rivco AUSTRALIA | ASX ANNOUNCEMENT

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2025 AGM - Chairman's Address - Mr Brendan Rinaldi

Key Progress and Strategic Milestones

Before I take you through the financial results, I would like to speak to the significant transformation that has taken place within the Company over the past fifteen months, and why that transformation matters to you as our shareholders.

Over this period, your Board has engaged in a disciplined and deliberate process of listening, to you, our shareholders. The feedback we received was clear, and it was consistent.

- *You told us that the external management structure was not fit for purpose for a company of our scale and ambition.*
- *You expressed concern that our gearing levels were elevated and created unnecessary risk to the portfolio.*
- *You called for greater independence at the Board level.*
- *And you made clear your expectation of a coherent, transparent pathway to sustainable, long-term returns.*

We heard you, and we agreed with you. And we have acted with urgency and accountability.

I want to be quite direct in saying to you that words and opinions carry little weight. What matters is the evidence. And I am pleased to report that the evidence is unambiguous. The majority and certainly the key commitments we made to you have been met, and in several cases exceeded.

However, we firmly acknowledge that we still have a lot of work to do and some aspects continue as work in progress.

The milestones I will now outline are not isolated improvements. Each one was a deliberate response to shareholder feedback, executed with discipline, and verified by result. Taken together, they represent a fundamental and lasting repositioning of Rivco Australia.

Rivco Australia Limited
Suite 1B, 5–7 King William Road, Unley SA 5061
P: +61 (8) 8211 5555

Internalisation — *Following shareholder approval at the May 2025 AGM, the Company completed its transition to a fully internalised management structure in November 2025. This was a watershed moment for Rivco.*

We now operate with a simpler, more scalable structure, one that eliminates external management and performance fees entirely, and one that ensures the interests of our management team are fully aligned with those of our shareholders.

Balance sheet — *We have undertaken a substantial and deliberate reduction in debt, bringing borrowings down from $116 million to approximately $20 million.*

This has reduced gearing from 31% to approximately 7%, a transformation of the Company's risk profile that affords us considerably greater financial flexibility as we look to the period ahead.

Leasing — *Our leased water entitlement percentage has increased from 37% to 66%, and the Company is progressing confidently toward its stated target of greater than 70% by 30 June 2026 and we may even be closer to the top end of our target which is 80%.*

This shift underpins a more predictable, recurring revenue base and is central to our strategy of delivering consistent returns through the cycle. Furthermore, our weighted average lease expiry has moved from 2.8 years to 3.1 years and moving towards our 4-year target.

Board independence — *I assumed the role of Independent Chairman on 1 June 2025, succeeding Mr Ed Peter. We have also welcomed Mr Chris Larsen to the Board as an Independent Non-Executive Director.*

These appointments strengthen the independence and depth of experience at the Board level, and I am confident they will serve shareholders well. Recently, we also farewelled Mr Dennis Mutton, who served on the Board for 9 years as well as Mr Ed Peter, founder and former Chairman of the Company, along with Mr Dirk Wiedmann who has retired from the Board as of this morning.

Dividend framework — *The Board maintained its dividend commitment throughout the year while conducting a comprehensive review of the Company's dividend framework which is continuing. I will speak more on that shortly.*

Governance and Leadership — *The ongoing strengthening of the Company's governance structures and leadership capability remains a standing priority for the Board.*

Against this backdrop of structural change, I am proud to report that the Company delivered a record financial result for the year ended 31 December 2025. Profit Before Tax reached $33.5 million, Earnings Per Share of 14 cents was achieved, representing a 133% increase on the prior year, and total shareholder return for the period was 15.8%.

These are results of which the Rivco team can be genuinely proud. More significantly, they were achieved in a year in which the Company was undergoing a material restructure and the costs associated.

Financial Results (P&L)

Turning to the income statement, the Company reported a Net Profit Before Tax of $33.5 million for FY2025, an increase of 152% on the prior year figure of $13.3 million. Net Profit After Tax was $21.9 million, compared with $9.3 million in FY2024.

This record result was achieved after absorbing all one-off costs associated with the internalisation transaction.

The underlying performance was driven by improving yields on the Company's high-security water assets, active management of unleased allocations, and the realisation of profits from water entitlement sales to the Australian Government under the Federal Government's water buyback process.

Earnings Per Share of 14 cents represents a 133% increase on the prior corresponding period, a result that reflects both operational excellence and the accretive impact of the structural changes undertaken during the year.

I would like to take this opportunity to acknowledge the contribution of every member of the Rivco team. The results we are reporting today are a testament to their dedication, expertise, and commitment to creating value for our shareholders.

Financial Results (Balance Sheet)

From a net asset value perspective, pre-tax NAV increased to $1.75 per share during FY2025, representing growth of 10 cents per share over the course of the year. Including dividends paid, this equates to a total NAV return of 12.9% for the period.

It is worth noting that water entitlement values were broadly flat during FY2025. The strong NAV performance was therefore primarily attributable to the team's capacity to generate material returns through the sale of entitlements at prices above prevailing market values, a reflection of the Company's deep market relationships and active portfolio management approach.

The Company also held approximately $5.3 million of unleased water allocations at 31 December 2025, carried at a nil cost base. These have continued to be realised into the market in early 2026, providing additional earnings support for the current financial year.

We continue to monitor water entitlement markets for well-priced acquisition opportunities in zones that are complementary to the existing portfolio.

Internalisation & Name Change Complete

FY2025 marked the successful completion of two landmark achievements: the internalisation of management and the transition of the Company's name and identity to Rivco Australia Limited.

The internalisation, approved by shareholders at the May 2025 AGM, has been implemented smoothly and with continuity. All one-off costs associated with the transaction were recognised in FY2025.

The internalised structure is expected to reduce total operating costs from approximately $3.6 million per annum under the previous externally managed model to approximately $2.6 million per annum on a like-for-like basis, implying recurring cost savings of approximately $1.0 million per annum, with no performance fees payable.

Beyond the financial benefits, internalisation has delivered important qualitative improvements: a more scalable business model, a more transparent operating structure, and meaningfully stronger alignment between management and shareholders.

On our rebrand, the transition from Duxton Water to Rivco Australia reflects the Company's evolution and its identity as an independent, Australian-focused water business.

The response from investors, customers, and other key stakeholders has been encouraging, and the Board believes the new identity positions the Company well for the future.

Capital Management

The significant reduction in the Company's debt position represents one of the most consequential steps taken during FY2025. Total borrowings were reduced from $116 million to $22.5 million, with our leverage declining from 31% to 7%. This deleveraging was funded principally from proceeds received through water entitlement sales to the Government.

Total interest expense for the year was $3.2 million, compared with $6.7 million in FY2024, a reduction of 52%. With a materially lower debt position heading into FY2026, this reduction in interest costs will continue to benefit shareholders.

During the first half of FY2025, the Company also completed on-market share buybacks totalling 1.6 million shares at an average price of $1.50 per share.

Purchasing shares at a discount to NAV is accretive on a per-share basis and reflects the Board's commitment to disciplined capital allocation.

Dividends

The Company paid two fully franked dividends totalling 7.43 cents per share during FY2025, up from 7.30 cents per share in the prior year. Since the Company's first dividend payment in November 2017, total dividends of 52.4 cents per share have been returned to shareholders.

I am pleased to announce that the Board has declared a fully franked Final 2025 dividend of 3.72 cents per share, to be paid to eligible shareholders on 30 April 2026.

Looking ahead, the Board intends to evolve the Company's dividend framework with effect from October 2026. Under this revised approach, dividends will be primarily underpinned by core operating earnings.

Realised capital gains from the sale of water entitlements will be assessed on a case-by-case basis and, subject to prevailing market conditions and strategic priorities, may be allocated, in whole or in part to:

- *reinvestment in additional water entitlements,*
- *further debt reduction,*
- *on-market share buybacks, or*
- *supplementary dividend payments.*

This framework is designed to enhance the sustainability and discipline of our capital returns while preserving the flexibility to deploy capital in the most accretive manner available, with the overarching objective of maximising total shareholder returns over the medium and long term.

Further detail on the specific parameters of the revised dividend framework will be communicated to shareholders in the months ahead.

Closing Remarks

Ladies and gentlemen, on behalf of the Board, I want to express my sincere appreciation for your continued confidence in Rivco Australia. The changes we have made over the past twelve months are structural and enduring.

They reflect a commitment to building a Company that is simpler, more transparent, more aligned, and better positioned to generate long-term value for all shareholders.

I am proud of what this team has achieved in a year of significant change, and I am confident that the foundations we have laid will deliver meaningful benefits to shareholders in the years ahead.

This announcement has been authorised for release by the Board of Rivco Australia Limited.