



FLAGSHIP
INVESTMENTS

FLAGSHIP INVESTMENTS LIMITED

ABN 99 080 135 913

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2025

Directors' Report

Your Directors submit the Interim Financial Report of Flagship Investments Limited (the "Company") for the half-year ended 31 December 2025.

Directors

The following persons were Directors of Flagship Investments Limited since 30 June 2025 and up to the date of this report, unless stated otherwise.

- Mr Dominic M McGann (Chairman)
- Dr Emmanuel C Pohl AM (Managing Director)
- Mrs Angela Obree (Chair of Audit and Risk Committee)

Principal Activity

The principal activity of the Company is investing in securities listed on the Australian Securities Exchange. There have been no significant changes in the nature of this activity during the period.

Review of Operations

Investment performance for the six months to December 2025 was negative 9.8%, compared to the ASX All Ordinaries Index increase of 2.8%. This is a marked difference to the prior year when portfolio performance was positive 9.1% and this is reflected in the change in Other Comprehensive Income from last year to the current year.

Total Comprehensive Loss after the provision of tax for the half year to December 2025 was \$6,401,388 a substantial decrease from the prior year due to the portfolio performance noted above. The fluctuation in asset valuation is not indicative of a significant change in the operations or investment process of FSI, unfortunately a number of portfolio stalwarts faltered during the period, including James Hardie and Corporate Travel. While broadly the performance reflects a market cycle skewed by the performance of the materials sector in Australia, more broadly it reflects a market where participants have chosen to ignore business fundamentals and focus on the euphoria surrounding the believed benefits as well as the negative impacts of artificial intelligence. FSI continues to invest in high-growth, high-quality businesses, with strong balance sheets, scalable business models and durable competitive advantages.

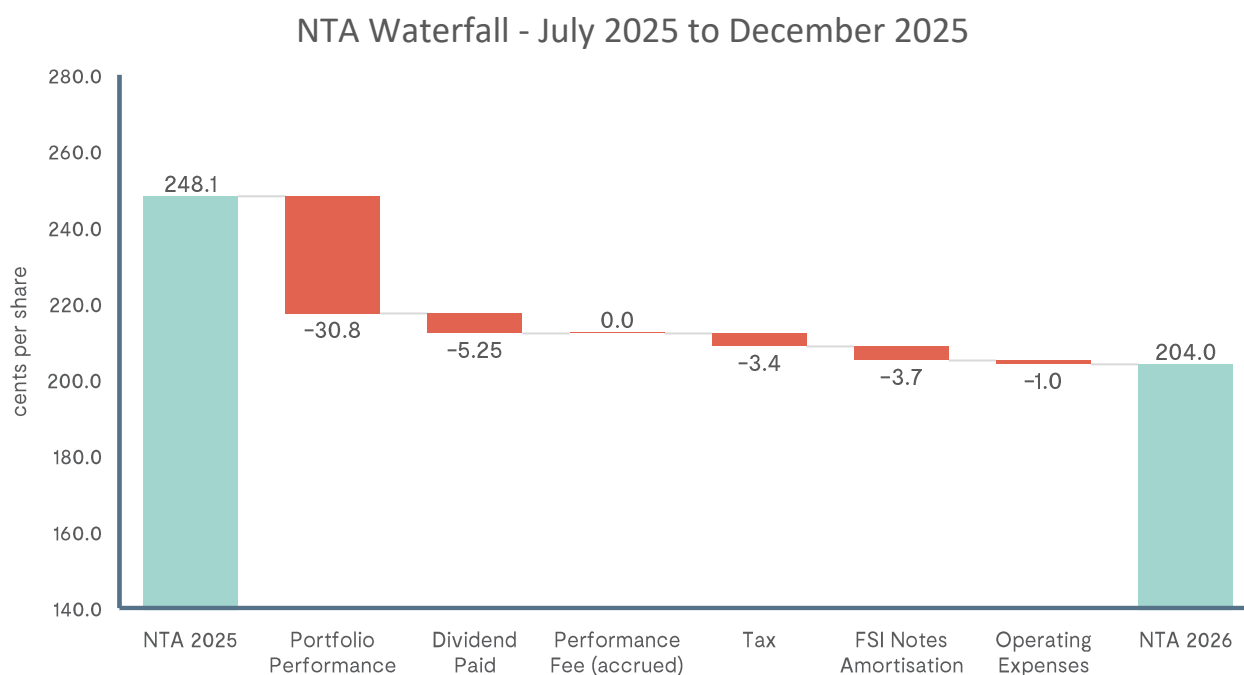
During the six months to December 2025 the Company paid the FY2025 Final Dividend of 5.25 cents per share, a 1.0% increase on the prior year. The total dividend paid over the last 12 months was 10.35 cents per share and represents a 5.78% yield on the closing share price on 31 December 2025 of \$1.79.

Portfolio Performance:

	6 Months	1 years	5 years p.a.	10 years p.a.	Since Inception (1 May 1998) p.a.
Portfolio^	-9.8%	-13.1%	4.5%	9.9%	11.6%
ASX All Ordinaries Index	2.8%	7.1%	5.7%	5.4%	4.4%
ASX All Ord Accumulation Index	4.4%	10.6%	9.7%	9.5%	8.6%

Net Tangible Assets

The NTA per share (before tax on unrealised gains) at 31 December 2025 was 204.0 cents compared with 248.1 cents at 30 June 2025. The chart below depicts the movement in NTA in terms of the contribution of the portfolio performance and outgoings in running the Company.



Market Comment

The ASX All Ordinaries has produced a below average return of 2.8% in the year to date. This was driven by a rotation from chips to rocks where AI and other technology businesses started the year strongly but in the second half the shift to commodities and particularly gold and critical minerals fueled the market. Globally the AI thematic is likely to continue as a highlight as deployment occurs across business functions delivering productivity improvements. While speculation on AI related IPOs (OpenAI, Anthropic and xAI) will no doubt generate a lot of attention.

After rate cuts earlier in 2025 the Reserve Bank of Australia took a more cautious path, holding rates while persistent underlying inflation drove speculation of rate hikes early in 2026. GDP growth fell short of expectations through the year and the labour market remained resilient with unemployment sitting at 4.2% in late Q4. This macro position has driven more investors towards value-orientated stocks, moving away from growth stocks.

The outlook for 2026 remains subject to geopolitical impacts, tariffs and ongoing macro uncertainty. FSI remains committed to its core philosophy of focusing on the economics of the business rather than attempting to anticipate short-term macroeconomic outcomes. FSI, under the management by EC Pohl & Co, continues to focus on owning companies with strong competitive advantages, proven management teams, and clear pathways to sustainable earnings growth. By maintaining a long-term ownership mindset and actively managing position sizes as valuations evolve, FSI will seek to balance risk management with the pursuit of attractive returns.

Significant Changes in State of Affairs

There have been no significant changes to the operations of the Company during the last six months.

Subsequent Events

Since 31 December 2025 to 31 January 2026 the ASX All Ordinaries Index has increased by 1.6% while the published NTA for the Company has decreased by 2.9%. The Company has not made any changes to its investment strategy or significant changes to the portfolio however it has been impacted by the extreme sentiment shift which does not reflect the underlying quality of the investee businesses. Portfolio performance in February 2026 has been further impacted by a global sell-off of tech related stocks. AI disruption fears have triggered a sell off while companies in the midst of reporting season are delivering robust results. The Investment Manager continues to monitor the performance and outlook of the investee businesses and reminds investors to remain focused on long term fundamentals rather than short term fear or hype.

Dividend Declared

The Board has approved a fully franked interim dividend of 5.1 cents per share in respect to the half-year ended 31 December 2025 to be paid on 27 February 2026.

In respect to the year ended 30 June 2025, the Board approved a final dividend of 5.25 cents per share, which was paid on 28 August 2025.

The Company aims to pay a dividend that will increase at a rate in excess of the rate of inflation over the long term. The Board has considered the current dividend cover ratio and has determined that there are sufficient franking credits to offer a special dividend. The value of the special dividend is yet to be determined while the timing will be contingent upon the DRP participation rate reaching 80%. This ensures that the payment of the special dividend also assists in growing the size of the company while providing shareholders with the benefit of the franking credits.

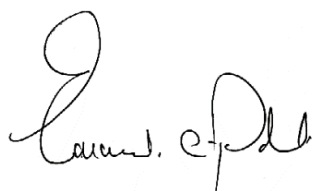
Capital Gains Component of Dividend

The capacity of the Company to continue to facilitate access to the capital gain benefit of the dividend, will depend on the Company's capacity to generate capital profits. The Dividend paid in August 2025 did include an LIC capital gain component while the interim dividend will not include an LIC capital gain component.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2025.

This report is made in accordance with a resolution of the Directors.



Dr E C Pohl AM

Managing Director

BUNDALL

5 February 2026

Auditors Independence

FLAGSHIP INVESTMENTS LIMITED
ABN 99 080 135 913

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FLAGSHIP INVESTMENTS LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2025, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

Augmented Audit Co Pty Ltd
Authorised Audit Company No. 541764



Jessica Juhl
Director
5 February 2026

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Augmented Audit Co Pty Ltd is an ASIC Authorised Audit Company and General
Partner of the AAC Limited Partnership Liability
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Condensed Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Profit/(Loss) for the year			
Other Income	2	617	736
Other expenses		(268)	(239)
Profit/(Loss) from operations		349	497
Portfolio Performance Fee Accrued ¹		-	(431)
Interest Expense		(965)	(933)
Profit/(Loss) before income tax		(616)	(867)
Income tax (expense)/benefit		189	271
Net Profit/(Loss) after income tax for the half year		(427)	(596)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Changes in fair value of Financial Assets at fair value through Other Comprehensive Income		(8,535)	6,894
Income tax (expense)/benefit relating to components of Other Comprehensive Income		2,561	(2,068)
Other Comprehensive Income/(Loss) for the half-year net of tax		(5,974)	4,826
Total Comprehensive Income/(Loss) for the half-year		(6,401)	4,230

¹ Performance fees are accrued on the portfolio outperformance of the bank bill index.

Portfolio performance includes dividends shown in the Profit or Loss and the realised and unrealised gains or losses in the investment portfolio reported in Other Comprehensive Income.

	Cents	Cents
Earnings per share:		
Basic earnings/(loss) per share	(1.7)	(2.3)
Diluted earnings per share	1.1	0.5
Comprehensive earnings/(loss) per share	(24.8)	16.4

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Financial Position

AS AT 31 DECEMBER 2025

	Notes	31 Dec 2025 \$'000	30 June 2025 \$'000
Assets			
Cash and Cash Equivalents		2,129	3,199
Trade Receivables and Other Assets		43	83
Intangible Assets		5	5
Financial Assets at fair value through Other Comprehensive Income	4	70,900	80,332
Total Assets		73,077	83,619
Liabilities			
Trade and Other Payables		42	80
Tax Payable		648	90
Deferred Tax Liability		933	4,547
Convertible Notes		19,659	19,348
Total Liabilities		21,282	24,065
Net Assets		51,795	59,554
Equity			
Issued Capital	5	36,488	36,488
Other Reserves		16,025	23,357
Option premium on Convertible Notes		507	507
Retained Earnings		(1,225)	(798)
Total Equity		51,795	59,554

The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Asset Realisation Reserve	Notes Option Premium	TOTAL
2024		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024		36,488	(239)	9,807	14,309	507	60,872
Profit/(Loss) for the half-year		–	(596)	–	–	–	(596)
Other Comprehensive Income		–	–	4,826	–	–	4,826
Transfer to Asset Realisation Reserve		–	–	(7,157)	7,157	–	–
Dividends paid	3	–	–	–	(1,345)	–	(1,345)
Balance at 31 December 2024		36,488	(835)	7,476	20,121	507	63,757

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Asset Realisation Reserve	Notes Option Premium	TOTAL
2025		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025		36,488	(798)	10,699	12,658	507	59,554
Profit/(Loss) for the half-year		–	(427)	–	–	–	(427)
Other Comprehensive Income		–	–	(5,974)	–	–	(5,974)
Transfer to Asset Realisation Reserve		–	–	(2,465)	2,465	–	–
Dividends paid	3	–	–	–	(1,358)	–	(1,358)
Balance at 31 December 2025		36,488	(1,225)	2,260	13,765	507	51,795

The above Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash Flows from Operating Activities		
Dividends received	626	725
Interest received	41	68
Interest paid on convertible notes	(655)	(610)
Other payments to suppliers and employees	(316)	(2,941)
Net cash provided by/(used in) operating activities	(303)	(2,758)
Cash Flows from Investing Activities		
Proceeds from sale of investments	13,975	23,128
Payment for investments	(13,078)	(18,172)
Income tax paid on gains on sale of investments	(306)	-
Net cash provided by/(used in) investing activities	591	4,956
Cash Flows from Financing Activities		
Dividend paid	(1,358)	(1,345)
Net cash provided by/(used in) financing activities	(1,358)	(1,345)
Net (decrease)/increase in cash and cash equivalents held	(1,070)	853
Cash and cash equivalents at beginning of the financial period	3,199	1,684
Cash and cash equivalents at the end of the financial period	2,129	2,537

*The above Condensed Statement of Cash Flows should be read in conjunction with the
Notes to the Condensed Financial Statements*

Notes to the Condensed Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Note 1 Basis of Preparation

These general-purpose Interim Financial Statements for the half-year reporting period ended 31 December 2025 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Flagship Investments Limited is a for-profit company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest Annual Financial Statements of Flagship Investments Limited. As such it does not include all the Notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this Interim Financial Report be read in conjunction with the Annual Financial Statements for the year ended 30 June 2025, together with any public announcements made by Flagship Investments Limited during the half-year ended 31 December 2025 in accordance with the continuous disclosure requirements of the ASX listing rules.

The same accounting policies and methods of computation have been followed in this Interim Financial Report as were applied in the most recent Annual Financial Statements.

These Interim Financial Statements were authorised for issue on 5 February 2026.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (rounding of Financials/Directors' Report). Accordingly, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars unless otherwise stated.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Changes in Accounting Policy

There are no changes in existing accounting policy that apply for the half-year ended 31 December 2025 compared to 30 June 2025.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Notes to the Condensed Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Note 2 Other Income		
Dividends Received	576	668
Interest Received	41	68
Total Other Income	617	736

Note 3 Dividends

Dividends paid during the half-year		
— final dividend of 5.25 cents per share paid August 2025 – fully franked	1,358	–
— final dividend of 5.20 cents per share paid August 2024 – fully franked	–	1,345
	1,358	1,345

Since the end of the half-year, the Directors have declared an interim dividend of 5.1 cents per share 100% franked which is payable on 27 February 2026.

Note 4 Fair Value Measurements

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income.
- Financial Assets at fair value through Profit or Loss.

AASB13 *fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy, as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Company's assets and liabilities that are measured and recognised at recurring fair value in the financial statements.

at 30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	TOTAL \$'000
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	80,332	–	–	80,332
Total Financial Assets	80,322	–	–	80,332

Notes to the Condensed Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Note 4 Fair Value Measurements (continued)

at 31 December 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	TOTAL \$'000
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	70,900	–	–	70,900
Total Financial Assets	70,900	–	–	70,900

There were no transfers during the year between the levels in the fair value hierarchy for recurring fair value measurements. The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

Note 5 Movements in Issued Capital

Date	Details	Number of Shares	Price \$'s	Share Capital \$'000
30 June 2024	Balance	25,857,263		36,488
	Nil Movement *	–	–	–
30 June 2025	Balance	25,857,263		36,488
	Nil Movement *	–	–	–
31 December 2025	Balance	25,857,263		36,488

* The Dividend Reinvestment Plan was facilitated through on-market purchase of shares.

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Note 6 Contingent Liabilities and Contingent Assets

The Company has no known contingent liabilities or contingent assets.

Notes to the Condensed Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2025

Note 7 Events Occurring After Reporting Date

Since the end of the period, the Directors have declared an interim dividend of 5.1 cents per share. The dividend is 100% franked and payable on 27 February 2026.

The Directors are not aware of any other matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Note 8 Operating Segments

Segment Information

The Company operates solely in the Investment Industry. Its core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Managing Director. The Managing Director is considered to be the chief operating decision maker of the Company. The Managing Director considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Managing Director considers the business to consist of just one reportable segment.

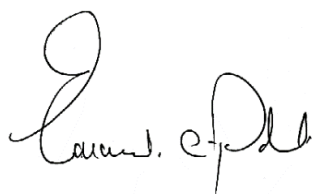
Directors' Declaration

The Directors declare that the Financial Statements and Notes as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Flagship Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Dr E C Pohl AM
Managing Director
BUNDALL
5 February 2026

Independent Auditors Review

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FLAGSHIP INVESTMENTS LIMITED

Conclusion

We have reviewed the half-year financial report of Flagship Investments Limited (the company), which comprises the Condensed Statement of Financial Position as at 31 December 2025, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Flagship Investments Limited does not comply with the Corporations Act 2001, including:

- a) giving a true and fair view of Flagship Investments Limited's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 31 December 2025 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Augmented Audit Co Pty Ltd

Authorised Audit Company No. 541764



Jessica Juhl

Director

5 February 2026

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