Alfabs Australia Limited – ASX Announcement 15 July 2026

Quarterly Operational and Strategic Update – Q4 FY26

Alfabs Australia Limited (ASX: AAL) **(Alfabs or the Company)** provides the following update on its operational performance and market activity for the quarter ended 30 June 2026[1].

Delivering on our Strategy

At the 11 June 2026 Investor Day, Alfabs articulated:

- **The underlying business remains strong**, led by the Mining equipment hire division.
- **Free Cash Flow (FCF) improvement plan** – targeting a 2x – 3x increase in FCF by FY28.
- **A disciplined capital allocation framework** which includes optimising the balance sheet.
- **Dividend reinstatement pathway,** subject to defined financial and leverage milestones.
- **The investment proposition** through a set of long-term value drivers.
- **Multiple growth avenues** across organic initiatives, bolt-on opportunities and selective M&A.

CEO Matt Torrance said “Our Investor Day represented an important milestone in Alfabs’ evolution. We candidly identified areas requiring improvement and outlined a disciplined strategy focused on FCF generation, prudent capital allocation and strengthening the balance sheet.

We have started delivering, with the commissioning of the Continuous Miner, commercialisation of the AX-10 Loader, and the restructuring of the workshops and support services largely completed during the quarter.

CFO Peter White said “We have made substantial progress in strengthening the balance sheet during the quarter, with the business generating positive FCF and net debt reducing to $36.6m as at June 2026. We are also tracking to plan against the dividend reinstatement milestones set out at the June Investor Day.

While there is more work to do, we are encouraged by the progress achieved, and management remains focused on disciplined execution, improving FCF and creating long-term value for shareholders."

Quarterly Highlights

- No lost time injuries or environmental incidents to report.
- Continue execution of the strategic priorities outlined at the June 2026 Investor Day.

[1] Unless otherwise stated, financial and operating data contained in this update is unaudited and has not been subject to external audit or review.

Alfabs Australia Limited PO Box 73, Kurri Kurri, NSW 2327 • 152 Mitchell Ave, Kurri Kurri, NSW 2327 • 1300ALFABS (1300 253 227)
+61 2 4936 5000 • ABN 52 674 455 442
www.alfabs.com.au

- Continuous Miner #4 successfully commissioned and available for customer hire.
- AX-10 (#1) Loader successfully completed underground customer trials, customer modifications completed, with a 12-month commercial hire commencing July 2026.
- St Mary's Train Station Upgrade project achieved major installation milestones to progress through to 95% completion.
- Workshop consolidation completed and cost reduction initiatives implemented. c.15% reduction in total headcount across the business.
- Phase 1 Debt Refinancing completed - strengthening the Company's capital structure and financial flexibility.
- Cash balance of **$13.6 million** and net debt of **$36.6 million** at 30 June 2026.
- Appointment of Glen Robinson as Independent Non-Executive Director and member of the Audit & Risk Committee, further strengthening the Board's governance capability. Mr Robinson brings more than 40 years of experience across the mining, resources and project development, most recently serving as Executive Head of Projects for Anglo American Steelmaking Coal.

Key Performance Indicators

KPI	Unit	Q4 FY26 (Jun 26)	Q3 FY26 (Mar 26)	Q2 FY26 (Dec 25)
Mining: Daily hire rate	$'000	81.4	80.7	76.2
Engineering: Contracted work in hand	$m	11.6	14.6	15.4
Net Debt	$m	36.6	38.9	37.8

Operational Review

Mining

The Mining division continued to perform strongly during the quarter with average daily hire rates of $81.4k, up 0.9% on the prior quarter. Demand has remained consistent, and the team remains focussed on supporting utilisation rates and forward planning the finalisation and deployment of the Shell Program (refer below).

Daily hire rates are up 7% on Q2 FY26, with the Dartbrook assets being redeployed following the mine entering administration in July 2025.

Shell Program — Equipment Build & Allocation Status (as at 30 June 2026)

Equipment/Model	Unit Ref #	Build Status	Commercial Status
Continuous Miner	CM04	Complete	Ready for Hire
Loader – AX-10	AX-10 (#1)	Complete	On hire
	AX-10 (#2)	~35%	-
Driftrunner	MB01	Complete	On hire
	MB02	Complete	On hire

Alfabs Australia Limited PO Box 73, Kurri Kurri, NSW 2327 • 152 Mitchell Ave, Kurri Kurri, NSW 2327 • 1300ALFABS (1300 253 227)
+61 2 4936 5000 • ABN 52 674 455 442
www.alfabs.com.au

	MB03	~75%	-
	MB04	~95%	Forward Sold
	MB05	~85%	-
	MB06	~85%	Forward Sold

- **Continuous Miner** – CM04 was commissioned successfully at the end of June 2026, a significant milestone. This increases available hire capacity and positions the Company for future earnings growth.
- **Loaders AX-10** – AX10 (#1) completed customer trials during the period. Minor post-trial modifications have been completed, and the Loader started a 12-month hire in July 2026. This validates the commercial viability of the AX-10 Loader and strengthens confidence in its future market potential. Loader AX-10 (#2) is also under construction.
- **Driftrunners** – Two Driftrunners are completed and on hire. A further two are near complete and have been forward sold, delivering accelerated returns to shareholders. The remaining two items are under construction and expected to be completed in H1 FY27.

Engineering

As previously announced, market conditions within the Engineering Division remain subdued, with contracted work in hand reducing during the quarter. While no material contract awards were received during the period, the Company continues to actively pursue several government infrastructure and industrial opportunities, with the tender pipeline continuing to develop. In the interim, activity has been supported by smaller fabrication projects and onsite maintenance works. The St Mary's Train Station Upgrade continued to progress well during the quarter and is now nearing completion.

Capital Investment

Outside of the Shell Program, there is no significant capital investment activity to report for the quarter. Likewise, there is no further update on the acquisition status than previously communicated.

Cash Improvement Plan – Restructuring of Workshops and Support Structures

As previously announced, the Company decided to materially reduce the current Mining workshop activities, consolidate these into the fully owned Kurri Kurri facility, as well as restructure support services. During the quarter, Wollongong workshop activities have been fully transferred to Kurri Kurri and the existing Wollongong lease is expected to end in November 2026. Under this model, Alfabs maintains optionality to increase capacity for further growth at Kurri Kurri as and when required, and will also maintain a Wollongong presence from a much smaller location for service technicians and critical spares, with a new lease signed in Q1 FY27.

As a result, the Mining workshop workforce has been reduced by c.60%, and combined with fewer support roles, the total headcount across the Group has been reduced by c.15%. Redundancies were completed in the quarter with a restructuring cost of c.$0.4m incurred.

The above measures target ~$8m of annualised pre-tax cash benefits.

Dividend Reinstatement Pathway

Management is progressing well against the milestones needed to reinstate the dividend as follows:

Milestone	Timeline	Status	Progress Since 11 June 2026 Investor Day
Cash Buffer Established	Completed	✓	No change, on track
Phase 1 Debt Facility Restructure	Completed	✓	Loan documents executed
Cost Savings & Workshop Resizing Plan	Completed	✓	No change, on track
Workshop Resizing Completed	Q1 FY27	On track	Work centralised and reduction in hours complete
2026 Shell Program Finished	Q2 FY27	On track	Majority completed, remainder spread through H1 FY27
Sustained FCF Generation	Q1 FY27	On track	Q4 FY26 FCF positive
Phase 2 Debt Facility Restructure	Q2 FY27	On track	Work progressing in line with plan
Net Debt <2x EBTIDA	H2 FY27	On track	Tracking to plan

Financial Position

The Company continued to strengthen its financial position during the quarter, with free cash flow generation and cash conversion both in line with expectations. Net Debt as at 30 June 2026 was $36.6m (prior quarter: $38.9m, December 2025: $37.8m), reflecting a reduction from both the prior quarter and the half year. This improvement demonstrates the early cash improvement benefits and is the first period in which growth capital expenditure associated with the Shell program has been funded entirely from operating cash flow.

As previously disclosed, the Company is in the process of completing a balance sheet review and is expecting to recognise non-cash impairments in the range of $1.5m to $2.0m, as well as restructuring costs of $0.4m related to the workshop and support services restructuring, in the quarter.

Outlook

Management remains focused on disciplined execution, with the objective of delivering sustainable free cash flow growth, further balance sheet strengthening and continued progress towards reinstating dividends in accordance with the framework outlined at Investor Day.

Trading conditions remain broadly consistent with those outlined at Investor Day. Mining demand and fleet utilisation remain supportive, while the Engineering Division continues to operate in a softer infrastructure market.

-END-

For further information, please contact:

Clayton Freeman (Company Secretary)
(02) 4936 5000

About Alfabs

Alfabs is a diversified Australian mining and engineering company servicing the underground mining, infrastructure and industrial sectors. Alfabs provides equipment hire, maintenance works, engineering fabrication, site installation and related services from strategically located operations across the east coast of Australia. Founded in the 1950's and headquartered in Kurri Kurri, New South Wales, Alfabs has built long-lasting relationships with leading Australian mining and infrastructure customers.

About Glen Robinson

Mr Robinson holds a Bachelor of Engineering (Mining) with First Class Honours and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has held numerous statutory and operational leadership positions throughout his career and possesses extensive experience in mine development, project execution, business development, mergers and acquisitions, capital allocation and governance. His career has spanned operational, technical and executive leadership roles in Australia, South Africa and Colombia, including senior positions with Anglo American and Xstrata.

This announcement was authorised for release by the Board of Alfabs.

Alfabs Australia Limited PO Box 73, Kurri Kurri, NSW 2327 • 152 Mitchell Ave, Kurri Kurri, NSW 2327 • 1300ALFABS (1300 253 227)
+61 2 4936 5000 • ABN 52 674 455 442
www.alfabs.com.au