HiTech Group Australia Limited

2025 Annual General Meeting – 21 November 2025

Chairman's Address to Shareholders & Market Update

Welcome to our 26th Annual General Meeting as a publicly listed company as we celebrate 32 years of business.

FY2025 Results:

For the financial year ended 30 June 2025, the consolidated entity's operating **revenue is $68,151,746.**

- **Underlying EBITDA of $8,998,295, an increase of 1.3%.**
- **Underlying NPAT* of $6,636,843, an increase of 10.04% over pcp (FY24: $6,031,458).**
- **Strong balance sheet with zero debt and positive Cash Balance of $9,652,671.**

The directors have declared a fully franked dividend of 5 cents per share. The dividend was paid on 17 September 2025. Total dividends for the past 12 months of 10 cents per share fully franked.

The HiTech Group achieved record financial results, the best ever in the history of the company whilst maintaining a high performing work culture amongst the resilient and dedicated team of employees forming the HiTech Family.

Our balance sheet remains the healthiest in the industry with ample cash reserves. Our proven, tried and tested, business model is versatile and adaptable to change. We have an engrained culture of adapting to change and that is exactly what our dedicated HiTech family was able to do in FY25.

The FY25 results highlight HiTech's successful business model and the underlying expertise in what is a critical sector of the economy. ICT projects in government remain a strong source of business for HiTech as various departments and agencies develop IT systems and networks that enable services for the Australian community. Cyber Security concerns along with Australian Defence digital capabilities continue to be a lead technology necessity and have further compounded the need for skilled agile technologists in an uncertain global environment. We stand ready to take advantage of market opportunities promising organic growth and potential accretive acquisitions to increase stakeholder returns.

The directors extend their appreciation to all our team members (the HiTech family) for their efforts during the 2025 financial year.

The HiTech business model has evolved over the past 32 years, absorbing many economic disruptions along the way and continues to evolve to meet the environment at hand.

Outlook for FY2026 & Market Update

Trading conditions during the first half of FY26 have proven challenging, driven by macroeconomic headwinds primarily linked to government spending patterns. Despite revenue remaining positive year on year, operating margins have declined on a select number of engagements under a new supplier panel arrangement, reducing H1FY26 earnings to date compared to the previous corresponding period (H1FY25). Profitability has been pressured by increased investment in staff and systems, made in anticipation of higher demand from deferred projects and reduced government spending. We expect the benefit of this investment to materialise in H2FY26.

We have acted swiftly to mitigate margin erosion by securing new agreements with key clients, reducing fixed and variable costs, and aligning with departments and agencies where margins and associated revenues are relatively strong. These changes are expected to take effect early in H2FY26. We are now positioned to benefit from economies of scale, meaning further volume growth will not materially increase our cost base, supporting margin improvement and profitability.

The HiTech Group's underlying business and annuity revenue streams remain positive, supported by a substantial cash balance of $10 million and zero debt. We continue to focus on partnering with organisations that prioritise quality outcomes over cost reduction such as the Department of Defence, securing long-term earnings for the Group.

Government budgets are expected to be finalised by early December 2025, likely unlocking new projects and driving stronger demand. While our ability to improve earnings will remain influenced by prevailing macroeconomic conditions, we are firmly committed to restoring performance and returning to the high growth trajectory and industry leading margins that has defined the past 11 years.

I thank you all for your support and commitment as shareholders, staff members, candidates, contractors, and valued clients.

Ray Hazouri,
Chairman