and USAF. He was awarded a Conspicuous Service Cross in 1997 and made a Member of the Order of Australia in 2008 for services to Defence.<br>Kym is currently the Chair of the Australian Air Force Cadet Foundation, and on the Boards of one other company. | |
| **Qualifications** | Kym is a graduate of the Harvard Business School (Advanced Management Program) and is a Fellow of the Centre for Defence and Strategic Studies. He has a Master of Arts (International Relations), Master of Defence Studies, a BSc (Physics) and a Graduate Diploma of Management Studies and is a Graduate of the AICD. | |
| **Special responsibilities** | Member of the Audit, Risk and Compliance Committee, Chair of the Committee from 1 July 2024. | |
| **Other current Directorships** | PWR Holdings Limited. | |
| **Interests in shares and options** | Ordinary shares in Quickstep Holdings Limited | 76,739 |

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**Information on Directors**

| | Mr. Craig Roelofsz<br>Company Secretary - appointed 9 September 2022 - finished 11 September 2023 |
|---|---|
| **Experience and expertise** | Mr Roelofsz has approximately 22 years' experience as a corporate and commercial lawyer. He has worked closely with ASX listed companies in providing advice on compliance with the Corporations Act 2001 (Cth), ASX listing rules and other corporate legal matters. |
| **Qualifications** | Mr Roelofsz holds the degrees of Bachelor of Arts, Bachelor of Laws and Master of Laws and is admitted to practice as a legal practitioner in both South Africa and Australia. |
| **Other current roles** | Mr Roelofsz is currently the director of his own corporate and commercial law firm with offices in Brisbane, Sydney and Melbourne. |

| | Mr. Myron Zlotnick<br>Company Secretary - appointed 11 September 2023 – finished 31 January 2024 |
|---|---|
| **Experience and expertise** | Mr Zlotnick has over 30 years' experience in various corporate roles including as a director, general manager, general counsel, and as a company secretary of an ASX listed company. He has regularly advised companies and directors on compliance with the Corporations Act 2001 (Cth), ASX listing rules and other corporate compliance and governance matters. |
| **Qualifications** | Mr Zlotnick holds degrees in politics and law, holds a graduate certificate of applied finance, and is a member of the Australian Institute of Company Directors. |
| **Other current roles** | He is currently the Company Secretary of ASX listed and unlisted companies. |

| | Ms. Ava Bentley<br>Company Secretary - appointed 31 January 2024 | |
|---|---|---|
| **Experience and expertise** | Ms Bentley has over 20 years' experience as a lawyer in private practice and in various corporate roles including as a Chief Legal and Risk Officer and as a Company Secretary of an ASX listed company. | |
| **Qualifications** | Ms Bentley is admitted to the Supreme Court of New South Wales and holds an unrestricted practising certificate with the Law Society of New South Wales. Ms Bentley also holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. | |
| **Other current roles** | Ms Bentley provides governance and risk consulting services to various clients and is the Legal Committee Member of a Human Research Ethics Committee of a global healthcare provider. | |
| **Interests in shares and options** | Ordinary shares in Quickstep Holdings Limited | - |

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## Board Structure & Director Independence

The Company continually monitors the structure and performance of the Board to ensure it is of an appropriate size, composition and skill to lead the Company and meet its current governance and strategic needs.

The Chair manages the Board to achieve responsive and effective business outcomes with highly committed Directors. Quickstep has a Remuneration, Nomination and Diversity Committee (RN&D Committee), whose responsibilities include the development and on-going review of Board competencies, structure, performance and renewal. Both the RN&D Committee Charter and "Policy and Procedure for Selection and Appointment of Directors" are accessible from the Company's website as follows: www.quickstep.com.au

The Policy and Procedure for Selection and Appointment of Directors includes a matrix of skills that are considered necessary within the non-executive Director group to facilitate an effective and efficient Board. The RN&D Committee periodically reviews both this matrix and the Directors' actual skills mix to ensure they satisfy the current and immediately foreseeable needs of the Company.

The Board aims to maintain a varied level of tenure amongst its Directors, which is seen as essential for its effective functioning given the significant growth and change experienced by Quickstep in recent years. This has resulted in both an influx of fresh ideas and the retention of sufficient Quickstep specific understanding to optimise strategic and operational changes. As the business evolves this is continually reviewed.

The Board is committed to a majority of its Directors being independent to ensure the Board acts in the best interests of the entity itself, its security holders and stakeholders generally. Director independence is assessed on a regular basis, and all Directors are required to advise the Board of any actual or potential conflicts of interest as they arise, with any such conflicts tabled at Board meetings.

In assessing independence, the Board considers a number of factors which include, but are not limited to, the "Factors relevant to assessing the independence of a Director" listed in Recommendation 2.3 of the Corporate Governance Principles and Recommendations 3rd Edition established by the ASX Corporate Governance Council ('the ASX Principles and Recommendations").

## Directors' Meetings

The numbers of meetings of the Company's board of Directors and of each board committee held during the financial year ended 30 June 2024, and the numbers of meetings attended by each Director were:

| | Board Meetings | | Audit, Risk and Compliance Committee Meetings | | Remuneration, Nomination and Diversity Committee Meetings | |
|---|---|---|---|---|---|---|
| | Held | Attended | Held | Attended | Held | Attended |
| Mr. P Largier | 18 | 18 | - | 5 | - | - |
| Mr. M H Burgess | 18 | 18 | - | 5 | - | 1 |
| Mrs. L Heywood | 18 | 18 | 6 | 6 | 4 | 4 |
| Mrs. E Mannes | 18 | 18 | 6 | 6 | 4 | 4 |
| AVM K Osley (Ret'd) | 18 | 18 | 6 | 6 | - | 1 |

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# Remuneration Report - Audited

The Directors present the Quickstep Holdings Limited 2024 remuneration report, outlining key aspects of the Group's remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

1. **Principles of Compensation**
2. **Details of Remuneration**
3. **Share Based Compensation**
4. **Analysis of Bonuses included in Remuneration**

## 1. Principles of Compensation

Key Management Personnel (KMP) comprise the Directors of the company and the senior leadership team. KMP have authority and responsibility for planning, directing and controlling the activities of the Group.

The report includes details relating to:

| | |
|---|---|
| **Executive Director** | |
| Mr. M H Burgess | Chief Executive Officer and Managing Director |
| **Non-Executive Directors** | |
| Mr. P Largier | Chair of Board, member of the Audit, Risk and Compliance Committee from 1 July 2024. |
| Mrs. L Heywood | Chair of Audit, Risk and Compliance Committee and Member of Remuneration, Nomination and Diversity Committee to 1st July 2024 |
| Mrs. E Mannes | Chair of Remuneration, Nomination and Diversity Committee and Member of Audit, Risk and Compliance Committee |
| AVM K Osley (Ret'd) | Member of Audit, Risk and Compliance Committee, became Chair of the Committee 1 July 2024 and member of the Remuneration, Nomination and Diversity Committee on 1 July 2024. |
| **Other Key Management Personnel** | |
| Mr. D Clarke | Chief Financial Officer from 15 May 2023 |
| Mrs. D Stefanova | Chief Operating Officer from 15 August 2022 |

The Board has established a Remuneration, Nomination and Diversity (RN&D) Committee which assists the Board in formulating policies on and in determining:

- The remuneration packages of executive directors, non-executive directors and other key management personnel, and
- Cash bonuses and equity-based incentive plans, including appropriate performance hurdles, total payments proposed and plan eligibility criteria.

If necessary, the RN&D Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Group. Further information on the role of the committee is contained in the charter available on the Company's website.

Quickstep has an Executive Remuneration Policy and a Non-Executive Director's Remuneration Policy. These are available on the Company's website.

Compensation levels for KMP of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration structures are designed to reward the achievement of strategic objectives and achieve the broader outcome of value creation for shareholders. Compensation packages include a mix of fixed compensation, short-term cash incentives and equity-based incentives.

Shares, options or rights may only be issued to Directors subject to approval by shareholders in a general meeting.

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# 1. Principles of Compensation

The Group does not have any scheme relating to retirement benefits for its KMP other than superannuation contributions defined under its statutory obligations.

The Company's policy is to provide executives with a competitive fixed compensation comparable to the median paid by like sized companies undertaking similar work and offers additional short and long term incentives to allow the executive to achieve top quartile compensation, if all performance hurdles are met. All incentives are capped.

The Company's policy is to provide non-executive Directors with a fixed fee comparable to the median of that paid by similar sized ASX listed companies operating in similar fields. Non-executive Directors are not eligible for participation in any of the Company's incentive schemes.

### *Fixed compensation*

Fixed compensation consists of base compensation, as well as statutory employer contributions to superannuation.

Compensation levels are reviewed annually through a process that considers current labour market rates, the individual's contribution and overall performance of the Group. Compensation is also reviewed in the event of promotion or significant change in responsibilities.

### *Performance linked compensation*

Performance linked compensation includes both short and long term incentives and is designed to reward key management personnel, excluding non-executive Directors, for meeting or exceeding the Company's business and their personal objectives. Each individual's performance linked compensation is capped as a percentage uplift of fixed compensation. Other than as disclosed in this report, there have been no performance-linked payments made by the Group to key management personnel.

## Short Term Incentive

KMP receive short-term incentives (STI) in cash on achievement of key performance indicators (KPI). Each year, the RN&D Committee considers the appropriate KPIs and associated targets to align individual rewards to the Group's performance. These targets include measures related to the annual performance of the Group and specific measures related to the activities of individual KMPs.

In FY24, a suite of Corporate KPIs were used, including two financial KPIs (weighting 40%), a KPI relating to safety (weighting 15%) and two growth focused KPIs (weighting 45%). The weighting of corporate KPIs used in the determination of an executive's STI is 70% for KMP excluding the Chief Executive Officer and 100% for the Chief Executive Officer. The remaining 30% of KMP STI is determined by performance against personal KPIs which are aligned to the delivery of Quickstep's strategic plan.

The RN&D Committee is responsible for assessing whether the Corporate KPIs have been achieved and meet the criteria set out at the beginning of the year. Each year threshold metrics are determined, with no STI payable to any executive if these are not achieved. In FY24 each KPI had its own threshold/hurdle, target and stretch KPI.

Actual performance is then assessed against the threshold outcome, the target outcome and the stretch outcome. Where performance falls below the threshold outcome, no payment is generally made against that KPI and where performance exceeds the stretch outcome the maximum stretch is payable. Where performance falls between threshold and target or target and stretch outcomes, an appropriate proportion of the KPI is payable. When the threshold target is achieved, 33% of the weighting for the KPI is payable; when target is met, 66% of the weighting for the KPI is payable. When threshold, target and stretch outcomes are achieved 100% of the weighting for the KPI is payable.

In FY24, the threshold outcome was not reached for the two financial KPI's and the two growth KPIs (with no STI payable). The target outcome was also not achieved for the Safety KPI.

After reviewing the overall achievement of KPIs based on the above process, and with further consideration given to overall financial performance, the RN&D Committee recommended and the board approved that no STI is payable to KMP for FY24.

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# 1. Principles of Compensation

## Long Term Incentive - Quickstep Incentive Rights Plan (IRP)

In November 2013 the Company established the Quickstep Incentive Rights Plan (IRP). The IRP was designed to facilitate the Company moving towards best practice remuneration structures for executives and offers under the IRP have been made to a number of executives since its introduction. The terms of the FY24 IRP for CEO and Managing Director were approved by shareholders at the 2023 AGM on 21 November 2023 and the IRP terms for the management were approved on 19 December 2023.

The IRP authorises the granting of Rights to executives of the Company, in the form of Performance Rights (PRs) and/ or Deferred Rights (DRs) and/or Restricted Rights - (RRs) (together, Rights). These Rights represent an entitlement on vesting to fully paid ordinary shares in the issued capital of the Company (Shares) with the total value of Shares being equal to the value of vested Rights (number of vested Rights x market value of a Share). The value of the vested Rights may be settled in cash, Shares or a combination of cash and shares as determined the Board. PRs may vest if Performance Conditions are satisfied. DRs may vest if service conditions are satisfied. There were no RRs granted in FY24 and none arose from PRs or DRs granted during the year.

The Board has the discretion to set the terms and conditions on which it will offer PRs under the IRP, including the performance conditions and modification of the terms and conditions as appropriate to ensuring the IRP operates as intended. All PRs offered will be subject to performance conditions which are intended to be challenging.

The PRs awarded during FY24 are subject to a performance condition based on achieving a relative Total Shareholder Return (TSR) equivalent to or in excess of the ASX Small Ordinaries Index (XSO) over the measurement period. The XSO is an index of total shareholder return achieved by ASX listed small cap companies which combines both share price movement and dividends paid during the measurement period (assuming that they are reinvested into shares). As a general rule, Quickstep uses a measurement period of three (3) years with an anniversary date of 1 October each year.

For vesting to occur the Company's TSR (share price movement plus dividends) over the measurement period must be positive (i.e., if shareholders have not gained then PRs will not vest) relative to the XSO. If the XSO movement is negative over the measurement period then vesting, if any, will be at the discretion of the Board (i.e., only applies if the Company has outperformed a general fall in the small cap market by protecting against a similar fall in the Company's share price). If the Company's TSR is positive and the movement in the XSO is also positive, then the following vesting scales will apply:

| Performance Level | Company's TSR Relative to XSO Movement of the Measurement Period | Vesting % |
|---|---|---|
| Below Threshold | < Increase in the XSO | 0% |
| Threshold | = Increase in the XSO | 25% |
| | > 100% of XSO increase & < 110% of XSO increase | Pro-rata |
| Target | 110% of XSO increase | 50% |
| | > 110% of XSO increase & < 120% of XSO increase | Pro-rata |
| Stretch and Above | 120% of XSO increase | 100% |

For PRs issued to executives during FY24, testing of the TSR hurdle will occur on the third anniversary of the commencement of the measurement period ("Test Date"). Any PRs granted will lapse if they do not vest at or before the Test Date.

The Board has discretion to vary the level of vesting if circumstances during the measurement period warrant a different level of vesting or to bring forward vesting if such action is appropriate in the circumstances.

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# 1. Principles of Compensation

## Long Term Incentive - Quickstep Incentive Rights Plan (IRP)

The IRP contains provisions concerning the treatment of vested and unvested rights in the event that a participant ceases employment. Unless the Board determines otherwise, if a participant ceases employment in other than special circumstances (death, total and permanent disablement, retrenchment, redundancy, permanent retirement from full-time work with the consent of the Board or other circumstances determined by the Board), all unvested rights held by the participant will lapse.

Unless the Board determines otherwise, if a participant ceases employment under special circumstances, rights that were granted to the participant during the financial year in which the termination occurred will be lapsed in the same proportion as the remainder of the financial year bears to the full year. All remaining rights for which performance conditions have not been satisfied as at the date of cessation of employment will then remain "on foot", subject to the original performance conditions. If the rights vest following cessation of employment and the value of the Shares is lower at the vesting date than at the date of cessation of employment, then the value of the vested rights will be paid in cash unless otherwise determined by the Board. This provision aims to align the value that is taxed with the value that may be realised from the sale of Shares.

## Non-Executive Directors' Fees

Remuneration for all non-executive directors was approved at a board meeting in July 2023 and remained unchanged in FY24. The table below indicates the maximum annual fees based on Directors' responsibilities at the date of this report. Non-executive directors do not receive performance related compensation.

| Non-Executive Directors | Director Fees p.a. | Committee Fees p.a. |
|---|---|---|
| Mr. P Largier | $145,000 | n/a |
| Mrs. L Heywood | $70,000 | $20,000 |
| Mrs. E Mannes | $70,000 | $19,000 |
| AVM K Osley (Ret'd) | $70,000 | $7,000 |

## Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the RN&D committee gives regard to the following indices in respect of the current financial year and the previous four financial years.

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Profit / (loss) attributable to owners of the company ($000) | **(4,771)** | (5,709) | 786 | (271) | 3,891 |
| Dividends paid | $nil | $nil | $nil | $nil | $nil |
| Operating income ($000) | **99,336** | 94,379 | 86,675 | 85,097 | 82,252 |
| Change in share price | **(32.7%)** | (33.8%) | (28.8%) | (38%) | (3.4%) |
| Return on capital employed | **(33.9%)** | (27.9%) | 10.5% | 0.5% | 24.7% |

Return on capital employed is calculated as profit / (loss) before interest and tax (EBIT) divided by total assets, excluding deferred tax asset, less liabilities.

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# 1. Principles of Compensation

## Service Agreements

| Name | Initial Agreement date | Revised Agreement Date | Duration | Notice period | Termination benefits | STI cap as a % of Salary (1) | LTI cap as a % of Salary (2) |
|---|---|---|---|---|---|---|---|
| **Mr. M H Burgess**[4] | 8 May 2017 | 18 November 2021 | Open | 6 months | 12 months annual TFR; and pro-rated annual bonus (at Board's discretion). | 30 | 70 |
| **Mrs. D Stefanova**[3] | 7 March 2022 | 15 August 2022[3] | Open | 3 months | 3 months annual TFR and pro-rated annual bonus (at Board's discretion). | 30 | 30 |
| **Mr. D F Clarke**[3] | 15 May 2023 | - | Open | 3 months | 3 months annual TFR and pro-rated annual bonus (at Board's discretion). | 30 | 30 |

(1) Short Term Incentive (STI) is determined on performance against KPIs set and reviewed by the RN&D Committee or the Board as appropriate. The STI cap refers to the maximum amount payable in cash or equity, as a percentage of Base Salary. The KPIs include metrics relating to financial objectives, safety and growth.

(2) Long Term Incentive (LTI) is determined on the Group's performance against relative Total Shareholder Return and is tested at the end of the measurement period, generally three years. The LTI cap refers to the maximum amount payable in shares as a percentage of Salary. This is the measure currently used in the IRP applicable to FY24.

(3) In April 2024, in recognition of the importance of retention of the skills of KMP during an intensive period of change, the employment conditions of Mrs D Stefanova and Mr D Clarke were modified to include a retention bonus and a change of control clause. Should they remain employed until 1 July 2025, they will become eligible for a payment of 3 months of base salary subject to final board approval and ongoing performance expectations. If a change of control occurs prior to July 1 2025, then the retention bonus ceases to apply and the KMP is immediately paid 3 months salary and a pro-rated STI for the portion of the year completed, having regard to the company's performance and subject to Board approval. In the event the KMP's employment is terminated within 12-months of a change of control, the company will not be liable to provide notice or redundancy payments, so that there is no increase in overall termination payments payable to the KMP.

(4) If there is a change of control of the business, the CEO is eligible to be immediately paid 100% of TFR and a pro-rated STI for the portion of the year completed having regard to the company's performance and subject to Board approval. In the event the CEO's employment is terminated within 12-month of a change of control, the company will not be liable to provide notice or redundancy payments, so that there is no increase in overall termination payments payable to the CEO.

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# 2. Details of Remuneration

The following tables detail the remuneration received by KMP of the Group for the current and previous financial year.

| 2024 | Salary / Fees ($) (3) | STI ($) (2) | SGC ($) | Termination ($) | LTI Rights ($) (1) | Total ($) | % of remuneration performance related |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| Mr. M H Burgess | 483,567 | | 27,399 | - | 221,422 | 725,107 | 30.5% |
| **Non-Executive Directors** | | | | | | | |
| Mr. P Largier | 145,000 | - | - | - | - | 145,000 | |
| Mrs. L Heywood | 90,000 | - | - | - | - | 90,000 | |
| Mrs. E Mannes | 85,308 | - | 3,692 | - | - | 89,000 | |
| AVM K Osley (Ret'd) | 77,000 | - | - | - | - | 77,000 | |
| **Other KMPs** | | | | | | | |
| Mrs. D Stefanova | 266,689 | - | 27,399 | - | 2,283 | 294,088 | 0.8% |
| Mr. D F Clarke | 324,708 | - | 27,399 | - | 2,770 | 352,106 | 0.8% |
| **Total** | **1,472,273** | | **85,888** | | **226,475** | **1,784,635** | |

| 2023 | Salary / Fees ($) (3) | STI ($) (2) | SGC ($) | Termination ($) | LTI Rights ($) (1) | Total ($) | % of remuneration performance related |
|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | |
| Mr. M H Burgess | 483,567 | - | 25,149 | - | 186,973 | 695,689 | 26.9% |
| **Non-Executive Directors** | | | | | | | |
| Mr. P Largier | 145,000 | - | - | - | - | 145,000 | |
| Mrs. L Heywood | 90,000 | - | - | - | - | 90,000 | |
| Mrs. E Mannes | 80,540 | - | 8,460 | - | - | 89,000 | |
| AVM K Osley (Ret'd) | 77,000 | - | - | - | - | 77,000 | |
| **Other KMPs** | | | | | | | |
| Mr. S J Gaffney (4) | 212,698 | | 16,205 | - | (3,815) | 225,088 | |
| Mrs. D Stefanova | 266,432 | - | 25,428 | - | - | 291,861 | |
| Mr. D F Clarke (5) | 43,294 | - | 4,546 | - | - | 47,840 | |
| **Total** | **1,398,535** | | **79,788** | | **183,158** | **1,661,481** | |

(1) LTI rights include the accounting expense attributable to the current year under the IRP.
(2) The FY24 STI is Nil and therefore no accrual has been processed.
(3) There are no related party transactions between the Group and the KMP apart from compensation in the form of annual remuneration.
(4) Mr. S J Gaffney commenced employment on 25 October 2021 and assumed the role of Chief Financial Officer on 27 October 2021, there was no STI payable for FY23. (resigned 31 March 2023).
(5) Mr D Clarke commenced employment on 15 May 2023, no STI was payable for FY23.

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# 3. Share Based Compensation

## Long term Incentive - Quickstep Incentive Rights Plan (IRP)

At 30 June 2024 executives have accrued performance rights pursuant to the IRP. Movements in IRP rights during the year are set out below:

| KMP | Tranche Refer Note | Grant Date | FV per right at grant date (b) | First Testing Date | Balance at 30-Jun-2023 Number | Granted during the year (a) Number | Issued or lapsed during the year Number | Balance at 30-Jun-2024 Number | Fair value at grant date $ | Cum vesting level |
|---|---|---|---|---|---|---|---|---|---|---|
| Mr. M H Burgess | FY18 | 1/12/2017 | $0.690 | 31/08/2020 | 247,524 | - | - | 247,524 | $170,792 | 0% |
| Mr. M H Burgess | FY19 | 1/09/2018 | $0.680 | 31/08/2021 | 284,651 | - | - | 284,651 | $193,562 | 0% |
| Mr. M H Burgess | FY20 | 1/09/2019 | $0.680 | 31/08/2022 | 214,042 | - | - | 214,042 | $145,548 | 0% |
| Mr. M H Burgess | FY21 | 15/01/2021 | $0.429 | 31/08/2023 | 308,642 | - | - | 308,642 | $132,407 | 0% |
| Mr. M H Burgess | FY22 | 18/11/2021 | $0.320 | 1/09/2024 | 668,967 | - | - | 668,967 | $214,128 | 0% |
| Mr. M H Burgess | FY23 | 1/1/2023 | $0.390 | 31/08/2025 | 775,658 | - | - | 775,658 | $302,507 | 0% |
| Mr. M H Burgess | FY24 | 4/12/2023 | $0.063 | 1/10/2024 | - | 567,739 | - | 567,739 | $35,768 | 0% |
| Mr. D F Clarke | FY24 | 4/12/2023 | $0.063 | 1/10/2024 | - | 216,000 | - | 216,000 | $13,608 | 0% |
| Ms. D Stefanova | FY24 | 4/12/2023 | $0.063 | 1/10/2024 | - | 178,000 | - | 178,000 | $11,214 | 0% |

(a) The fair value of rights granted in the year is $69,769. (2023: $371,257). The total value of the rights is allocated to remuneration over the vesting period.

### *Modification of terms of equity-settled share-based payment transactions*

No terms of equity-settled share-based payment transactions (including rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

## Movements in ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

| KMP | Shares Held at 1 July 2023 Number | Consolidation of Shares during the Year Number | Received on exercise of options Number | Other changes (*) Number | Held at 30 June 2024 Number |
|---|---|---|---|---|---|
| Mr. P Largier | 573,000 | | - | 10,000 | 583,000 |
| Mrs. L Heywood | 19,523 | | - | - | 19,523 |
| Mrs. E Mannes | 42,176 | | - | - | 42,176 |
| AVM K Osley (Ret'd) | 76,739 | | - | - | 76,739 |
| Mr. M H Burgess | 480,972 | | - | - | 480,972 |
| Mr D F Clarke | 41,640 | | - | - | 41,640 |
| Ms D Stefanova | - | | - | - | - |

(*) Other changes represent shares that were purchased or sold during the year.

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# 4. Analysis of Bonuses included in Remuneration

Details of the short-term incentives awarded in cash as remuneration to each Key Management Personnel (KMP) of the Company and each of the named other key management personnel of the Group are detailed below:

| | Included in remuneration (1) | % vested in year | % lapsed in year |
|---|---|---|---|
| Executive Director | | | |
| Mr. M H Burgess | - | - | **100%** |
| Other KMP | | | |
| Mr D F Clarke | - | - | **100%** |
| Ms D Stefanova | - | - | **100%** |

(1) No STI is payable for FY24 as the metric thresholds were not achieved.

During FY21 the RN&D committee undertook a market benchmarking study of Senior Executive Remuneration. The work was undertaken by Egan Associates, one of Australia's leading independent advisers to Boards and Board Remuneration Committee Chairs for a total cost of $40,000, and included a declaration by them, that the recommendations had been made free from undue influence by KMP, to whom the recommendations related. The resultant report which was discussed and considered by the RN&D committee and the Board, presented data, findings and recommendations in relation to the market competitiveness of Quickstep's remuneration practices for its Chief Executive Officer, Senior Executives and Non-Executive directors. The structure of the executive STI and LTI plans for FY24 were based on the recommendations of this report.

**This concludes the remuneration report, which has been audited.**

**Insurance of Officers and Indemnities**

Except as indicated below, the Group has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer of the Group or of any related body corporate against a liability incurred as an officer.

***Insurance***

During the financial year, Quickstep Holdings Limited paid a premium in respect of a Directors' and Officers' liability insurance policy, insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and Group against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001.

The Directors have not included details of the nature of the liabilities covered or the premium paid in respect of the Directors' and Officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

***Indemnities***

The Group has indemnified the Directors (as named in this report) and all executive officers of the Group and of any related body corporate against any liability incurred as a Director, Secretary or executive officer to the maximum extent permitted by the Corporations Act 2001.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note F.4 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note F.4 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

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- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

**Auditor's Independence Declaration**
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

**Rounding of Amounts**
The Company is a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' report and financial statements. Amounts in the Directors' report and financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**Corporate Governance Statement**

Quickstep's Corporate Governance Statement can be found on the Company's website website as follows: www.quickstep.com.au

This report is made in accordance with a resolution of Directors on 26 August 2024.

**M H Burgess**
Director
Sydney, New South Wales

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**DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF QUICKSTEP HOLDINGS LIMITED**

As lead auditor of Quickstep Holdings Limited for the year ended 30 Jun 2024, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Quickstep Holdings Limited and the entities it controlled during the period.

Ryan Pollett

Ryan Pollett
Director

**BDO Audit Pty Ltd**

Sydney, 26 August 2024

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## for the year ended 30 June 2024

| | Notes | 2024 $000 | 2023 $000 |
|---|---|---|---|
| Revenue | B.1 | **88,970** | 89,046 |
| Cost of sales of goods | | **(74,741)** | (75,787) |
| Gross profit | | **14,229** | 13,259 |
| Other income | | **487** | 111 |
| Research and development expenses | | **(2,268)** | (901) |
| Business development expenses | | **(1,092)** | (1,239) |
| Corporate and administrative expenses | B.4 | **(10,399)** | (9,715) |
| **Profit from operating activities** | | **957** | 1,515 |
| Finance income | | **52** | 36 |
| Finance expenses | | **(1,729)** | (2,766) |
| **Net finance costs** | C.3 | **(1,677)** | (2,730) |
| Profit / (loss) before income tax | | **(720)** | (1,214) |
| Income tax benefit / (loss) | B.6 | **(361)** | 478 |
| Profit / (loss) after income tax expense from continuing operations | | **(1,081)** | (737) |
| Profit / (loss) after income tax expense from discontinued operations | B.7 | **(3,690)** | (4,973) |
| **Profit / (loss) for the year** | | **(4,771)** | (5,710) |
| **Other comprehensive income / (loss) net of income tax** | | | |
| Item that may be reclassified to profit or loss | | | |
| Cash flow hedges | | **148** | 492 |
| Exchange difference on translation of a foreign operation | | **(8)** | (193) |
| Other comprehensive income / (loss) for the period, net of income tax | | **140** | 299 |
| **Total comprehensive income for the year** | | **(4,631)** | (5,410) |
| **Profit per share from continuing operations:** | | **Cents** | Cents |
| Basic profit / (loss) per share | B.3 | **(1.51)** | (1.03) |
| Diluted profit/ (loss) per share | B.3 | **(1.51)** | (1.03) |

Prior year comparatives have been re-presented due to discontinued operations as per Note B.6.

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

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# Consolidated Balance Sheet

## as at 30 June 2024

| | Notes | 2024 $000 | 2023 $000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | **D.1** | **5,263** | 5,611 |
| Trade and other receivables | **D.2** | **10,661** | 12,297 |
| Prepayments and other assets | **D.3** | **1,308** | 1,715 |
| Derivative Financial instruments | **C.4** | **66** | - |
| Inventories | **D.4** | **8,729** | 12,902 |
| Contract assets | **D.5** | **11,508** | 11,158 |
| Assets of disposal groups classified as held for sale | **B.7** | **8,303** | - |
| **Total current assets** | | **45,838** | 43,683 |
| | | | |
| **Non-current assets** | | | |
| Property, plant and equipment and software | **D.6** | **9,131** | 11,819 |
| Right-of-use asset | **C.2** | **10,194** | 13,649 |
| Investments | **D.7** | **3,584** | 3,044 |
| Deferred tax asset | **B.6** | **5,149** | 5,530 |
| **Total non-current assets** | | **28,058** | 34,042 |
| **Total assets** | | **73,896** | 77,725 |
| | | | |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | **C.5** | **8,953** | 13,489 |
| Provisions | **C.8** | **1,608** | - |
| Derivative Financial instruments | **C.4** | **-** | 101 |
| Loans and borrowings | **C.1** | **12,100** | 1,200 |
| Contract Liabilities | **D.5** | **13,340** | 8,868 |
| Lease liabilities | **C.2** | **1,421** | 1,856 |
| Employee benefit obligations | **E.1** | **2,828** | 2,046 |
| Liabilities directly associated with assets classified as held for sale | **B.7** | **4,020** | - |
| **Total current liabilities** | | **44,270** | 27,560 |
| | | | |
| **Non-current liabilities** | | | |
| Loans and borrowings | **C.1** | **-** | 12,100 |
| Lease liabilities | **C.2** | **12,632** | 15,697 |
| Provisions | **C.8** | **3,189** | 3,448 |
| Employee benefit obligations | **E.1** | **960** | 1,702 |
| **Total non-current liabilities** | | **16,781** | 32,947 |
| **Total liabilities** | | **61,051** | 60,507 |
| **Net assets** | | **12,845** | 17,218 |
| **EQUITY** | | | |
| Share capital | **C.6** | **120,785** | 120,785 |
| Reserves | | **7,081** | 6,683 |
| Accumulated losses | | **(115,021)** | (110,250) |
| **Total equity** | | **12,845** | 17,218 |

The consolidated balance sheet should be read in conjunction with the accompanying notes.

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# Consolidated Statement of Changes in Equity

## for the year ended 30 June 2024

| | Share capital $000 | Translation reserve $000 | Cash flow hedges reserve $000 | Share based payments $000 | Accumulated losses $000 | Total equity $000 |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| **Balance at 1 July 2023** | **120,785** | **(367)** | **(102)** | **7,152** | **(110,250)** | **17,218** |
| Profit / (loss) for the year | **-** | **-** | **-** | **-** | **(4,771)** | **(4,771)** |
| **Other comprehensive (loss)** | | | | | | |
| Foreign currency translation difference for foreign operations | **-** | **(8)** | **-** | **-** | **-** | **(8)** |
| Effective portion of changes in fair value of cash flow hedges | **-** | **-** | **148** | **-** | **-** | **148** |
| **Total comprehensive income/ (loss) for the year** | **-** | **(8)** | **148** | **-** | **(4,771)** | **(4,631)** |
| Transactions with owners of the company: | | | | | | |
| Share based payments expenses | **-** | **-** | **-** | **258** | **-** | **258** |
| **Balance at 30 June 2024** | **120,785** | **(375)** | **46** | **7,410** | **(115,021)** | **12,845** |
| **2023** | | | | | | |
| **Balance at 1 July 2022** | 120,785 | (174) | (594) | 6,899 | (104,541) | 22,375 |
| Profit / (loss) for the year | - | - | - | - | (5,709) | (5,709) |
| **Other comprehensive (loss)** | | | | | | |
| Foreign currency translation difference for foreign operations | - | (193) | - | - | - | (193) |
| Effective portion of changes in fair value of cash flow hedges | - | - | 492 | - | - | 492 |
| **Total comprehensive income/ (loss) for the year** | - | (193) | 492 | - | (5,709) | (5,410) |
| Transactions with owners of the company: | | | | | | |
| Share based payments expenses | - | - | - | 253 | - | 253 |
| **Balance at 30 June 2023** | **120,785** | **(367)** | **(102)** | **7,152** | **(110,250)** | **17,218** |

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

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# Consolidated Statement of Cash Flows

## for the year ended 30 June 2024

| | Notes | 2024 $000 | 2023 $000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash Receipts from customers | | **106,480** | 101,062 |
| Interest received | | **60** | 39 |
| Interest paid | | **(964)** | (939) |
| Other income | | **-** | - |
| Cash Payments to suppliers and employees | | **(102,140)** | (98,255) |
| **Net cash from operating activities** | **B.5** | **3,436** | 1,907 |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition costs of plant and equipment and intangible assets | | **(454)** | (890) |
| Disposal of plant and equipment and intangible assets | | **13** | 10 |
| Proceeds from government grants for capital works | | **1,237** | 482 |
| Investments in Carbonix & Swoop Aero | | **-** | - |
| Receipts/(payment) for term deposit | | **-** | 891 |
| **Net cash (used in) investing activities** | | **796** | 493 |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from/(repayments of) borrowings | | **(107)** | 18,600 |
| Repayment of borrowings | | **(1,200)** | (15,146) |
| Payment of lease liabilities | | **(2,869)** | (2,790) |
| Payment of borrowing costs | | **-** | (47) |
| **Net cash (used in) / from financing activities** | | **(4,176)** | 617 |
| | | | |
| **Net (decrease) /increase in cash and cash equivalents** | | **56** | 3,018 |
| Cash and cash equivalents at the beginning of the financial year | | **5,611** | 3,021 |
| Cash and cash equivalents at the end of the financial year - Assets of disposal groups classified as held for sale | | **(589)** | - |
| Effects of exchange rate changes on cash and cash equivalents | | **185** | (429) |
| **Cash and cash equivalents at end of period** | | **5,263** | 5,611 |

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

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## A. About this Report

### Introduction

This is the financial report of Quickstep Holdings Limited (the "Company") and its controlled entities (the "Group").

The Company is domiciled in Australia and the Group is a for-profit entity. The Group is at the forefront of advanced composites manufacturing and technology development and is the largest independent aerospace-grade advanced composite manufacturer in Australia, currently partnering with some of the world's largest aerospace and defence organisations.

Further the Company offers extensive maintenance, repair and overhaul services (MRO) across a wide range of composite, bonded and conventional metal aircraft structures to defence, government and commercial aircraft operators.

### Materiality

Information is only included in the financial report to the extent that it has been considered material and relevant to the understanding of the financial statements. Factors that influence if a disclosure is material and relevant, include whether:

- the dollar amount is significant in size (quantitative factor)
- the dollar amount is significant by nature (qualitative factor)
- the Group's results cannot be understood without the specific disclosure (qualitative factor)
- it is critical to allow a user to understand the impact of significant changes in the Group's business during the period; and
- it relates to an aspect of the Group's operations that is important to its future performance.

### Statement of Compliance

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements of the Group also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 August 2024.

### Basis of Preparation

The financial statements have been prepared on the historical cost basis. These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

### Rounding of Amounts

The Company is of a kind referred to in Class Order 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements and Directors' report. Amounts in the financial statements and Directors' report have therefore been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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# A. About this Report

**Accounting Estimates and Judgements**

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions about future events.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies are described below:

### *Going concern*

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

The Group has incurred a loss after tax for the year ended 30 June 2024 of $4,771,000 (30 June 2023 loss $5,710,000). The Group has net assets of $12,845,000 (30 June 2023 $17,218,000) and net current assets of $1,568,000 (30 June 2023 $16,123,000). Current loans and borrowings are $13,521,000 (including lease liabilities of $1,421,000) compared to 30 June 2023 $3,056,000. Operating cash inflow for the year was $3,436,000 (30 June 2023 $1,907,000).

These conditions present a material uncertainty which may cast doubt in regard to the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The QHL Group cash forecast out to June 2026 supports its capacity to meet its existing Operational, Investing and Financing requirements with suitable headroom to manage unexpected business requirements.

In June 2024 the Company announced a major restructuring initiative which includes:

- Execution of the restructuring plan for the Structures business unit which was announced in June 2024. This plan was fully implemented in July 2024.
- Temporary funding support from CBA to assist with implementation of the Structures restructuring plan. This was fully implemented in July 2024.
- Securing a performance based payment from Lockheed Martin to support long lead time materials purchases. This was received in July 2024.
- Divest Quickstep Aerospace Services Pty Ltd, Quicksteps Services business unit.
- Continue to reduce inventory levels in the Structures business unit.

To assist with the restructuring of the Structures business unit, CBA made available to the Company a temporary facility with the term of 13 months to be used to fund employee termination payments including entitlements. The facility is capped at $2.3 million and can only be used for the purpose described above.

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## A. About this Report

The group exceeded its EBITDA and Debt Service Cover covenant thresholds during 2024 financial year. Management obtained an unconditional waiver on 30 June 2024 from CBA which supports that the loan is not repayable on demand from the breaches in the 4th quarter of 2024 financial year. However, the waiver provided on 30 June 2024 did not contain an unconditional waiver of past covenant breaches despite comfort letters being provided that the breaches would not be immediately acted upon. In accordance with AASB 101 Presentation of Financial Statements the secured loan and working capital facility have been reclassified to current liabilities for reporting purposes Quickstep has been actively engaged with CBA to renegotiate covenant thresholds to accommodate future anticipated breaches until the full impact of the restructuring activities are realised. These negotiations are expected to conclude during the first quarter of FY25.

The going concern basis presumes that a combination of the above funding and operational solutions, as deemed appropriate by the Directors, will be achieved and that the realisation of assets and settlement of liabilities will occur in the normal course of business. The combined effect of the above represents a material uncertainty as to whether the Group would continue as a going concern.

The directors of Quickstep consider it appropriate that the Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that the Group's financial statements should be prepared on a going concern basis. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### *Recognition of tax benefits*

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Future taxable profits are estimated based on future profits forecast taking into account income tax reconciliation required under the current tax legislation.

### *Provisions*

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that settlement will be required, and the obligation can be reliably estimated. Provisions which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the group.

### *Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. When making the FV assessment, management have made reference to the most recent capital raising performed by the investees. For some entities, where there were no recent capital raises, a benchmarking exercise was performed against other similar unlisted entities with level 3 inputs.

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## A. About this Report

### *Investments and other financial assets*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### *Impairment of financial assets*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note C.5, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### *Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date.

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## A. About this Report

Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably

certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances

### *Impairment assessment*

In assessing whether there is any indication that an asset may be impaired, management have assessed all internal and external sources of information and have determined that there are no indications that the assets of the Quickstep Holding Group require further impairment.

**Material Accounting Policies**

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all entities in the Group. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

### *Basis of consolidation*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Quickstep Holdings Limited (“Company” or “parent entity”) as at 30 June 2024 and the results of all subsidiaries for the year then ended. Quickstep Holdings Limited and its subsidiaries together are referred to in the financial statements as the consolidated entity or the Group.

A subsidiary is any entity controlled by the parent entity. 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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# A. About this Report

### *Foreign currency translation*

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following exchange rates:

| Foreign currency amount | Applicable exchange rate |
|---|---|
| Transactions | Date of transaction |
| Monetary assets and liabilities | Reporting date |

Foreign exchange gains and losses resulting from translation are recognised in the Income Statement, except for qualifying cash flow hedges which are deferred to equity.

On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

| Foreign currency amount | Applicable exchange rate |
|---|---|
| Income and expenses | Average monthly rate |
| Assets and liabilities | Reporting date |
| Equity and reserves | Historical date |

Foreign currency differences resulting from translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the statement of comprehensive income.

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# B. Business Performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the financial year and, where relevant, the accounting policies applied, and the critical judgements and estimates made.

**B.1 Revenue and other income**
**B.2 Segment Reporting**
**B.3 Profit per Share**
**B.4 Corporate and Administrative expenses**
**B.5 Notes to Statement of Cash Flows**
**B.6 Income Tax Benefit**
**B.7 Discontinued Operations**

## B.1 Revenue and other income

**Recognition and Measurement**

### *Revenue*

Under AASB 15 the Group has determined that for made-to-order parts, the customer controls all the work in progress as the products are being manufactured. This is because under those contracts, parts are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Therefore, revenue from these contracts and the associated costs are recognised over time – i.e., before the goods are delivered to the customers' premises. Invoices are issued according to contractual terms. Un-invoiced amounts are presented as contract assets.

The Group uses the input method (costs-incurred) to measure progress as this measure faithfully depicts the transformation of the work in progress. Under this approach, the entity recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation.

To the extent to which amounts are received in advance of the provision of the related parts, the amounts are recorded as contract liability and credited to the statement of comprehensive income as goods delivered.

When recognising revenue in relation to the sale of MRO services to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

### *Research and development expenses*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense as incurred.

### *Government grants*

Grants from the government that compensate the Group for expenses incurred are recognised in the profit and loss as Other Income on a systematic basis in the periods in which the expenses are recognised.

Grants that the Group receives in relation to assets have been presented as a deduction in arriving at the carrying amount of the asset.

The Group has complied with all grant conditions.

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# B. Business Performance

## B.2 Segment Reporting

The Group has identified its operating segments based on the internal reports reviewed by the CEO who is the Chief Operating Decision Maker responsible for decision making in respect of allocation of resources. The reportable segment of the group are 1) Structures, which is involved in manufacturing of aerospace composites products and provide advanced composite based engineering and manufacturing services 2) Services, which is responsible for maintenance, repair, and overhaul services 3) USA, which reflects the Group's North American business which is predominantly focused on business development currently and 4) Corporate which is the Group's management, administration and research, design and development operations. The segment measure of performance is gross margin.

### Geographical Information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Revenue:** | | |
| United States of America | **68,758** | 70,081 |
| Australia | **20,076** | 18,591 |
| United Kingdom | **136** | 374 |
| **Total** | **88,970** | 89,046 |
| **Non-current assets:** | | |
| United States of America | **-** | - |
| Australia | **28,058** | 34,042 |
| **Total** | **28,058** | 34,042 |

### Operating Segment Information 2024

| | Quickstep Structures $'000 | USA $'000 | Corporate $'000 | Combined QHL Group $'000 | Quickstep Services (discontinued operation) $'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Revenue | **88,970** | **-** | **-** | **88,970** | **10,365** |
| Gross Margin | **14,238** | **(9)** | **-** | **14,229** | **(2,477)** |
| Other Expenses | **-** | **-** | **14,949** | **14,949** | **1,213** |
| Profit/(loss) before income tax | **-** | **-** | **-** | **(720)** | **(3,690)** |
| Total Assets | **56,942** | **220** | **8,431** | **65,593** | **8,303** |
| Total Liabilities | **43,009** | **-** | **14,022** | **57,031** | **4,020** |
| Additions to non current assets | **421** | **-** | **-** | **421** | **33** |

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# B. Business Performance

**Operating Segment Information 2023 - Re-presented due to discontinued operations**

| | Quickstep Structures $'000 | USA $'000 | Corporate $'000 | Combined QHL Group $'000 | Quickstep Services $'000 |
|---|---|---|---|---|---|
| **2023** | | | | | |
| Revenue | **89,046** | - | - | **89,046** | **5,333** |
| Gross Margin | **13,250** | **9** | - | **13,250** | **(3,587)** |
| Other Expenses | - | | **15,851** | **15,850** | **1,386** |
| Profit/(loss) before income tax | - | - | - | **(6,187)** | **(4,973)** |
| Total Assets | **59,680** | | **8,698** | **77,726** | **9,347** |
| Total Liabilities | **37,956** | - | **17,204** | **55,163** | **5,347** |
| Additions to non current assets | **850** | - | - | **850** | **39** |

The operating segment reporting model was restructured in January 2023.

Major Customers

Revenues from the three major customers of the Group's Structures segment represented approximately $54,672,000 (2023: $49,802,000), $14,086,000 (2023: $20,173,000) and $15,549,000 (2023: $17,000,000) respectively of the Group's total revenues.

## B.3 Profit per Share

The calculation of basic profit per share is based on the profit attributable to ordinary shareholders and a weighted-average number (WAN) of ordinary shares outstanding.

| | 2024 $ | 2023 $ |
|---|---|---|
| Profit / (loss) attributable to ordinary shareholders from continuing operations | **(1,081,000)** | (736,000) |

| | 2024 Number | 2023 Number |
|---|---|---|
| **Weighted average number of ordinary shares**: | | |
| Shares at beginning of period | **71,726,214** | **71,726,214** |
| Shares issued during the year | - | - |
| **Weighted average number of shares used as the denominator in calculating basic earnings per share** | **71,726,214** | **71,726,214** |
| **Adjustment for calculation of diluted earnings per share** | | |
| Under share based payment arrangements (anti dilutive) | **3,461,223** | 2,359,484 |
| **Weighted average number of shares used as the denominator in calculating diluted earnings per share** | **71,726,214** | **71,726,214** |
| **Basic profit / (loss) cents per share** | **(1.51)** | **(1.03)** |
| **Diluted profit / (loss) cents per share** | **(1.51)** | **(1.03)** |

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# B. Business Performance

## B.3 Profit per Share

Rights granted under IRP are considered to be potential ordinary shares from the grant date. They have been included in the determination of diluted earnings per share, unless they are considered anti-dilutive.

## B.4 Corporate and Administrative expenses

Corporate and administrative expenses include a $1,608,000 restructuring provision (2023: $Nil).

## B.5 Notes to Statement of Cash Flows

**Cash and Cash Equivalents**

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Cash at bank and in hand | **5,263** | 5,611 |

**Reconciliation of Net Profit to Net Cash Provided by Operating Activities**

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Profit / (loss) for the period | **(4,771)** | (5,709) |
| **Adjustments for:** | | |
| ROU asset amortisation | **2,018** | 2,027 |
| Depreciation and amortisation | **2,335** | 2,851 |
| (Gains)/loss on asset disposals | **-** | 28 |
| Impairment loss | **-** | 2,287 |
| Share based payment expense | **258** | 253 |
| Net foreign currency losses | **(219)** | 726 |
| Adjustment for government grant | **1,237** | 400 |
| | | |
| | | |
| **Change in operating assets and liabilities:** | | |
| Increase in trade and other receivables | **127** | (3,256) |
| Increase in prepayments and other assets | **276** | (76) |
| (Increase)/decrease in inventories | **(1,943)** | 2,008 |
| Increase in contract assets | **833** | (865) |
| Increase in deferred tax asset | **(381)** | (478) |
| (Decrease)/increase in trade and other payables | **(3,236)** | (5,900) |
| (Decrease)/increase in provisions | **1,608** | - |
| (Decrease)/increase in contract liabilities | **5,254** | 7,369 |
| Increase in employee benefit obligations | **40** | 242 |
| **Net cash from operating activities** | **3,436** | 1,907 |

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## B. Business Performance

### B.6 Income Tax Benefit

**Reconciliation of Income Tax Benefit Recognised in Statement of Profit or Loss**

Numerical reconciliation of income tax benefit to prima facie tax payable is as follows:

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current tax expense** | | |
| Current Year tax expense | **865** | 1,636 |
| | **865** | 1,636 |
| **Deferred tax expense** | | |
| Origination and reversal of temporary difference | **361** | (478) |
| Tax losses (not recognised)/recognised | **(1,587)** | (680) |
| **Income tax benefit/(expense)** | **(361)** | 478 |

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Profit / (loss) from operations | **(4,410)** | (6,188) |
| Tax benefit/ (expense) at the Australian tax rate of 30% (2023 – 30.0%) | **1,323** | 1,856 |
| Expenditure not allowable for income tax purposes | **(97)** | (8) |
| Effect of different tax rate for overseas subsidiaries | **(36)** | (29) |
| Deferred tax asset related to foreign jurisdictions | **36** | 29 |
| Current year losses for which no deferred tax asset is recognised | **(1,587)** | (680) |
| Non-deductible impairment | **-** | (690) |
| **Income tax benefit/(expense)** | **(361)** | 478 |

**Deferred tax assets/(liabilities)**

| Particulars | Balance as on 1 July 2023 $'000 | Unrecognised tax losses $'000 | Tax losses utilised $'000 | Recognised in the P&L $'000 | Recognised in the OCI $000 | Net Balance as on 30 June 2024 $'000 |
|---|---|---|---|---|---|---|
| Provision for Annual Leave | **614** | - | - | (29) | - | **585** |
| Other provisions | **621** | - | - | 16 | - | **637** |
| Super | **76** | - | - | - | - | **76** |
| Provision for LSL | **511** | - | - | 41 | - | **552** |
| Work in progress – deductible | **79** | - | - | 595 | - | **674** |
| Lease liabilities | **5,266** | - | - | (546) | - | **4,720** |
| Other expenditure | **9** | - | - | (9) | - | **0** |
| PPE & Intangibles and ROU | **(3,060)** | - | - | (429) | - | **(3,489)** |
| Derivative Financial Asset | **-** | - | - | - | (20) | **(20)** |
| Tax losses carried forward | **1,414** | - | - | - | - | **1,414** |
| **Total deferred tax balances** | **5,530** | - | - | **(361)** | (20) | **5,149** |

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# B. Business Performance

## B.6 Income Tax Benefit

| Particulars | Balance as on 1 July 2022 $'000 | Unrecognised tax losses $'000 | Tax losses utilised $'000 | Recognised in the P&L $'000 | Recognised in the OCI $000 | Net Balance as on 30 June 2023 $'000 |
|---|---|---|---|---|---|---|
| Provision for Annual Leave | **539** | - | - | 75 | - | **614** |
| Other provisions | **382** | - | - | 239 | - | **621** |
| Super | **74** | - | - | 2 | - | **76** |
| Provision for LSL | **332** | - | - | 179 | - | **511** |
| Work in progress – deductible | **146** | - | - | (67) | - | **79** |
| Lease liabilities | **5,721** | - | - | (455) | - | **5,266** |
| Other expenditure | **75** | - | - | (66) | - | **9** |
| PPE & Intangibles and ROU | **(3,631)** | - | - | 571 | - | **(3,060)** |
| Tax losses carried forward | **1,414** | - | - | - | - | **1,414** |
| **Total deferred tax balances** | **5,052** | - | - | **478** | - | **5,530** |

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect certain tax losses items because the Group considers it prudent to defer recognition until the Group generates consistently taxable income. The tax losses are subject to availability and continued assessment under the ATO testing rules.

### Tax Losses and temporary differences not brought to Account

| | 2024 $000 | 2023 $000 |
|---|---|---|
| The gross amount of unused tax losses for which no deferred tax asset has been recognised | **62,904** | 57,614 |
| The gross amount of temporary differences for which no deferred tax asset has been recognised | **3,448** | **3,448** |

### Tax Consolidation Legislation

Quickstep Holdings Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated Group effective from 1 July 2010.

### Recognition and Measurement

#### *Income tax*

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit and loss except to the extent that it related to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date, and any adjustment to tax payable in respect of previous years.

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# B. Business Performance

## B.6 Income Tax Benefit

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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also 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 nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has recognised a deferred tax asset relating to tax losses to the extent there are sufficient taxable temporary differences against which the unused tax losses can be utilised. Utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. The recognised tax losses are subject to the shareholder continuity test.

The Group has reviewed tax losses and determined that for certain losses it is probable that future taxable profits will be available against which the recognised tax losses can be utilised.

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# B. Business Performance

## B.7 Discontinued Operations

In FY24, Quickstep Aerospace Services Pty Ltd (the Services business unit) performed better in both revenue and profit but did not meet the expectations of the directors for the full year. The directors have made the decision to sell the Services business unit and this is reflected in this report with the business units assets classified as held for sale. The financial performance of the Services business is outlined as follows and in Note B.2 Segment Reporting:

**Financial performance information**

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Revenue from discontinued operations | **10,365** | 5,333 |
| Cost of sales of goods | **(12,842)** | (8,919) |
| Gross profit | **(2,477)** | (3,586) |
| Other income | **0** | 0 |
| Research and development expenses | **0** | 0 |
| Business development expenses | **0** | 0 |
| Corporate and administrative expenses | **(1,089)** | (1,189) |
| Impairment expense | **0** | 0 |
| **Profit from operating activities** | **(3,566)** | (4,775) |
| Finance income | **13** | 2 |
| Finance expenses | **(137)** | (200) |
| **Net finance costs** | **(124)** | (198) |
| Profit / (loss) before income tax | **(3,690)** | (4,973) |
| Income tax benefit / (loss) | **0** | 0 |
| Profit / (loss) after income tax expense from discontinued operations | **(3,690)** | (4,973) |
| **Profit / (loss) for the year** | **(3,690)** | (4,973) |
| **Basic profit / (loss) cents per share from discontinued operations** | **(5.15)** | (6.93) |
| **Diluted Basic profit / (loss) cents per share from discontinued operations** | **(5.15)** | (6.93) |
| **Cash flow information** | | |
| Net cash from operating activities | **(1,049)** | 1,794 |
| Net cash from investing activities | **(13)** | (692) |
| Net cash from financing activities | **(501)** | - |
| Net increase in cash and cash equivalents from discontinued operations | **(1,563)** | 1,102 |

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# B. Business Performance

## B.7 Discontinued Operations

**Current Assets and Liabilities - of disposal group classified as held for sale**

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | **590** | 2,152 |
| Trade and other receivables | **1,763** | (333) |
| Prepayments and other assets | **683** | 529 |
| Inventories | **2,230** | 1,550 |
| Contract assets | **483** | 325 |
| Property, plant and equipment and software | **1,117** | 1,229 |
| Right-of-use asset | **1,437** | 1,864 |
| **Total current assets** | **8,303** | 7,316 |
| | | |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Trade and other payables | **1,298** | 967 |
| Contract Liabilities | **782** | - |
| Lease liabilities | **454** | 409 |
| Lease liabilities | **1,227** | 1,681 |
| Provisions | **259** | 259 |
| **Total current liabilities** | **4,020** | 3,316 |
| **Net assets** | **4,283** | 4,000 |

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# C. Capital and Financial Risk Management

This section provides information relating to the Group's capital structure and its exposure to financial risks, how they affect the Group's financial position and performance and how the risks are managed.

**C.1 Loans and Borrowings**
**C.2 Leases**
**C.3 Finance Income and Finance Expenses**
**C.4 Financial Instruments**
**C.5 Financial Risk Management**
**C.6 Capital and Reserves**
**C.7 Capital and other Commitments**
**C.8 Provisions**

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## C.1 Loans and Borrowings

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Current $000 | Non-current $000 | Total $000 | Current $000 | Non-current $000 | Total $000 |
| Secured bank loan | **2,100** | **-** | **2,100** | **1,200** | **2,100** | **3,300** |
| Working capital facility | **10,000** | **-** | **10,000** | - | 10,000 | 10,000 |
| | **12,100** | **-** | **12,100** | 1,200 | 12,100 | 13,300 |

### Term and Debt Repayment Schedule

| | | | 2024 | 2023 |
|---|---|---|---|---|
| | Effective interest rate | Year of maturity | Maximum facility value $000 | Maximum facility value $000 |
| Secured bank loan | 7.35% | 2026 | **2,100** | 3,300 |
| Short term facility | 7.35% | 2026 | **10,000** | 10,000 |

### Secured Bank Loan

On 6 March 2023 Quickstep Holdings Limited refinanced with Commonwealth Bank of Australia (CBA). The new arrangement includes a working capital facility of $10 million and a term loan of $3.6 million. The working capital facility requires repayment in 3 years. The term loan is reduced by quarterly repayments of $300,000. The interest rate on the facility comprises a variable base rate and fixed margin with quarterly repayments to be completed by June 2026. The facility is secured against the working capital of the group.

### Working capital facility

On 17 February 2023 Quickstep Holdings Limited executed a loan agreement with CBA for $13,600,000 to refinance the existing ANZ and EFA facilities. The working capital facility has been extended and is required to be repaid by June 2026. The interest rate on the facility comprises a variable base rate and fixed margin.

### Loan covenant

The group exceeded its EBITDA and Debt Service Cover covenant thresholds during 2024 financial year. Management obtained an unconditional waiver on 30 June 2024 from CBA which supports that the loan is not repayable on demand from the breaches in the 4th quarter of 2024 financial year. However, the waiver provided on 30 June 2024 did not contain an unconditional waiver of past covenant breaches despite comfort letters being provided that the breaches would not be immediately acted upon at the time of the breaches. In accordance with AASB 101 Presentation of Financial Statements the secured loan and working capital facility have been reclassified to current liabilities for reporting purposes.

# C. Capital and Financial Risk Management

## C.1 Loans and Borrowings

### Recognition and Measurement

*Non-derivative financial liabilities*

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## C.2 Leases

The Group leases assets including properties, production equipment and IT equipment. The Group recognizes a right-of-use asset and lease liability. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that is not available, then Group's incremental borrowing rate at the lease commencement date. Right-of-use asset is initially measured at cost and subsequently depreciated over a straight line to the end of the lease term.

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

### Right-of-use assets

Right-of-use assets related to leased properties and equipment are recognised under AASB 16 and presented in the following table.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Right-of-use assets:** | | |
| Opening net book amount | **13,649** | 15,551 |
| Less: Assets classified as held for sale | **(1,437)** | - |
| Addition of new leases | **-** | 125 |
| Amortisation charge for the year | **(2,018)** | (2,027) |
| **Closing net book amount** | **10,194** | **13,649** |

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# C. Capital and Financial Risk Management

## C.2 Leases

### Lease liabilities

Lease liabilities related to leased properties and equipment are recognised under AASB 16 and presented in the following table.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Lease liabilities:** | | |
| Current | **1,421** | 1,856 |
| Non-current | **12,632** | 15,697 |
| **Total lease liabilities** | **14,053** | **17,553** |

### Amounts recognised in Consolidated Statement of Profit or Loss

The following table summarises expenses related to AASB 16 leases that are included in the Consolidated Statement of Profit or Loss.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **AASB 16 leases:** | | |
| Interest on lease liabilities | **957** | 1,149 |
| Amortisation charge | **2,018** | 2,027 |
| **Total expenses** | **2,975** | **3,176** |

### Amounts recognised in Consolidated Statement of cash flows

The following table summarises cashflows related to AASB 16 leases that are included in the Consolidated Statement of Cashflows.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **AASB 16 leases:** | | |
| Total cash outflow for leases - Principal | **(1,912)** | (1,641) |
| Total cash outflow for leases - Interest | **(957)** | (1,149) |
| **Total cashflows** | **(2,869)** | **(2,790)** |

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# C. Capital and Financial Risk Management

## C.3 Finance Income and Finance Expenses

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Finance income** | | |
| Interest income | **52** | 39 |
| | | |
| **Finance expenses** | | |
| Interest expense on liabilities measured at amortised cost | **(1,032)** | (940) |
| Interest expenses leased liabilities | **(957)** | (1,149) |
| Foreign currency gains or (losses) | **355** | (727) |
| Other expenses and adjustment to borrowing costs | **(95)** | (150) |
| **Finance expenses** | **(1,729)** | (2,966) |
| **Net finance costs** | **(1,677)** | (2,927) |

### Recognition and Measurement

#### *Finance income and finance expenses*

Finance income comprises interest income on funds invested (including financial assets). Interest income is recognised as it accrues in profit and loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings calculated using the effective interest method, transaction costs, unwinding discounting of provisions, and foreign exchange gains and losses. The interest expense component of finance lease payments is recognised in the profit and loss using the effective interest method.

## C.4 Financial Instruments

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current liability** | | |
| Forward foreign exchange contracts – cash flow hedges | **66** | (101) |

### Recognition and Measurement

#### *Recognition*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss. The Group uses forward foreign exchange contracts to hedge its currency exposure risk in relation to sales in US dollars – all hedges have a maturity date within 24 months. The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

#### *Valuation of Forward Exchange Contracts*

Foreign currency forward contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The fair value is determined using the quoted forward exchange rates at the reporting date and present value calculations based on high quality credit yield curves in the respective currencies. This is considered a level 2 fair value under the fair value hierarchy. .

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# C. Capital and Financial Risk Management

## C.5 Financial Risk Management

**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk, and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and formally documented procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and cash balances and deposits. The carrying amount of the Group's financial assets represents the maximum credit exposure.

### *Trade receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers other characteristics including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Goods are generally sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

### *Cash balances and deposits*

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of at least A+ from Standard & Poor's. Given these high credit ratings, management has assessed the risk that counterparties fail to meet their obligations as low.

As at the reporting date, financial assets are not impaired.

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# C. Capital and Financial Risk Management

## C.5 Financial Risk Management

### *Exposure to credit risk*

The Group's maximum exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was:

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Australia | **3,205** | 3,856 |
| United States of America | **7,456** | 8,369 |
| | **10,661** | 12,225 |

The following are the contractual maturities of Trade receivables:

| At 30 June 2024 | Carrying amount $000 | Contractual Cash flows $000 | Current $000 | +30 days $000 | +60 days $000 | +90 days $000 | +120 days $000 |
|---|---|---|---|---|---|---|---|
| Trade receivables | **10,661** | **10,661** | **9,277** | **328** | **13** | **263** | **780** |
| Contract Assets | **11,508** | **11,508** | **11,508** | **-** | **-** | **-** | **-** |
| **At 30 June 2023** | | | | | | | |
| Trade receivables | 12,225 | 12,225 | 7,096 | 1,024 | 874 | 354 | 2,877 |
| Contract Assets | 11,158 | 11,158 | 11,158 | - | - | - | - |

**Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash or funds otherwise reasonably available to it from fundraising activities to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of circumstances that cannot reasonably be predicted.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| At 30 June 2024 | Carrying amount $000 | Contractual Cash flows $000 | Less than 6 months $000 | 6 – 12 months $000 | Between 1 and 2 years $000 | Between 2 and 5 years $000 | Greater than 5 years $000 |
|---|---|---|---|---|---|---|---|
| Trade and other payables | **8,954** | **(8,954)** | **(8,954)** | **-** | **-** | **-** | **-** |
| Secured bank loan | **2,100** | **(2,210)** | **(622)** | **(622)** | **(966)** | **-** | **-** |
| Short term facility – CBA | **10,000** | **(12,204)** | **(367)** | **(367)** | **(735)** | **(10,735)** | **-** |
| Lease liabilities | **15,460** | **(15,460)** | **(1,173)** | **(1,195)** | **(2,281)** | **(4,543)** | **(6,269)** |
| | **36,514** | **(38,829)** | **(11,116)** | **(2,184)** | **(3,982)** | **(15,278)** | **(6,269)** |

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# C. Capital and Financial Risk Management

## C.5 Financial Risk Management

| At 30 June 2023 | Carrying amount $000 | Contractual Cash flows $000 | Less than 6 months $000 | 6 – 12 months $000 | Between 1 and 2 years $000 | Between 2 and 5 years $000 | Greater than 5 years $000 |
|---|---|---|---|---|---|---|---|
| Trade and other payables | 13,489 | (13,489) | (13,489) | - | - | - | - |
| Secured bank loan | 3,300 | (3,468) | (620) | (620) | (1,282) | (946) | - |
| Short term facility – CBA | 10,000 | (12,040) | (340) | (340) | (680) | (10,680) | - |
| Financial Instruments | 101 | (101) | (101) | - | - | - | - |
| Lease liabilities | 17,553 | (22,641) | (1,407) | (1,437) | (2,762) | (8,479) | (8,556) |
| | 44,443 | (51,739) | (15,957) | (2,397) | (4,742) | (20,105) | (8,556) |

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### *Interest rate risk*

The Group has entered into a variable rate loan agreement for a period of 3 years. The applicable interest rate is re-set on a quarterly basis in accordance with the 90 days bank bill rate.

The Group is exposed to interest rate risk pre-dominantly on cash balances and deposits and loans and borrowings. Given the relatively short investment horizon for these, management has not found it necessary to establish a policy on managing the exposure of interest rate risk.

### *Profile*

At the reporting date the interest rate profile of the Group's interest-bearing financial assets/ (liabilities) was:

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Fixed rate instruments** | | |
| Held-to-maturity term deposits | **-** | - |
| **Variable rate instruments** | | |
| Cash and cash equivalents | **5,263** | 5,611 |
| Secured bank loan | **(2,100)** | (3,300) |
| Working capital facility agreement - CBA | **(10,000)** | (10,000) |
| **Total variable rate instruments** | **(6,837)** | (7,689) |

### *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as FY23.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Variable rate instruments – increase by 100 basis points | **(121)** | (133) |
| Variable rate instruments – decrease by 100 basis points | **121** | 133 |

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# C. Capital and Financial Risk Management

## C.5 Financial Risk Management

### *Currency risk*

The Group is exposed to currency risk on sales, purchases and cash holdings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD), Euro (EUR), Great Britain Pounds (GBP) and US Dollar (USD). The currencies in which these transactions primarily are denominated are AUD, EUR and USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's investment in its German subsidiary is not hedged as the currency positions are considered to be immaterial.

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

| | 2024 USD 000 | 2024 EUR 000 | 2024 GBP 000 | 2023 USD 000 | 2023 EUR 000 | 2023 GBP000 |
|---|---|---|---|---|---|---|
| Receivables | 4,970 | - | - | 8,369 | - | - |
| Cash | 3,262 | - | - | 4,654 | - | - |
| Trade payables | (2,432) | (14) | (11) | (4,352) | (19) | (61) |
| | 5,800 | (14) | (11) | 8,671 | (19) | (61) |

The following significant exchange rates applied have been applied:

| | Average rate | | Year-end spot rate | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| AUD v USD | 0.6556 | 0.6735 | 0.6666 | 0.6614 |
| AUD v EUR | 0.6060 | 0.6440 | 0.6232 | 0.6072 |
| AUD v GBP | 0.5206 | 0.5598 | 0.5274 | 0.5238 |

### *Sensitivity analysis*

A 10 percent movement of the Australian dollar against the following currencies at 30 June would have effected the movement of financial instruments denominated in a foreign currency and affected profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The analysis is performed on the same basis as FY23.

| | Profit or loss | | Equity, net of tax | |
|---|---|---|---|---|
| **Index** | 2024 $000 | 2023 $000 | 2024 $000 | 2023 $000 |
| US/AUD exchange rate – increase (10%) | (791) | (1,192) | (791) | (1,192) |
| US/AUD exchange rate – decrease 10% | 967 | 1,457 | 967 | 1,457 |
| EUR/AUD exchange rate – increase (10%) | 2 | 3 | 2 | 3 |
| EUR/AUD exchange rate – decrease 10% | (3) | (3) | (3) | (3) |
| GBP/AUD exchange rate – increase (10%) | 2 | 11 | 2 | 11 |
| GBP/AUD exchange rate – decrease 10% | (2) | (13) | (2) | (13) |
| | 175 | 263 | 175 | 263 |

**Fair Value Hierarchy**

Financial assets and liabilities are considered level 2 in the fair value hierarchy. The carrying value of financial assets and liabilities carried at amortised costs, approximate their fair value. Derivative financial instruments including foreign currency hedges have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.



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# C. Capital and Financial Risk Management

## C.5 Financial Risk Management

During the year, there have been no transfers between levels in the fair value hierarchy. The fair value of investments are considered Level 3 based on the recent transaction price, which is consistent between transaction date and 30 June 2024. Prices from prior transactions or third-party pricing information are without adjustment.

## C.6 Capital and Reserves

### Capital Management

The Group's objectives are to safeguard the Group's ability to continue as a going concern and maintain a strong capital base sufficient to maintain future development in accordance with the business strategy. In order to maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group's focus has been to raise sufficient funds through equity and borrowings to fund its working capital, business growth and commercialisation of technology as outlined in note A Going concern (p.25). There were no changes in the Group's approach to capital management during the year.

### Movements in Share Capital

| | 2024 Shares | 2023 Shares | 2024 $000 | 2023 $000 |
|---|---|---|---|---|
| Opening balance | **71,726,214** | **71,726,214** | **120,785** | **120,785** |
| Consolidation of Issued Shares | - | - | - | - |
| Shares issued under share based payments arrangements | - | - | - | - |
| Shares issued to Quickstep Employee Exempt Share Plan | - | - | - | - |
| Closing balance | **71,726,214** | **71,726,214** | **120,785** | **120,785** |

During the year, the Company issued NIL (2023: NIL) shares pursuant to share-based payment arrangements with certain key management personnel and issued NIL (2023: NIL) shares to its employees under Exempt Share Plan.

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.

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

There are Nil (2023: Nil) unissued ordinary shares of Quickstep Holdings Limited under option at the date of this report. No options were granted during the year and since the end of the financial year.

### Nature and purpose of reserves

#### *Translation reserve*

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

#### *Cash flow hedge reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

#### *Share based payments reserve*

The reserve for share-based payments comprises the fair value of equity instruments granted by the Group based on market prices taking into account the terms and conditions upon which the instruments were granted.



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# C. Capital and Financial Risk Management

## C.7 Capital and Other Commitments

### Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Property, plant and equipment | **363** | 72 |

### Other Commitments – Pledged as Collateral against Secured Bank Loan

On 17 February 2023 Quickstep Holdings Limited (the Company) executed a loan agreement with Commonwealth Bank Limited (CBA) to refinance the existing ANZ and EFA facilities. The Company has provided CBA with a Corporate Guarantee and Indemnity as well as a security interest over the Group's assets by way of a General Security Agreement (GSA).

| | Note | 2024 $000 | 2023 $000 |
|---|---|---|---|
| Cash and cash equivalents | D.1 | **5,263** | 5,611 |
| Trade and other receivables | D.2 | **10,661** | 12,297 |
| Inventories | D.4 | **8,729** | 12,902 |
| Property, plant and equipment | D.6 | **9,131** | 11,819 |

Under the agreement with CBA, Quickstep Holdings Limited and the other Group companies party to the GSA have agreed to the following restricted dealings. Without the consent of CBA they may not:

- Create or allow another interest in any Collateral other than and Permitted Encumbrance,
- Dispose, or part with possession, of any Collateral.

| Nature of Liability | Term of Liability | Currency | Nature of Beneficiary | Balance | Facility Limit |
|---|---|---|---|---|---|
| To issue rental bonds to support the lease arrangement of the Borrower | Subject to annual review | AUD | CBA | $891,481 | $900,000 |

## C.8 Provisions

| Current Liabilities - Provisions | Restructuring Provision $000 | Total $000 |
|---|---|---|
| **Balance at 1 July 2023** | - | - |
| Provisions made during the year | **1,608** | **1,608** |
| Provision reclassified as held for sale | - | - |
| Provisions used during the year | - | - |
| **Balance at 30 June 2024** | **1,608** | **1,608** |

A reduction in customer demand for F35 components has resulted in the Group providing for reduction in the Structures Business Unit direct headcount of approximately 20% and a reduction in operational support headcount of a similar amount to optimise the operating model.

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# C. Capital and Financial Risk Management

## C.8 Provisions

| Non-Current Liabilities - Provisions | Make good provision $000 | Total $000 |
|---|---|---|
| **Balance at 1 July 2023** | **3,448** | **3,448** |
| Provisions made during the year | - | - |
| Provision reclassified as held for sale | **(259)** | **(259)** |
| Provisions used during the year | - | - |
| **Balance at 30 June 2024** | **3,189** | **3,189** |

Quickstep is required to restore all leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the term of the lease.

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# D. Operating Assets and Liabilities

This section provides information relating to the operating assets and liabilities of the Group. Quickstep has a strong focus on maintaining a strong balance sheet through continued focus on cash conversion. The Group's strategy also considers expenditure, growth and acquisition requirements.

**D.1 Cash and cash equivalents**
**D.2 Trade and Other Receivables**
**D.3 Prepayments and other assets**
**D.4 Inventories**
**D.5 Contract Assets**
**D.6 Property, Plant and Equipment and Software**
**D.7 Investments**

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## D.1 Cash and cash equivalents

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current assets** | | |
| Cash at bank | **5,263** | 5,611 |
| | **5,263** | 5,611 |

## D.2 Trade and Other Receivables

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current assets** | | |
| Trade receivables | **10,661** | 12,224 |
| Other receivables | **-** | 73 |
| | **10,661** | 12,297 |

All trade receivables are current.

**Recognition and Measurement**

### *Non-derivative financial assets*

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

# D. Operating Assets and Liabilities

## D.3 Prepayments and other assets

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current assets** | | |
| Prepayments | **1,308** | 1,715 |
| | **1,308** | 1,715 |

## D.4 Inventories

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Current assets** | | |
| Raw materials and consumables | **8,729** | 12,533 |
| Work in progress | **-** | 369 |
| | **8,729** | 12,902 |

**Recognition and Measurement**

***Inventories***

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first in first out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## D.5 Contract Assets and Liabilities

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Contract Assets - Current** | **11,508** | 11,158 |

Contract assets primarily relate to the Group's rights to consideration for work performed but not billed at the reporting date. Under AASB 15 the Group has determined that for made-to-order parts, the customer controls all the work in progress as the products are being manufactured. This is because under those contracts, parts are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Therefore, revenue from these contracts and the associated costs are recognised over time – i.e., before the goods are delivered to the customers' premises. Invoices are issued according to contractual terms. Uninvoiced amounts are presented as contract assets.

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# D. Operating Assets and Liabilities

## D.5 Contract Assets and Liabilities

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Contract Liabilities - Current** | **13,340** | 8,868 |

Contract Liabilities primarily relate to advance consideration received from customers for revenue which is recognised over time. The performance obligations in respect of these amounts are expected to be completed in the 2025 financial year. The amount of $8,868,000 thousand at 30 June 2023 has been recognised as revenue in 2024.

## D.6 Property, Plant and Equipment and Software

| | Plant and equipment $000 | Assets under construction $000 | Office furniture & equipment $000 | Software $000 | Total $000 |
|---|---|---|---|---|---|
| **June 2024** | | | | | |
| Opening net book amount | **10,556** | **128** | **971** | **164** | **11,819** |
| Additions | **947** | **678** | **-** | **-** | **1,625** |
| Customer and government funding received | **(1,237)** | **-** | **-** | **-** | **(1,237)** |
| Assets of disposal groups classified as held for sale | **(1,117)** | **-** | **-** | **-** | **(1,117)** |
| Transfers from assets under construction | **388** | **(452)** | **67** | **-** | **3** |
| Disposals | **-** | **-** | **-** | **-** | **-** |
| Amortisation of grant | **409** | **-** | **-** | **-** | **409** |
| Depreciation charge | **(2,033)** | **-** | **(240)** | **(98)** | **(2,371)** |
| **Closing net book amount** | **7,913** | **354** | **798** | **66** | **9,131** |
| *Cost* | **42,793** | **354** | **2,338** | **2,028** | **47,513** |
| *Accumulated depreciation* | **(34,880)** | **-** | **(1,540)** | **(1,962)** | **(38,382)** |
| **June 2023** | | | | | |
| Opening net book amount | 12,328 | 245 | 1,103 | 323 | 13,998 |
| Additions | - | 890 | - | - | 890 |
| Customer and government funding received | (400) | - | - | - | (400) |
| Transfers from assets under construction | 900 | (1,007) | 107 | - | - |
| Disposals | (45) | - | - | - | (45) |
| Amortisation of grant | 226 | - | - | - | 226 |
| Depreciation charge | (2,453) | - | (239) | (159) | (2,851) |
| Closing net book amount | 10,556 | 128 | 971 | 164 | 11,819 |
| *Cost* | 43,738 | 129 | 2,272 | 2,028 | 48,167 |
| *Accumulated depreciation* | (33,182) | - | (1,301) | (1,864) | (36,347) |

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# D. Operating Assets and Liabilities

## D.6 Property, Plant and Equipment and Software

**Recognition and Measurement**

### *Property, Plant and Equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expense in profit or loss.

Government grants that compensate the Group for the cost of an asset are recognised as a deduction in arriving at the carrying value of the asset.

### *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately. Depreciation is recognised in profit and loss on a reducing balance basis over the estimated useful lives of each component of an item of property plant and equipment.

The depreciation rates used for each class of depreciable asset for the current and prior years are:

| Class of Asset | Depreciation Rates |
|---|---|
| Plant and factory equipment | 4% to 51% |
| Office equipment | 3% to 52% |
| Software | 50% |

### *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in the statement of comprehensive income unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of comprehensive income.

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# D. Operating Assets and Liabilities

## D.7 Investments

| | June 2024 $000 | June 2023 $000 |
|---|---|---|
| **Non-Current Investments** | **3,584** | 3,044 |

In August 2023 Quickstep made a $0.5m investment in a minority equity stake in TB2 Aerospace LLC (TB2), a Colorado, USA private company with a patented drone payload interface system. The patented system provides an autonomous means of connecting a range of payload solutions to drones and is designed to work on any UAS capable of accepting the TB2 system. The system will allow operators to deliver rapid-change, multi-mission capabilities with reduced human intervention. Under the terms of the agreement, Quickstep has provided an initial $0.5m of engineering and structural integration services for the incorporation of the TB2 interface to customer aircraft, and will assist TB2 with the design, integration, supplier management and servicing of payload solutions.

The agreement also includes Quickstep taking a minority equity position in TB2 Aerospace LLC, funded via a merchandise credit note which was drawn down in respect of design, development and prototyping work. This program and the equity position in TB2 is intended to further expand Quickstep's reach across the UAS manufacturing and services sector.

Quickstep previously made a $1.0m investment in a minority equity stake in Carbonicboats Pty Ltd (Carbonix), an Australian private company with strong capability in the design, development, manufacture and operation of next generation unmanned solutions for commercial and military applications, under Quickstep Technologies Pty Ltd (a wholly owned subsidiary of Quickstep). Quickstep will recognise subsequent changes in the fair value of the Carbonix investment in Other Comprehensive Income.

Further Quickstep previously made a $2.0m minority equity stake investment in Swoop Aero Pty Ltd (Swoop). Swoop is an Australian company with strong capability in the design, development, manufacture and operation of next generation unmanned solutions for commercial cargo applications. Quickstep has paid $0.5m in cash in respect of this investment in Swoop and the remaining $1.5m obligation is covered under a Strategic Supply Agreement (SSA). The $1.5m obligation under the SSA is recorded in Other Liabilities net of revenue recognised as at 30 June 2024 resulting in $0.4m closing balance.

The fair value of these Level 3 Investments is based on the most recent third party share prices, which is consistent between the Quickstep transaction date and 30 June 2024.

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# E. Employee Benefits

This section provides a breakdown of the various programs Quickstep uses to reward and recognise employees and Key Management Personnel (KMP). Quickstep believes that these programs reinforce the value of ownership and incentives and drive performance both individually and collectively to deliver better returns to shareholders.

**E.1 Employee Benefit Obligations**
**E.2 Employee Benefit Expense**
**E.3 Related Party Transactions**
**E.4 Quickstep Incentive Rights Plan (IRP)**
**E.5 Equity Settled Short Term Incentive**

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## E.1 Employee Benefit Obligations

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Employee benefit obligation | | |
| - Annual leave (current) | **1,949** | 2,046 |
| - Long service leave (current) | **879** | - |
| - Long service leave (non-current) | **960** | 1,702 |
| | **3,788** | 3,748 |

### Recognition and Measurement

*Long service leave*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to future wages and salaries, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

## E.2 Employee Benefit Expense

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Wages and salaries | **25,831** | 28,483 |
| Defined superannuation contribution expense | **2,849** | 2,666 |
| Increase in leave liabilities | **40** | 242 |
| Share based payments expense | **258** | 253 |
| | **28,978** | 31,644 |

# E. Employee Benefits

## E.2 Employee Benefit Expense

### Recognition and Measurement

#### *Wages and salaries*

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' services 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.

#### *Share-based payment transactions*

An expense is recognised for all equity-based remuneration including shares, rights and options issued to employees and Directors. The fair value of equity instruments granted is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The amount recognised is adjusted to reflect the actual number of shares and options that vest, except for those that fail to vest due to market conditions not being met. The fair value of equity instruments granted is measured using a generally accepted valuation model, taking into account the terms and conditions upon which the equity instruments were granted. The fair value of shares, options and rights granted is measured based on relevant market prices at the grant date.

## E.3 Related Party Transactions

### Key Management Personnel Compensation

The key management personnel compensation included in "Employee benefit expense" in Note E.2 is as follows:

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Short-term employee benefits including STI | **1,472,273** | 1,398,535 |
| Long-term benefits (SGC) | **85,888** | 79,788 |
| LTI | **226,475** | 183,158 |
| | **1,784,636** | 1,661,481 |

The total value of the rights is allocated to remuneration over the vesting period.

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# E. Employee Benefits

## E.4 Quickstep Incentive Rights Plan (IRP)

During the 2014 financial year the Company established the Quickstep Incentive Rights Plan (IRP). The IRP was designed to facilitate the Company moving towards best practice remuneration structures for executives. The Board reviews the Rights Plan from time to time and adjusts the Rules to ensure the IRP continues to reflect market practice and remained appropriate for the Company. These Revised Rules were approved by shareholders at the Company's 2019 Annual General Meeting on 18 November 2021.

The IRP authorises the granting of Rights to executives of the Company, in the form of Performance Rights (PRs) and/or Deferred Rights (DRs) (together, Rights). These rights represent an entitlement on vesting to fully paid ordinary shares in the issued capital of the Company (Shares) with the total value of Shares being equal to the value of vested Rights (number of vested Rights x market value of a Share). PRs may vest if Performance Conditions are satisfied. DRs may vest if service conditions are satisfied. Further details regarding the IRP are set out in the Remuneration Report.

During 2024 an expense of $258,000 (2023: $253,000) has been recognised in the financial statements in respect of the portion of the fair value of rights attributable to the current financial year as required by accounting standards.

A Monte-Carlo model was used to value the rights. The model's key assumptions were as follows:

**In Relation to Performance Rights**

| Tranche | FY19 | FY20 | FY21 | FY22 Director Rights | FY22 Management Rights | FY23 Director Rights | FY24 |
|---|---|---|---|---|---|---|---|
| Grant date | 1/09/2018 | 1/09/2019 | 15/01/2021 | 18/11/2021 | 16/12/2021 | 1/01/2023 | 4/12/2023 |
| First testing date | 31/08/2021 | 31/08/2022 | 31/08/2023 | 1/09/2024 | 1/09/2024 | 1/09/2025 | 1/10/2024 |
| Expiry date | 31/08/2023 | 31/08/2024 | 31/08/2025 | 1/09/2024 | 1/09/2024 | 1/09/2025 | 1/10/2026 |
| Share price at grant date | $0.09 | $0.12 | $0.09 | $0.52 | $0.45 | $0.54 | $0.24 |
| Expected life (years) | 3.3 | 3.3 | 3 | 2.8 | 2.7 | 2.9 | 3 |
| Risk free factor | 2.03% | 1.04% | 0.11% | 0.97% | 1.00% | 3.51% | 4.0% |
| Volatility of QHL | 40% | 50% | 55% | 55% | 55% | 55% | 60% |
| Volatility of AOAI | 12% | 12% | 20% | - | - | - | - |
| Volatility of XSO | - | - | - | 21% | 21% | 20% | 17% |
| Dividend yield | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

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# E. Employee Benefits

## E.4 Quickstep Incentive Rights Plan (IRP)

**Rights**

Movements in unissued shares under rights:

| | 2024 No of rights | 2023 No of rights |
|---|---|---|
| Opening balance | **3,448,768** | 2,776,827 |
| Consolidation of Rights Granted | **-** | - |
| Granted during the year | **1,101,739** | 951,940 |
| Rights vested | **-** | - |
| Rights forfeited/lapsed | **(247,525)** | (279,999) |
| Closing balance | **4,302,982** | 3,448,768 |

The rights are issued pursuant to:

- Executive services agreements, which rights vest at various times in the future according to years of service completed.
- Offers under the Incentive Rights Plan (IRP), which vests at various future dates upon satisfaction of performance conditions and service criteria.
- The exercise price of the rights is Nil and the rights are lapsed if employment is terminated prior to the vesting date.

## E.5 Equity Settled Short Term Incentive

In 2024, Employees were eligible to receive short term incentives (STI) in cash or shares based on achievement of key performance indicators (KPIs). Each year the RN&D Committee considers the appropriate targets and KPIs and the alignment of individual rewards to the Group's performance. These targets may include measures related to the annual performance of the Group and/or specified parts of the Group and are measured against actual outcomes.

In 2024 NIL (2023: NIL) shares were issued to employees in relation to Short Term Incentive.

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## F. Other Disclosures

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.


**F.1 Group Entities**

**F.2 Parent Entity Financial Information**

**F.3 Deed of Cross Guarantee**

**F.4 Auditors' Remuneration**

**F.5 Subsequent Events**

**F.6 New Accounting Standards Not Yet Adopted**


### F.1 Group Entities

| Name of entity | Country of Incorporation | Ownership Interest 2024 % | Ownership Interest 2023 % |
|---|---|---|---|
| **Parent entity** | | | |
| Quickstep Holdings Limited | Australia | | |
| **Controlled entities** | | | |
| Quickstep Technologies Pty Limited * | Australia | **100** | 100 |
| Quickstep Systems Pty Limited * | Australia | **100** | 100 |
| Quickstep GmbH | Germany | **100** | 100 |
| Quickstep Automotive Pty Limited * | Australia | **100** | 100 |
| Quickstep Aerospace Pty Limited * | Australia | **100** | 100 |
| Quickstep USA Inc. | USA | **100** | 100 |
| Quickstep Aerospace Services Pty Limited* | Australia | **100** | 100 |

* Companies entered into deed of cross guarantee with Quickstep Holdings Limited.

### F.2 Parent Entity Financial Information

As at, and throughout, the financial year ending 30 June 2024 the parent entity of the Group was Quickstep Holdings Limited.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| **Results of the parent entity** | | |
| (Loss) for the year | **(5,611)** | (6,423) |
| Other comprehensive income | **140** | 253 |
| Total Comprehensive (loss) | **(5,471)** | (6,170) |
| **Financial position of the parent entity at year end*** | | |
| Total assets | **53,154** | 61,979 |
| Total liabilities | **(14,016)** | (17,109) |
| Net assets / (liabilities) | **39,138** | 44,870 |
| **Total equity of the parent entity comprises*** | | |
| Share capital | **120,785** | 120,785 |
| Share based payments reserve | **8,062** | 7,822 |
| Accumulated losses | **(89,709)** | (83,737) |
| Total equity | **39,138** | 44,870 |

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## F. Other Disclosures

### F.3 Deed of Cross Guarantee

Under the terms of ASIC Corporations (Wholly owned Companies) Instrument 2016/785, certain wholly owned controlled entities have been granted relief from the requirement to prepare audited financial reports. Quickstep Holdings Limited has entered into an approved deed of indemnity for the cross-guarantee of liabilities with those controlled entities in Note F.1.

The following consolidated Statement of Comprehensive Income and Balance Sheet comprise Quickstep Holdings Limited and its controlled entities which are party to the Deed of Cross Guarantee (refer Note F.1), after eliminating all transactions between parties to the Deed.

| Statement of Profit and other Comprehensive Income | 2024 $000 | 2023 $000 |
|---|---|---|
| **Revenue** | **88,970** | 89,046 |
| **Profit / (loss) before income tax** | **(1,023)** | (4,080) |
| Income tax benefit | **(361)** | 478 |
| Profit/(Loss) for the year | **(3,139)** | (3,602) |
| Cash flow hedges | **148** | 492 |
| **Total comprehensive income for the year** | **(2,991)** | (3,110) |
| **Balance Sheet** | | |
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | **5,157** | 3,383 |
| Trade and other receivables | **10,661** | 11,637 |
| Contract asset | **11,508** | 9,795 |
| Prepayments and other assets | **1,308** | 1,187 |
| Inventories | **8,729** | 11,352 |
| Financial Instruments | **66** | - |
| Assets of disposal group classified as held for sale | **8,303** | 7,316 |
| **Total current assets** | **45,732** | 44,670 |
| **Non-current assets** | | |
| Property, plant and equipment and software | **9,005** | 10,591 |
| Right-of-use asset | **10,194** | 11,785 |
| Investments | **3,584** | 3,044 |
| Deferred tax asset | **5,149** | 5,530 |
| **Total non-current assets** | **27,932** | 30,950 |
| **Total assets** | **73,664** | 75,620 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | **10,555** | 12,317 |
| Financial instruments | **-** | 101 |
| Loans and borrowings | **12,100** | 13,300 |
| Lease liabilities | **1,421** | 1,447 |
| Contract Liabilities | **13,340** | 6,909 |
| Employee benefit obligations | **2,828** | 2,046 |
| Liabilities directly associated with assets classified as held for sale | **4,020** | 3,316 |
| **Total current liabilities** | **44,264** | 39,436 |
| **Non-current liabilities** | | |
| Lease liabilities | **12,632** | 14,016 |
| Provisions | **3,189** | 3,189 |
| Employee benefit obligations | **960** | 1,702 |
| **Total non-current liabilities** | **16,781** | 18,907 |
| **Total liabilities** | **61,045** | 58,343 |
| **Net assets** | **12,619** | 17,277 |
| **Equity** | | |
| Share capital | **120,749** | 120,749 |
| Reserves | **8,128** | 7,721 |
| Accumulated losses | **(116,258)** | (111,193) |
| **Total equity** | **12,619** | 17,277 |

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## F. Other Disclosures

### F.4 Auditor's Remuneration

Amounts received or due and receivable by the auditor BDO for:

| | 2024<br>$ | 2023*<br>$ |
|---|---|---|
| **Audit services** | **233,781** | 288,130 |
| **Other services** | | |
| Grant assurance | **8,250** | - |
| **Total non-audit fee** | **-** | - |
| | **242,031** | 288,130 |

Note: *KPMG were the Group's auditor for FY23.

### F.5 Contingent Liabilities

| Nature of Liability | Term of Liability | Currency | Nature of Beneficiary | Balance | Facility Limit |
|---|---|---|---|---|---|
| To issue rental bonds to support the lease arrangement of the Borrower | Subject to annual review | AUD | CBA | $891,481 | $900,000 |

### F.6 Subsequent Events

Management have considered the matters or circumstances that have arisen since 30 June 2024 up to the date of this report that would significantly affect:

- the operations of the Consolidated Entity;
- the results of those operations; and
- the state of affairs of the Consolidated Entity.

To assist with the restructuring of the Structures business unit, CBA made available to the Company a temporary facility with the term of 13 months to be used to fund employee termination payments including entitlements. The facility is capped at $2.3 million and can only be used for the purpose of restructuring.

Other than the matters noted above, no matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### F.7 New Accounting Standards Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods

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# Consolidated Entity Disclosure Statement

| Name of entity | Type of Entity | Trustee, partner or participant in joint venture | % of share capital held | Country of incorporation | Australian resident or foreign resident (for tax purposes) | Foreign tax jurisdiction(s) of foreign residents |
|---|---|---|---|---|---|---|
| **Parent entity** | | | | | | |
| Quickstep Holdings Limited | Body Corporate | N/A | N/A | Australia | Australia | N/A |
| | | | | | | |
| **Controlled entities** | | | | | | |
| Quickstep Technologies Pty Limited | Body Corporate | N/A | 100 | Australia | Australia | N/A |
| Quickstep Systems Pty Limited | Body Corporate | N/A | 100 | Australia | Australia | N/A |
| Quickstep GmbH | Body Corporate | N/A | 100 | Germany | Foreign | Germany |
| Quickstep Automotive Pty Limited | Body Corporate | N/A | 100 | Australia | Australia | N/A |
| Quickstep Aerospace Pty Limited | Body Corporate | N/A | 100 | Australia | Australia | N/A |
| Quickstep USA Inc. | Body Corporate | N/A | 100 | USA | Foreign | USA |
| Quickstep Aerospace Services Pty Limited | Body Corporate | N/A | 100 | Australia | Australia | N/A |

**Basis of Preparation**

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001.* It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

**Determination of Tax Residency**

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997.* The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

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

**Australian tax residency**

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

**Foreign tax residency**

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

**Partnerships and Trusts**

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

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## Consolidated Entity Disclosure Statement

In the CEO and CFO's opinion:

(a) the Consolidated Entity Disclosure Statement on page 60 is true and correct in accordance with the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

**Mr. M H Burgess**
CEO & Managing Director
26 August 2024
Sydney, New South Wales

**Mr. D F Clarke**
CFO
26 August 2024
Sydney, New South Wales

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# Directors' Declaration

## for the year ended 30 June 2024

In the Directors' opinion:

(b) the consolidated financial statements and notes set out on pages 21 to 62 and the Remuneration report on pages 9 to 16 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:

i. complying with Australian Accounting Standards and the *Corporations Regulations 2001;* and

ii. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; 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.

(d) the Consolidated Entity Disclosure Statement on pages 63 to 64 is true and correct in accordance with the *Corporations Act 2001*.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

The directors confirm that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

There are reasonable grounds to believe that the Company and the Group entities identified in Note F.1 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 Corporations (Wholly owned Companies) Instrument 2016/785.

This declaration is made in accordance with a resolution of Directors.

**Mr. M H Burgess**

Director

26 August 2024
Sydney, New South Wales

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# INDEPENDENT AUDITOR'S REPORT

To the members of Quickstep Holdings Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Quickstep Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

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

### Basis for opinion

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

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

### Material uncertainty related to going concern

We draw attention to Note A in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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**Key audit matters**

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

**Revenue recognition**

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Refer to notes B.1 and B.7 of the Financial Report<br><br>Recognition of revenue is a key audit matter due to:<br><br>• The significance of revenue to the financial statements. For the year ended 30 June 2024 the Group recognised $88.9m (2023: $89m) revenue from continuing operations. The group also recognised $10.3m (2023: $5.3m) revenue from discontinued operations.<br><br>• The Group has a number of contracts with customers where revenue is recognised over time based on costs incurred for each customer's made to order goods. The Group also has a contract with a customer where revenue is recognised at a point in time as services are rendered.<br><br>• Revenue recognition is considered a key audit matter due to its financial significance and judgement required in assessing the Group's revenue recognition. | • Understanding and documenting the processes and controls used by the Group for each material revenue stream, and identifying the revenue streams recognising revenue over time;<br><br>• Reviewed revenue recognition policies for all material sources of revenue and assessed the appropriateness of these policies to ensure appropriateness and compliance with AASB 15, *Revenue from Contracts with Customers*;<br><br>• Selected a sample of customer contracts and obtained a detailed understanding of the key terms, and performed an assessment of the revenue recognised with respect to the distinct performance obligations in each contract;<br><br>• Gained an understanding, and tested the operating effectiveness of, controls in place over revenue recognition.<br><br>• Obtained direct confirmation of amounts billed to a key customer;<br><br>• We tested, on a sample basis, over time revenue transactions to customer contracts, invoices, dispatch notes or other evidence of existence;<br><br>• We tested, on a sample basis, over time revenue transactions to invoice, certificate of completion and evidence of receipt in the bank statements;<br><br>• Performed cut-off testing to ensure revenue was recognised in the appropriate accounting period, by selecting a sample of revenue transactions both pre- and post-year end, and |

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| | |
|---|---|
| | assessing the revenue recognition with respect to the underlying documentation such customer signed dispatch notes;<br>• Assessed deferred revenue and contract asset balances for reasonableness based on detailed testing and performed recalculations of deferred revenue and contract asset balances at year-end; and<br>• We assessed the disclosures in the financial report against the requirements of the accounting standard and using our understanding obtained from our testing. |

**Recoverability of deferred tax assets**

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| Refer to note B.6 of the Financial Report.<br>The Group has carried forward losses that are recognised as deferred tax assets on the statement of financial position, despite the losses made in the prior year.<br>Recoverability of these deferred tax assets is dependent on the ability of the group to generate sufficient taxable income in the future to which these losses can be applied.<br>Recoverability of deferred tax assets is considered a key audit matter due to the significant judgement required in assessing the Group's ability to generate sufficient taxable profits in the future. | • Gained a comprehensive understanding of the client's business operations, industry, and factors affecting future taxable income;<br>• Assessed the accuracy of the taxable income forecasts by comparing previous forecasts with the Group's actual results and to the forecast adopted in the going concern assessment;<br>• Reviewed management's assessment of recoverability of deferred tax assets, and critically assessed their assumptions, forecasts, and methodology used to support the recognition of these assets; and<br>• We assessed the disclosures in the financial report against the requirements of the accounting standard and using our understanding obtained from our testing. |

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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

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

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

**Responsibilities of the directors for the Financial Report**

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

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

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

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

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

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

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

**Other matter**

The financial report of Quickstep Holdings Limited, for the year ended 30 June 2023 was audited by another auditor who expressed an unmodified opinion on that report on 25 August 2023.

**Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Quickstep Holdings Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

**BDO Audit Pty Ltd**

BDO

Ryan Pollett

Ryan Pollett
Director

Sydney, 26 August 2024

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# Shareholder Information

## for the year ended 30 June 2024

The shareholder information set out below was applicable as at 29 July 2024.

### A. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.
(b) Options do not carry any voting rights.

### B. Substantial holders

The sole substantial shareholder in the Company is Australian Super with 7,288,259 shares based on latest available information.

### C. On Market buy back

There is no current on-market buy back.

### D. Distribution schedules

Distribution of each class of security as at 29 July 2024:

*Ordinary fully paid shares*

| Range | Holders | Units | % |
|---|---|---|---|
| 1 - 1,000 | 1,000 | 584,700 | 0.82 |
| 1,001 - 5,000 | 1,758 | 4,613,944 | 6.43 |
| 5,001 - 10,000 | 562 | 4,335,266 | 6.04 |
| 10,001 - 100,000 | 795 | 23,997,644 | 33.46 |
| 100,001 - Over | 86 | 38,194,590 | 53.25 |
| Total | 4,201 | 71,726,214 | 100.00 |

*Performance Rights*

| Range | Holders | Units | % |
|---|---|---|---|
| 1 - 1,000 | - | - | - |
| 1,001 - 5,000 | - | - | - |
| 5,001 - 10,000 | - | - | - |
| 10,001 - 100,000 | 2 | 87,022 | 2.72 |
| 100,001 - Over | 4 | 3,114,221 | 97.28 |
| Total | 4 | 3,201,243 | 100.00 |

### E. Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares (being $500 parcel at $0.44 per share):

| Holders | Units |
|---|---|
| 1,104 | 696,713 |

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# Shareholder Information

## for the year ended 30 June 2024

### F. Top holders

The 20 largest registered holders of each class of quoted security as at 29 July 2024 were:

| Rank | Holder Name | Securities | % |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 7,414,798 | 10.34 |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 3,436,649 | 4.79 |
| 3 | CARRIER INTERNATIONAL PTY LIMITED <SUPER FUND A/C> | 3,415,865 | 4.76 |
| 4 | DEAKIN UNIVERSITY | 3,333,334 | 4.65 |
| 5 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 1,975,123 | 2.75 |
| 6 | SANDHURST TRUSTEES LTD <CYAN C3G FUND A/C> | 1,721,210 | 2.40 |
| 7 | EXWERE INVESTMENTS PTY LTD <EXWERE SUPER FUND A/C> | 840,000 | 1.17 |
| 8 | MR ANDREW JAMES VERCETTI | 652,510 | 0.91 |
| 9 | MR RENE ENJOLRAS | 636,609 | 0.89 |
| 10 | CITICORP NOMINEES PTY LIMITED | 609,489 | 0.85 |
| 11 | ARE INVESTMENTS PTY LTD | 400,000 | 0.56 |
| 12 | MR RONALD SMIT + MRS JULIE MARIE SMIT <LUCKY JAR SUPERFUND A/C> | 400,000 | 0.56 |
| 13 | EQUITY PLAN SERVICES PTY LTD | 378,300 | 0.53 |
| 14 | NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C> | 358,493 | 0.50 |
| 15 | YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C> | 350,994 | 0.49 |
| 16 | MR WERN CHIAN TYE | 350,000 | 0.49 |
| 17 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 318,375 | 0.44 |
| 18 | REIGRAL PTY LTD | 310,000 | 0.43 |
| 19 | MR FREDERICK JOSEF HAES + MRS JUDY ANNE HAES <HAES FAMILY SUPER FUND A/C> | 300,000 | 0.42 |
| 20 | HOBSON COVE PTY LTD <ELDER HEIGHTS EIGHTH A/C> | 300,000 | 0.42 |
| **Total** | | **27,501,749** | **38.34** |

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# Corporate Directory

## for the year ended 30 June 2024

### Directors

**Mr. P Largier**
Chair

**Mr. M H Burgess**
CEO and Managing Director

**Ms. L Heywood** (Resigned effective 1st July 2024)
Non-Executive Director

**Ms. E Mannes**
Non-Executive Director

**AVM K Osley (Ret'd)**
Non-Executive Director

**Secretary**
Ms. A Bentley

**Principal Office**

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Website: www.quickstep.com.au

Email: info@quickstep.com.au

**Registered Office**

361 Milperra Road
Bankstown Airport
New South Wales 2200
Australia

**Auditor**

BDO
Chartered Accountants
Level 11
1 Margaret Street
Sydney
New South Wales 2000
Australia

**Share registry**

Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford
Victoria 3067
Telephone +61 3 9415 5000

**Stock Exchange**

Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney
New South Wales 2000

**ASX Code: QHL**

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