



Chairman's Address to the
97th Annual General Meeting of Shareholders

Shareholders and friends,

This is the 97th Annual General Meeting of Carlton Investments.

Results for the year ended 30 June 2026

Firstly, I would like to comment on the financial results for the year ended 30 June 2026.

The net profit for the year ended 30 June 2026 was \$41.18 million compared to a net profit of \$38.81 million in the prior financial year, representing an increase of 6.1%.

Income from dividends and distributions received increased from \$40.39 million to \$43.40 million or 7.5%. Dividends totalling \$12.31 million were received from EVT during the year compared to \$10.08 million in the prior year.

Interest income decreased from a prior year amount of \$1.22 million to \$723,000. The weighted average interest rate on term deposits decreased from 4.88% in the prior year to 4.24% and there was also a decrease of \$7.86 million in the average funds on deposit. The decrease in the average funds on deposit is attributable to additional equity purchases and the share buy-back.

Administration expenses for the year totalled \$964,000 compared to \$919,000 in the prior year. The Management Expense Ratio, representing operating costs as a percentage of the average market value of assets, was consistent with the prior year at 0.08%. This Management Expense Ratio remains one of the lowest ratios for a Listed Investment Company quoted on the Australian Securities Exchange.

Dividends to Shareholders for the year ended 30 June 2026

An interim dividend of 47 cents per ordinary share was paid on 23 March 2026 and a final fully franked dividend of 73 cents per ordinary share (including a special dividend of 2 cents) was paid on 21 September 2026. Total ordinary share dividends paid to shareholders for the 2026 financial year amounted to \$1.20 per share, an increase of 7 cents per ordinary share or 6.2% on that paid in respect of the prior financial year.

Fully franked dividends of 7 cents per share were paid to preference shareholders in March and September 2026.

It is noted that the fully franked dividends of \$143.7 million have been paid to shareholders over the last 5 years.

The Company's Dividend Reinvestment Plan remains suspended.

Return to shareholders for the year ended 30 June 2026

As noted in the Annual Report, the return to ordinary shareholders for the year to 30 June 2026, calculated by taking the movement in the net tangible asset backing together with dividends paid, was minus 3.2% compared with the movement in the S&P/ASX 200 Accumulation Index during the period of 6.1%.

Many of the Group's larger investment holdings showed strong increases in market values over the financial year, however the growth in the market value of Group's total investment portfolio was constrained by the value of the Group's shareholdings in the regional banks, AGL Energy, CBA, EVT, James Hardie and National Australia Bank all trailing the market. It is noted that since 30 June 2026, the share prices of EVT, AGL Energy and National Australia Bank have outperformed the market.

Investment Movements for the year ended 30 June 2026

A full list of the Group's equity investments by industry sectors, as at 30 June 2026, is shown on pages 31 to 34 of the Annual Report. At 30 June 2026 the market value of the Group's equity investment portfolio totalled \$1.19 billion compared to \$1.26 billion at the end of the prior financial year.

At the end of each quarter, the Group also releases a list of its top thirty investment holdings which represent over 90% of the value of its total investment holdings. This information released through an ASX announcement and is shown on the ASX's and Company's websites.

Equity investments to the value of \$13.9 million were purchased during the year to 30 June 2026. Major additions to the investment portfolio were AGL Energy, Bendigo and Adelaide Bank, Elders, Harvey Norman, Rio Tinto, Santos, Sonic Healthcare, Super Retail Group, Telstra Group, and Westpac Banking Corporation. The Group also received shares in Southern Cross Media Group as takeover consideration in respect of the Group's shareholding in Seven West Media.

The Group's minor shareholding in Domain Holdings Australia was also disposed of during the year following the acceptance of a takeover offer.

The Group invests for the long term and does not carry out any short term or derivative trading activities. All acquisitions of equities are made from cash

generated through the Group's operations. There continues to be no external borrowings and there have been no capital raisings.

The Group will continue to invest in Australian listed entities that are considered to be well managed and are anticipated to provide attractive levels of sustainable income through predominantly franked dividends and also long-term capital growth.

Cash held in term deposits and in bank accounts amounted to \$17.2 million at 30 June 2026 compared to \$20.8 million in the prior financial year.

Corporate Governance

The Company's Corporate Governance Statement, together with the Board and Committee Charters and Policies can be viewed on the Company's website.

The Board regularly reviews the Group's Corporate Governance Practices and updates procedures as necessary. These practices include controls and procedures that the Board considers to be appropriate bearing in mind the nature and size of the Group's operations and the small number of personnel involved in the day-to-day management of the Group.

Results for the three months to 30 September 2026

Turning now to the current financial year, dividends, distributions and other income received and receivable for the first quarter to 30 September 2026 totalled \$18.32 million, an increase of 13.2% on the prior year's first quarter.

As at 30 September 2026, the total market value of the Group's equity investment portfolio was \$1.22 billion compared with \$1.19 billion as at 30 June 2026, an increase of 2.5%. It is noted that during this period, the ASX 200 index increased 0.1%. The increase in the value of the Group's portfolio, in part, reflects the increase in EVT's share price since 30 June 2026.

Outlook

In Australia, official interest rates have continued to rise and are currently at 4.6%. Whilst ever inflation remains above the Reserve Bank of Australia's target range of 2-3%, there is a possibility of further interest rate rises. Significant domestic and global uncertainties are also complicating the outlook for interest rates in the short to medium term, both domestically and globally.

The Australian ASX200 is currently trading within 5% of its August 2026 record high, however there are significant disparities between the performance of the different industry sectors making up the overall equity market. We expect that this disparity will continue and possibly increase as the result continuing domestic and global influences such as AI, global conflicts, changing political agendas and changes in consumer and business confidence.

The Board reiterates its intention to continue to purchase additional investments as and when it is considered that they represent good long-term value and will strengthen the Group's ability to pay sustainable dividends to its shareholders.

Capital Management

The Board regularly reviews its Capital Management Strategies.

In the year to 30 June 2026, 51,360 shares were bought-back under the Share Buy-back Scheme at a total cost of \$1.80 million. In the prior year 2025 55,252 shares were bought back at a total cost of \$1.73 million. Since 30 June 2026 the Share buy-back has been paused whilst the Board reviews the Group's Capital Management Strategies in recognition of changing shareholder expectations. The Board is very mindful of the discount in the Company's share price and are considering initiatives to address this issue.

At the conclusion of this meeting, the Board will be considering whether to re-commence the Share buy-back. The re-commencement of the buy-back will be balanced against the need to maintain sufficient funds to continue to pay an appropriate level of dividends to shareholders and also to have funds to take up investment opportunities as and when they arise.

Thank you

I would now like to thank my co-directors, our Compliance Manager, Barbara Thompson and our Company Secretary, Andrew Carter for their efforts during the year.

Finally, on behalf of the Board I would like to thank shareholders for your continuing interest in and support for the Company.

Alan G Rydge

Chairman

28 October 2026