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Appendix 4E

Preliminary final report

N1 Holdings Limited

ACN: 609 268 279

The following information is provided pursuant to ASX Listing Rule 4.3A.

N1 Holdings Limited (ASX: **N1H**, **N1** or **Company**) is pleased to provide its preliminary final report for the reporting period being the financial year ended 30 June 2025 (**FY25**) to shareholders. The previous corresponding period was the financial year ended 30 June 2024 (**FY24**).

Results for announcement to the market

The financial year has seen a steady growth in the Company's revenue and EBITDA. Key results on an unaudited basis are as follows:

- **Revenue from ordinary activities increased by 6.8% to $19.69 million (FY24: $18.44m).**
- **Profit from ordinary activities after tax decreased by 21.1% to $855,826 (FY24: $1,085,355).**
- **Net profit for the year attributable to shareholders decreased by 21.1% to $855,826 (FY24: $1,085,355).**
- **Normalised EBITDA increased by 1.69% to $1.20 million (FY24: $1.18 million).**
- **Cash balance as of 30 June 2025 is $11.32 million.**
- **Earnings per share of 0.97 cents. The board will determine whether to issue a dividend for FY25 after completion of the audit.**

	Consolidated	
	2025	**2024**
	$	**$**
Profit before income tax	855,826	688,723
Add: Interest expense - Corporate*	71,432	73,478
Add: Depreciation and amortisation	271,932	309,393
Add: Once off write-off of realty service income due to lost management	-	108,986
Normalised EBITDA	1,199,190	1,180,580

* Interest expense and interest income from commercial loan receivables are still included in normalised EBITDA. Normalised EBITDA only excludes the interest expenses relating to the corporate and bank loans, as well as interest expenses in relation to AASB 16 Leases.

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The reported financial year has been one of strategic progress and measured growth. In FY25, the Company implemented AI-powered initiatives and deployed private credit systems for both broker and internal use to enhance operational efficiency and supporting decision-making across lending and risk management. In parallel, operational processes were further optimised to support scalable growth, improve transaction quality and reinforce the resilience of the Company's loan portfolio.

The lending market continued to evolve during the year as reductions in interest rates created both opportunities and increased competition. While the global economic outlook remains mixed with persistent geopolitical uncertainties, moderating inflationary pressures and capital markets adjusting to a new rate environment, the Company remains focused on prudent capital deployment and robust risk management.

During FY25, the Company continued to execute its distribution strategy by strengthening relationships with aggregators, mortgage brokers and referral partners with the aim of expanding these channels to secure a consistent pipeline of high-quality transactions and enhance overall deal flow. Concurrently, management undertook initiatives to optimise funding costs and broaden funding sources with more cost-effective capital, thereby supporting competitive pricing, improved margins and reinforcing the platform for sustainable growth.

As at 30 June 2025, the Company had access to and managed over $254 million in committed lending capacity, consisting of approximately $34 million of balance sheet capital raised from private debt, $196 million under debt facilities and approximately $24 million of mortgage funds under management. (Please note: the mortgage funds are not consolidated into the Company's financial statements. These mortgage funds are managed by N1 Venture Pty Ltd, a 100% owned subsidiary of N1H).

During the financial year, Company continued to uplift compliance standards in the private lending space, aligning with regulatory expectations and promoting responsible lending practices. Management will also continue to strengthen corporate governance, ESG awareness and ethical lending frameworks, ensuring long-term value creation for shareholders while contributing to the sustainable development of the private credit industry.

N1 Holdings Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	N1 Holdings Limited
ACN:	609 268 279
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	6.8%	to	19,694,560
Profit from ordinary activities after tax	down	21.1%	to	855,826
Net profit for the year attributable to shareholders	down	21.1%	to	855,826

Dividends
The Board will determine whether to issue a dividend for the reporting after completion of the audit for the reporting period.

Comments
The profit for the Group after providing for income tax amounted to $855,826 (30 June 2024: $1,085,355).

	Consolidated 2025 $	Consolidated 2024 $
Profit before income tax	855,826	688,723
Add: Interest expense - Corporate*	71,432	73,478
Add: Depreciation and amortisation	271,932	309,393
Add: Once off write-off of realty service income due to lost management	-	108,986
Normalised EBITDA	1,199,190	1,180,580

* Interest expense and interest income from commercial loan receivable are still included in normalised EBITDA. Normalised EBITDA only excludes the interest expenses relating to the corporate and bank loans, as well as interest expenses in relation to AASB 16 Leases.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.75	1.14

4. Control gained over entities

Name of entity (or group of entities)	N1 Holdings Trust 2024-1
Date control gained	29 November 2024
Name of entity (or group of entities)	N1 WH4 Pty Ltd
Date control gained	20 August 2024

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5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Dividends declared and paid during the current financial period (declared on 20 September 2024 and paid on 2 December 2024)	0.003	-

Previous period
There were $nil dividends declared and paid during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:
Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):
This report is based on accounts which are in the process of being audited. It is not considered likely that any audit qualification will arise.

11. Attachments

Details of attachments (if any):
Refer to the attached unaudited financial statements and related notes.

12. Signed



Signed _____ Date: 27 August 2025

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N1 Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Revenue	3	19,694,560	18,446,807
Other income	4	423,077	107,046
Expenses			
Interest expense		(13,111,714)	(12,047,306)
Employee cost		(2,637,285)	(2,573,372)
Consulting and referral fees		(921,258)	(1,119,833)
Professional fee		(514,105)	(593,830)
Sales and marketing		(333,126)	(437,292)
Office and administrative expense		(280,956)	(274,916)
Depreciation and amortisation		(271,932)	(309,393)
Occupancy cost and utilities		(85,723)	(126,626)
Finance cost		(69,362)	(27,801)
Travel cost		(50,831)	(167,065)
IT and technology		(6,619)	(4,223)
Loss on disposal/write-off of assets		-	(183,473)
Other commercial lending cost	10	(978,900)	-
Profit before income tax benefit		855,826	688,723
Income tax benefit		-	396,632
Profit after income tax benefit for the year		855,826	1,085,355
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		855,826	1,085,355
		Cents	**Cents**
Basic earnings per share	1	0.97	1.23
Diluted earnings per share	1	0.97	1.23

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

N1 Holdings Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Assets			
Current assets			
Cash and cash equivalents		11,316,536	13,532,013
Trade and other receivables	5	6,508,692	1,920,843
Contract assets	6	260,214	292,745
Commercial loan receivables	7	108,821,531	93,059,428
Other financial assets		348,388	93,382
Other current assets		55,066	89,685
Total current assets		127,310,427	108,988,096
Non-current assets			
Contract assets	6	877,366	827,044
Other financial assets		229,767	157,927
Property, plant and equipment		1,039,702	449,940
Deferred tax assets		627,811	627,811
Intangible assets	8	107,631	114,220
Commercial loan receivables	7	-	3,257,018
Other non-current assets		215,700	195,331
Total non-current assets		3,097,977	5,629,291
Total assets		130,408,404	114,617,387
Liabilities			
Current liabilities			
Trade and other payables		1,141,955	1,605,849
Contract liabilities		109,565	107,601
Loan and borrowings	9	27,847,343	25,825,780
Lease liabilities		184,454	273,151
Deferred income		2,481,341	2,357,146
Provisions		174,175	215,224
Total current liabilities		31,938,833	30,384,751
Non-current liabilities			
Contract liabilities		382,776	312,306
Loan and borrowings	9	94,894,634	81,920,364
Lease liabilities		714,751	70,650
Provisions		235,149	242,454
Total non-current liabilities		96,227,310	82,545,774
Total liabilities		128,166,143	112,930,525
Net assets		2,242,261	1,686,862
Equity			
Issued capital		6,954,061	6,954,061
Options reserve		206,524	216,368
Retained earnings		(4,918,324)	(5,483,567)
Total equity		2,242,261	1,686,862

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

N1 Holdings Limited
Consolidated statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital $	Share-based payment reserve $	Retained profits $	Total equity $
Balance at 1 July 2023	6,954,061	206,524	(6,568,922)	591,663
Profit after income tax benefit for the year	-	-	1,085,355	1,085,355
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,085,355	1,085,355
Transactions with owners in their capacity as owners:				
Share-based payments	-	9,844	-	9,844
Balance at 30 June 2024	6,954,061	216,368	(5,483,567)	1,686,862

Consolidated	Issued capital $	Share-based payment reserve $	Retained profits $	Total equity $
Balance at 1 July 2024	6,954,061	216,368	(5,483,567)	1,686,862
Profit after income tax expense for the year	-	-	855,826	855,826
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	855,826	855,826
Transactions with owners in their capacity as owners:				
Share-based payments	-	(9,844)	-	(9,844)
Dividends paid	-	-	(290,583)	(290,583)
Balance at 30 June 2025	6,954,061	206,524	(4,918,324)	2,242,261

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

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N1 Holdings Limited
Consolidated statement of cash flows
For the year ended 30 June 2025

	Consolidated 2025 $	Consolidated 2024 $
Cash flows from operating activities		
Receipts from customers	15,157,265	19,970,027
Interest received from bank deposit	300,265	104,654
Payments to suppliers and employees	(6,309,397)	(4,847,880)
Net increase in fund lent as commercial loans	(12,376,801)	(19,779,523)
Net increase in fund received for commercial loans	14,995,832	23,936,543
Interest and other finance costs paid for commercial loans	(13,109,644)	(12,001,627)
Net cash (used in)/from operating activities	(1,342,480)	7,382,194
Cash flows from investing activities		
Payments for property, plant and equipment	(57,223)	(14,121)
Net (loans to)/repayment from third parties	(255,006)	47,000
Proceeds from disposal of Sydney Boutique Property (SBP)	-	38,113
Net cash (used in)/from investing activities	(312,229)	70,992
Cash flows from financing activities		
Dividends paid	(290,583)	-
Repayment of lease liabilities	(233,861)	(305,809)
Payment of finance cost and interest	(36,324)	(54,492)
Repayment of borrowings and loans	-	(580,000)
Net cash used in financing activities	(560,768)	(940,301)
Net (decrease)/increase in cash and cash equivalents	(2,215,477)	6,512,885
Cash and cash equivalents at the beginning of the financial year	13,532,013	7,019,128
Cash and cash equivalents at the end of the financial year	11,316,536	13,532,013

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

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Note 1. Earnings per share

	Consolidated 2025 $	Consolidated 2024 $
Profit after income tax	855,826	1,085,355
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	88,055,573	88,055,573
Basic earnings per share	0.97	1.23
Diluted earnings per share	0.97	1.23

Note 2. Operating segments

Identification of reportable operating segments
The Group is organised into four operating segments: financial services, real estate services, migration services and other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Financial services
This segment refers to the operating activities in the area of financial service business mainly including:
- Commercial loan lending
- Mortgage broking
- Advisory service

The Group lends privately raised funds to commercial borrowers and earns loan facility set up related fees, interest income as well as management fees from mortgage funds issued and managed by N1 Venture Pty Ltd.

The Group acts as a mortgage broker that provides its customers with advice and support and receives commission payments on loans originated through its network of customers.

The Group provides financial advisory, trustee and fund management services to its customers and receives advisory service fees.

Real estate services
The Group ceased to provide real estate services through N1 Realty Pty Ltd in FY25.

Migration services
The Group provides migration services to its customers through N1 Migration Pty Ltd which holds a migration agent licence.

Other business operations that are not separately reportable, as well as costs associated with enterprise functions (such as Administration, Finance and Treasury) are included in 'Other'.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the consolidated financial statements.

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Note 2. Operating segments (continued)

Operating segment information

Consolidated - 2025	Financial services $	Real estate services $	Migration services $	Other $	Total $
Revenue					
Revenue	19,659,890	-	34,670	-	19,694,560
Interest income	300,050	-	215	-	300,265
Other income	(31)	-	-	122,843	122,812
Total revenue	19,959,909	-	34,885	122,843	20,117,637
Segment operating profit/(loss) before income tax	4,382,688	(2,618)	(62,150)	(3,462,094)	855,826
Profit/(loss) before income tax expense	4,382,688	(2,618)	(62,150)	(3,462,094)	855,826
Income tax expense					-
Profit after income tax expense					855,826
Material items include:					
Interest expense calculated using the effective interest method	(13,099,278)	-	-	(12,436)	(13,111,714)
Depreciation and amortisation	(251,095)	(2,218)	-	(18,619)	(271,932)
Assets					
Segment assets	143,636,604	333	30,187	25,186,814	168,853,938
Intersegment eliminations					(38,445,534)
Total assets					130,408,404
Liabilities					
Segment liabilities	131,528,678	1,757,798	315,137	22,350,264	155,951,877
Intersegment eliminations					(27,785,734)
Total liabilities					128,166,143

Note 2. Operating segments (continued)

Consolidated - 2024	Financial services $	Real estate services $	Migration services $	Other $	Total $
Revenue					
Revenue	18,413,381	1,381	32,045	-	18,446,807
Interest income	78,417	-	260	25,976	104,653
Other income	(9)	-	-	2,402	2,393
Total revenue	18,491,789	1,381	32,305	28,378	18,553,853
Segment operating profit/(loss) before income tax	3,340,667	(117,371)	(84,704)	(2,449,869)	688,723
Profit/(loss) before income tax benefit	3,340,667	(117,371)	(84,704)	(2,449,869)	688,723
Income tax benefit					396,632
Profit after income tax benefit					1,085,355
Material items include:					
Interest expense calculated using the effective interest method	12,022,505	-	-	24,801	12,047,306
Depreciation and amortisation	(270,463)	(2,644)	-	(36,286)	(309,393)
Assets					
Segment assets	96,740,422	2,394	29,613	49,025,527	145,797,956
Intersegment eliminations					(31,180,569)
Total assets					114,617,387
Liabilities					
Segment liabilities	83,992,880	1,757,243	252,413	47,448,885	133,451,421
Intersegment eliminations					(20,520,896)
Total liabilities					112,930,525

Note 3. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2025 $	Consolidated 2024 $
Mortgage broking and commercial lending origination commission	357,733	874,908
Mortgage broking trail commission	326,169	323,094
Net movement in trail commission asset valuation	(54,643)	(236,616)
Commercial lending interest income	17,650,359	15,256,759
Other services relating to commercial lending	1,382,772	2,076,027
Migration service	34,670	32,045
Real estate service	-	1,381
Advisory service	(2,500)	119,209
	19,694,560	18,446,807

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Note 3. Revenue (continued)

Geographical regions

	Consolidated 2025 $	Consolidated 2024 $
Australia	19,694,560	18,446,807

Timing of revenue recognition
Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations based on the services rendered for its real estate service and the interest earned over time for its commercial lending interest income. The analysis of the revenue recognition point is as below:

	2025 At point in time $	2025 Over time $	2024 At point in time $	2024 Over time $
Mortgage origination commission	357,733	-	874,908	-
Mortgage broking trail commission	326,169	-	323,094	-
Net movement in trail commission asset valuation	(54,643)	-	(236,616)	-
Commercial lending interest income	-	17,650,359	-	15,256,759
Other service fees relating to commercial lending	1,382,772	-	2,076,027	-
Migration service	34,670	-	32,045	-
Real estate service	-	-	1,381	-
Advisory service	(2,500)	-	119,209	-
	2,044,201	17,650,359	3,190,048	15,256,759

Commercial lending interest income
Commercial lending interest income (including loan establishment fee received) from commercial loan receivables is recognised using the effective interest method.

Other service fees relating to commercial lending
Other service fees include management fee, loan processing and administration service fee, discharge fee, break fee, and monthly line fee. Other service fees are recognised when the services are delivered.

Mortgage broking services
The Group provides a service of introducing applicants to lenders as part of the process to originate a loan and receive commissions for the service provided. The service activities that form part of this process are interrelated and interdependent of each other and form a single performance obligation. The Group recognises commission as revenue upon the settlement of loans, which is when the performance obligation is completed.

The deferral of a portion of the commission as trail commission is a mechanism by which lenders incentivise brokers to introduce quality applicants that will not refinance their loans and therefore maximise the life of the loan. This mechanism affects the transaction price, but it does not give rise to a separate performance obligation. As a result, trail commission is also recognised as revenue upon settlement of loans and at the same time, the right to trail commission is recognised as a contract asset on the statement of financial position. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is expected to be as each month's entitlement to the trail commission is established, i.e. when an invoice is raised to the aggregator.

The Group recognises trailing commission as revenue only if it is highly probable that a change in the estimate of the variable consideration would not result in a significant reversal of the cumulative revenue already recognised.

The upfront origination commission is recognised at its transactions price and the trailing commission is recognised by using the expected value approach constrained by avoiding possible future downward revenue adjustments (i.e., revenue reversals).

Note 3. Revenue (continued)

The Group is a principal because it controls its service activities during the loan application process and is entitled to gross commissions from lenders/aggregators. As a result, the revenue for commission earned is presented on a gross basis. The portion payable to commission-based brokers is recorded separately and recognised as trail commission liabilities at reporting date.

Real estate service, migration service fee, and advisory service fee
Migration service fee and advisory service fee are recognised at the point in time when the services are delivered. Real estate service ceased to provide in FY25.

Note 4. Other income

	Consolidated 2025 $	Consolidated 2024 $
Interest income	300,265	104,653
Others	71,613	2,393
Gain on write-off of ROU/Lease liabilities of old lease	51,199	-
	423,077	107,046

Note 5. Trade and other receivables

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Trade receivables	1,059,370	1,405,182
Interest receivable	5,411,244	439,357
Agent commission clawback receivable	38,078	76,304
	6,508,692	1,920,843

Trade and other receivables are initially recognised at their transaction price (as defined in AASB 15) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flows which are solely for payments of trade and other receivables).

The impairment assessment required by AASB 9 for financial assets is based on the forward-looking expected credit loss ('ECL') model.

The simplified approach is adopted to assess the impairment of trade and other receivables. Under the simplified approach, life time expected credit losses are estimated based on historically incurred and forward expected credit losses, both of which are examined and assessed to determine the amount of impairment as at reporting date. Specifically, the Group applies credit loss factors determined from estimation of customer default probability and loss percentage on current observable data which include:
• forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
• financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
• conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Credit risk

The Group has credit risk exposure in relation to commercial lending interest and fees receivable from multiple companies.

On a geographic basis, the Group has significant credit risk exposures in Australia only.

Logo

Note 5. Trade and other receivables (continued)

As at 30 June 2025, the Group has recorded a provision of $45,108 (30 June 2024: $162,886) for trade and other receivables assessed to be impaired.

As at 30 June 2025, the amount of all trade and other receivables past due but not impaired is $6,387,429 (30 June 2024: $507,976).

Note 6. Contract assets

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Contract assets	260,214	292,745
Non-current assets		
Contract assets	877,366	827,044

The contract asset relates to future trail income for the mortgage broking service. It is recognised and measured by using the expected cashflow approach. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is at the point when monthly trail commission is invoiced to the aggregator.

Reconciliation of the contract assets at the beginning and end of the current financial year are set out below:		
Opening balance	1,119,789	1,210,243
Expected trail commission from new loans and commission step up and effect of the change in the valuation model	343,960	232,640
Trail commission received	(326,169)	(323,094)
	1,137,580	1,119,789

The Group receives trailing commissions from lenders on settled loans over the life of the loan based on the loanbook balance outstanding subject to the loan continuing to perform. The Group also makes trailing commission payments to brokers based on their individual loanbook balance outstanding.

The contract assets and the corresponding payable to brokers are determined by using the discounted cash flow valuation technique.

The expected cashflow approach requires the use of key assumptions to determine the amortised cost at balance sheet date including the future run-off rate of the underlying loan portfolio, the discount rate and the percentage paid to individual brokers working under the Group's management. The future run-off rate used is actually a series of rates applied to the underlying loans based primarily on their age at the date of valuation. The weighted average life shown below is the result of the series of future run-off rates applied to the specific loan data at the balance sheet date.

The determination of the assumptions to be used in the valuation is made by Management based primarily on a variety of contributing factors including: an annual assessment of the underlying loan portfolio, historical run-off rate analysis and consideration of current and future economic factors. These factors are complex and the determination of assumptions requires a high degree of judgement.

	Consolidated 2025 %	Consolidated 2024 %
Discount rate	8.32%	8.87%
Average percentage of trailing commission entitled by the Group	55.20%	61.28%
Weighted average loan life (in years)	5.35	4.65

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Note 6. Contract assets (continued)

Sensitivity
The sensitivity of contract asset value is mainly raised from discount rate used in the valuation. The sensitivity analysis is shown as below:

	2025 $	2024 $
Discount rate - increase 2% (2024: 2%)	1,065,849	1,066,538
Discount rate - decrease 2% (2024: 2%)	1,179,033	1,179,690

Note 7. Commercial loan receivables

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Commercial loan receivables	108,821,531	93,059,428
Non-current assets		
Commercial loan receivables	-	3,257,018

Recognition and measurement
Loan receivables are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the loan and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow that are solely for payments of principals and interest on principal amounts outstanding.

Credit risk management
The loans are secured with established real property or land in line with the Group's lending requirements. The Group continuously monitors the credit quality of the borrowers based on a credit rating scorecard. The Group assesses each of its commercial loans by using a credit scoring model that is based on current and historical past due statuses, indebtedness, loan-to-value measures ('LTV measures'), and the loan size. The forecasted business default rates, price of property and mortgage default rates may be factored into the Credit Scoring. The Credit Scoring Level and corresponding Probability of Default is documented and reviewed regularly by both Accounting and Credit Management Department.

Credit quality - Security held against loans

	Consolidated 2025 $	Consolidated 2024 $
Secured by mortgage over real estate	108,821,531	95,722,903
Secured by other credit enhancement	-	593,543
	108,821,531	96,316,446

	Consolidated 2025 $	Consolidated 2024 $
First mortgage	105,209,688	91,663,250
Second mortgage	3,611,843	4,653,196
	108,821,531	96,316,446

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Note 7. Commercial loan receivables (continued)

	Consolidated 2025 $	Consolidated 2024 $
LVR buckets		
0-60%	27,174,273	22,044,713
60.01%-70%	53,516,808	43,422,592
70.01%-75%	24,744,085	30,255,598
75.01%-80%	3,017,352	-
Other *	369,013	593,543
	108,821,531	96,316,446

* The security property of this default loan will be listed on market for sale. Following the completion of this potential sale, the entire remaining loan balance reduced by any credit enhancement received will be sold via a nonrecourse assignment. The credit enhancement includes financial guarantees from the directors of the borrower's parent entity. The Group's board of directors has reviewed and approved the potential transaction.

Concentration of loans
Concentration risk is a measurement of the Group's exposure to an individual counterparty (or a group of related parties). Concentration exposures to counterparties are closely monitored.

Loans receivable pledged as security
The Group raises funds to lend money to commercial entities on a short-term basis and earns interest income. A total loan receivable of $96 million (30 June 2024: $80 million) are pledged as security for loans from financial institutions by the general security deed.

	Consolidated 2025 $	Consolidated 2024 $
Geographical concentrations		
New South Wales	68,441,715	77,994,502
Victoria	32,337,861	11,742,130
Queensland	5,261,171	1,256,607
South Australia	1,484,747	4,465,607
Australian Capital Territory	-	857,600
Western Australia	1,296,037	-
	108,821,531	96,316,446

Note 7. Commercial loan receivables (continued)

Impairment assessment
The impairment assessment required by AASB 9 for financial assets are based on a forward-looking expected credit loss ('ECL') model.

The general approach is adopted to assess the impairment of loan receivables.

Under the general approach, 12 month's credit losses or lifetime credit losses are estimated based on whether the credit risk on that financial instrument (loan receivables) has increased significantly since initial recognition to determine the amount of impairment as at reporting date. Specifically, if the credit risk has not increased significantly since initial recognition, then a loss allowance equal to 12 month's credit losses should be measured and recognised. Otherwise lifetime expected credit losses should be measured and recognised. The Group will apply credit loss factors determined from estimation of customer default probability and loss percentage. As the Group's loan book has a term of 3-24 months, the Group measures a lifetime expect credit loss for the stage 1 and 2.

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

The Group recognises loss allowances at an amount equal to lifetime (3-24 months) ECL on loan receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the loan receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Debts that are known to be uncollectable are written off when identified.

Credit risk stage	Gross carrying amount	Impairment loss allowance	Credit impaired
30 June 2025			
Credit risk stage 1 and stage 2	108,821,531	-	No
Credit risk stage 3	-	-	Yes
30 June 2024			
Credit risk stage 1 and stage 2	95,721,103	-	No
Credit risk stage 3	593,543	-	Yes

The loan receivables have been assessed at individual loan level for ECL by the Group where the estimated recoverable amounts from disposal of the security held against the loans are all higher than the losses given default. Therefore, the Group assessed that the expected credit loss provision is $nil at 30 June 2025 (30 June 2024: $nil).

Use of judgements and estimates
The Group reviews individually commercial lending loans at each reporting date to assess whether an impairment loss should be recorded in the income statement. Judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors including forward looking information available at the time. Actual results may differ, resulting in future changes to the allowance.

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Note 8. Intangible assets

	Consolidated 2025 $	Consolidated 2024 $
Non-current assets		
Finance licence	99,988	99,988
Website and IT system	357,270	357,270
Less: Accumulated amortisation	(349,627)	(343,038)
	7,643	14,232
	107,631	114,220

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Finance licence $	Website and IT system $	Total $
Balance at 1 July 2023	99,988	23,720	123,708
Amortisation	-	(9,488)	(9,488)
Balance at 30 June 2024	99,988	14,232	114,220
Amortisation	-	(6,589)	(6,589)
Balance at 30 June 2025	99,988	7,643	107,631

Note 9. Loan and borrowings

	Consolidated 2025 $	Consolidated 2024 $
Current		
Loans received for commercial lending (i)	26,387,343	25,225,780
Loans from related parties (ii)	100,000	600,000
Loans received in advance for commercial lending (iii)	360,000	-
Loans payable for commercial lending (iv)	1,000,000	-
	27,847,343	25,825,780

	Consolidated 2025 $	Consolidated 2024 $
Non-current		
Loans received for commercial lending (i)	5,918,838	4,488,797
Loans from related parties (ii)	1,300,000	-
Loans from financial institution (v)	87,675,796	77,431,567
	94,894,634	81,920,364

Note 9. Loan and borrowings (continued)

i) Loan received for commercial lending
Loans received for commercial lending are the funds being raised for commercial loan lending to customers. They are unsecured. The terms of the loans are from 6 months to 2 years. Interest rates are fixed rate within each loan term, and the interest range is from 7% per year to 12% per year depends on the different loan terms. The outstanding loan balance as at 30 June 2025 is $32,306,181 (30 June 2024: $29,714,577).

ii) Loans from related parties
The outstanding loan balance of unsecured loans from related parties as at 30 June 2025 is $1,400,000 (30 June 2024: $600,000). The term of the loans is within 12 to 24 months, and the interest rate is 10% per annum.

iii) Loan received in advance for commercial lending
This represents loan received before 30 June 2025, although actual loan has not commenced until 1 July 2025. The amount of $360,000 has been received in advance as at 30 June 2025 (30 June 2024: $nil).

iv) Loans payable for commercial lending
This represents loan matured as at 30 June 2025 and redeemed to investors after 1 July 2025.

v) Loans received from financial institutions
Loans received from financial institutions are the funds being raised for commercial loan lending to customers. As of 30 June 2025, the Company has drawdown a total of $88.5 million (30 June 2024: $78.1 million) of the $195.6 million (30 June 2024: $85.6 million) debt/warehouse facilities limit. The facilities maturity dates are on from second half year of 2026 to 2028 (30 June 2024: second half year of 2025). Transaction costs directly attributable to the facilities have been capitalised and are amortised over the facility term in the effective interest rate. The interest rates for all facilities are floating at 1-month BBSW (Bank Bill Swap Rate as administered by ASX Benchmark Pty Ltd) plus a margin.

All facilities contain a number of undertakings and are secured by a general security deed over the Group's assets and are operating on an interest-only basis with a term of 24 months.

Note 10. Other commercial lending expenses

	Consolidated	
	2025 $	2024 $
Other commercial lending expenses	978,900	-
	978,900	-

During the reporting period, the Group incurred expenses related to the enforcement and recovery of certain commercial loan receivables. These expenses primarily consist of legal and professional fees associated with enforcement and recovery activities; Government costs, including land tax and council rates, incurred during the holding or disposal of secured properties; and Agent fees related to property marketing, and sales activities for the recovery of outstanding loan balances. All principals have been fully recovered.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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