Korvest Ltd

ABN 20 007 698 106

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

MANAGING DIRECTOR'S ADDRESS TO SHAREHOLDERS

Delivered at the Annual General Meeting on
Friday 30th October 2026

Ladies and Gentlemen,

This morning I will be commenting on the 2026 financial year as well as providing an update on our current trading conditions. I'll then hand over to Chris Hartwig to provide more detail on both last financial year and the year ahead.

FINANCIAL RESULTS

The 2026 financial year achieved revenue of $129.5 million. This represented an increase of 8.3% on the previous year and resulted from increased activity in the day-to-day and small project markets in the EzyStrut business. The smaller project market was stronger throughout the year and the day-to-day market improved as the year progressed, with data centre development having a positive impact on both segments.

Major project revenue remained strong, just below the FY25 level which included a large infrastructure project delivered in an accelerated timeframe.

The Galvanising plant processed record volumes in FY26, with high levels of internal work. External tonnes were also strong due to a solid South Australian steel fabrication market along with completion of a major project in the renewable energy sector following the successful completion of a similar project in FY25.

Record Capital Expenditure

A record $11 million of capital expenditure was invested in the business during the year. Approximately $7 million of this related to the construction of the new 3,500m^2 factory on the Kilburn site and associated equipment costs. The building was completed in August 2026, a few weeks early and within budget. Once fully operational, this factory will significantly increase production capacity and provide scope for new products and processes.

Chris will provide more detail on this and the investment to expand the EzyStrut branch network and improve the performance of the Galvanising plant.

Dividends

The record capital investment for the year was funded out of the company's cash reserves. These reserves were also used to fund working capital requirements as increased sales activity resulted in higher debtors and inventory to service the demand, particularly the spike in data centre activity. Despite this, the final dividend was unchanged at 40 cents. We reactivated the dividend reinvestment plan to assist with the replenishment of cash reserves and support our growth program.

Board Renewal

During the year Gary Francis advised that he would not be seeking re-election at the conclusion of his term which ends today. Gary has been on the Board since 2014 and served as the Chairman of the Remuneration Committee throughout his tenure. We have been particularly fortunate to have been able to tap into Gary's advice, insight and experience during the recent Kilburn redevelopment project. Thankyou Gary for all that you have contributed to Korvest during your time as a Director.

To fill the vacancy created by Gary's retirement I would like to welcome Jacqueline Moth who was appointed in September. Jacqueline has over 30 years of international experience spanning multiple functions and geographies. She has extensive experience in manufacturing businesses having held various leadership roles in Australia and APAC including General Manager responsibilities for two glass packaging manufacturing facilities in

South-East Asia. Jacqueline is also currently a non-executive director of Bundaberg Brewed Drinks Pty Ltd. Welcome Jacqueline.

CURRENT YEAR TO DATE

The new financial year commenced with a record order book. The strong performance of the day-to-day and small project markets in the second half of FY26 has continued into the first quarter of FY27. Accordingly, the first-half FY27 trading result is expected to be significantly higher than the prior corresponding period, first-half FY26, and in excess of the stronger second-half of FY26. In addition to this underlying trading position, the first-half result will also include the recognition of $1.1 million of income from a claim settlement where the costs were incurred in prior years.

I would now like to hand over to Chris Hartwig to provide more detail on last year's performance and the future.

Thank you Andrew,

Ladies and Gentlemen, today I will be reflecting on the FY26 financial year and will also provide an update on the current trading conditions and key focus areas for Korvest going forward.

FINANCIAL YEAR 2026

FY26 was a record year for sales, with profitability marginally behind the record FY25 result. Momentum built strongly during the second-half. I will expand on this momentum shortly, but first I would like to make a few comments regarding our safety performance and ESG.

FY26 was an improved year in terms of safety performance with one Lost Time Injury for the year resulting in a 15% reduction in the Lost Time Injury frequency rate. The Medically Treated Injury frequency rate reduced by 24% during the period reflecting our proactive approach to safety and injury management. This is pleasing progress towards our goal of an injury free working environment.

Korvest's ESG related activities have matured over recent years and continue to yield positive results. Scope 1 emissions increased by 22% following a year of high galvanising volume and increased diesel emissions due to our first full reporting year since bringing in-house all of our outbound freight across all EzyStrut branches. However, in December 2025 Korvest installed a new kettle and a state-of-the-art burner management system for the main galvanising zinc bath to provide further efficiencies in gas emissions. On a volume adjusted basis, total gas consumption reduced by 7% for the year.
We continued donations to staff-nominated not for profit organisations and charities under the Korvest Community Support Program with $30,000 donated to 65 recipients. We also awarded the third Korvest Mechanical Engineering and Advanced Manufacturing Scholarship in conjunction with UniSA.
A final ESG activity of note has been the number of programs undertaken to improve the health and wellbeing of our employees including hearing checks for our workers exposed to noise, voluntary free influenza vaccinations and voluntary free general health checks.

As Andrew has already mentioned, FY26 had very strong revenue of $129.5 million, leading to a profit after tax of $12.4M. Whilst this result fell short of the record profit in FY25, it was achieved without the benefit of the large accelerated infrastructure project that contributed strongly in FY25. The FY26 business performance was skewed in favour of the second-half. The second-half yielded 53% of FY26 revenue and 56% of FY26 Net Profit After Tax.

The EzyStrut business had a very successful year. In addition to solid financial performance, EzyStrut has undertaken a number of strategic activities to position the business for growth. I will touch on these activities in a moment. Major project work was solid and EzyStrut ended FY26 with a record order book and 4 ongoing major projects. The second-half also featured an acceleration of activity in the data centre market, which has continued to grow during the first quarter of FY27. The renewable energy sector continues to provide meaningful growth opportunities in projects such as battery energy storage systems and pumped hydro generation. At a state level, the results were mixed with 3 of the major states up on FY25 activity levels, one state was flat and one state down slightly due to the phasing of major project work. The smaller project / day-to-day market achieved solid growth, with the growth predominantly occurring during the second-half.
Mild steel prices were stable throughout the year, operating within a reasonably tight band, however stainless steel pricing rose significantly due to climbing nickel prices. Political tensions in the Middle East resulted in a spike in fuel and transport costs. Other costs such as occupancy costs rose due to inflationary pressures, site expansions and associated moving costs. Staff

costs rose due to additional people to facilitate growth. Recent capital expenditure increased depreciation costs.

I would now like to focus on the strategic capital investments made during FY26.

The record levels of Capex spend in FY26 was aimed at providing a platform for growth for the EzyStrut business. The largest element, the new factory at Kilburn, was completed early and under budget, with handover in August 2026. This new factory will expand capacity significantly in key product lines, improve production efficiency and reduce lead times. Welding fabrication has already commenced in the new factory, with machines such as laser cutters and roll-formers being installed progressively throughout FY27 and full capacity is expected to be achieved by February 2027.

To support the broader growth strategy, the final 2 branch expansions were undertaken in WA and QLD. These significantly larger facilities will allow EzyStrut to carry more fast-moving inventory closer to our customers, improving delivery performance and the overall customer experience. The final additions to our truck fleet were also completed during the year. In addition, a warehouse dedicated to data centre products was opened in NSW late in FY26 to support this fast-growing sector.

From a trading perspective, the Galvanising business was very much a tale of two halves. The first-half was hampered by the delay of a major renewables project. The second-half was a very strong performance despite increasing zinc costs. The delayed renewables project was completed, boosting plant

volumes. Improved labour utilisation and a reduction in both gas pricing and rate of gas consumption assisted the result.

The highlight for Galvanising in FY26 was the successful kettle change and upgraded burner management system installed during the end of year break. A kettle change is a significant undertaking on its own. Adding in new burners and a state of the art burner management system further complicated this task. I am grateful to the team of Korvest staff and management and external contractors – they were able to achieve this task a week early and without incident. Preparations were also made for a second stage to the burner upgrade, with an additional set of burners to be installed late in the first-half of FY27, providing further gas savings and extended kettle life.

The final activity of note was the upgrade to the ERP system undertaken during the year. This upgrade went smoothly and optimisation of the use of the ERP system is a key project for FY27.

FINANCIAL YEAR 2027 OUTLOOK

As already mentioned, the new financial year commenced with a record order book. That record order book has continued to grow on the back of recent data centre wins. The first quarter of FY27 has been very strong in the day-to-day and small project markets, with major projects remaining solid. This level of market activity is expected to continue for the remainder of the first-half of FY27.

The first-half FY27 trading result is expected to be significantly higher than the prior corresponding period, first-half FY26, and in excess of the stronger second-half of FY26.

Thank you for your time, and I will now hand the meeting back to the Chairman.