



10 March 2025

ASX Compliance

Exchange Centre
20 Bridge Street
Sydney NSW 2000
Australia

Sent by email: ListingsComplianceSydney@asx.com.au

Dear Sir/Madam,

Redox Limited (ASX:RDX) (Redox), Response to ASX Aware Letter

Redox refers to the "Aware Letter" from ASX Compliance received on 06 March 2025 ("the Letter"). In response to the Letter, Redox, adopting the same numbering scheme, responds as follows:

1. **Does Redox consider that any measure of its statutory or underlying earning for the half year ended 31 December 2024 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):**

- 1.1 **If RDX had published earning guidance, that guidance.**

Redox's Response: Not applicable. Redox did not publish earnings guidance for the half year period ended 31 December 2024.

- 1.2 **If RDX is covered by sell-side analysts, the earnings forecasts of those analysts.**

Redox's Response: Management considers that Group Revenue, Gross Profit, EBITDAFX, Profit Before Tax and Profit After Tax are the most important metrics for market participants and management to assess company performance. Having regard to the commentary at paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8, Redox does not consider that its earnings for the half year ended 31 December 2024 to be materially different to the market's expectations, based on any of these measures.

- 1.3 **If paragraphs 1.1 and 1.2 are not applicable, RDX's earning for the prior corresponding period, being the half year ended 31 December 2023.**

Redox's Response: Not applicable. Refer to Redox's response at Paragraph 1.2 above.

2. **Please explain the basis for the view provided in response to question 1. In doing so, please specify how RDX determined market expectations in relation to each relevant measure of its earnings, including:**

2.1 **If RDX had published earnings guidance details of:**

2.1.1 **that guidance and when it was released to the market; and**

2.1.2 **the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.**

Redox Response: Not applicable. Redox did not publish earnings guidance for the half year period ended 31 December 2024.

2.2 **If RDX used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:**

2.2.1 **the method that RDX used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether RDX used a "consensus estimate" or an "adjustment consensus estimate" or a different specified approach for determining this estimate;**

Redox Response: Redox is covered by 5 sell-side analysts. The 5 sell-side analysts forecasts are tracked by Redox as an indicator of the market's earnings expectations. The 5 sell-side analysts provided forecasts of key measures of Redox's earnings for the full year ending 30 June 2025.

Redox adopts a consensus estimate methodology to translate sell-side analyst forecasts into its estimate of market expectations, with the consensus estimate being the average across all sell-side analysts for each measure. Sell-side analysts have only provided forecasts for the full year ending 30 June 2025 and no sell-side analyst has specifically provided a forecast for the half year ended 31 December 2024. Accordingly, in order to determine its estimate of market expectations for each measure of Redox's earnings for the half year, Redox takes the average of the sell side analysts full year forecast for each measure of Redox's earnings for the half year and divides it by two.

2.2.2 **the entity's estimate of market expectations using that method; and**

Redox's Response: Redox's assessment of the consensus estimate, based on the data compiled on 19th February 2025, being the date immediately prior to the release of the 1H25 Results, of each of the measures of earnings for the half year ended 31 December 2024 were:

Measure	Consensus (\$m)	Variance to Actual Result
Group Revenue	1,267.20	-0.27%
Gross Profit	274.8	-0.18%
Group EBITDAFX	138.6	-9.74%
Profit Before Tax	131.7	-12.01%
Profit After Tax	92.3	-12.88%

Having regard to the commentary at paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8, Redox notes that its actual earnings for the half year ended 31 December 2024 for each of the above measures differed by less than 15% of consensus forecasts.

2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

Redox's Response: As a commodities business, Redox's earnings are impacted by a range of factors outside of Redox's control such as fluctuating cost of goods, foreign exchange rate, and cross jurisdictional sales. Accordingly, it is very difficult to predict Redox's earnings with any degree of certainty, as earnings can fluctuate until such time as the numbers have been finalised and audited. The H1FY25 results were finalised and approved for release on the morning of 20th February 2025.

Management tracked Redox's expected 1H25 earnings and the market consensus estimates both during and following the end of the reporting period, and having regard to the commentary section set out in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8, at no point did Redox consider that expected earnings differed by more than 15% from the market consensus estimates.

2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, RDX's earnings for the prior corresponding period.

Redox Response: Not applicable. Refer to Redox's response at paragraph 2.2 above.

3. Does RDX consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of RDX's securities?

Redox Response: No.

Please answer separately for each measure of earnings referred to in the Earnings Information.

4. If the answer to question 3 is "no", please provide the basis for that view.

Redox's Response: As explained in paragraph 2.2.2 above, the market consensus estimates for each of the relevant earning measures for the half year ended 31 December 2024 differed by less than 15% from the actual reported measures for that period. Having regard to the commentary section set out in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8, none of these differences were considered to be a material variance requiring a market announcement. The market consensus estimates are regularly compared to Redox's internal estimates of earnings for the relevant period and at no point did Redox consider that expected earnings differed materially from the market consensus estimates. Accordingly, Redox did not consider that, at any point in time prior to the release of its Results

Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of Redox securities.

5. **If the entity first became aware of the variance before the release of Results Announcements, did RDX make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe RDX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps RDX took to ensure that the information was released promptly and without delay.**

Redox's Response: Not applicable. As explained in paragraph 2.2.2 above, the market consensus estimates for each of the relevant earning measures for the half year ended 31 December 2024 differed by less than 15% from the actual reported measures for that period. Having regard to the commentary section set out in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8, none of these differences were considered to be a material variance requiring a market announcement.

Management tracked Redox's expected 1H25 earnings and the market consensus estimates both during and following the end of the reporting period and at no point did Redox consider that expected earnings differed materially from the market consensus estimates.

For completeness, Redox Earnings Information should not be considered unexpected by the market given that several relevant factors impacting those measures on Redox's earnings were previously disclosed to the market, namely:

- Redox previously notified the market at the AGM presentation that it:
 - expected the gross profit margins to ease towards the long-term average in the medium term;
 - the company believed that price deflation and destocking to be largely complete; and
 - that no guidance for FY25 would be provided due to uncertain geopolitical and macroeconomic uncertainty.

6. **Please provide details of any other explanation RDX may have for the trading in its securities following the release of the Results Announcements.**

Redox Response: Redox is not able to make any definitive statements as to the factors influencing the trading of its securities. However, Redox considers that the trading in its securities following release of the Results Announcements could be attributed to:

- the significant increase in the share price over the last 12 months, by approximately 70%;
- low levels of liquidity in Redox's securities magnifies any movement up or down; and
- since release of the Results Announcements, representatives from Redox have been actively engaging with market participants. Feedback from those discussions indicates that the decline

in Redox's share price following the release of the Results Announcements was most likely driven by outlook statements in Redox's Results Announcements, including that operating costs in the second half are expected to remain in line with first half operating costs. However, prior to the release of the Results Announcements, Redox was not able to provide a meaningful indication of full-year operating costs.

7. **Please confirm that Redox is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Redox's Response: Confirmed.

8. **Please confirm that Redox's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an Officer of Redox with delegated authority from the Board to respond to ASX on disclosure matters.**

Redox's Response: Confirmed.

Yours Sincerely,



Erika Jasarevic
General Counsel and Company Secretary
Redox Limited



6 March 2025

Reference: 106904

Ms Erika Jasarevic
Company Secretary and General Counsel
Redox Limited
2 Swettenham Road
Minto NSW 2566
Australia

By email only.

Dear Ms Jasarevic

Redox Limited ('RDX'): ASX Aware Letter

ASX refers to the following:

A. RDX's announcements released on the ASX Market Announcements Platform ('MAP') on 20 February 2025 in connection with its half year results ('Results Announcements'), being:

1.1 "Half Yearly Report and Accounts", released on MAP at 8.26 AM AEDT;

1.2 "Half Year Results Announcement", released on MAP at 8.26 AM AEDT ; and

1.3 "Half Year Results Presentation", released on MAP at 8.30 AM AEDT.

B. The change in the price of RDX's securities from \$4.31 immediately prior to the release of the Results Announcements to a low of \$3.28 following the release of the Results Announcements.

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

"3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...

"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...

Request for information

Having regard to the above, ASX asks RDX to respond separately to each of the following questions and requests for information:

1. Does RDX consider that any measure of its statutory or underlying earnings for the half year ended 31 December 2024 as disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If RDX had published earnings guidance, that guidance.
 - 1.2 If RDX is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, RDX's earnings for the prior corresponding period, being the half year ended 31 December 2023.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how RDX determined market expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If RDX had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If RDX used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that RDX used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in

particular, whether or not RDX used a “consensus estimate” or an “adjusted consensus estimate” or a different specified approach for determining this estimate;

- 2.2.2 the entity’s estimate of market expectations using that method; and
- 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.

2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, RDX’s earnings for the prior corresponding period.

3. Does RDX consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of RDX’s securities?

Please answer separately for each measure of earnings referred to in the Earnings Information.

- 4. If the answer to question 3 is “no”, please provide the basis for that view.
- 5. If the entity first became aware of the variance before the release of Results Announcements, did RDX make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe RDX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps RDX took to ensure that the information was released promptly and without delay.
- 6. Please provide details of any other explanation RDX may have for the trading in its securities following the release of the Results Announcements.
- 7. Please confirm that RDX is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
- 8. Please confirm that RDX’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RDX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4.30 PM AEDT Tuesday, 11 March 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, RDX’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require RDX to request a trading halt immediately if trading in RDX’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in RDX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to RDX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that RDX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance