

Chairman's Address to the
96th Annual General Meeting of Shareholders

Friends and shareholders,

This is the 96th Annual General Meeting of Carlton Investments.

Results for the year ended 30 June 2025

Firstly, I would like to comment on the financial results for the year ended 30 June 2025.

The net profit for the year ended 30 June 2025 was \$38.81 million compared to a net profit of \$38.77 million in the prior financial year, representing an increase of 0.1%.

Income from dividends and distributions received decreased from \$40.41 million to \$40.39 million or 0.1%. Dividends totalling \$11.80 million were received from EVT during the year compared to \$10.47 million in the prior year.

Interest income increased from a prior year amount of \$1.17 million to \$1.22 million. The weighted average interest rate on term deposits increased from 4.67% in the prior year to 4.88% and there was also an increase of \$697,000 in the average funds on deposit.

Administration expenses for the year totalled \$919,000 compared to \$924,000 in the prior year. The Management Expense Ratio, representing operating costs as a percentage of the average market value of assets, again decreased slightly from 0.09% to 0.08%. This Management Expense Ratio remains one of the lowest ratios for a Listed Investment Company quoted on the Australian Securities Exchange.

Dividends

An interim dividend of 45 cents per ordinary share was paid in March 2025 and a final fully franked dividend of 68 cents per ordinary share was paid on 17 September 2025. Total ordinary share dividends paid to shareholders amounted to \$1.13 per share for the year, an increase of 9 cents per ordinary share or 8.7% on that paid in respect of the prior financial year. No special dividends have been paid in respect of year ended 30 June 2025.

Fully franked dividends of 7 cents per share were paid to preference shareholders in March and September 2025.

The Company's Dividend Reinvestment Plan remains suspended.

Return to shareholders

As noted in the Annual Report, the return to ordinary shareholders for the year to 30 June 2025, calculated by taking the movement in the net tangible asset backing together with dividends paid,

was 22.7% compared with the movement in the S&P/ASX 200 Accumulation Index during the period of 13.8%.

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 big miners, energy stocks and James Hardie Industries trailing the market.

Looking back, for the period from 1 July 2020 to 30 September 2025, the value of the Group's portfolio has increased from \$731 million to \$1.17 billion, an increase of nearly 60%. Ordinary shareholders have also received dividends of \$145 million during this period. It is acknowledged that this base date was during the Covid period.

Investments

A full list of the Group's equity investments by industry sectors, as at 30 June 2025, is shown on pages 30 to 33 of the Annual Report. At 30 June 2025 the market value of the Group's equity investment portfolio totalled \$1.255 billion compared to \$1.021 billion at the end of the prior financial year.

The Group also releases a list of its top thirty investment holdings, representing over 90% of the value of its total investment holdings, through the ASX at the end of each quarter and also publishes this list on its website.

Equity investments to the value of \$21.09 million were purchased during the year to 30 June 2025. Major additions to the investment portfolio were IPH, Origin Energy, Whitehaven Coal, Metcash, Aurizon Holdings, BHP Group, Deterra Royalties, ANZ Group, Dalrymple Bay Infrastructure, Super Retail, Ventia Services, and Westpac. No shares were received as takeover consideration during the period.

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 continues 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 \$20.8 million at 30 June 2025 compared to \$26.8 million in the previous 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.

Operations for the three months to 30 September 2025

Turning now to the current financial year, dividends, distributions and other income received and receivable for the first quarter to 30 September 2025 totalled \$16.18 million, an increase of 2.7% on the prior year's first quarter.

As at 30 September 2025, the total market value of the Group's equity investment portfolio was \$1.168 billion compared with \$1.255 billion as at 30 June 2025, a decrease of 7.0%. It is noted that during this period, the ASX 200 index increased 3.6%. The decrease in the value of the Group's portfolio, in part, reflects the decline in EVT's share price. It is pleasing to note that EVT's share price has risen since its AGM.

In Australia, interest rates have retreated from their peak levels and are expected to stabilise around their current level for the foreseeable future with further cuts in rates possible in 2026. Globally, interest rates are expected to continue their easing trend.

The Australian equity markets will continue to be influenced by both domestic and global issues, and consequently we expect to see continuing volatility in the pricing of Australian equities. Whilst the ASX continues to trade at near record highs, the Group will continue to seek 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.

During the last quarter the Group invested \$2.8 million purchasing shares in Super Retail, Telstra and Westpac. The Group's shares in Domain Holdings Australia were disposed of during the quarter for total consideration of \$87,000, as a result of that company being taken over.

Capital Management

The Board regularly reviews its Capital Management Strategies.

In the year to 30 June 2025, 55,252 shares were bought-back at a cost of \$1.73 million.

Since July 2025, a further 13,023 shares have been bought back at a cost of \$472,000. This buy-back was finalised recently after buying-back shares to the value sought.

At the conclusion of this meeting, the Board will be considering whether to commence a new share buy-back.

The commencement of a new 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 opportunities arising in a volatile equity market.

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

29 October 2025