

**Chairman's address
to the 2025 Annual General Meeting
Thursday 20th of November 2025**



Dear Shareholders,

On behalf of the Board, welcome to the Annual General Meeting for the year ended 30 June 2025. I thank you for your ongoing support and trust in our company.

I am pleased to report the positive financial outcomes achieved by the Microequities Asset Management Group Limited (Microequities) in FY25:

- Revenue from ordinary activities rose by **9.3%** to **\$12.54 million**.
- Profit after tax increased by **19.3%** to **\$7.15 million**
- The Board declared a fully franked final dividend of **2.0 cents per share** for FY25, bringing total dividend for the year to **3.9 cents per share**.
- Our balance sheet continues to strengthen with net assets rising to \$23.4 million from \$21.1 million in FY24.

Microequities' continued growth in profitability was achieved against the background of very difficult market conditions for microcap stocks. The universe in which our domestic funds invest is best reflected in the S&P/ASX Small Industrials Total Return Index. This ended the year 3.7%* below its September 2021 peak. (By contrast the All Ords and the ASX 200 Total Return indices were 29.4%* and 31.2%* above their 2021 highs.)

The outcomes achieved by Microequities in FY 2025 reflect the strength of our investment performance and our disciplined cost-management in the face of broader sector headwinds. As our CEO noted, "despite weak inflows into the asset class ... strong investment performance supported FUM levels ... enabling us to deliver a +5% increase in recurring revenue, a +39% increase in operating profit, and a +19% increase in NPAT."

During prolonged bear or even flat markets fund managers typically suffer the "triple whammy" of

- o declining portfolio values.
- o fund outflows.
- o inability to secure fund inflows.

The strength of Microequities performance is highlighted by the fact that it has been able to grow its annual profits in the face of sector headwinds and with minimal performance fees. Of course, when market conditions reverse, the 3 trends above also go into reverse and fund manager profitability is boosted by the addition of performance fees.

The solid performance of MAM despite sector headwinds is largely due to two factors:

- the investment performance achieved by the discipline of our investment team, and
- the extraordinary perseverance of our investors who have shown their understanding of the benefits of staying invested through market cycles.

Looking ahead, the MAM investment team believe that the current pricing dislocation in Australian small and microcap listed companies means that the upside opportunities for microcap investors are at historic highs. Reflecting this view of market conditions the Company continued to grow its on balance sheet investment in our own funds.

Meanwhile Microequities has taken further steps to diversify our product suite to further alternative investments appropriate to our client base. For example, the recently launched corporate private credit SPV was quickly fully subscribed thereby confirming the fee potential of expanding our product range.

We know that our highest asset is our team. I want to thank them for their integrity, their commitment and their hard work on behalf of our investors.

We recently expanded our Board with the addition of Christopher Nasser. We welcome Chris and look forward to his insights, experience and contribution.

In closing, let me say that the returns of this past year may not yet reflect the full potential of the opportunities before us. I believe this has left us well placed for the years ahead. We are investing in durable businesses, stewarding your capital with care, and seeking to unlock value through time, research and conviction.

Thank you for your support

Leslie Szekely
Non-Executive Chairman

*Source S&P Capital IQ

**CEO's address
to the 2025 Annual General Meeting
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I'm pleased to welcome everyone to our 2025 Annual General Meeting. FY25 has been a year of disciplined execution, strengthening the foundations of our business and continuing to deliver investment performance across our strategies.

Financial Performance

The business posted a strong +39% increase in operating profit to \$10.4m, driven by a +5% increase in recurring revenue and a +222% increase in performance fees.

We continued to deploy balance sheet capital into our products, a strategy that has seen our balance sheet expand, with investment in our own products now totalling \$21.9m as of the end of FY25. This is an important element in our value creation for shareholders. As you will recall, late in FY24 Microequities secured a \$5 million loan from Judo Bank to increase our balance sheet investment into Microequities products. That strategic decision has been value-accretive, with returns from these investments materially outpacing the after tax interest costs associated with the loan.

In addition to increasing the size of our balance sheet, we were also able to reward our shareholders by increasing the size of our dividends. In the last 12 months we paid out 3.9 cents in fully franked dividends an +8.3% increase over the previous corresponding period.

Investment Performance

Throughout the year, our investment team continued to identify high-quality, undervalued growth businesses operating in niche or structurally expanding markets. Our conviction-led approach once again delivered attractive risk-adjusted returns for our investors.

Several of our strategies achieved double-digit performance during FY25, with particularly strong contributions from our Global Value Microcap Fund and our Value Earth Fund, which delivered +25.91% and +14.11% respectively. Our long-term investment horizon continues to differentiate us in a market often overly focused on short-term catalysts and quarterly noise. We take a different view: we ask what a business is likely to look like over a five, seven or ten year horizons. Our best investments are businesses that we hold for such periods, and in those investments we typically attain triple digit returns for our investors.

Valuations across parts of the industrial small-cap and microcap sectors remain compelling. Many high-quality businesses continue to trade materially below intrinsic value due to broader market dislocations. This environment is ideally suited to our investment philosophy. We remain extremely confident in our value proposition to clients and in our ability to continue delivering superior risk-adjusted returns relative to the indexes and many competing active strategies.

Operating update Priorities for FY26

I am pleased to report that trading across the first three months of FY26 has been strong and remains in line with the expectations set by our Board.

I would now like to turn to our strategic priorities for FY26.

Building on the commercial successes of FY25, the Board has noted the strong appetite from our clients for high-quality, risk-adjusted private credit opportunities. Our inaugural private credit SPV was quickly oversubscribed, demonstrating clear investor demand for this asset class. As we look ahead, our FY26 planning includes the launch of a Cash Management Trust that will provide investors with an attractive fixed return, short-term liquidity, and a guarantee from Microequities Asset Management Group. In addition, we are progressing work to fill a significant gap in our listed equities product suite across the Small and Microcap segments.

I am pleased to confirm that last week we launched a 1-for-5 rights issue for our Private to Beyond the IPO Fund. The decision to reopen the Fund reflects the most compelling deal pipeline we have seen since its inception and provides investors with an excellent access to private companies that are on the cusp of major value enhancing milestones over the next 24 months.

I would like to close by thanking our shareholders for their continued support, our investors for their trust, and our investment, relationship managers and operations teams for their dedication throughout the year.

Carlos Gil
Chief Executive Officer

Microequities Asset Management Group Limited

About Microequities (ASX:MAM): Microequities is a boutique value driven Fund manager specialised in exchange listed industrial microcaps and small caps. Established in 2005 as an investment research house, the company expanded into funds management in early 2009 by launching its flagship fund - the Deep Value Fund. Today Microequities manages five open ended investment funds and has over \$500m of funds under management. For further information visit www.microequities.com.au

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This announcement has been authorised for release by the Board.

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