23 November 2026

TASMEA TO ACQUIRE ABC GROUP

Tasmea Limited is pleased to announce the acquisition of ABC Group, a Mackay-based, integrated specialist industrial engineering services group servicing the resources-rich Central Queensland Bowen Basin. ABC Group brings a niche, integrated service offering and a Tier 1 mining customer base with significant expertise across maintenance, shutdowns, field services, draglines, heavy engineering, lifecycle reclamation, and heavy equipment. In addition, the strategic geographic expansion into the Bowen Basin brings high revenue synergy potential for Tasmea's subsidiaries.

KEY TRANSACTION HIGHLIGHTS

- **Target:** Acquisition of 100% of Australian Bearings Corporation Pty Ltd (ABC Heavy Engineering) and Tincone Pty Limited (Tincone Industrial Services), including their wholly owned subsidiaries ("ABC Group" or "ABC")
- **Upfront consideration:** A$135.0 million payable upfront at Settlement, comprising A$65.0 million cash after estimated purchase price adjustments (PPAs) funded from existing cash reserves and the new syndicated debt facility, and A$70.0 million in Tasmea scrip issued to the vendors (5,833,333 new TEA shares at A$12.00 per share, with a floor price guarantee exercisable on 15 November 2027. These shares are not subject to escrow and should assist the company to qualify for entry into the ASX 200 Index.)
- **Earn-out:** Up to A$50.0 million cash earn-out over 3 years CY27–29 (up to A$16.667 million per year) subject to achieving annual EBITA of A$35.0 million or more, and reducing A$1.50 for every A$1 shortfall i.e. nil earn-out at A$23.889 million EBITA. Transaction includes a tiered out-performance cash earn-out and catch-up mechanism (refer Acquisition Presentation Appendix A)
- **Valuation:** Upfront EBITA Multiple of approximately 3.9 times based on forecast ABC Group FY27e EBITA of A$35.0 million and upfront consideration of A$135m after estimated PPAs, excluding earn outs; total consideration of up to A$185m post estimated PPAs including cash earn-out up to A$50 million (excluding out-performance earn-out)
- **EPS accretion:** Approximately 14% forecast pro forma EPS accretion in FY27e with Tasmea pro-forma forecast EPS FY27e of approximately 54.5 cps (excluding synergies), assuming full 12-month ownership of ABC Group in FY27e
- **Leverage:** Forecast post-deal net debt to pro forma FY27e EBITDA of <1.0x, within Tasmea's target leverage, with significant headroom under new syndicated debt facility

- **Settlement:** Targeted on or about 31 December 2026, subject to the satisfaction of customary conditions precedent, including obtaining ACCC approval to proceed under Australia's mandatory merger control regime (see Acquisition Presentation Appendix B)

Transaction overview

Tasmea Limited (ASX: TEA) (Tasmea or the Company) is pleased to announce that it has executed a Share Purchase Agreement to acquire 100% of Australian Bearings Corporation Pty Ltd (ABC Heavy Engineering) and Tincone Pty Limited (Tincone Industrial Services), including their wholly owned subsidiaries (together, ABC Group or ABC).

ABC Group is a Mackay-based heavy engineering, lifecycle reclamation, maintenance, breakdown and shutdown services, heavy equipment and specialist industrial services group servicing the resources-rich Central Queensland Bowen Basin. ABC Heavy Engineering (founded in 2001) and Tincone Industrial Services (established in 1997) are based in Paget (Mackay), Queensland.

ABC Group's integrated offering spans workshop engineering and fabrication (including specialised welding, CNC machining, induction hardening, heat treatment, CAD design and Finite Element Analysis), field services and project management (breakdown, shutdown and contracted maintenance, turn-key projects and in-situ repairs), heavy equipment, transport and cranes (asset maintenance, overhauls, sales and wet/dry hire, onsite load/haul and 24/7 transport) and specialist industrial services (abrasive blasting, protective coatings, access and rigging, industrial cleaning and concrete remediation). ABC Group serves the mining and resources, energy, marine, ports, infrastructure, rail, government, ship building, construction, agriculture and transport sectors. ABC Group has a skilled workforce of 427 employees (344 FTE), brings 12 Master Services Agreements and a Tier 1 mining customer base and approximately 94% of forecast FY27 revenues secured or recurring.

The acquisition represents a further step in Tasmea's programmatic acquisition strategy of expanding into specialist, niche markets. ABC Group provides geographic expansion into Central Queensland's Bowen Basin, the world's leading metallurgical coal export region. Australia's total global market share of metallurgical coal exports is approximately 43% of global trade and is Australia's fourth largest commodity export by value according to the Resources and Energy Quarterly September 2026 (Australian Government, Office of the Chief Economist, DISR).

ABC Group is active on 16 metallurgical (steelmaking) coal operating mine sites in the Bowen Basin with an average mine life of approximately 25 years, and represents exposure to approximately a third of the total operating coal mines in the region.

ABC Group has a large store of rare, long-lead time production-critical components that its mining clients depend on, and adds a significant engineering workshop with scale to service more than 100 tonne single and 150 tonne combined overhead crane lifts, with differentiated intellectual property, and a Bowen Basin platform from which to cross-sell Tasmea's broader specialist trade services.

Financial impact

The acquisition is forecast to be immediately EPS accretive, with approximately 14% forecast pro forma EPS accretion in FY27e (excluding synergies), assuming full 12-month ownership of ABC Group in FY27e and measured against the mid-point of Tasmea's FY27 Underlying NPATA guidance as announced to the ASX on 18 November 2026. ABC Group is forecast to comprise approximately 14% of Tasmea's Group pro forma FY27e Underlying EBITA and NPATA, providing further diversification across commodities, geographies, and specialist, niche markets.

ABC Group's Maintainable EBITA forecast is A$35.0 million, representing the 12-month forecast FY27e EBITA run rate and the basis of the earn-out threshold, with forecast EBITA margins broadly in line with Tasmea's specialist portfolio. ABC delivered revenue growth of approximately 14% CAGR over last three years (FY23-FY26A) with strong organic growth forecast under Tasmea ownership. ABC generates strong cash conversion with EBITA to OCF averaging approximately 99% across FY26 and forecast FY27e with capex representing approximately 5% of revenues in FY26 and is forecast at similar levels in FY27e.

Strategic rationale

ABC Group provides Tasmea with a niche, scalable heavy engineering platform in the Queensland Bowen Basin, with upside potential from cross-sell revenue synergies. Key strategic benefits include:

- **Production-critical specialist services and differentiated IP:** ABC Group is embedded in Tier-1 mining companies' maintenance cycles, with best-in-class dragline maintenance expertise critical to mining operations. Its "Reclamation & Rebuild Lifecycle Engineering" model re-engineers and refurbishes critical dragline, shovel and heavy plant components (including drums, slew bearings, gears and tracks) to improve reliability, extend asset life and reduce customers' total cost of ownership. ABC Group's differentiated IP includes a patented hard-surfacing wear reclamation process. It has a unique offering including in-situ and off-site induction hardening and stress relieving of drag and hoist drums.
- **Workshop scale and integrated one-stop offering:** ABC operates one of Queensland's largest heavy engineering workshops, with capacity to service over 100 tonne single and 150 tonne combined overhead crane lifts, and a modern commercial induction hardening facility. Together with Tincone's blast, paint, access, rigging and concrete remediation services, field services, equipment hire, load/haul and 24/7 transport, ABC Group provides an integrated one-stop offering that its clients depend on and complements Tasmea's specialist portfolio.
- **Geographic expansion into the Bowen Basin:** ABC Group's Mackay/Paget hub in Queensland provides entry into the world's leading metallurgical coal export region, with 47 operating coal mines and more than 47,000 workers in the Bowen Basin, 58% of whom are contractors (Sources: Queensland Government Statistician's Office, Bowen Basin population report 2025; Resources Safety & Health Queensland, 2025). This represents a significant addressable market for Tasmea's portfolio of specialist trade services. ABC's core clients have national footprints, including in NSW and WA, representing growth markets for Tasmea's specialist subsidiaries that can be serviced from Tasmea's national offices.

- **Earnings quality and synergy upside:** ABC has grown revenues by approximately 14% CAGR over the last 3 years (FY23-26A). Forecast EBITA margins are broadly in line with Tasmea's specialist portfolio margins, and the cash earn-out of A$50.0 million is payable in full only if ABC Group achieves EBITA of greater than or equal to A$35.0 million per annum (CY27–CY29), reducing by A$1.50 for every A$1 of shortfall, with nil payment at A$23.889 million or below. Revenue synergies provide upside from cross-selling across Tasmea's segments including primarily Electrical, Mechanical and Workforce Solutions into ABC's Bowen Basin customers and scaling ABC's specialist industrial services across Tasmea's national network. Tasmea Corporate Services will support growth through its shared services platform (safety, commercial, legal, recruitment, human resources, industrial relations, marketing, finance and taxation). Potential cost synergies, including procurement and insurance, provide upside to forecasts; synergies have not been quantified and are excluded from forecast EPS accretion. Furthermore, ABC brings a large recurring revenue base with 12 MSAs including Tier 1 miners.
- **Founder-led and equity aligned:** Tasmea will retain ABC Group's founder-led model, with the five-person key executive team, including founding-family members with more than 25 years of industry experience retained on long-term employment agreements. Vendor alignment is reinforced through A$70.0 million of Tasmea scrip (5.83 million shares at A$12.00 per share), a three-year performance-based cash earn-out plus a tiered out-performance cash earn-out (CY27–CY29), and STI of up to 10% and Tasmea LTI participation for key executives.

Commentary from Tasmea Managing Director, Stephen Young

> *"The acquisition of ABC Group is a further step in Tasmea's programmatic acquisition strategy, providing geographic expansion into Queensland's Bowen Basin, a globally significant mining and resources region, and expanding our specialist mechanical, engineering and industrial services capability."*
>
> *"ABC Group is a specialist, founder-led heavy engineering business with best-in-class dragline maintenance expertise, significant workshop scale, differentiated IP and an integrated one-stop offering that is embedded in its customers' maintenance cycles and operations. Combining ABC Group with Tasmea is forecast to be immediately EPS accretive, with approximately 14% forecast pro forma EPS accretion in FY27e, excluding synergies which provide further upside."*
>
> *"Critically, the acquisition preserves the founder-led model that has built both Tasmea and ABC Group. ABC Group's key executive team is staying with the business, taking equity in Tasmea, and is incentivised through a three-year earn-out aligned to the delivery of A$35 million of Maintainable EBITA per annum. We are delighted to welcome the ABC Group team to Tasmea and look forward to supporting their continued growth through our corporate services platform and broader specialist trades capability, and to bringing Tasmea's specialist services to ABC's Bowen Basin customers."*

Commentary from ABC Group Founders

> *"We chose Tasmea because its model lets founder-led businesses keep running the way they always have. Our leadership team is staying on, and we're taking more than half of our upfront consideration in Tasmea shares because we back where the group is heading. With Tasmea's corporate services and its national network of specialist trade businesses behind us, we can offer our Bowen Basin customers more and give our people more opportunities. We're looking forward to working with the Tasmea team."*

Timing and approvals

The Share Purchase Agreement has been executed and Settlement is targeted on or about 31 December 2026, subject to the satisfaction of customary conditions precedent, including obtaining ACCC approval to proceed under Australia's mandatory merger control regime.

FY27 pro forma forecast financials

Tasmea's pro forma forecast financials incorporate Tasmea's previously released FY27 earnings forecast guidance, including 12 months of JPS Group earnings, plus the forecast FY27e underlying earnings of ABC Group, assuming full 12-month ownership in FY27e, as follows:

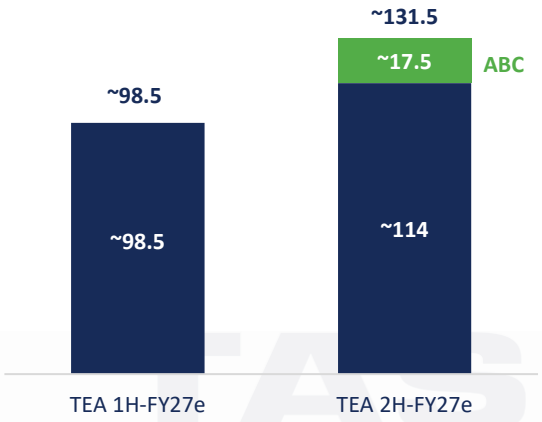
- **FY27 Pro Forma Underlying EBITA:** ~A$248.5m (pre-ABC: A$213.5m)
- **FY27 Pro Forma Underlying NPATA:** ~A$156.6m (pre-ABC: A$135.2m)
- **FY27 Pro Forma Underlying EPS:** ~54.5 cps (pre-ABC: 48.0 cps)

Tasmea's pro forma FY27 forecast EPS accretion of approximately 14% (excluding synergies) reflects a full 12 months ownership of ABC Group in FY27 for illustrative purposes on a pro forma basis, and takes into account net debt post-deal and the new TEA scrip issued to the vendors. Underlying earnings forecasts exclude the impact of non-cash non-underlying items, such as amortisation of customer contracts. Forecast net debt to pro forma EBITDA post-deal is less than 1.0 times, within Tasmea's target leverage. Tasmea's balance sheet remains conservatively geared, with significant headroom forecast under our new A$250 million syndicated debt facility.

FY27 forecast earnings contribution

Tasmea reconfirms its previously released FY27 guidance, as announced to the ASX on 18 November 2026 which excludes any contribution from ABC Group. The ABC Group transaction is expected to complete on or about 31 December 2026. Current forecasts estimate ABC Group to contribute approximately A$17.5m EBITA in 2H-FY27, subject to satisfaction of conditions precedent and the transaction completing in December 2026.

Figure 1: Forecast Half Year EBITA FY27e based on the midpoint of TEA guidance



Conference call

Managing Director Stephen Young and Chief Executive Officer Mark Vartuli will lead an investor briefing in relation to the ABC Group acquisition announcement, the details of which are set out below:

- **Date:** Monday, 23rd November 2026
- **Time:** 5.30 PM AEDT (Sydney, Melbourne) / 5.00 PM ACDT (Adelaide) / 2.30 PM AWST (Perth)
- **Duration:** Approximately 45 minutes
- **Webcast link:** https://webcast.openbriefing.com/tea-update-2026/

The Company will make the investor briefing available on its website (https://tasmea.com.au/) shortly after the conclusion of the briefing.

For further information, please contact:

Stephen Young
Managing Director

Tasmea Limited
+61 (08) 8212 2929
syoung@tasmea.com.au

Investor enquiries:

investor.relations@tasmea.com.au

This announcement was authorised for release by Managing Director Stephen Young on behalf of the Board of Tasmea Limited.

About Tasmea Limited:

Tasmea owns and operates 29 individual brands inter-dependently (independent but collegiate). These businesses are leading Australian diversified specialist trade skill services businesses focused on essential shutdown, programmed maintenance, emergency breakdown, brownfield upgrade services of fixed plant and labour hire for our blue-chip essential asset owner customer base. Tasmea provides outsourced specialist maintenance and labour hire to fixed plant for essential industry asset owners in growing industry sectors: Mining & Resources, Oil & Gas, Data Centres, Infrastructure, Power & Renewable Energy, Telecommunications, Defence, Retail Facilities, Aged Care, Waste & Water.