

ASX Announcement

24 February 2026

Magontec delivers Full Year 2025 Gross Profit of \$11.9m, up 10.8% on the prior year.

Following buyback and cancellation of QSLM 28.5% shareholding, Net Assets rose 30.7% to 82 cents per share.

Magontec Limited (ASX: MGL, 'Magontec,' 'the Group'), a global manufacturer of specialist magnesium products and electronic anodes, today announced financial results for the year ended 31 December 2025.

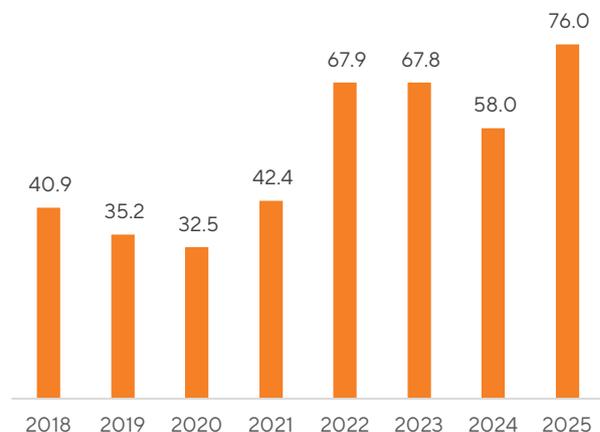
Highlights

- Underlying NPAT* from continuing operations was a loss of (\$4.48 million)
- Underlying Operating Cashflow** was a loss of (\$2.2 million)
- Net debt of \$1.0m (borrowings less cash on hand)
- Net Assets of \$46.7 million as of 31 December 2025
- Net debt to debt plus equity ratio of 2.2%
- Trading conditions improved in 2H25 on rising metal volumes and electronic CCP product upgrade release

Net assets per share



Net tangible assets* per share**



* Underlying NPAT is defined as Reported Net Profit After Tax excluding unrealised FX gains and losses

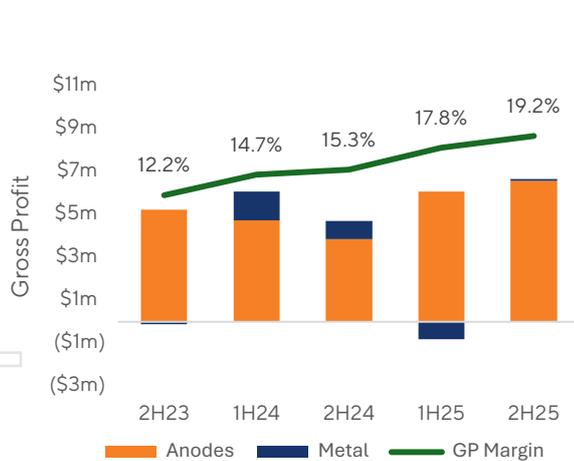
** Underlying Operating Cashflow = Operating Cashflow excluding working capital movements, interest and tax paid

*** Net tangible assets = Net assets less intangible assets and right of use lease assets per AASB 16 Leases

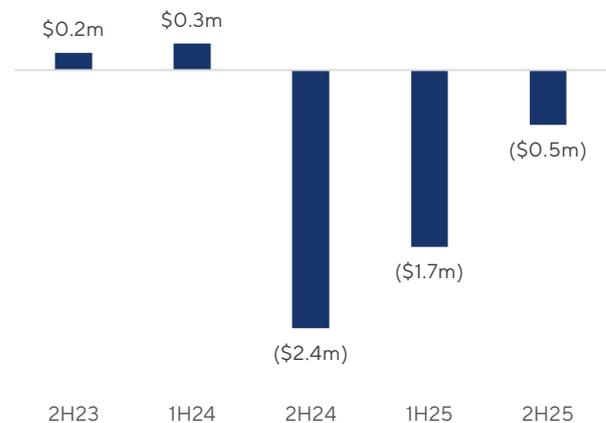
Key Financial Highlights

	As at 31 Dec 2025 \$'000	As at 31 Dec 2024 \$'000
Net assets and balance sheet		
Net Assets per share (cents)	82	63
Net Debt / (Net Cash)	1,049	(5,486)
Net debt to net debt + equity (%)	2.2%	(12.3%)
	12 months to 31 Dec 2025 \$'000	12 months to 31 Dec 2024 \$'000
Earnings		
Anodes Segment Gross Profit	12,643	8,582
Metals Segment Gross Profit	(724)	2,180
Gross Profit	11,919	10,762
Gross Profit Margin (%)	18.5%	14.9%
Reported EBITDA excluding FX and MAQ impairment	(2,404)	(2,923)
Underlying NPAT* (continuing operations)	(4,479)	(5,098)

Gross Profit by Segment and GP margin



Underlying Operating Cashflow**



Reconciliation of Significant Items in Earnings

	12 months to 31 Dec 2025 A\$'000	12 months to 31 Dec 2024 A\$'000
Reported Net Profit After Tax	(5,397)	(9,517)
Significant items		
Add back FX losses	1,567	(170)
Add back LTI expense (non cash)	585	673
Add back PRC Metals Impairment	-	3,482
Add back PRC Metals Closure Costs, associated depreciation and earnings	167	823
Add back Strategic Review Costs	600	-
Adjusted Net Profit After Tax excluding Significant Items	(2,478)	(4,709)

Note: Significant items assumed not tax deductible above

Executive Chairman Commentary

Mr Nicholas Andrews, Executive Chairman, said “The last 12 months have presented many challenges. We have resolved outstanding issues with our major Chinese shareholder and business partner in Qinghai (now exited), established new primary magnesium alloy supply relationships in China and developed those sales to European customers, and launched a major new initiative in the CCP/anodes business with the roll out of our new electronic anode products. All of this has taken place in markets that remain soft.

“While the Group retains a strong balance sheet with very low levels of net debt, profitability has been under pressure in our key Metals business where volumes were at long-term lows in the first half of 2025. As our report describes in more detail, there are two drivers to the poor Metals performance: lower total magnesium alloy scrap volumes in Europe as regional automotive companies remained wary of a Chinese-dominated magnesium supply chain, and Magontec’s switch from its own primary magnesium alloy supply source to a new supply matrix and the generation of scrap material flows from this new primary supply.

“Both of these factors are likely to ameliorate or reverse in 2026. Magnesium prices now trade at around 50% of the key competitor metal (aluminium), making material selection for new automotive applications more favourable for magnesium alloys. Furthermore, Magontec has successfully engaged with a new and substantial Chinese supplier of primary magnesium alloys that will now flow in larger volumes to our European customers, boosting our ability to generate scrap flows to our regional recycling operations.

“While losses in the Metals business have overwhelmed contributions from the Group’s other activities, there have been many bright spots in Magontec’s 2025 Annual Result. Sales of specialist metals to aerospace manufacturers continue to generate strong returns for the group and in 2026 we anticipate a broadening of that offering. Elsewhere Magontec’s proprietary electronic anode systems have rebounded strongly from a weak 2024 reflecting customer inventory replenishment and the roll out of our new product suite to global customers from the end of the March 2025 quarter.

“Magontec’s immediate challenge in 2026 is to reform its volume Metals business, the recycling of magnesium alloy scrap in Germany and Romania, to a consistently profitable operation. Management has a strategic plan to implement this change and will discuss this initiative with shareholders at the appropriate time.

Summary & Outlook

“The Board and management are keenly aware that Magontec suffers from low profitability and that there is latent value in the Group’s underlying assets. Over the course of 2026 management will act decisively to address profitability and examine opportunities to realise underlying value.

“In recent years our magnesium alloy recycling business has experienced extreme cyclical highs and lows, in both prices and volumes. In 2025, in contrast with many other metal products, magnesium has trended at historically low levels while European and US demand for our key metal product has also been at lower levels. Like many metals businesses, the magnesium industry is more prosperous when metal prices are high.

“We think that through 2026 the low price of magnesium is likely to drive improved volumes among legacy European and US automotive manufacturers while in the longer term we expect Chinese auto manufacturing, that is currently developing a presence in western countries, to have a positive impact

on European regional magnesium alloy volumes. Chinese EVs and petrol cars have a wide and growing list of magnesium alloy applications in addition to the ubiquitous Mg steering wheel. Chinese adoption of magnesium alloys is considerably greater than their western counterparts and recognises the essential rationale for magnesium as the lightest structural metal that is as beneficial to the range and performance of electric vehicles as it is for petrol vehicles.

“In the other parts of our business our 2026 outlook is for more of the same. We can see further improvements in volumes of Magontec specialist metals, driven in part by the growth in defence spending among western nations and in part by the steady development of new territories and new alloys. In the CCP/anodes business we expect further revenue and profitability gains from our electronic anode activities and further incremental improvements in profitability at the Group’s Chinese and European magnesium anode businesses driven by automation and a focus on process efficiency.

“We will not seek to directly replace our abandoned Chinese magnesium alloy assets, but we will continue to develop new supply strategies and engage with companies seeking to develop alternative magnesium resources.

Over the last two years the tilt of our Group has moved away from its prior focus on magnesium metals and towards the higher margin CCP/anodes businesses. In 2025 revenues from CCP/anodes were nearly twice those from Metals. As few as three years ago this was the reverse. This is a trend that is likely to continue as our proprietary electronic anodes business should continue to benefit from sales growth from new product releases, and the momentum of a new technology that has a growing application in an industry that is unlikely to be disrupted – heating water and homes.”

ENDS

Nicholas Andrews, Executive Chairman of Magontec Limited has authorised the release of this document to the market on 24 February 2026. To view the 2025 Magontec Limited Annual Report and for more information on Magontec Limited please visit our website at www.magontec.com

APPENDIX – FINANCIAL SUMMARY DATA

	12 months to 31 Dec 2025 A\$'000	12 months to 31 Dec 2024 A\$'000
Income Statement and Cashflow Overview		
Revenue	64,285	72,189
Cost of Sales	(52,366)	(61,427)
Gross Profit	11,919	10,762
<i>Gross Profit margin (%)</i>	18.5%	14.9%
Other income	1,148	830
FX	(1,567)	170
Other operating expenses	(15,097)	(13,714)
EBITDA excluding impairment expense	(3,597)	(1,952)
Impairment – inventory, fixed assets, bad debts	(374)	(4,283)
EBITDA	(3,971)	(6,235)
Depreciation and amortisation	(1,955)	(2,752)
EBIT	(5,926)	(8,987)
Interest	(400)	(352)
Tax	929	(179)
Reported Net Profit After Tax	(5,397)	(9,517)
Add back unrealised FX losses	784	89
NPAT excluding unrealised FX	(4,613)	(9,428)

* In 2025, other operating expenses included the add back of \$1.3m of D&A contained in Cost of Sales (2024: \$2.1m) which reduced significantly following the closure of the Magontec Qinghai project

ASX Code: MGL	Total	Per Share
Ordinary shares on issue 31 December 2025	56,961,826	
Book value of net assets – 31 December 2025	\$46.7 million	82.0c per share
Market capitalisation¹	\$11.7 million	20.5c per share

¹ Based on closing share price of 20.5 cents as at 19 February 2026

APPENDIX – FINANCIAL SUMMARY SEGMENT DATA

2025 Segment P&L by Region	2025 EUR A\$'000	2025 PRC A\$'000	2025 HO A\$'000	2025 Total A\$'000
Gross Profit	10,116	1,803	-	11,919
Other Income	597	504	47	1,148
Impairment	(374)	-	-	(374)
Operating expense	(10,304)	(2,602)	(3,495)	(16,401)
FX	(2,005)	226	212	(1,567)
Add back D&A in Cost of Sales	784	520	-	1,304
EBITDA	(1,186)	451	(3,236)	(3,971)
Depreciation and amortisation	(1,315)	(554)	(86)	(1,955)
EBIT	(2,501)	(103)	(3,322)	(5,926)
Interest	(387)	-	(13)	(400)
Tax	748	181	-	929
Net Profit After Tax	(2,140)	78	(3,335)	(5,397)

2024 Segment P&L by Region	2024 EUR A\$'000	2024 PRC A\$'000	2024 HO A\$'000	2024 Total A\$'000
Gross Profit	9,318	1,444	-	10,762
Other Income	267	561	2	830
Impairment	(801)	(3,482)	-	(4,283)
Operating expense	(9,415)	(3,455)	(2,923)	(15,794)
FX	835	(354)	(311)	170
Add back D&A in Cost of Sales	1,190	890	-	2,080
EBITDA	1,394	(4,397)	(3,231)	(6,235)
Depreciation and amortisation	(1,747)	(962)	(43)	(2,752)
EBIT	(354)	(5,359)	(3,274)	(8,987)
Interest	(295)	(44)	(13)	(352)
Tax	123	(302)	-	(179)
Net Profit After Tax	(525)	(5,706)	(3,286)	(9,517)