Your Ref:
Our Ref: DMG:TXW

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Director: David Geer

BALANCED SECURITIES

23 December 2025

By Email:twilliams@mscgroup

Mr Tom Williams
MSC Certane
Level 6
80 Clarence Street
SYDNEY NSW 2000

Dear Mr Williams

Reporting – quarterly reporting checklist

We append the Quarterly Reporting Checklist for the quarter ended **30 November 2025**.

This report is made in accordance with a resolution of directors dated 23 December **2025** covering the quarter ending **30 November 2025** and incorporates Benchmark Review for the year ended **30 June 2025.**

Yours faithfully
BALANCED SECURITIES LIMITED
AFS Licence 241382

David Geer
Director

Anthony Henry May
Director

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ISSUER QUARTERLY REPORTING CHECKLIST

(incorporating RG69.115 half yearly Benchmark review statement)

Issuer: Balanced Securities Limited

Debenture: Secured Notes

Trustee: MSC Certane

Trust Deed: 4 January 2000 (as amended)

Period of Report: Quarter Ended 30 November 2025

Date of Report: 23 December 2025

Instruction: Your response to each item below is to be supported where necessary by reasoning and attaching or making reference to appropriate relevant supporting documentation.

Item No	Item	Answer Y/N - NA	Comments
Corporations Act 2001 – Chapter 2L			
1.	S283BF(4)(a) - The Issuer and any guarantor has complied at all times with the terms of the Secured Notes, the Trust Deed and Chapter 2L of the Corporations Act 2001 during the Period.	Yes	Annual financial statements lodged with ASIC on 19 Sep 2025. Half yearly financial statements submitted to Trustee & lodged with ASIC 14 Mar 2025.
2.	S283BF(4)(b) - No circumstances arose during the Period that has caused, or could cause, one or more of the following:		There have been NO circumstances which have arisen during the period.
	(i) any amount deposited or lent under the Secured Notes to become immediately payable;	No	
	(ii) the Secured Notes to become immediately enforceable;	No	
	(iii) any other right or remedy under the terms of the Secured Note or provisions of the Trust Deed to become immediately enforceable.	No	
3.	S283BF(4)(c) - No circumstances arose during the Period that materially prejudice:		

Item No	Item	Answer Y/N - NA	Comments
	(i) the Issuer, any of its subsidiaries, or any of the guarantors; or (ii) any security or charge included in or created by the Secured Notes or the Trust Deed.	No No	There have been NO circumstances which have arisen during the period.
4.	S283BF(4)(d) - There has been no substantial change in the nature of the business of the Issuer, any of its subsidiaries, or any of the guarantors that has occurred during the Period.	No	There have been NO circumstances which have arisen during the period.
5.	S283BF(4)(e) - None of the following events happened during the Period: (i) the appointment of a guarantor; (ii) the cessation of liability of a guarantor body for the payment of the whole or part of the money for which it was liable under the guarantee; or (iii) a change of name of a guarantor (if this happens, the Issuer's quarterly report must also disclose the guarantor's new name).	No No No	There have been NO circumstances which have arisen during the period.
6.	S283BF(4)(f) - If the Issuer has created a charge where: (i) the total amount to be advanced on the security of the charge is indeterminate; and (ii) the advances are merged in a current account with bankers, trade creditors or anyone else, advise the net amount outstanding on any advances at the end of the Period.	N/A N/A N/A	The Company has not created any further charges over its assets.
7.	S283BF(4)(g) - The Issuer is not aware of any other matters that may materially prejudice any security or the interests of the Secured Note holders.	No	
8.	S283BF(5) - If the Issuer has deposited any money with, or lent money to, a related body corporate during the quarter, the	No	

Item No	Item	Answer Y/N - NA	Comments
	report must also include details of: (a) the totals of money deposited with, or lent to, a related body corporate during the quarter; and (b) the total amount of money owing to the Issuer at the end of the quarter in relation to those loans	N/A N/A	Refer Prospectus 25 issued 27 December 2024 and audited Financial Statements
9.	S283BF(6) - If the Issuer has assumed a liability of a related body corporate during the quarter, the report must include details of the liability assumed during the quarter and the extent of the liability as at the end of the quarter.	N/A	
10.	S283BF(7)For the purposes of items 8 and 9 above, the report: (a) must distinguish between deposits, loans and assumptions of liability that are secured and those that are unsecured; and (b) may exclude any deposit, loan or assumption of liability on behalf of the related body corporate if it has: (I) guaranteed the repayment of the Secured note of the borrower; and (II) secured the guarantee by a charge over all of its property in favour of the trustee.	N/A N/A N/A N/A	

Item No	Item	Answer Y/N - NA	Comments
Corporations Act 2001 – Financial Reports and Audit			
11.	The Issuer has complied in all respects with its obligations under Chapter 2M (dealing with financial reports and audit) of the Corporations Act 2001.	Yes	Annual & Half yearly financial statements submitted to Lodged with ASIC on 19 September 2025 & 14 March 2025 respectively.
Corporations Act 2001 – Disclosure			
12.	The Issuer has complied at all times with the requirements of Chapter 6CA (dealing with continuous disclosure) of the Corporations Act 2001 and no circumstances arose during the Period that required the Issuer to issue a supplementary prospectus, replacement prospectus or issue a continuous disclosure notice. If so, advise what steps have been taken.	N/A	Prospectus lodged with ASIC and issued 27 December 2024. Prospectus is available on the website along with all other material matters required to be disclosed & thereby satisfy continuous disclosure requirements.
Regulatory Guide 69			
13.	The Issuer has made all necessary disclosures against the benchmarks in its disclosure documents and all disclosures remain true and correct.	Yes	Confirmed by external auditor – signs Form FS71 on completion of audit and the Independent Auditors Assurance Report submitted to Trustee and Lodged with ASIC 19 Sep 2025.
14.	The Issuer continues to meet all benchmarks that the Issuer has stated in disclosure that it meets.	Yes	As above
15.	Where the Issuer has disclosed that it does not meet the benchmarks on an "if not, why not" basis, the disclosure the Issuer has made continues to be correct and accurate in all material respects and is not misleading.	Yes	As above
16.	The Issuer *attaches* a schedule of the "promises" (as used in RG69) it has made in disclosure documents it has issued and confirms that it has complied with each of the promises it has made in those disclosure documents.	N/A	The terms of the Prospectus and the Trust Deed have been adhered to.

Item No	Item	Answer Y/N - NA	Comments
Trust Deed			
17.	Clause 6.1.8.6 – the Issuer to provide particulars of mortgage arrears at the end of the month and the action taken by the Issuer to recover those arrears	Yes	Refer regular report covering Financial Information and Portfolio Schedule.
Anti Money Laundering			
18.	The Issuer has complied in all respects with its obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).*	Yes	

The Company has charged by way of a first ranking general security agreement a charge over all of its assets in favour of the Trustee as trustee for the Secured Note holders. The charge secures repayment to the Secured Note Holders of all money invested by them in Secured Notes together with interest payable on those Secured Notes.

As at the date of this report the Company believes that the property that constitutes the security is sufficient and is reasonably likely to be sufficient to meet the liability for the repayment of all money owing by the Company to the Secured Note holders and all other liabilities ranking in priority to or equally with that liability that may have been or may be incurred.

Signed:

David Geer

Director

Anthony May

Director

BENCHMARK REPORT (as at 30 June 2025)

ASIC Regulatory Guide 69 Benchmark report update

Dated: 30 November 2025

BENCHMARKS

Regulatory Guide 69: Debentures and notes: improving disclosure for retail investors applies to the Company, as an issuer of Secured Notes. The guide establishes 8 benchmarks which issuers of notes should address in their disclosures on an '*if not, why not*' basis. ASIC expects the benchmarks to be followed (as applicable) and if not followed, then explained on an, if not, why not, basis. ASIC has developed the benchmarks to assist investors to understand the risks, assess the rewards being offered and decide whether such an investment is suitable for them. Details of the benchmarks, as they apply to the Company's Secured Notes are described in the Prospectus dated **27 December 2024**.

This report has been prepared as at **30 June 2025** and updates the disclosure contained in the Prospectus. The Company does not consider anything in this update to be materially adverse to investors. Investors should consider all benchmarks and other information provided in the current Prospectus dated **27 December 2024** and not rely solely on the information contained in the benchmark report or on any one benchmark to make an investment decision.

BENCHMARK 1: Equity Ratio

This Benchmark requires all Secured Note issuers to maintain a minimum of 8% equity and increases that to 20% minimum equity where more than 10% of the Secured Note issuers loans relate to lending for property development.

The Company defines a property development loan as one where the loan purpose is for construction or development and where the underlying security is not completed. Once a project is completed the loan is no longer deemed to relate to property development as the construction risk has been removed.

Paid-up capital or equity is the money invested by the owners of the issuer plus any reserves and retained profits. It provides a 'buffer' in the event of financial difficulties.

As at **30 June 2025, 29%** of the mortgage loan portfolio was loans for property development and therefore under Benchmark 1 the Company is required to have a minimum equity level of 20%.

As at **30 June 2025** the Company's total equity was **$110,773,634** of which paid-up capital and retained earnings was **$80,773,634**.

The Equity Ratio is calculated by dividing the equity by the total debt plus equity of the Company.

As at **30 June 2025 the Equity Ratio as a percentage was 28% (30 Jun 2024 – 29%**).

An investor benefits from the Company having high levels of equity and retained earnings invested in the business as this provides a substantial buffer reducing the likelihood of investors suffering a loss on their investment. The Company has equity substantially in excess of the minimum required under Benchmark 1.

Benchmark 1 has been met by the Company as at 30 June 2025.

BENCHMARK 2: Liquidity

Liquidity is an important measure of short-term financial health of the issuer's business. If the issuer has insufficient liquidity it may be unable to meet its short-term obligations such as to pay interest, redeem investments or operate its business in a proper manner.

This benchmark requires the Company to produce rolling 3 monthly cash flow projections and hold cash or cash equivalents sufficient to meet its projected cash needs over the next 3 months. It also requires the Company to disclose whether it would have cash on hand or cash equivalents sufficient to meet its projected cash needs if the percentage of Secured Notes to be rolled over during the next 3 months was 20% less that the percentage that was rolled over in the past 3 months. The Company complies with these tests and as at **30 June 2025** the cash or cash equivalents held by the Company totalled **$30,283m (2024: $29,161m)**. The cash held at **30 June 2025** was comfortably in excess of its forecast cash flow requirements even if there was a 20% reduction of Secured Notes rolled over. In determining its cashflow requirements the Company takes into account estimated rollovers of maturing Secured Notes, payment of loan instalments or loan repayments and cash outflows for operational activities using a series of estimates and judgments. Reference is made to the probability of non-rollover of Secured Note maturities, the risk and maturity profile of the mortgage loan portfolio, as well as management's reasonable expectation of future cash flow requirements based on expected business and operational trends.

The Company has a policy of stress testing each quarterly cash flow projection by incorporating a conservative assumption into the quarterly cash flow projections that 20% of the Secured Notes maturing over the next 3 months may not be rolled over. The records of the Company show that over the last 12 months **96%** of investments falling due were rolled over.

The Company funds short term first mortgage loans with a mix of short, medium and longer term investment funds. As at **30 June 2025** the Company had approximately **$182** million of Secured Notes maturing within 12 months compared with approximately **$211** million of loans that are expected to repay within that 12 month period.

Having adequate levels of liquidity is an important measure of the financial health of the Company and demonstrates that the Company should be able to meet its financial obligations which include running the business, paying investors their interest as well as meeting Secured Note redemptions.

The Company's undrawn funding commitments for the next 12 months for property development loans is **$42m as at 30 June 2025 (2024 $39m)**. The Company manages its liquidity to ensure that it has capacity to meet these commitments.

Benchmark 2 has been met by the Company as at 30 June 2025.

BENCHMARK 3: Rollovers

If written instructions are not received for a renewal of a Secured Note issued by the Company, the Secured Note shall upon maturity be re-invested for a further term with the interest rate applying, being the current rate applicable at that time to investments of that duration.

The Company has maintained the same policy and procedure with regard to rollovers since December 1999.

Approximately 30 days prior to the maturity date of a Secured Note the Company will advise the investor in writing of the current interest rates applicable for the new terms upon which funds may be reinvested for a further period. That letter recommends to the investor to review the Company's Target Market Determination available on the website to ensure that an investment in our Secured Notes is suitable for them.

Benchmark 3 has been met by the Company as at 30 June 2025.

BENCHMARK 4: Debt Maturity

The debt maturities of an issuer provide information on how the business is funded in terms of the nature, timing and cost of the issuer's debt obligations.

The Company satisfies this Benchmark by disclosing the maturity profile of the Secured Notes by term and value and the interest rates applicable to these investments.

As at 30 June **2025** the Company's debt maturity profile (comprised solely by Secured Notes already on issue) was:

Due within 0 to 12 months - $ 182m

Due 13 months to 24+ months - $ 28m

Secured Notes are issued for selected fixed periods at specified fixed rates of interest. The current interest rate on Secured Notes that are issued varies between **4.50% and 7.25%** (**2024:4.50%** and **7.00%).** As at **30 June 2025** the average weighted interest rate that the Company was liable to pay to its investors was **6.38%.** The Company does not offer "at call" or "31 day notice" investments.

Since commencement of trading as a public company on 24 December 1999 the Company has never defaulted on a payment of principal or interest on its Secured Notes (past performance is not an indication of future performance).

Benchmark 4 has been met by the Company as at 30 June 2025.

BENCHMARK 5: Loan Portfolio

This benchmark requires the Company to disclose the current nature of its loan portfolio in respect to on-lending the Company's investment funds.

The diversity of an issuer's loan portfolio is important in terms of assessing the level of risk. The more diversified the portfolio, the lower the risk that an adverse event affecting one borrower or type of loan will simultaneously affect the majority of borrowers and therefore put the overall portfolio at risk.

The Company's loan portfolio as at **30 June 2025** is detailed below:-

Mortgage Loan Portfolio Classification as at 30 June 2025.
This table represents the composition of the loan portfolio by Sector and State.

Property Sector	Number of Loans	Amount of Loans $000	Amount of Loans as a %	NSW	QLD	VIC	WA	SA
Commercial	2	25,920	9			2		
Industrial	2	5,950	2		1	1		
Residential	43	251,170	89	15	4	15	6	3
TOTAL	**47**	**283,040**	**100**	**15**	**5**	**18**	**6**	**3**

Property Development Loans (included within Total loans above)

Property Development Loans

Location	Number of Loans	Amount of Loans $000	% of Property Development loans over total portfolio
NSW	3	54,759	19.35
QLD	2	2,977	1.05
VIC	2	4,085	1.44
WA	3	19,222	6.79
SA	1	1,993	.70
TOTAL	**11**	**83,036**	**29.33**

Mortgage Loan Portfolio Classification as at 30 June 2025.
This table represents the composition of the loan portfolio by State, Sector and Value

Location	Number of Loans	Amount of Loans $000	Amount of Loans as a % by State	Industrial $000	Commercial $000	Residential $000
NSW	15	88,370	32			88,370
QLD	5	28,390	11	1,750		26,640
VIC	18	126,470	38	4,200	25,920	96,350
WA	6	27,130	13			27,130
SA	3	12,680	6			12,680
TOTAL	**47**	**283,040**	**100**	**5,950**	**25,920**	**251,170**

Mortgage Loan Portfolio Classification as at 30 June 2025.

This table represents the composition of the loans in arrears > 30 days including Past Due and Impaired Loans

	Past Due and Impaired $000	Past Due but Not Impaired (Days Overdue)				Within Initial Terms $000	TOTALS $000
		< 30 $000	31-60 $000	61-90 $000	> 90 $000		
Loans Receivable $	5,250	5,420	-	-	34,254	238,117	**283,041**
Total number of Loans	2	1	-	-	4	40	**47**

At balance date $500,000 of impairment provisions has been raised against these loans. The loans are classified as non-accrual, past due and therefore have been shown separately.

As at **30 June 2025** there were **2** loans in arrears and or past due, totalling **$5,250m** which represents **2%** by value and **4%** of the total loans. The Company is in possession of the security property and is able to control the realisation process. These properties are on the market and available for sale. The sales strategy and timing of sales will be influenced by the selling agents recommendations and the property market in those locations.

Since the Company's last Prospectus dated **27 December 2024** the loans past due and impaired have reduced from **$5,283m to $5,250m** being a reduction of **$33k (1%).**

Details of top 10 largest loans as at 30 June 2025.

	Loan Balance $000		Loan Status
1	$ 24,500m	Residential	In Order
2	$ 24,443m	Residential	In Order
3	$ 22,922m	Commercial	In Order
4	$ 18,318m	Residential	In Order
5	$ 15,438m	Residential	Past Due
6	$ 12,326m	Residential	Past Due
7	$ 11,998m	Residential	In Order
8	$ 11,431m	Residential	In Order
9	$ 11,300m	Residential	In Order
10	$ 10,930m	Residential	In Order

Benchmark 5 has been met by the Company as at 30 June 2025.

BENCHMARK 6: Related Party Transactions

Benchmark 6 requires that an issuer who on-lends funds should disclose certain aspects of its approach to related party transactions and that the issuer should also disclose any policy it has regarding related party lending. The Company does not "on-lend" funds to any related party who in turn make loans to borrowers, the Company makes all its loans directly.

Related party loans are subject to risk because they may not be made or monitored with the same rigour and independence as those to third parties.

Under the Company's Lending Restrictions and Policy the Company makes no loans to Directors or Shareholders or other related parties of the Company.

Benchmark 6 has been met by the Company as at 30 June 2025.

BENCHMARK 7: Valuations

The Company is required to disclose its policy in respect to management of the valuation process which is undertaken on all loans before an advance is made.

Full details of the Company's Lending Guidelines and Policy incorporating the Company's approach to the valuation process is outlined on page 20 of the prospectus.

The Company's policy in relation to valuation of real estate to be used as security for loans requires:-

> that all new loans be subject to a valuation of the security property the date of which is to be not more than 6 months old at the date of the approval.

For non-property development lending the Company requires the security property to be valued on an "as is" basis.

Where the purpose of the loan is for property development the security property is also valued on an "as if complete" basis.

> Property development loans are funded on a "cost to complete" basis. This requires the Company to have sufficient undrawn funds under its loan approval to complete the project based on the budgeted construction costs. This reduces the risk that a development project that the Company is funding will not be able to be completed within the loan approval.

To mitigate some of the risks encountered with lending for property development the Company instructs an independent Quantity Surveyor or Engineer ("QS") prior to the drawdown of the loan to check and confirm the cost to complete the project.

Before each drawdown is made under the facility the QS will inspect the property, certify to the lender the cost to complete the project, approve the amount claimed by the Builder and report on the general progress of the project including currency of approvals and insurances.

> The Company has established a panel of valuers and ensures that no valuer does more than one third of the Company's valuation work. All valuers must be registered or licensed in the relevant State or Territory where the property is located and who subscribe to the relevant industry code of conduct and who hold membership with a professional body together with appropriate professional indemnity insurance.

The Company appoints suitably qualified independent valuers to the panel on the basis of their experience with particular categories of property in the geographic area they service.

Instructions to the valuer are comprehensive and specific to the property type and incorporate the particular valuation criteria required for the Company to assess the suitability of the property as security for the proposed loan.

> The Trustee has consented to the appointment of the valuers currently on the panel (on the basis of having received confirmation from the Company as to appropriate due diligence enquiries having been made by the Company on the valuers). Where required the Company will seek the Trustee's consent to the appointment of new valuers to that panel on a quarterly basis. The Trustee does not, (and is not in a routine position to), monitor the quality of the valuations or the appropriateness and quality of the assumptions or instructions issued to those valuers.

> Once a loan has been advanced the Company does not have a policy of automatically revaluing property that it holds as security on a periodic basis or upon a loan going into default.

The Company is required to disclose certain information about the valuation where a loan secured by a property accounts for 5% or more of the total value of the Company's property loan portfolio.

A summary of the loan portfolio classification for loans > 5% of the total assets/loan portfolio as at **30 June 2025.**

Loan No.	Original Loan Limit $000	Loan Balance $000	Property Type	Property Location	Loan Status	Valuation $000	Valuation Date	LVR
1	24,500	24,500	Residential	VIC	In Order	54,000	Aug 16	45%
2	25,000	23,012	Residential	NSW	In Order	38,472	Feb 24	65%
3	23,800	22,922	Commercial	VIC	In Order	54,000	Mar 22	42%
4	25,000	18,318	Residential	NSW	In Order	38,462	May 25	65%
5	15,285	15,438	Residential	WA	In Order	23,514	Jan 24	65%

Loan 1 and 3 are not property development facilities and are valued on an "as is" basis. Loans 2, 4 and 5 are property development facilities and are valued on an "as if complete" basis.

All of the above loans are secured by first registered mortgages over freehold property. The Company may also have recourse to other means of recovery including pursuit of guarantors.

The loan balance shown is the net balance owed to the Company.

It is the Company's policy that at the date of approval of the advance all rural loans will be limited to a maximum loan to value ratio of 60% and all other loans will be limited to a maximum loan to value ratio of 67%.

The total amount of loans greater than **5%** of the total loan portfolio is **48%** by value of the total loan monies and 18% of the total number of loans.

The above information is reviewed monthly by the Directors and Executive Management as part of the risk management function in overseeing the financial control of the Company's funds.

Benchmark 7 has been met by the Company as at 30 June 2025.

BENCHMARK 8: Lending Principals – Loan to Value Ratios (LVR)

Under Benchmark 8 an issuer should not approve loans at levels which would exceed the following loan to valuation ratio:-

> where the loan relates to property development – 70% on the basis of the latest "as if complete" valuation; and

> in all other cases – 80% on the basis of the latest market valuation.

A high loan to value ratio means that a lender has taken a higher risk and a loan may be more affected by changes in market conditions, such as a downturn in the property market. In the event of a downturn in the property market, a high loan to value ratio means that risk of loss on a particular loan may be heightened.

The Company's lending policy requires:-

> non-property development real estate lending requires the security property to be valued on an "as is" current market value basis; and

> where the purpose of the loan is for property development and/or construction the security property is valued on an "as if complete" basis.

For prudence and risk mitigation the Company has established maximum loan to value ratios below the permitted thresholds being:-

> 67% of the latest "as if complete" valuation for property development loans.

> 67% of the current market valuation in all other cases except for rural properties where a maximum loan to value ratio of 60% applies.

These are the maximum loan to value ratios. Where possible the Company endeavours to lend its funds at lower loan to value ratios than those permitted.

The benefit to the Secured Note holder from the Company having a lower loan to value ratio is that it provides a safety margin for the investor by mitigating against volatility and changing conditions which may adversely affect the property market and reduces the likelihood that the Company will not recover the amount that it has lent from a sale of the property.

The Company's Policy in relation to funding construction loans is that the loan funds are advanced on a progressive basis subject to confirmation from an independent QS instructed by the Company confirming the amount claimed is representative of the construction expenditure and certifying the cost to complete the project.

Benchmark 8 has been met by the Company as at 30 June 2025.

BALANCED SECURITIESL LTD

ACN 083 514 685

This is Annexure 'A' of 9 pages referred to in ASIC Form 1003 – Disclosure Notice for Unlisted Disclosing Entity, signed by me and dated 23 December 2025.

Signed by

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DAVID GEER
DIRECTOR
BALANCED SECURITIES LTD