Chairman and Managing Director's Report

Dear Shareholders,

On behalf of our Board and executive management we are pleased to present the Bendigo Telco Annual Report, which includes a consolidated review of our operations and financial results for year ended 30 June 2026.

As a proud community and customer lead, technology-based company, Bendigo Telco continues to demonstrate that a business with commercial success and community purpose can coexist to deliver on economic success for the regions in which we serve, as well as deliver on financial results for a sustainable business.

Our mission has always been to deliver outstanding telecommunications and technology solutions while strengthening the communities in which we live and work.

During FY2026, we remained true to that purpose, delivering another year of sustainability, investing in our future capabilities, and creating lasting value for our customers, shareholders and the communities in which we serve.

Despite continued economic pressures, rising operating costs and an increasingly competitive telecommunications market, Bendigo Telco delivered a resilient financial performance underpinned by disciplined management, customer loyalty and the commitment of our people.

During the year, our largest customer has given notice of their intention to move communication services to another provider. The transition of Bendigo and Adelaide Bank's telecommunications services away from Bendigo Telco represents a significant change for the business, given the long-standing nature of the relationship and the scale of services historically provided.

While the decision has created revenue concentration and transition risks, it also reinforces the need to accelerate the Company's focus on strengthening its broader customer base, reducing reliance on any single large customer and continuing to diversify into managed services, cloud, security, voice and connectivity solutions.

Management has actively engaged with key stakeholders and pursued new opportunities across local government, enterprise, not-for-profit and regional business sectors to offset the expected impact.

Bendigo Telco remains focused on maintaining service quality throughout the transition, supporting affected operational areas, and continuing to build a more resilient and diversified business aligned to the future technology needs of regional communities.

Financial Performance

During FY2026, Bendigo Telco delivered a pleasing financial result, reflecting the resilience of our business model and the continued commitment of our people.

Revenue for the year was $22,345,456 with earnings before interest, tax, depreciation and amortisation of $1,955,504 and net profit after tax of $1,054,271 representing an increase of 788.89% over FY2025.

These results reflect the strength of our diversified business, which continues to grow across telecommunications, managed IT and consulting services.

The company maintained a disciplined approach to cost management, capital allocation and working capital, while continuing to invest in service quality, customer capability and future growth opportunities.

An attentive focus on the balance sheet continues, to ensure we provide the flexibility to continue to invest in relevant technology products, customer experience and future growth opportunities all whilst maintaining long term prudent financial management.

Subject to final Board approval and statutory requirements, the company will continue to assess capital management and dividend decisions with a focus on long-term sustainability and shareholder value.

After careful consideration, the Board has determined not to pay a final dividend for the financial year. This decision reflects a prudent approach to capital management and in response to the challenges associated with replacing revenue from a significant customer. Retaining earnings will preserve financial flexibility, support ongoing investment in the business and position the Company to create sustainable long-term value for shareholders.

Operational Achievements

A key feature of FY2026 was our continued focus on customers and service capability. We strengthened our service and delivery offering across business telecommunications, managed technology services and connectivity solutions, while working to improve responsiveness, reliability and ease of doing business. These efforts supported customer retention, onboarding new business development and the ongoing evolution of Bendigo Telco as a trusted technology partner.

The year also saw progress on important strategic initiatives, including continued investment in systems, processes and partnerships designed to improve scalability, continue to address cost structures and strengthen our market position.
We remained attentive to opportunities for growth, collaboration and service innovation, while ensuring that our decisions were grounded in commercial discipline and customer relevance.

Delivering for Our Customers

Throughout the year, Bendigo Telco continued to strengthen its position as a trusted technology partner for businesses, government organisations and households across several existing and new communities.

Key achievements during FY2026 included:

- Continued growth in business telecommunications and managed technology services.
- Expansion of cloud, cybersecurity and managed IT offerings to help local organisations operate securely in an increasingly digital environment.
- Investment in modern products, delivering improved performance for customers
- Enhancements to our digital customer experience through improved online support, self-service capabilities and streamlined service delivery.

While technology continues to evolve rapidly, our point of difference remains unchanged: local expertise, responsive service and trusted relationships built over more than two decades.

Investing in Our Community

Bendigo Telco exists because of the support of our community, and we remain committed to ensuring our success delivers benefits beyond our financial results.

During FY2026, we invested more than $59k in community sponsorships, partnerships and local initiatives supporting education, sport, health, the arts and community development across central Victoria.

We continued to work alongside local schools, not-for-profit organisations and community groups to improve digital inclusion and create opportunities for people to participate confidently in an increasingly connected world.

Supporting regional communities is not simply part of our corporate responsibility—it is fundamental to who we are. Every investment we make is aimed at helping build stronger, more connected and more resilient communities.

Our contribution was made possible through the combined efforts of our staff, customers, shareholders and partners. Whether through practical support, sponsorship, advice or collaboration, Bendigo Telco continued to play a constructive role in helping local organisations connect, operate and grow.

Our People

To continue to deliver on our purpose driven strategy, we believe our greatest asset continues to be our people.

The dedication, professionalism and expertise of our employees have once again been central to our success. Every day, our team demonstrates an unwavering commitment to delivering exceptional service and practical technology solutions for our customers.

During the year we continued to invest in new roles, staff development and leadership capability, recognising that a skilled team and engaged workforce is essential to our long-term success.

Acknowledgements

We would like to acknowledge and thank our staff for their professionalism, commitment and care throughout the year. Their efforts underpin every customer relationship, every service outcome and every improvement we make as a business.

In a market that continues to change quickly, their adaptability and focus remain one of Bendigo Telco's greatest strengths.

We would like to sincerely thank our shareholders for your continued confidence in Bendigo Telco and our long-term vision. Your support enables us to continue investing in technology, creating local employment and delivering lasting benefits to the communities we proudly serve.

We also extend our appreciation to our loyal customers, whose trust inspires us to continually improve and innovate.

Our gratitude extends to our strategic partners, suppliers and technology vendors whose collaboration enables us to deliver high-quality solutions and exceptional customer outcomes.

Finally, we thank the Board of Directors for their strategic leadership, sound governance and continued commitment to ensuring Bendigo Telco remains a strong, sustainable and community-focused organisation.

Looking Forward

As we enter FY2027, Bendigo Telco is well positioned to build on the momentum of the past year.

We will continue investing in expanding our managed technology services, strengthening our capabilities and embracing emerging services and technologies that create value for our customers.

At the same time, we remain firmly committed to our founding purpose – supporting regional prosperity through better use of technology, trusted local service and meaningful community investment.

Our strategy is clear: grow sustainably, innovate responsibly and continue delivering value for our customers, our shareholders and the communities that have supported Bendigo Telco since its inception.

While the Board is clearly focused on the challenge of replacing the revenue that will be lost following our largest customer's decision to transition to a tier 1 national provider, we remain optimistic about the future. Our confidence is underpinned by the increasing demand for our differentiated technology solutions and our longstanding reputation for customer and community-focused outcomes, all from our regionally headquartered business.

For more than 25 years, Bendigo Telco has been committed to delivering successful customer outcomes while contributing to the growth and development of the regional economy. In an increasingly centralised and digital world, we understand the challenges ahead, but we continue to experience strong demand for our customer-focused solutions, reliable service offerings and our partner approach to doing business.

We will remain disciplined in our financial management, proactive in our approach to customer needs and open to exploring opportunities that enhance our capability and impact.

On behalf of the Board and management team, thank you for your continued support of Bendigo Telco. We are proud of what has been achieved in FY2026 and remain committed to building a stronger, more connected future for our shareholders, customers and communities.

Yours sincerely,

Rob Hunt
Chairman

Kevin Dole
Managing Director