MAGONTEC Limited
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12 May 2026

Company Announcements Office
Australian Securities Exchange Limited

Dear Sir/Madam,

Magontec Limited – 2026 Annual General Meeting Tuesday 12 May 2026 11:00am
Executive Chairman's Address

Attached is the address of Mr Nicholas Andrews, Executive Chairman of Magontec Limited, to be delivered at the Company's 2026 AGM today.

The slides referred to in the body of the address appear in this document at the foot of the Chairman's address.

Yours sincerely,

Dean Taylor
Company Secretary
Magontec Limited

Dean Taylor, Company Secretary of Magontec Limited has authorised the release of this document to the market on 12 May 2026.

ADDRESS BY EXECUTIVE CHAIRMAN MAGONTEC LIMITED TO ANNUAL GENERAL MEETING 12 MAY 2026

EXECUTIVE CHAIRMAN'S PRESENTATION

As usual I am going to provide an overview of the financial performance of the company in the first quarter of 2026 and then talk more broadly about our strategic focus.

I'm happy to take questions at any time.

I'm pleased to report that in the first quarter of 2026 the company enjoyed markedly improved conditions in its key markets.

There was margin expansion, particularly across the European and North American businesses, as we saw improved demand from recycling customers and hot water appliance manufacturers.

The company's balance sheet remains in a strong position with net debt of $1.7 million on net assets of $46 million, supported by positive underlying operating cash flows.

In the first quarter of 2026 Gross Profit rose by 63% over the previous corresponding quarter with standard and specialist metal product sales volumes rising by 58% over the PCP and European anodes revenues rising by 16% on the prior period, largely driven by higher value products rather than volume growth.

In the three months to 31 March 2026 underlying operating cash flow, that is cash generated by operating activities before changes in working capital, interest and tax payments, was $1.3 million compared with a negative number in the first quarter of 2025. Operating cashflow was negative $808,000 reflecting rising working capital deployment to fund higher metals sales volumes.

This chart shows both the steady levels of cash on the balance sheet and a small rise in net debt.

The rise in debt is associated with investment in primary Mg alloys traded from our Chinese partner, which is running at marginally higher levels due to a delayed start of delivery for a particular customer in Q1. We expect debt levels on those volumes to reduce through the second quarter as material is called off.

The company has a net debt to net debt + equity ratio of 3.6%.

The metals business enjoyed a much-improved quarter at both manufacturing locations in Germany and Romania with margins rising to 11% at the Gross Profit level.

As shareholders will recall, this is traditionally a lower margin business where volumes are critical to profitability. The rise in specialist metals volumes is the key cause of the rise in margins over this period.

In the last 12 months the growth in primary Mg alloy trading volumes to European customers has generated higher scrap flows to our two recycling businesses, resulting in higher volumes and improved productivity.

In 2024, we did not trade any primary Mg alloy while in 2026 we expect to double our 2025 shipments to over 2,000 tonnes.

The CCP Anodes businesses in Europe and China have had varying fortunes through 1Q26. Electronic anodes have benefitted from further de-stocking of inventory and an upswing in demand in Europe and the USA - its key markets. This product was re-launched in 2025 with new electronic and presentational architecture offering enhanced functionality and application.

Its two main sales channels are to OEMs for inclusion within the original production process as an integral component, and through plumbing wholesalers as a replacement for magnesium anodes for commercial and domestic hot water systems. The new release has met with a positive response and revenues for this product up by 33% over the PCP.

Magontec's European and Chinese magnesium anode volumes were flat compared to the PCP, although European output was tilted towards higher priced products and generated an improved Gross Profit, up 18% during the first quarter of 2026.

Just a few words on the outlook for our business activities.

As we foreshadowed in the Annual Report, management continue to examine ways of reducing the volatility of the metals business, which has hitherto been highly reliant in accessible scrap volumes in Europe.

Over the last 12 months we have commenced sales of primary Mg alloys in a new cooperation with a large Chinese manufacturer. We expect this to continue to grow and assist in generating new scrap volumes for our regional recyclers.

We have also continued to grow our specialist magnesium alloy volumes and will continue to expand these activities in key western markets.

Our strategic review is currently examining a wide range of options, and we will have more to say on that later in the year. Suffice to say that we think that there is a path to a more consistently profitable metals business.

The outlook for the anodes businesses is considerably clearer. We have a revitalised product in electronic anodes that is a strong competitor in all markets and a global leader in its application of electronics for the management of corrosion in hot water systems.

Through our own sales and marketing efforts and through the agencies that we use in some parts of the world, we expect revenues for these products to continue to grow. A particular advantage of the Magontec electronic anode is its application in energy saving heat pumps that, along with many other electrical devices, are enjoying rising sales in an uncertain energy world.

While sales to OEMs and wholesale networks for replacement have been the bedrock of this business, we have also commenced sales through internet channels in Germany and the USA with plans to expand that coverage in the years ahead. The advantage of the new electronic anode product, and why it lends itself to internet sales, is its simplicity: it can be retrofitted to an existing hot water system by a handyman or plumber, and no licensed electrician is required.

The magnesium anode product remains a ubiquitous application in lower priced hot water systems. Volumes for these magnesium products are relatively stable in Europe and China and are expected to remain so.

At a Group level the 1Q26 results reflect underlying improvements in the company's three operating activities.

EBITDA excluding unrealised FX gains and adjusted for significant items highlighted in the presentation, rose to $1.4 million compared with a negative result in 1Q25.

There have been stronger than normal contributions, particularly from electronic anodes in this period, and the company is unlikely to replicate this level of performance through the rest of the year.

Nonetheless, there has been a marked change in the momentum of Magontec's operating activities and in the coming months we will outline a strategy to improve profitability, particularly in products that have experienced most earnings volatility.

Finally, I would like to take this opportunity to thank my fellow directors for their efforts and advice through the year.

That concludes my remarks and am happy to take questions from shareholders.

Mr. Nicholas Andrews
Executive Chair

2026 ANNUAL GENERAL MEETING

MAGONTEC

For the products of the future

Nicholas Andrews | Executive Chairman | SYDNEY

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Investment in Magontec shares is subject to investment and other known and unknown risks, some of which are beyond the control of Magontec Limited, including risk factors associated with the industry in which Magontec operates and risks specific to Magontec, such as: construction, development and operational risk associated with the Golmud Plant, fluctuations in magnesium alloy prices and exchange rates, risks associated with operating in China, financing risks, market price and demand risk and other risks generally relating to security investments.

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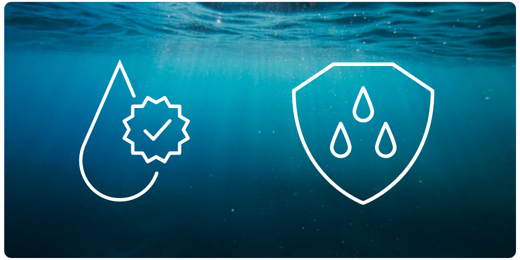
Magnesium & Metals

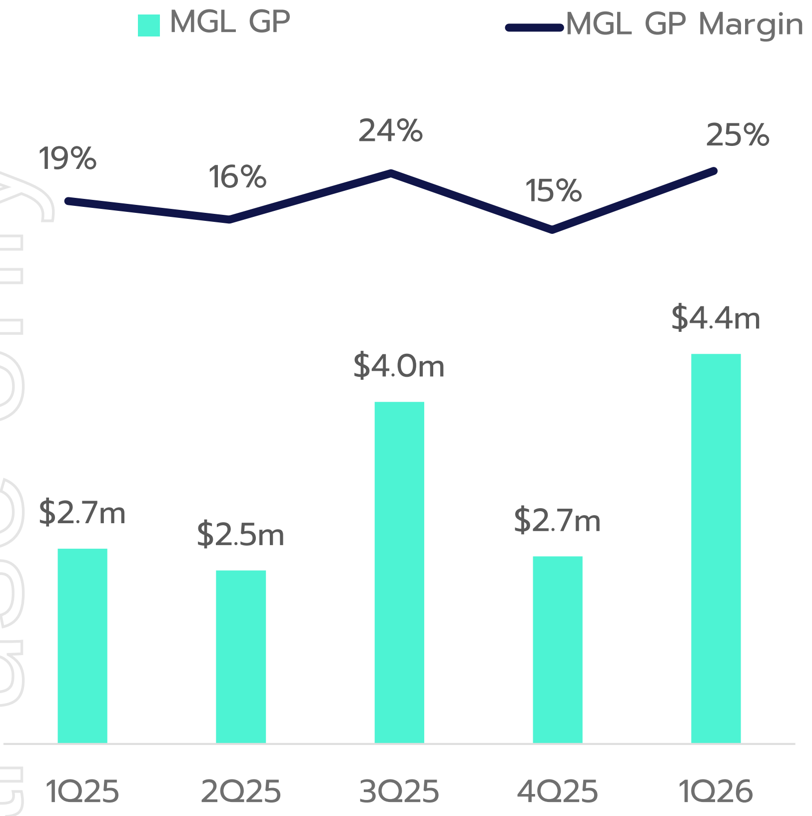
Hot Water Appliances & Corrosion Protection



Summary

- ✓ Strong improvement in profitability
- ✓ Margin expansion in European Mg anodes
- ✓ Rising revenues in global electronic anodes
- ✓ Improved Mg alloy recycling volumes in Europe
- ✓ Positive underlying cash flow
- ✓ Low levels of debt

Reported Gross Profit



1Q26 Gross Profit

- Gross Profit +63% on PCP
- Recovery in metals sales volumes +58% on PCP
- European CCP/Anodes revenues +16% on PCP
- Rising returns from investment in ICAS
- European Mg alloy GP returns to profitability

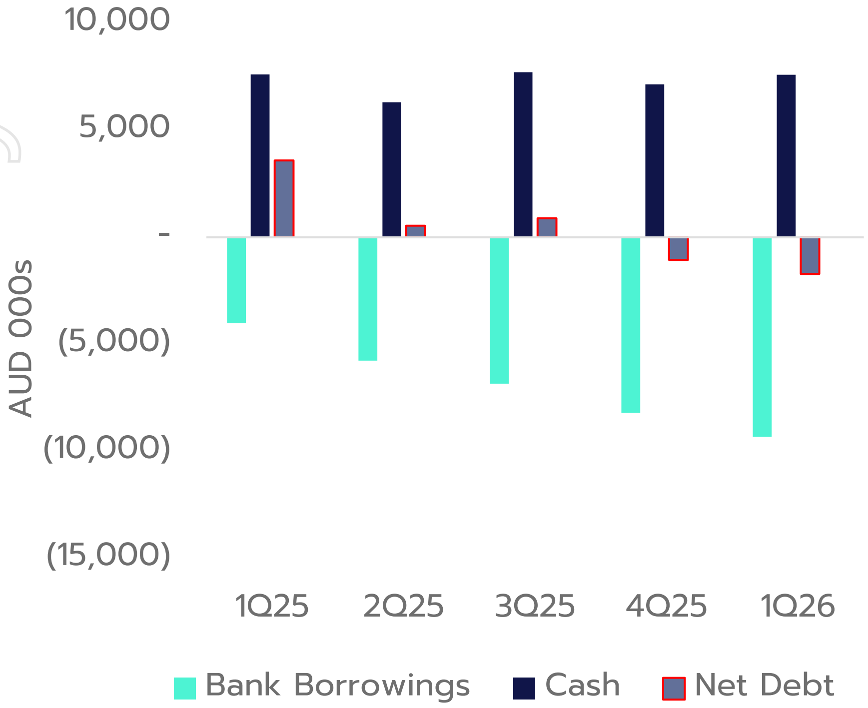
A$000s	1Q25	2Q25	3Q25	4Q25	1Q26
Underlying Operating Cashflow*	**(473)**	**(1,196)**	**371**	**(887)**	**1,299**
- Change in working capital	(740)	(1,370)	1,147	(881)	(2,056)
- Net interest paid	(86)	(52)	(94)	(71)	(52)
- Income tax paid	-	31	571	213	-
Operating Cashflow	**(1,299)**	**(2,587)**	**1,995**	**(1,625)**	**(808)**

Cash Flow & Working Capital

- Positive change in underlying operating cashflow* driven by
  - Rising CCP revenues
  - Recovering Mg alloy recycling volumes
- Rise in Working Capital driven by:
  - Higher primary Mg alloy sales to drive recycling volumes

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

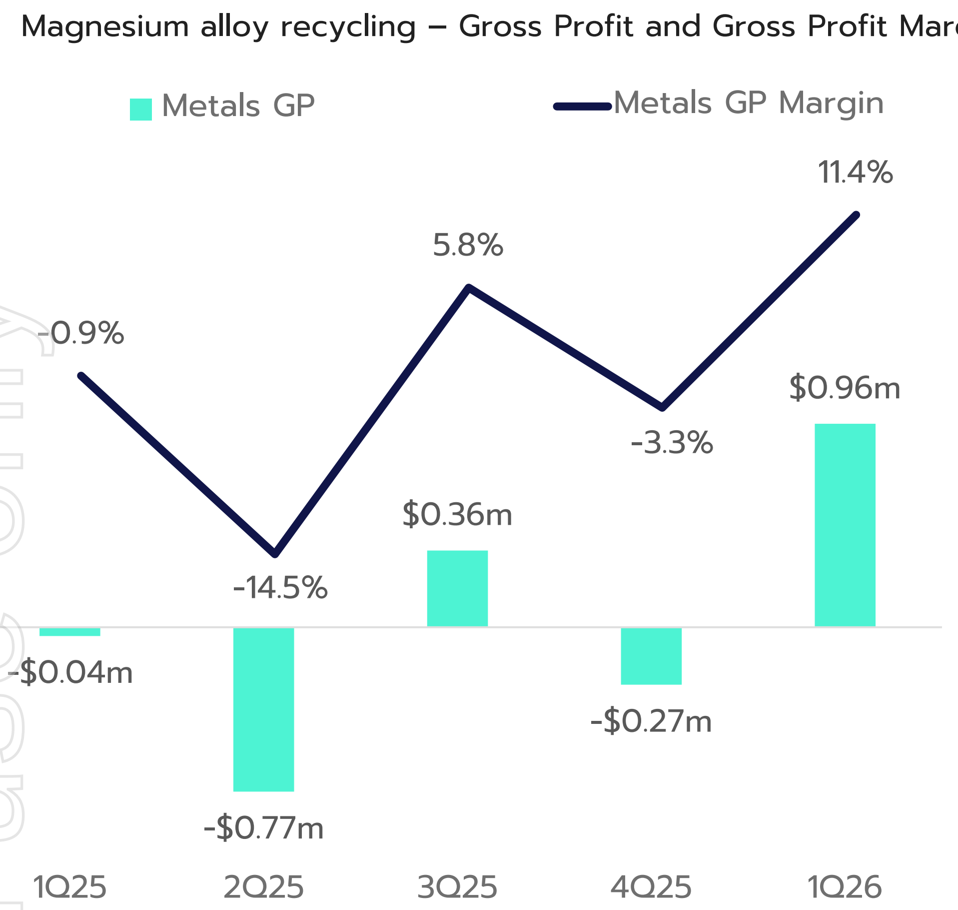
Net cash and bank borrowings



Net Debt/(Net Cash)

As at 31 March 2026:

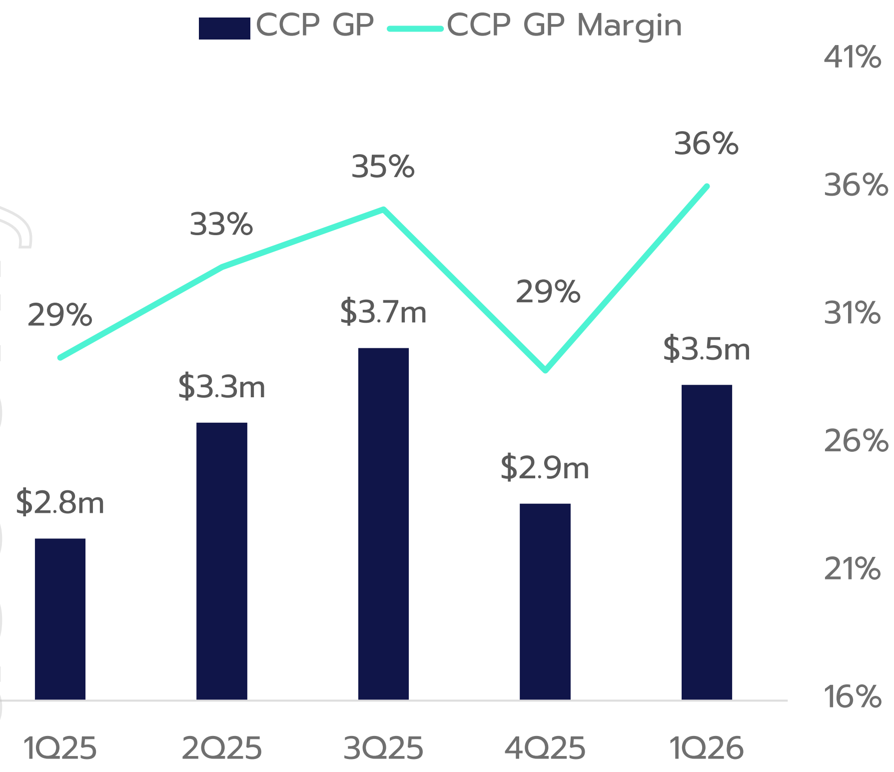
- Net Debt/Net Debt + Equity = 3.6%
- Net Debt = $1.7 million
- Cash on the Balance Sheet = +$7.6 million
- Bank Borrowings on Balance Sheet = -$9.3 million



Magnesium alloy manufacturing

- Recovery in Mg alloy volumes
- Rising Gross Profit and GP margins
- Primary Mg alloy sales of > 1,000mt over TTM

Cathodic Corrosion Protection (anodes) – Gross Profit and Gross Profit Margin



CCP/anode manufacturing

- 1Q26 Gross Profit +26% on PCP
- Higher value Mg anodes in Europe
- Roll-out of refreshed ICAS series gaining momentum
- Mg anode volumes in Europe and China flat

Mg alloys & Specialist Metals

- Foreshadowed metals review in 2025
- Primary Mg alloy flows
- Standard alloys from scrap
- Specialist Mg alloys for high spec applications

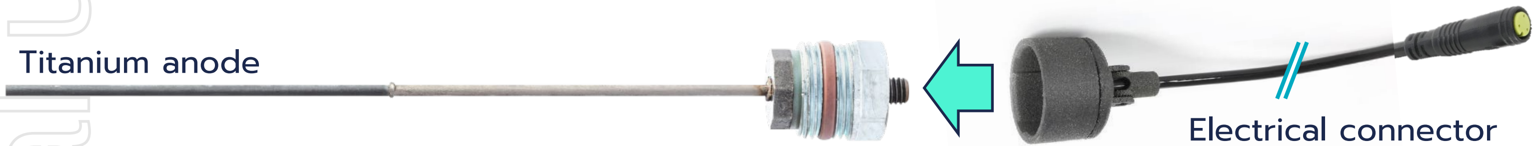
CCP / Anodes

AGOS EVO | TUCO ADVANCED | PERI EVO

Glasslined Steel | Stainless Steel

- New electronic anode system launched in 2025
- Sold as integrated product for OEMs and retrofit 'plug & play' model (shown here)
- Marketing channels include:
  - Wholesale to plumber networks, expanding from Germany
  - Internet sales
- Leading electronic anode system in all markets
- Upgrade to functionality and utility driving new sales
- Heat pump technologies (electrical) V oil/gas heating systems (carbon)

Titanium anode



Electrical connector

1-click installation with SmartConnect

EBITDA analysis

1Q 2025 V 1Q 2026 EBITDA analysis

AUD 000s	1Q25	1Q26
Reported EBITDA	**(1,005)**	**1,978**
- Less unrealised FX gains	667	(869)
EBITDA excluding unrealised FX	**(338)**	**1,109**
Significant Items		
- Add back LTI expense (non-cash)	112	146
- Add back Strategic Review Costs	-	180
Adjusted EBITDA excluding unrealised FX	**(226)**	**1,435**

- Reported 1Q26 EBITDA of $2 million, +$3m on PCP
- Adjusted 1Q26 EBITDA excluding unrealised FX gains and significant items +$1.7 million on PCP

2026 ANNUAL GENERAL MEETING

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QUESTIONS ?

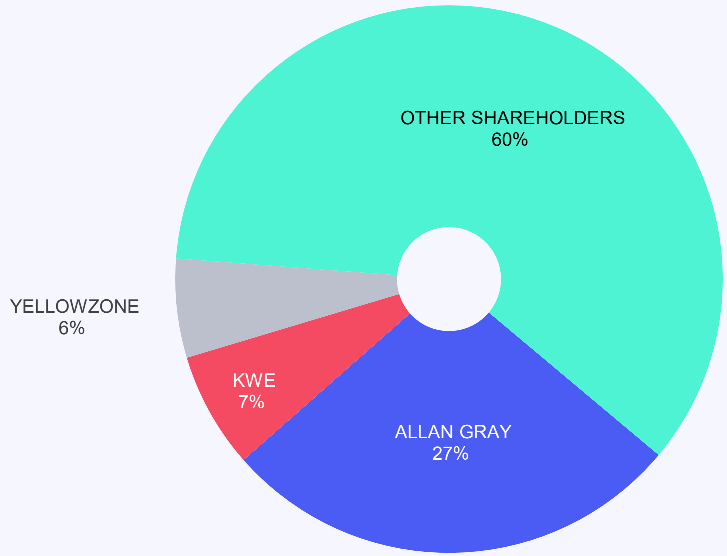
Nicholas Andrews | Executive Chairman | SYDNEY

Market Information: 12 May 2026

Magontec Limited
Market Information

ASX CODE: MGL	TOTAL	PER SHARE
Ordinary shares on issue	57,934,806	
Book value of net assets[1]	**$45.9 million**	**79 cents/share**
Market capitalisation[2]	**$12.8 million**	**22 cents/share**
Net debt (cash)	$1.7 million	
Enterprise value	**$14.5 million**	

SHAREHOLDER STRUCTURE 30 APRIL 2026



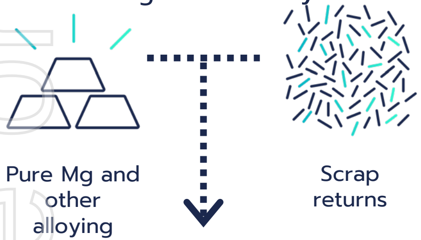
1 As at 31 March 2026 (unaudited)

2 Based on share price of $0.22 as at 5 May 2026 (close)

Magontec's portfolio of activities

Metals

Primary and recycled magnesium alloys



Pure Mg and other alloying elements

Scrap returns

Mg alloy ingots
Generic + Specialist

←
→

Knowledge base

Magnesium & Metals

Corrosion & Rust

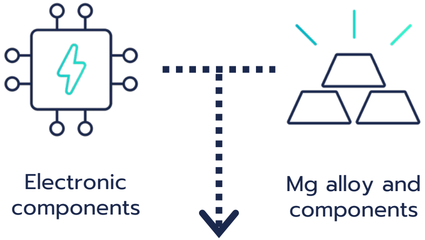
Water storage & management

Consulting Services
Generic + Specialist

←
→

Anodes

Magnesium and electronic anodes



Electronic components

Mg alloy and components

Cathodic Corrosion Protection CCP

Overview

Magontec is a manufacturing business