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28th October 2025

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street, Sydney NSW 2000

Quarterly Report to 30 September 2025

This announcement includes commentary with respect to trading for the 9 months to September 2025 and other relevant financial information (unaudited).

ENDS

Dean Taylor, Company Secretary of Magontec Limited, has authorised the release of this document to the market on 28th October 2025

Executive Chairman's Quarterly Report 9 months to 30 September 2025 (Unaudited)

3rd QUARTER 2025 OVERVIEW

- Year-to-date third quarter 2025 Gross Profit of +\$9.3 million, +20.1% on PCP
- Net cash position¹ of +\$0.9 million as of 30 September 2025
- Net Assets per share of 84.1 cents as of 30 September 2025
- Working capital² of \$38.5 million as of 30 September 2025

In the third quarter of 2025 the Group recorded Gross Profit \$4.0 million, up from \$1.6 million in the previous corresponding period (PCP). Gross Profit is now \$9.3 million for the FY2025 YTD, up from \$7.7 million in the PCP.

Profit drivers included a sharp recovery in Mg alloy recycling volumes in the quarter under review, and strong sales in the CCP (Mg and electronic anodes) division following the release of a new electronic anode product series. Improved economic conditions and the absence of costs associated with the closure of the Chinese magnesium alloy plant also contributed.

Cash generated from underlying operating activities³ in the nine months to 30 September 2025 was negative \$1.3 million but in the third quarter cash generation was positive at \$371,000. The year-to-date cash loss reduced net assets per share to 84.1 cents as at 30 September 2025, comfortably above the 61.3 cents reported at the end of the third quarter of 2024.

Operational Highlights – 3Q 2025	9 months to 30-Sep-25	9 months to 30-Sep-24	% Change
Gross Profit	+\$9.3m	+\$7.7m	+20.1%
Reported EBITDA excluding impairment, MAQ closure and strategic review costs	(\$2.2m)	(\$1.5m)	+48.7%
Underlying Operating Cashflow*	(\$1.3m)	(\$0.8m)	(55.3%)
Net debt/(net cash)	(\$0.9m)	(\$4.6m)	(80.4%)
Net assets per share (cents)**	84.1	61.3	+37.2%

* Underlying Operating Cashflow = Operating Cashflow excluding working capital movements, interest and tax paid

**Includes the reduced share count following the buyback of QSLM's shares as per the EGM in February 2025

Commentary

In the third quarter of 2025 all Magontec's operations showed an improving trend over the first half.

Magontec manufactures magnesium anodes in China and Romania and electronic anodes in Germany. The underlying economic situation in key markets, the US, Europe and Asia, remains challenging. Housing and construction sectors that our hot water manufacturer customers rely on, have improved only modestly. However, the inventory overhang that depressed volumes for anode suppliers in late 2024 and early 2025 has largely dissipated.

Compared with the previous corresponding period (the nine months ending 30 Sept 2024) the CCP division (Mg and electronic anodes) experienced an 11% rise in revenues and a 42% jump in Gross Profit. The Gross Profit improvement was stronger in Europe than in China but all three CCP business units made improved contributions.

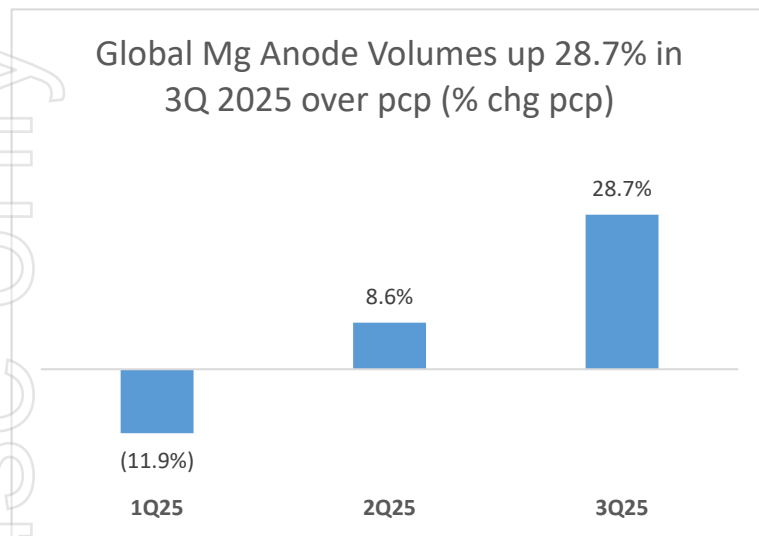
¹ Net cash = bank borrowings on balance sheet net of cash

² Working capital = Receivables + Inventory + Prepayments - Payables

³ Underlying Operating Cashflow = Operating Cashflow excluding working capital movements, interest and tax paid

ANODES

In the Mg Anode businesses, 3Q25 saw a 29% volume increase over the previous corresponding quarter (3Q24).



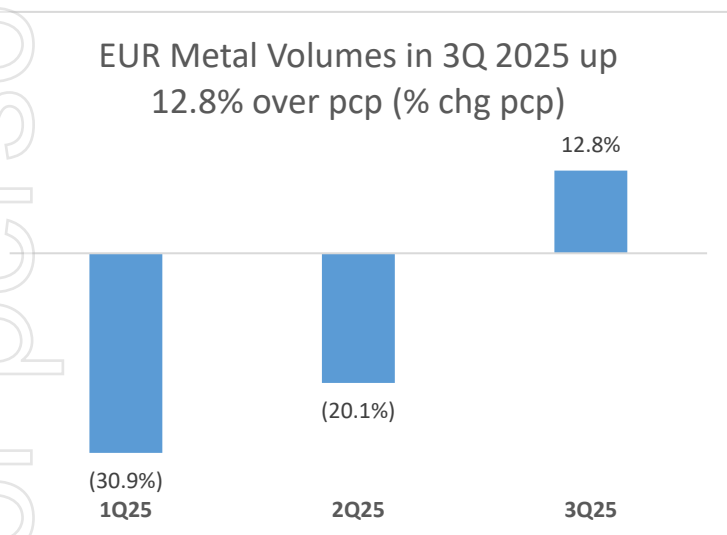
All the volume, revenue and Gross Profit indicators show a rising trend for Magontec’s CCP products reflecting marginally improved demand but also greater efficiency from capex programs that have introduced new Mg anode processing equipment in Xi’an and Santana including new robotics, raising output per employee.

A particularly bright spot for Magontec has been the roll-out of a new electronic anode (ICAS) series, launched in March at the Frankfurt ISH. This product revamp addressed a variety of installation, application and data opportunities for both aftermarket and OEM versions. While the renewed product is still in the early stages of its marketing to global hot water manufacturing

and aftermarket customers, the current indicators are very positive. Sales for this product were up 28% year-to-date against the prior corresponding period and Gross Profit up 41% on the same basis.

METALS

In the period to 30 September 2025 (and largely in the 5 months since May this year) Magontec has begun to rebuild its primary Mg supply volumes to European customers in a developing relationship with a major Chinese manufacturer and anticipates growing this further in the period ahead.



In our Interim and 2024 Annual Reports we discussed a revised strategy for the metals business and noted the requirement to identify a new magnesium alloy supply relationship in China, where more than 90% of magnesium is produced. As the originator of, or regional supplier of primary Mg alloys to European customers, Magontec is able to gain better access to regional scrap volume returns. This strategy does not replace or replicate having our own primary Mg alloy manufacturing plant in China or elsewhere at some time in the future, but it has allowed the Group to stabilise its European recycling business and to better leverage our German and Romanian plants where volume throughput is critical to profitability.

The metals business manufacturing is concentrated in Europe and comprises two recycling facilities in Germany and Romania as well as a specialist metals production unit. Both plants collect class 1 scrap from regional Mg alloy die casting facilities and sell the recycled product into Europe, North America and other regions. In the first quarter and part of the second quarter of 2025, volumes through the Romanian plant were at very low levels due to a contract settlement issue while German recycling volumes were also lower than forecast.

In the most recent quarter metals volumes have rebounded and through the last three months of 2025 we anticipate further growth.

Gross Profit, which was negative for the metals business in the first half of the year, has rebounded and for the 3rd quarter was firmly in positive territory. This was partly driven by recycling volumes recovering to more normal levels but also from higher levels of higher margin specialist metals, particularly selling into our North American customers in the aerospace sector as well as the generic alloy die casting sector.

OUTLOOK

The positive trends that we have seen in the third quarter are likely to persist to the end of the year.

The CCP businesses have retained high market shares and have the opportunity to further grow profitability as new products are rolled out and manufacturing efficiencies reduce costs, allowing our global sales teams to grow market share and develop new markets. The shift in Europe and North America to anode replacement and to 'greener' hot water systems that use heat pump technologies, are underlying profit drivers for Magontec's proprietary ICAS electronic anodes where the Group is an industry leader with novel and innovative products.

In the Metals business, following our exit from Mg alloy manufacturing in China, we continue to review our options for new projects and relationships. There are two new pure magnesium projects under consideration in Eastern Europe and others in the US, Asia ex-China and in the Middle East. All these companies have engaged with Magontec to explore potential future projects. Our magnesium metal footprint in Europe, with around 40% of installed capacity, as well as our strong relationships in the North American markets, which are supplied with recycled European material, positions the Group to grow volumes and restore profitability in the period ahead.

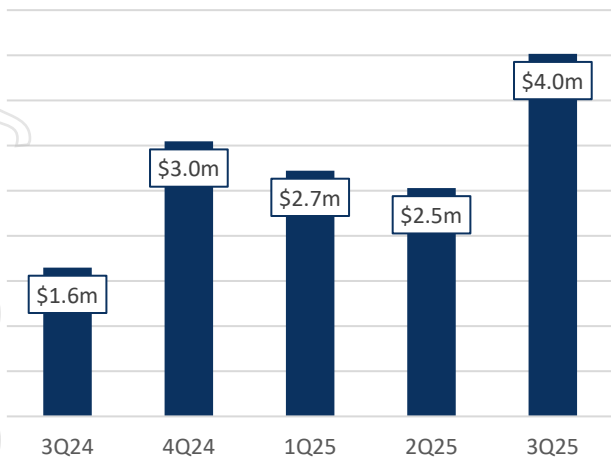
In the Financial Summary table below, there is an amount of \$340,000 that relates to costs that the Group has incurred to undertake its ongoing strategic review. This review has focussed on improving capital efficiency across the Group and is expected to be completed by the end of this year.

Nic Andrews
Executive Chairman
28 October 2025

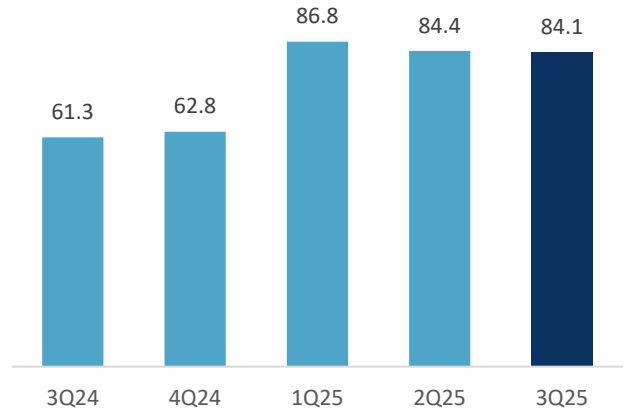
Financial Summary

Net Profit analysis of significant items	30-Sep-25 YTD	30-Sep-24 YTD
NPAT ex unrealised FX	(\$2,673,878)	(\$7,028,401)
Add back significant items		
+ MAQ EBITDA loss/(gain)	-	\$840,547
+ MAQ depreciation	-	\$450,345
+ MAQ impairment	-	\$3,645,214
+ MAQ write off of DTA	-	\$192,591
+ MAQ closure and legal costs to date	\$121,648	\$495,618
Subtotal MAQ related costs	\$121,648	\$5,624,315
+ Long-Term Incentive Plan options accrual (non-cash)	\$360,653	\$505,005
+ Strategic Review Related Costs	\$339,990	-
+ Provision for unforeseen costs (non-cash)	-	-
Subtotal other significant items	\$700,643	\$505,005
NPAT ex unrealised FX and significant items	(\$1,851,587)	(\$899,081)

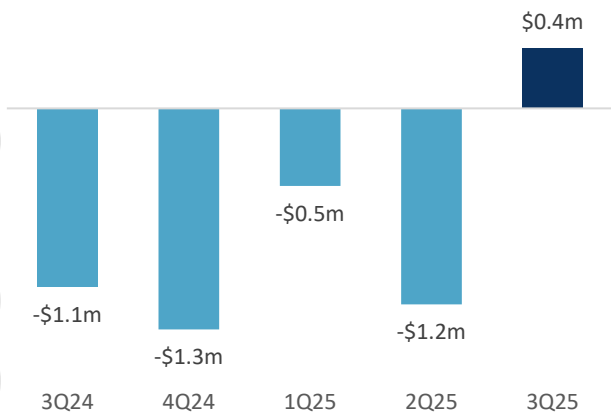
Gross Profit by Quarter (A\$m)



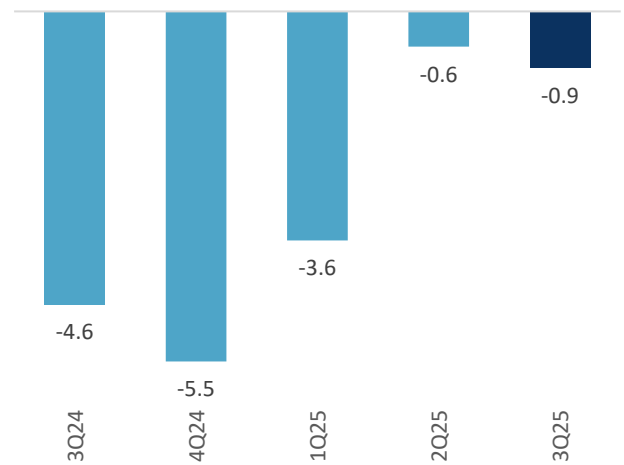
Net assets per share* (cents)



Underlying operating cashflow (\$M)

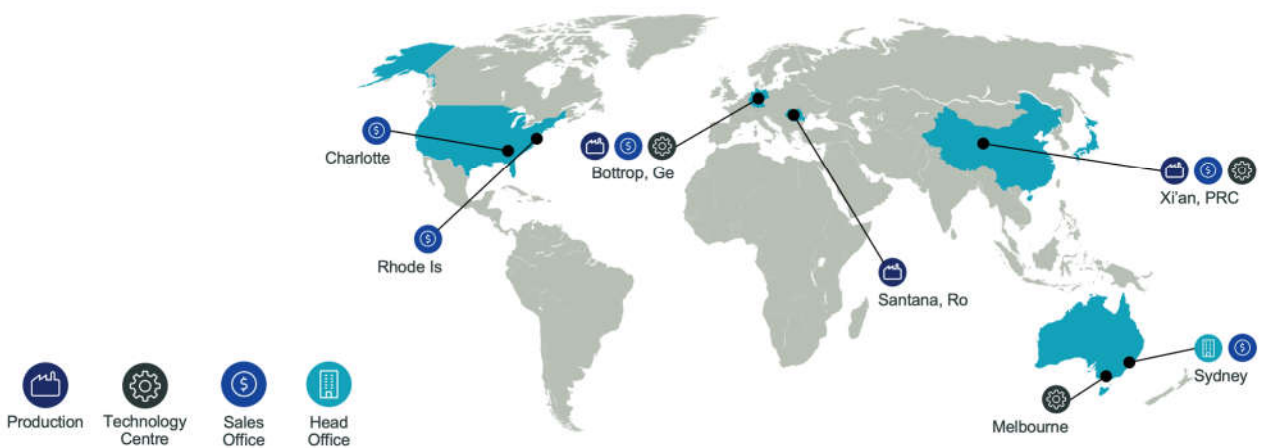


Net debt/(net cash) (A\$m)



*Includes the reduced share count following the buyback of QSLM's shares as per the EGM in February 2025

Global Manufacturing & Distribution Platform

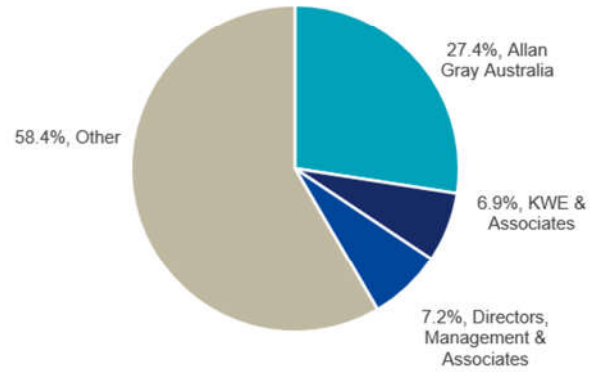


Magontec Limited Market Information

ASX Code: MGL	Total	Per Share
Ordinary shares on issue 30 Sep 2025	56,961,826	
Book value of net assets – 30 September 2025	\$47.9 million	84.1 cents/share
Market capitalisation ¹	\$12.8 million	22.5 cents/share
Net debt/(cash) – 30 Sep 2025	(\$0.9 million)	
Enterprise value	\$11.9 million	
Performance rights on issue 30 September 2025	8,372,593	

¹ Based on share price of \$0.225 as of 23 October 2025 (close)

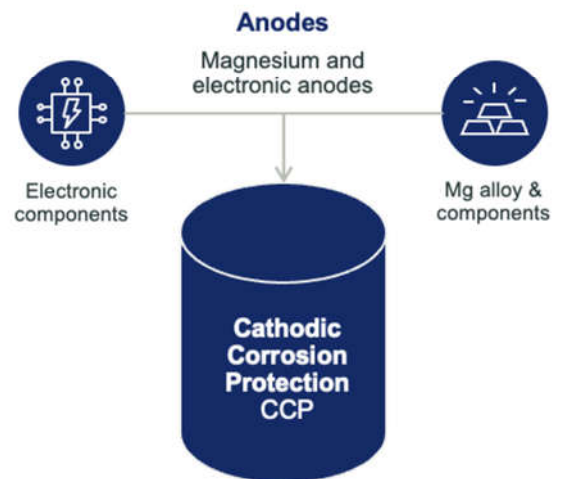
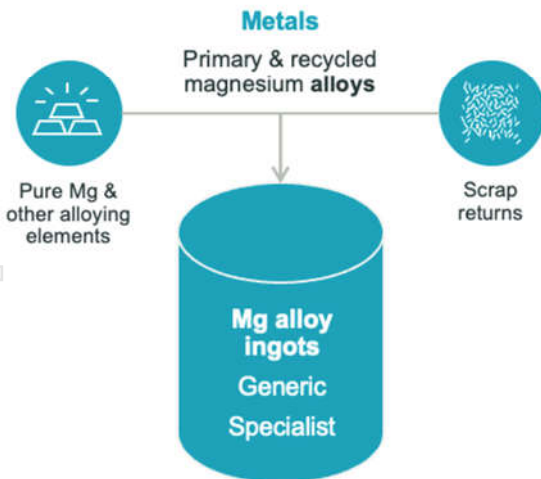
Shareholder Structure 30 September 2025 post QSLM share buyback



Manufacturing Activities – Magnesium Metals and Cathodic Corrosion Protection

Manufacture of Mg alloys from pure Mg and Mg alloy scrap supplying the global die casting industry

Manufacture of Mg and electronic anodes supplying the global water heater industry



Attachment 1

UNAUDITED COMPREHENSIVE INCOME STATEMENT AND BANK BORROWING SUMMARY TO 30 SEPTEMBER 2025

Unaudited Consolidated Comprehensive Income Statement		
Source: Magontec Limited Management Accounts		
\$000	9 months to 30-Sep-25	9 months to 30-Sep-24
Sale of goods	46,068	58,062
Cost of sales	(36,802)	(50,347)
Gross profit	9,266	7,715
Other income	480	852
Interest expense	(290)	(260)
Impairment	14	(3,680)
Travel accommodation and meals	(466)	(536)
Research & development	(539)	(630)
Promotional activity	(141)	(88)
Information technology	(259)	(270)
Personnel	(7,111)	(6,875)
Depreciation & Amortisation	(501)	(452)
Office expenses	(287)	(374)
Corporate and other	(2,931)	(2,683)
Foreign exchange gain/(loss)	(1,680)	(132)
Profit/(Loss) before tax	(4,445)	(7,414)
Income tax (expense)/benefit	543	(54)
Profit/(Loss) after tax	(3,902)	(7,468)
Other comprehensive income		
Exchange differences taken to equity	1,031	(519)
Movement in actuarial assessments and other OCI	403	35
Total comprehensive income	(2,468)	(7,952)

COGS included \$0.98m of depreciation in the 9 months to 30 Sep 2025 (9 months to Sep 2024: \$1.57m)

Borrowings facilities					
Lender	Maturity	Interest %	Limit \$A 000	Drawn \$A 000	Security status
Commerzbank Germany	30-Nov-26	3.58%	12,261	5,424	Secured
Unicredit SA (Romania)	27-Feb-26	7.81%	3,193	1,405	Secured
Zheshang Bank China*	28-Sep-26	2.35%	2,124	-	Secured
Total borrowings on balance sheet			17,578	6,829	

*Interest rate is an estimate that will be determined upon initial draw down

Attachment 2

UNAUDITED BALANCE SHEET

Unaudited Consolidated Balance Sheet		
Source: Magontec Limited Management Accounts		
\$000	As at 30-Sep-25	As at 31-Dec-24
Cash & cash equivalents	7,715	7,750
Trade & other receivables	15,862	12,635
Inventory	28,315	29,270
Other	1,197	1,837
Total Current Assets	53,089	51,492
Property, plant & equipment	15,386	14,188
Intangible assets	2,959	3,021
Deferred tax assets	2,684	1,596
Other	220	293
Total Non-Current Assets	21,249	19,098
Total Assets	74,338	70,590
Trade & other payables	6,837	6,402
Bank borrowings	1,405	1,356
Provisions	1,771	850
Total Current Liabilities	10,013	8,608
Other payables	373	502
Bank borrowings	5,424	908
Provisions	10,640	10,576
Total Non-Current Liabilities	16,437	11,986
Total Liabilities	26,450	20,594
Net Assets	47,888	49,996
Equity attributable to members of MGL		
Share capital	59,718	59,718
Reserves	19,723	17,929
Accumulated (losses)/profits	(31,553)	(27,651)
Total equity	47,888	49,996

For personal use only

Attachment 3

UNAUDITED STATEMENT OF CASH FLOWS

Unaudited Consolidated Cash Flow Statement			
Source: Magontec Limited Consolidated Management Accounts			
\$000	6 months to 30-Jun-25	3 months to 30-Sep-25	9 months to 30-Sep-25
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/ (utilised in) underlying operating activities	(1,670)	371	(1,299)
Net working capital assets			
- Trade receivables & other current assets	(4,095)	429	(3,666)
- Inventory	1,019	980	1,999
- Trade payables & other current liabilities	966	(261)	705
Cash generated from/ (utilised in) net working capital assets	(2,110)	1,148	(962)
- Net Interest paid	(137)	(95)	(232)
- Income tax paid	31	571	602
Cash generated from/ (utilised in) other operating activities	(106)	476	370
Net Cash generated from/ (utilised in) all operating activities	(3,886)	1,995	(1,891)
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash out on purchase/disposal of PP&E	(550)	(1,683)	(2,233)
Group information technology	(4)	(2)	(6)
Security deposit	2	58	60
Other	88	2	89
Net cash provided by / (used in) investing activities	(464)	(1,625)	(2,090)
CASH FLOW FROM FINANCING ACTIVITIES			
Bank Debt	3,253	1,140	4,393
Cashflow from leasing activities	(125)	(54)	(179)
Net cash provided by / (used in) financing activities	3,128	1,086	4,214
Net increase / (decrease) in cash and cash equivalents	(1,222)	1,456	233
Foreign exchange effects on total cash flow movement	(220)	(49)	(268)
Cash and cash equivalents at the beginning of the period	7,750	6,308	7,750
Cash and cash equivalents at the end of the period	6,308	7,715	7,715

Note: 3Q 2025 included a tax refund in the EUR business

Rounding

The tables in this report may indicate apparent errors to the extent of one unit (being \$1,000) in the addition of items comprising totals and sub totals and the comparative balances of items from the financial accounts. Such differences arise from the process of converting foreign currency amounts to two decimal places in AUD and subsequent rounding of the AUD amounts to one thousand dollars.