

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

- ii. Series 02 - Realised gain from selling the investment amounted to \$160,576 (2021: \$nil). The fair value has been determined to be \$nil (2021: \$1,000,000) as at 30 June 2022.

Assets - loans

In April 2022, OA distributed \$354,566 (2021: \$3,666,135); and OL distributed \$1,285,590 in respect of the debt claims (2021: \$3,031,729). Due to the uncertainty around the amount and timing of any further future payment, the Company continues to show the Octaviar debts receivable at zero value in ARL's balance sheet. Refer to Note 25 for further details.

Significant changes in state of affairs

Following shareholder approval on 20 June 2022, the Company effected a capital return to Shareholders of \$19,125,703 on 30 June 2022.

Significant events after balance date

Following the shareholders' meeting on 20 June 2022 (Note 14), the Company was delisted from the NSX on 29 July 2022.

There are no matters or circumstances that have arisen since 30 June 2022 to the date of this report which have significantly affected or may affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Likely developments

The Directors had intended to distribute 100% of the assets of the Company to Shareholders and wind the Company up during the year ended 30 June 2022. However, since the Octaviar liquidation remains ongoing, we were not in a position to do this. Hence the Directors decided to make a capital distribution of \$19,125,703 during the year and it is their current intention to make a final distribution following receipt of the final payment from the liquidators of Octaviar. We have been told to expect this in 2023. We do not expect this to exceed \$50,000.

Diversity Report

Introduction

The following is the Diversity Report for the financial year ended 30 June 2022 for ARL prepared for the purposes of the Company's Financial Statements for the year ended 30 June 2022.

The ASX introduced a requirement for all listed companies to adopt a Diversity Policy and a Diversity Strategy by no later than 30 June 2011, to disclose those documents to the shareholders, and to report to the shareholders each year on the current diversity position of the Company including culture, gender and age, and the progress towards achievement of the strategy objectives. ARL have followed a best practice approach and have adopted this Diversity Report.

Diversity Policy

The Diversity Policy is based upon the recommendations of the ASX and the Australian Institute of Company Directors ("AICD") and as such, includes requirements that may not be appropriate for a small company such as ARL. As with all matters included in the ASX Corporate Governance Principles and Recommendations, any recommendation that is not considered appropriate for the Company will be disclosed on an "if not why not" basis. The Policy is outlined in the Statement of Corporate Governance which is available on the Company's website.