



Annual General Meeting Chairman & CEO Address

Thursday, 28 November 2024, 4:00 PM

Rubicon Water Limited (ACN 651 852 470)

Chairman's Review

Rubicon Water remains committed to addressing global water scarcity and advancing agricultural efficiency. FY24 has been a year of laying critical groundwork for the long-term success of our company, amidst evolving global challenges and opportunities.

Globally, the importance of efficient water management continues to rise, driven by factors such as climate change, population growth, and the urgent need for sustainable food production. This urgency emphasises the relevance of Rubicon's solutions. In the United States, we see parallels to Australia's early 2000s adoption of advanced irrigation technologies, where severe droughts were the catalyst for systemic changes. Rubicon's positioning to meet these challenges remains strong, as governments and private sectors worldwide increasingly prioritise water efficiency.

Despite financial challenges stemming from slower than expected sales in some markets and strategic decisions – such as reallocating resources in China and providing for a one-off doubtful debt in Chile – we have remained focussed on aligning our operations with long-term goals. They allow us to focus on identified growth markets, including the USA, India, Europe, North Africa, and Central Asia, which together represent a combined addressable market exceeding 20 times the size of Australia. Such immense potential offers a pivotal growth trajectory for Rubicon.

Our successful capital raise across August and September this year, positions us well to fund our future growth plans and demonstrates the strong belief, amongst existing and new shareholders, in our future potential.

FY24 also reinforced the importance of our globalisation strategy. By expanding into 22 countries and increasing our workforce outside ANZ to 140 over the past five years, we have made significant strides in becoming a truly international business. These efforts provide the foundation to capitalise on opportunities in existing and emerging markets. For example, our Memorandum of Understanding with Egypt's Ministry of Water Resources and our contributions to transboundary projects in Central Asia highlight Rubicon's capability to address critical water security challenges globally.

Looking forward, Rubicon is in position to play a key role in addressing the growing demand for innovative water management solutions. With the groundwork laid, we are confident in our ability to unlock value for our stakeholders and contribute meaningfully to global sustainability efforts.

Finally, I am grateful for the dedication of our team and partners and the trust of our shareholders, which enable us to continue this journey.

Gordon Dickinson, Chairman

CEO Address

Good afternoon and thank you for joining us today for Rubicon Water's FY24 Annual General Meeting. As evidence of the truly international nature of our business, I am joining you today from our Beijing office where we are forming a new joint venture which will have the Chinese national distribution rights to our products and solutions.

This year, Rubicon achieved several key operational advancements and, as Gordon mentioned, we have more than doubled our workforce outside ANZ over the past five years. Our localisation strategy has been instrumental in enabling us to serve diverse markets effectively and drive meaningful engagement with customers.

We now have a global footprint of large-scale modernised irrigation networks, which are reporting measurable benefits. From Australia to the USA, India, China, Europe, Central Asia and importantly now in Latin America, where we secured our largest contract in the region to date – a A\$2.5 million project in Costa Rica.

The US market has been a standout performer in FY24, achieving record orders of A\$33 million – an extraordinary 200% year-on-year increase. This reflects the growing recognition of Rubicon's solutions amidst heightened pressures for water conservation and efficiency. A key highlight was the milestone FarmConnect™ contract in California, which showcases the relevance of our on-farm technologies. As we refine these offerings, we anticipate further growth in the US and other markets.

Conversely, in China, temporarily reduced government funding for irrigation projects posed challenges. In response, we reallocated inventory to focus on higher-priority regions, ensuring we remain agile. Via our new JV, we are currently restructuring our operations for what is still a significant future market for our products and solutions. Similarly, our work in emerging markets, such as Egypt and Central Asia, exemplifies Rubicon's ability to adapt and deliver solutions tailored to diverse needs.

Rubicon's business model is evolving to include a greater focus on recurring revenue streams. While integrated hardware sales still account for the majority of our revenue, further long-term value lies in the ongoing maintenance, support, and software services we provide. This approach has proven successful in Australia, where annual revenues of A\$15–20 million are derived from ongoing agreements, solution enhancements and system renewals.

By replicating this model internationally, we are not only diversifying our revenue streams but also deepening customer relationships. This shift aligns with Rubicon's strategy to build a sustainable and resilient business that continues to meet the evolving needs of our clients.

FY24's financial performance was impacted by specific challenges – including slower than expected sales in some markets, a one-off doubtful debt provision in Chile and the reallocation of contract assets from China. Importantly, our recent capital raise provides us with the resources to pursue larger opportunities in expansive global markets.

Rubicon's active international engagement remains a key driver going forward. Senior leadership has prioritised face-to-face interactions with stakeholders, strengthening trust and credibility across markets. We have also increased our presence at major industry events, including co-hosting a leading irrigation conference in Las Vegas and presenting at ExpoAgua in Santiago. These engagements enhance awareness of Rubicon's solutions and position us as a global leader in water management.

Pleasingly, we recently reported that Rubicon Water has continued to generate positive operating cash flows for both the current financial year (FY25) and the calendar year to date. This outcome includes the collection of \$5.1 million of aged debtor receipts in the Company's Asia segment thus far this financial year.

At the same time, we also announced that our partner in Italy has been awarded a tender to deliver \$5.8 million in Rubicon products and services. This will constitute the Company's largest contract to date in the EMEA region. We have also signed an MOU as part of the Company's Chinese strategic review and welcomed key delegations from Egypt, China and Japan to Australia, who all have shown dedicated interest in understanding and witnessing the Company's Total Channel Control (TCC) technology.

The demand for efficient water management systems is set to rise, and Rubicon is uniquely positioned to meet this need. Our operational progress, combined with our innovative solutions and strong market presence, provides a robust foundation for future growth.

I would like to take this opportunity to thank our Board, employees and shareholders for your continued support.

Bruce Rodgerson, CEO



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