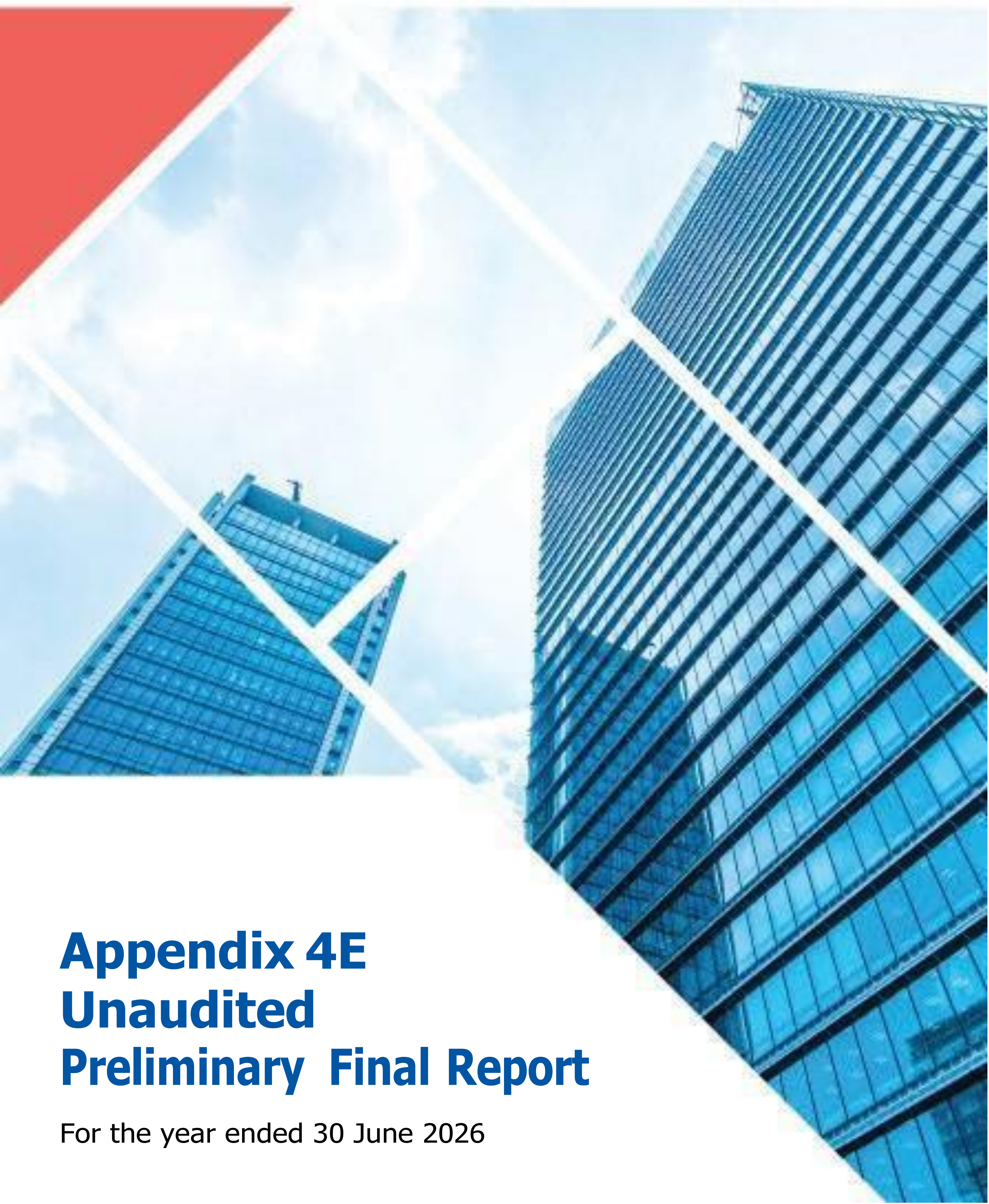
MCS Services Ltd

ABN: 66 119 641 986



Appendix 4E
Unaudited
Preliminary Final Report

For the year ended 30 June 2026

1. Reporting Period

Reporting Period: Year ending 30 June 2026
Previous corresponding period: Year ending 30 June 2025

2. Results for Announcement to the Market

Revenue from ordinary activities	down	by 32%	$4.72m	to	$9,865,900
(Loss) / profit from ordinary activities after tax attributable to members excluding significant items	improved		$0.63m	to	$474,105
Net loss for the period attributable to members including significant items	improved		$0.42m	to	($20,895)

	Amount per share (cents)	**Franked amount per share** (cents)
Dividends		
Final: Current Year	-	-
Final: Previous Year	-	-
Interim: Current Year	-	-
Interim: Previous Year	-	-

Overall the Company generated:

- underlying EBITDA surplus (before Significant Items and tax) from ordinary activities of $0.53m (2025: $0.43m surplus);
- underlying net surplus (before Significant Items and tax) from ordinary activities of $0.47m (2025: $0.15m deficit);
- a net loss attributable to members of $0.02m (2025: $0.39m loss).

The Board's intentions for declaring a dividend subsequent to 30 June 2026 are subject to assessments of the most effective available capital management and business opportunities.

3. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	30 June 2026 $'000	30 June 2025 $'000
Revenue	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
Other Income		
Interest	-	3
	-	**3**
Overheads		
Overhead, administration and other expenses	(390)	(358)
Employee expenses & benefits	(4)	(216)
	(394)	**(574)**
	(394)	**(571)**
Finance Expenses	-	-
	-	**-**
	(394)	**(571)**
Significant items		
Legal Claim Provision **(Note 12)**	(495)	
Expensing of value of Traffic contracts acquired	-	(242)
	(495)	**(242)**
Profit (loss) before tax	**(889)**	**(813)**
Income tax expense	**-**	**-**
	(889)	**(813)**
Profit on Discontinued Traffic Business (**Note 13**)	868	418
Total comprehensive profit for the year attributable to members of the Company.	**(21)**	**(395)**

4. Condensed Consolidated Statement of Financial Position

	30 June 2026 $'000	30 June 2025 $'000
Current Assets		
Cash and cash equivalents	1,772	94
Receivables & Prepayments	895	9
Assets Held for Sale - Traffic Business	-	4,012
	2,667	**4,115**
Non-Current Assets		
Plant and equipment	2	1
Restricted Cash – Landlord Bond	20	-
	22	**1**
Total Assets	**2,688**	**4,116**
Current Liabilities		
Payables & Financial Liabilities	(1,576)	(1,126)
Liabilities held for Sale - Traffic Business	-	(1,857)
	(1,576)	**(2,983)**
Non-Current Liabilities		
Payables & Financial liabilities: bank loan	-	-
	-	**-**
Total Liabilities	**(1,576)**	**(2,983)**
Net Assets	**1,112**	**1,133**
Equity		
Issued capital (**Note 6**)	18,394	18,394
Other reserves (**Note 6**)	3,005	3,005
Accumulated losses (**Note 8**)	(20,287)	(20,266)
	1,112	**1,133**

5. Condensed Consolidated Statement of Cashflows

	30 June 2026 $'000	30 June 2025 $'000
Cash flows from Operating Activities		
Receipts from customers	11,747	16,651
Payments to employees, suppliers and directors	(11,825)	(15,935)
Income tax refunded / (paid)	-	41
Net cash (used in) / provided by operating activities	**(78)**	**757**
Cash flows from Investing Activities		
Proceeds from Sale of Traffic Business	1,160	-
Proceeds from Sale of Fixed Assets	-	64
Proceeds from Vendor of Traffic Business	39	152
Payment to purchaser of Security Business (Completion Accounting)	(390)	-
Interest received	1	3
Interest paid	(51)	(76)
Payment for plant & equipment	(197)	(55)
Net cash provided by investing activities	**562**	**88**
Cash flows from Financing Activities		
Proceeds of borrowings	130	-
Repayment of borrowings	(528)	(111)
Net cash (used in) financing activities	**(398)**	**(111)**
Net increase/(decrease) in Cash and Cash Equivalents	**86**	**734**
Cash / cash equivalents at beginning of financial year	1,686	952
Cash / Cash Equivalents at end of Financial Year	**1,772**	**1,686**

6. Securities on Issue

The Company had the following securities on issue at the date of this report:

Ordinary shares	**Number**
Shares 1 July 2025	198,099,652
Issued during the year: Exercise of Performance Rights	-
Issued during the year: Option Exercised	-
Bought back and cancelled	-
On issue at date of this report	**198,099,652**
Quoted options	
At 1 July 2025	-
Issued	-
Exercised / converted to ordinary shares	-
Lapsed unexercised	-
On issue at date of this report	-
Unquoted options	
At 1 July 2025	12,000,000
Issued	
Exercised / converted to ordinary shares	-
Lapsed unexercised	(12,000,000)
On issue at date of this report	**-**
Performance Rights	
Performance Rights at 1 July 2025	-
Issued	
Exercised / converted during the year	-
On issue at date of this report	**-**

Ordinary shares Dividend Reinvestment Plan (DRP)
No dividends were declared or paid during the Reporting Period and accordingly no shares were issued pursuant to a DRP.

Ordinary share buyback and cancellation
During the Reporting Period there were no on-market share buybacks.

Quoted options
During the Reporting Period no quoted options were issued, exercised or expired.

Unquoted options
During a previous period 9,000,000 6 cent 2025 options were issued as directors incentives, and 3,000,000 6 cent 2025 options were issued as a staff incentive. None were exercised during the Reporting Period or the previous corresponding period. All 12,000,000 unquoted options lapsed during the Reporting Period.

Profit Reserve

A meeting of the Board of Directors in a previous period resolved that the net profit of the Company for the 2022 reporting period is not offset against Accumulated Losses but is appropriated to a 2022 Profit Reserve. These profits are not otherwise made unavailable for distribution as a dividend.

		30 June 2026 $'000	**30 June 2025** $'000
Share option and Performance Rights Reserve	At beginning of year	384	384
	Options/Performance Rights Converted	-	-
	Options/Performance Rights Expended	-	-
		384	**384**
Profit Reserve	At beginning of year	2,621	2,621
	Net profit attributable to members	-	-
		2,621	**2,621**
		3,005	**3,005**

7. Dividend Reinvestment Plan

No dividend reinvestment plan is in operation.

8. Accumulated Losses

	30 June 2026 $'000	**30 June 2025** $'000
Accumulated (losses) at beginning of financial year	(20,266)	(19,871)
Net loss attributable to members	(21)	(395)
Accumulated losses at end of financial year	**(20,287)**	**(20,266)**

9. Net Tangible Assets

	30 June 2026 Cents	**30 June 2025** Cents
Net tangible asset backing per ordinary share	0.6	0.6

10. Details of entities over which control has been gained or lost during the Reporting Period

There were no entities over which control was gained or lost during the Reporting Period.

During the Reporting Period, effective 9th June 2026, the Company's 100% owned Highways Traffic Pty Ltd subsidiary sold its business operations (including sale of its vehicle fleet, assignment of material client contracts etc) to a 3rd party for $1.16 million, including the sale of Fixed Assets (primarily operational motor vehicles) with an adjusted Net Book Value of $917,550 as at 9th June 2026.

Borrowings of $408,063 owing on the Traffic Business' motor vehicles were paid out in full on 9th June 2026

The Highways Traffic Pty Ltd entity remains a 100% owned subsidiary of the Company and is in the process of realising remaining operational assets (primarily Accounts Receivable) and paying remaining operational liabilities. The majority of that entity's operational liabilities, including employee entitlements, were paid by 30th June 2026.

11. Details of Associates and Joint Venture Entities

Not applicable.

12. Any other Significant Information

During and subsequent to the Reporting Period:

- the Company has been attending to a claim from the Purchaser of the MCS Security Group Pty Ltd subsidiary in 2024 in connection with warranty obligations in the Sale & Purchase Agreement. The Company does not admit liability for the claim, but has provisioned in the Reporting Period for a liability of $0.49 million and recorded it as a Significant Item;

- the Company has been approached by a number of third parties expressing preliminary interest in a potential restructure and recompliance with Chapters 1 and 2 of the ASX Listing Rules. The Board remains open to such approaches.

13. Accounting Standards

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group highlights the application of AASB 5 *Non Current Assets Held for Sale and Discontinued Operations*,. As the Traffic Business was held for sale throughout the Reporting Period until its sale on 9th June 2026, in accordance with AASB 5:

- the results of the Traffic Business are disclosed separately in the Reporting Period and previous reporting period as Profit of Discontinued Traffic Business, including the gain on disposal of the Traffic Business net of directly attributable broker and legal costs,

- the assets and liabilities of the Traffic Business are disclosed separately as Assets Held for Sale and Liabilities Held for Sale in the previous reporting period. Following completion of the disposal, no remaining assets or liabilities of the Traffic Business are classified as held for sale as at 30 June 2026.

- depreciation has not been recognized on the Non Current Assets (primarily operational motor vehicles) during the Reporting Period. Had depreciation of $468,296 been recognized:

  - the Net Book Value of the Non Current Assets at the time of sale would have been $449,255 resulting in an increase to the Gain on Sale of Traffic Business from $240,217 (as reported) to $708,513 and
  - a reduction in the Profit of Discontinued Traffic Business from $713,549 (as reported) to $245,253
  - there would have been no net effect on overall Total Comprehensive Income.

Profit of Discontinued Traffic Business	**30 June 2026** $	**30 June 2025** $
Trading Profit of Discontinued Traffic Business (**Note 17**)	714	418
Gain on sale of Traffic Business	240	-
Specific costs of sale of Traffic Business (broker, legal fees)	(86)	-
	154	**-**
	868	**418**

14. Results for the period

	30 June 2026 cents	**30 June 2025** cents
Basic earnings per ordinary share from continuing operations	(0.45)	(0.41)
Basic earnings per ordinary share from discontinued operations	0.44	0.21
	(0.01)	**(0.20)**
Diluted earnings per ordinary share from continuing operations	(0.45)	(0.41)
Diluted earnings per ordinary share from discontinued operations	0.44	0.21
	(0.01)	**(0.20)**
Weighted Average number of ordinary shares used in the calculation of diluted EPS	198,099,652	198,099,652

15. Return to shareholders

No share buybacks occurred in the Reporting Period.

16. Significant features of operating performance

During the Reporting Period:

- Revenue for the Traffic Business reduced by 32% to $9.9m (2025: $14.5m)
- Gross Profit margins increased to 28% (2025: 20%)

17. Segment results

All revenue earned during the Reporting Period related to the Traffic Business until its sale in June 2026.

2026	**Traffic** $'000	**Corporate** $'000	**Total** $'000
Revenue	9,866	-	**9,866**
Gross Profit	2,790	-	**2,790**
Overheads	(2,021)	(394)	**(2,415)**
	769	**(394)**	**375**
Depreciation	(4)	-	**(4)**
Finance	(51)	-	**(51)**
	714	**(394)**	**320**
Profit on sale of Traffic Business	240	-	**240**
Specific costs on sale of Traffic Business	(86)	-	**(86)**
Net operating profit / (loss) before tax and significant items	**868**	**(394)**	**474**
2025	**Traffic** $'000	**Corporate** $'000	**Total** $'000
Revenue	14,546	-	**14,546**
Gross Profit	2,967	-	**2,967**
Overheads	(1,969)	(816)	**(2,785)**
	998	**(816)**	**182**
Depreciation	(504)	-	**(504)**
Finance	(76)	-	**(76)**
Net operating Profit / (loss) before tax and significant items	**418**	**(816)**	**(398)**

18. Trends in results

The trend in Revenue during the Reporting Period reflected:

- the net effect of new and expiring Traffic Business client contracts;
- the Traffic business being sold effective 9th June 2026

Corporate overheads in the Reporting Period included Directors Fees of $0.11m, which had been deferred - along with Director Fees of $0.11m for FY2025 - by agreement for payment until a later date. $40,000 of the above accumulated Director Fees was paid in the Reporting Period and the remainder was paid shortly after the Reporting Period.

19. This Report is based on accounts to which the following applies

The accounts are in the process of being audited.

20. Description of any likely audit dispute or qualification

None

Signed in accordance with a resolution of the directors.

The Hon RC (Bob) Kucera APM JP
Non-Executive Chair

Dated this 31st day of August 2026