

ACORN CAPITAL INVESTMENT FUND LIMITED

INVESTOR UPDATE
(INCORPORATING 1H 2026 FINANCIALS)

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The Investment Universe

The ex-ASX 250 segment is large, compositionally different and structurally under-covered

- The ex-ASX 250 universe comprises **~1,500 listed companies** representing ~6% of ASX market capitalisation, yet in Acorn Capital's experience it remains structurally under-represented in institutional portfolios
- Compositionally **differentiated from the ASX 250**: higher weighting to innovation-driven, earlier-stage sectors including technology, healthcare and emerging resources
- Low broker and analyst coverage means most companies are **under-researched**, creating a wide gap between market price and potential value

Acorn Capital believes this **structural inefficiency** may reward disciplined active managers – ACQ's strategy is purpose-built to find these opportunities

ACQ Investment Strategy

Research-driven, industry-neutral investing in microcap companies

INVESTMENT PROCESS



Investment Universe

ASX companies outside the ASX250
~ 1,500 companies plus unlisted universe



Research and Analysis

Acorn Capital analysts study companies
across all industries



Identify Mispriced Companies

Focus on companies trading below
their long-term potential value



Build a Diversified Portfolio

Typically 70+ investments
across multiple sectors

INVESTMENT PRINCIPLES

Research-driven

ACQ conducts detailed company research to identify
opportunities overlooked by the broader market

Industry-neutral

Diversified across industries – focused on finding
mispriced companies rather than making sector bets

Style agnostic

Not restricted to a single style. May include growth,
value or turnaround opportunities

Long-term investors

Typically invests with a medium to long-term horizon,
allowing emerging businesses time to grow

ACQ's strategy seeks to identify **undervalued emerging companies** through research, diversification and long-term investing

Why Microcap Access Is Hard

In Acorn Capital's view, every conventional access route carries structural limitations in relatively illiquid, earlier stage markets

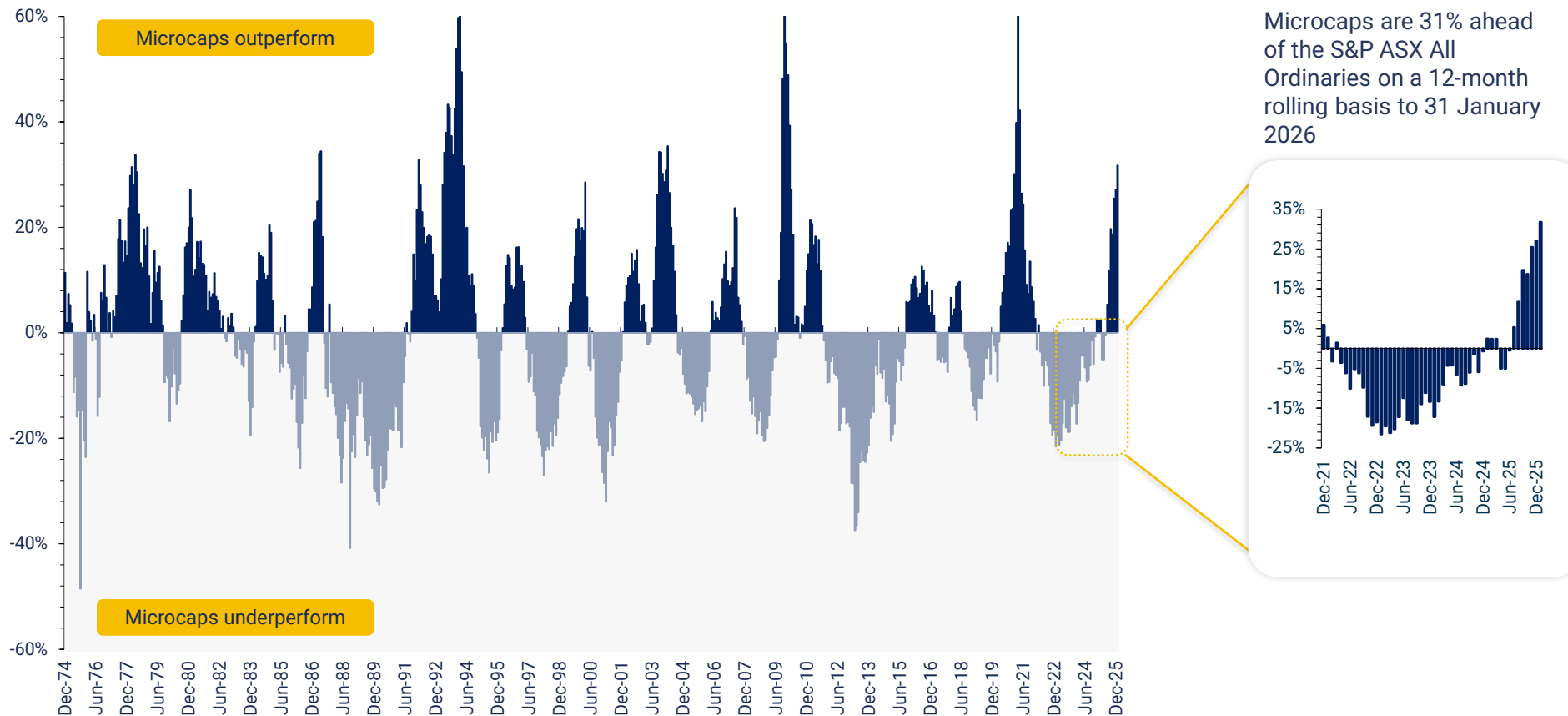
Access Route	Key Risk	Micro-Cap Limitation
Direct stock selection	Concentration	Liquidity mismatch and behavioural risk in volatile markets
Small-cap ETFs	Passive replication	No ex-ASX 250 ETF exists; forced buying/selling of illiquid names
Open-ended funds	Redemption pressure	Forced selling in downturns; capacity constraints at scale
Private markets	Lock-ups	Capital calls, opaque valuations, no market-based pricing

Without a dedicated access tool, portfolios **may structurally underweight** the earlier stage segment of the market

Microcaps: A different return profile to large caps

Rolling 12-month return differential

The cyclical pattern of out and under-performance vs the All Ordinaries highlights the diversification benefit of micro-cap exposure



What ACQ Delivers

Diversified ex-ASX 250 exposure through a single ASX-listed security

- Broad, diversified exposure to **listed and unlisted** microcap companies
- Single ASX-listed security: **no lock-ups, no capital calls, no gates**
- Sector breadth Acorn Capital believes is **largely unavailable via ETF on ASX**, with active management seeking to exploit pricing inefficiencies
- Permanent capital base: **no redemption pressure**, allowing the manager to hold through illiquid periods
- Potential upside optionality of early-stage growth **with listed-market transparency**

ACQ is designed to deliver diversified microcap exposure **through a structure purpose-built for illiquid markets**

Why the LIC Structure Matters

The LIC structure addresses microcap risks differently from other access routes



Diversification

70+ holdings across industries significantly reduces single-company risk



Permanent Capital

No forced selling – manager holds positions through cycles in illiquid markets



Investor Liquidity

Shares trade daily on ASX, giving investors liquidity without portfolio stress



Audited Portfolio

AASB 13 Level 3 standards, EY audit



Strong Governance

Independent directors, audit committee, continuous ASX disclosure obligations



Discount Dynamics

Cyclical discount has historically provided a margin of safety. Past patterns may not repeat

ACQ's LIC structure provides **structural risk management features** not available through direct holdings, open-ended funds, or private-market vehicles

Governance and Valuation Discipline

Independent oversight and continuous disclosure

Unlisted Valuation Framework

- Unlisted assets valued under **AASB 13 Fair Value (Level 3)**
- **Independent valuation committee** provides oversight separate from the investment team
- External audit by **EY** with full scope over unlisted portfolio

Board and Disclosure

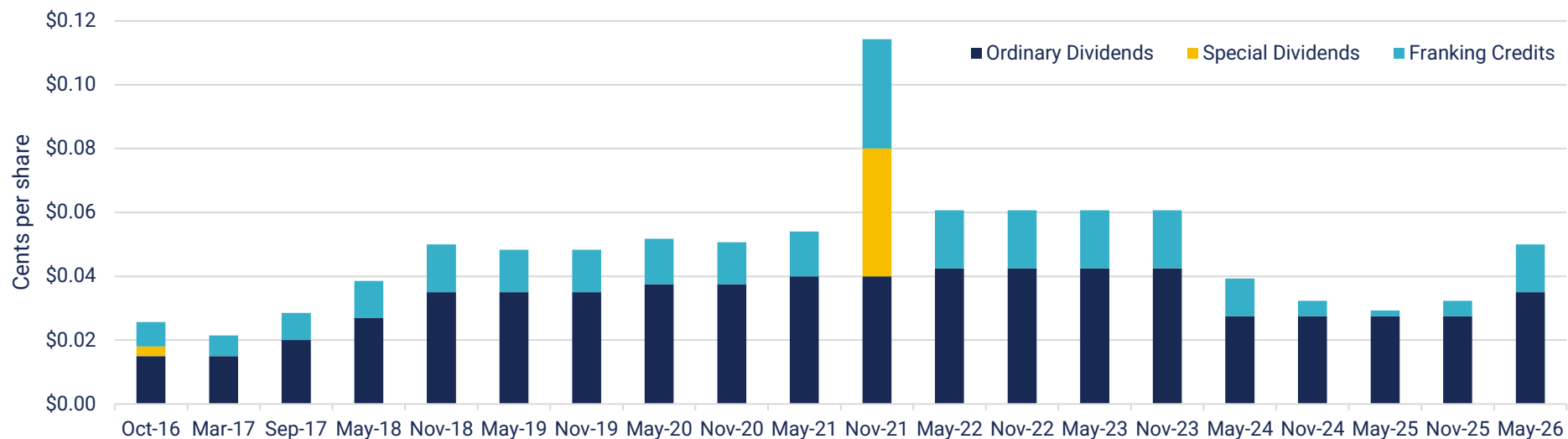
- **Independent board** with fiduciary obligation to shareholders
- **ASX continuous disclosure** obligations and monthly NTA reporting

ACQ applies **institutional-grade governance** to an asset class that can be characterised by opacity

Dividend Policy Discipline

ACQ has declared and paid 69.5 cents per share in dividends since inception, and 26.3 cents per share franking credits, resulting in a grossed-up value of 98.5 cents per share^{1,2}

Dividend stream



ACQ Board dividend guidance

ACQ targets annual dividends of at least 5% of closing post-tax NTA, franked to the highest extent possible. Excess franking credits may be distributed via special dividends, subject to sufficient profit and cash flow.

Franking update

The 1H26 interim dividend of 3.50 cps is 100% franked. ACQ has moved to a net Deferred Tax Liability of \$2.5m (from \$0.3m at 30 June 2025), reflecting strong unrealised portfolio gains.

1. ASX listing date 1 May 2014

2. Includes dividend declared on 25 February 2026 payable 6 May 2026

Overview of Half Year Results | 31 December 2025

- Material improvement in the Company's net profitability (\$15.42 million) compared to prior half period (\$3.36 million) reflective of market conditions
- Interim Dividend of 3.50 cents per share 100% franked declared, payable on 6 May 2026
- This interim dividend, together with the final dividend for FY25, implies annualised cash dividend yield of 6.1%³
- Basic EPS of 17.20 cents (prior period: 3.77 cents)

	Half Year to	
	31 Dec 2025	31 Dec 2024
Net Profit (\$'000)	15,419	3,360
Dividend Reserves (\$'000)	43,102	26,291
Interim Dividend (cents per share)	3.50	2.75
Franking Credit Proportion	100%	20%
NTA per share before income tax (\$/share)	1.33	1.05
NTA after income tax excluding tax on unrealised gains (\$/share)	1.28	1.06
NTA per share after income tax (\$/share)	1.26	1.07

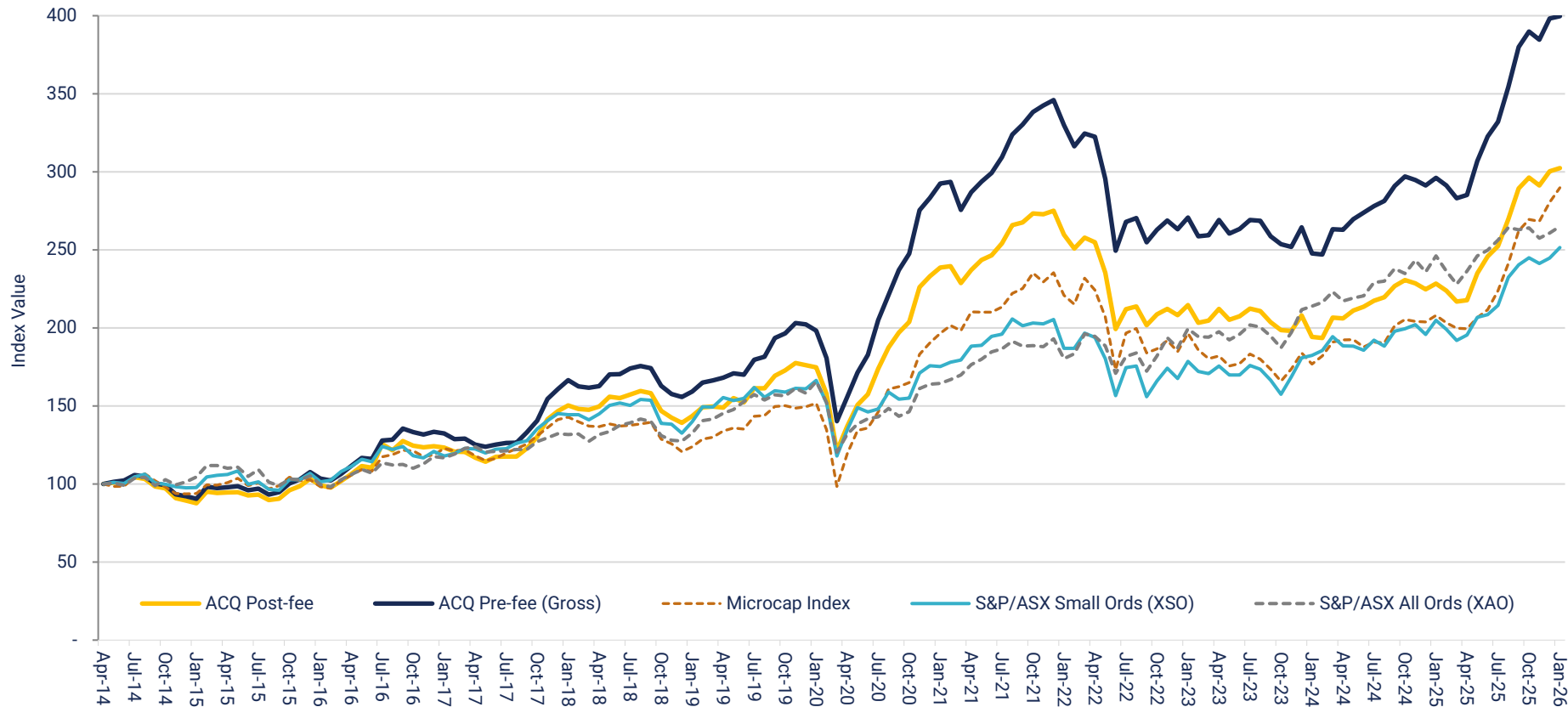
1. Based on an ACQ share price of \$1.03 as at 31 January 2026. Shares on issue: 89,852,270

2. Ex-dividend date: 16 April 2026 | Record date: 17 April 2026 | Payment date: 6 May 2026

3. Annualised cash dividend yield = Total ordinary dividends over trailing 12 months (FY25 final 2.75c + 1H26 interim 3.5c = 6.25c) / ACQ share price (\$1.03) = 6.1%

Long-Term Performance

Microcap markets are under-researched, creating pricing inefficiencies that deep fundamental analysis can exploit. Since inception, ACQ has outperformed the Small Ords (XSO) by +4.6% p.a. and All Ords (XAO) by +4.0% p.a. on a pre-fee basis



✓ All Ords (XAO)

✓ Small Ords (XSO)

✓ Microcap Index

1. Source: Acorn Capital estimates, unaudited. Cumulative returns rebased to 100 at inception (1 May 2014). ACQ Post-fee = undiluted portfolio post-fee, pre-tax NTA time-weighted return (Method 1). ACQ Pre-fee (Gross) = undiluted gross portfolio pre-fee time-weighted return (Method 2)
2. Microcap Index = Acorn Capital Microcap Acc. Index (source: Acorn Capital, unaudited). S&P/ASX Small Ords (XSO) = S&P/ASX Small Ordinaries Acc. Index. S&P/ASX All Ords (XAO) = S&P/ASX All Ordinaries Acc. Index. (source: Factset)
3. Past performance is not a reliable indicator of future performance. Returns are calculated before tax on unrealised gains. Unlisted valuations are prepared by Acorn Capital in accordance with ACQ Board approved policies. All figures are unaudited

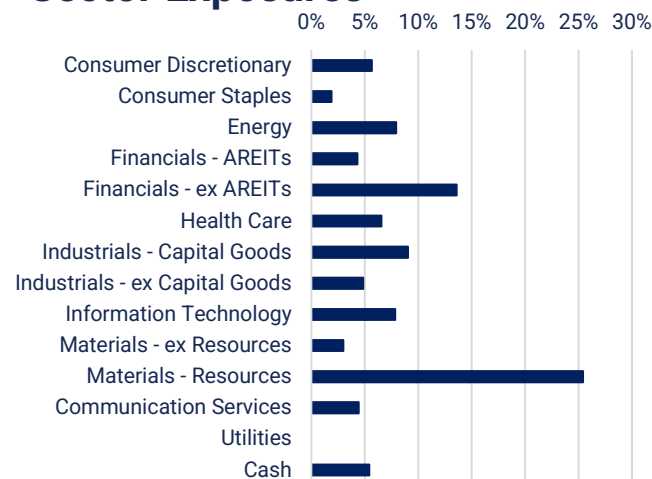
Performance and positioning

Portfolio Return for Periods to 31 January 2026	3 mth %	1 yr %	3 yr % p.a.	5 yr % p.a.	7 yr % p.a.	10 yr % p.a.	Since inception % p.a. ³
ACQ (Pre Fees & Op Costs) ¹	2.5	35.0	13.9	6.4	14.1	14.5	12.6
ACQ (Post Fees & Op Costs) ²	2.1	32.4	12.1	4.9	11.2	11.8	9.9
S&P/ASX Small Ords Acc. Index ⁵	2.7	22.8	12.1	7.5	8.7	9.5	8.2
Value add	-0.6	+9.6	0.0	-2.6	+2.5	+2.3	+1.7
Alternate market indices							
Acorn Capital Microcap Acc. Index ³	7.5	39.4	13.8	8.1	12.9	11.4	9.5
All Ordinaries Accumulation Index ⁵	0.3	7.6	10.0	10.0	10.4	10.3	8.7

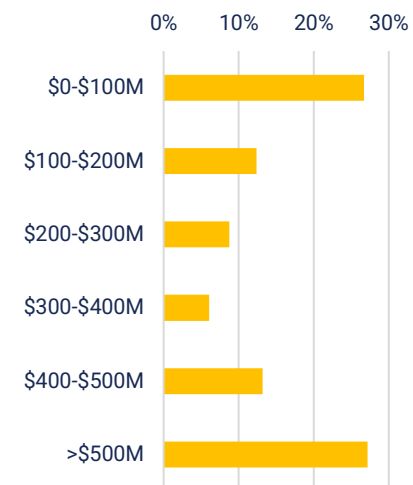
Top 10 investments

	Weight (%)
1 New Murchison Gold	4.5
2 Aroa Biosurgery	3.5
3 Aic Mines	3.2
4 Meteoric Resources	3.2
5 Rox Resources	3.0
6 Vysarn	2.9
7 Dredge Robotics ^{6,7}	2.7
8 Padua Financial ⁵	2.3
9 Sayona Mining	2.3
10 Dug Technology	2.2
Total	29.7

Sector Exposures



Market Cap Bands



1. Return represents the pre fee, tax and operating cost performance of the underlying portfolio based on last prices, excluding fees and other accounting adjustments reflected in the calculation of Net Tangible Assets (NTA). This return is calculated by Acorn Capital and is unaudited 3 Source: Factset 4 Source Acorn Capital, unaudited.

2. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures include unlisted valuations that are performed by Acorn Capital in accordance with ACQ Board approved policies.

3. Acorn Capital Microcap Accumulation Index (unaudited)

4. Inception is 1 May 2014

5. Source: Factset

6. Unlisted investment

7. Previously know as Fremantle Commercial Diving

Separating Strategy from Structure

Three distinct return layers – each driven by different factors

Pre-fee portfolio return = Investment skill

- Intended to measure the investment team's ability to generate alpha through stock selection and portfolio construction

Post-fee portfolio return = Portfolio outcome

- Reflects fees and tax provisioning.

Share price return = Market sentiment

- In Acorn Capital's view, driven by discount/premium to NTA, a function of market sentiment rather than underlying portfolio quality

Acorn Capital recommends evaluating the **strategy on pre-fee returns** – the share price discount is a separate, cyclical dynamic

Discount Dynamics

In Acorn Capital's view, LIC discounts are cyclical, not structural and wider discounts may enhance forward returns

What drives the discount

- Driven by **absolute portfolio performance** discounts have tended to narrow when NTA growth is strong and sustained
- Correlated with **dividend yield** wider discounts have typically coincided with lower running yields
- In our experience, **not correlated with governance quality** discounts have persisted across well-governed and poorly-governed LICs alike

How to interpret the discount

- Acorn Capital believes a wider-than-average discount may represent a **potential forward return enhancer** if the underlying strategy continues to deliver

In Acorn Capital's view, the discount reflects **market sentiment, not portfolio quality** – it has historically tended to mean-revert as performance improves

Why Now?

Acorn Capital believes multiple conditions may be aligning to support the micro-cap cycle

- **Micro-cap relative performance improving** – early-stage companies which may benefit from renewed risk appetite
- **Macro uncertainty widening valuation dispersion** – which Acorn Capital believes may create a richer opportunity set for fundamental stock selection
- **Pre-tax NTA rising** – portfolio performance continuing to compound through the cycle
- **Dividend reserves intact** – retained earnings and franking credits intended to support future distributions
- **Discount wide relative to history** – potentially offering enhanced total return should sentiment normalise

In Acorn Capital's view, the combination of **rising NTA, stable dividends and a wide discount** may create a favourable entry point for long-term investors

Amaero International

ASX: 3DA | Expansion stage of development

- U.S.-based advanced materials company specialising in high-value refractory and titanium alloy spherical powders for defence, aerospace and energy applications.
- 1H FY26 revenue of A\$7.7M reflects 366% growth over the prior corresponding period, with A\$9.7M contracted for 2H FY26.
- Well funded with ~A\$53M cash to progress commercialisation and complete scale-up of 3rd and 4th EIGA atomisers.

EIGA Atomisation

Best-in-class EIGA Premium atomisers producing ultra-pure spherical powders. Two commissioned at the Tennessee HQ; 3rd and 4th units in progress

Defence & Aerospace

Critical U.S. domestic supplier of ultra pure spherical titanium alloy powder and other specialised refractory alloy powders for the mission defence, space and aviation components

FY26 Outlook

FY26 revenue guidance revised to A\$18-20M (from A\$30-35M) due to U.S. government contracting delays. Timing shift, not lost demand; pipeline intact



1H FY26 revenue A\$7.7M, up 366% on pcp. A\$9.7M contracted for 2H FY26



~A\$53M cash. US\$22.8M EXIM Bank loan secured. Well funded through commercialisation



Guidance revision reflects U.S. govt shutdown and continuing resolution delays, not demand loss



3rd and 4th EIGA atomisers progressing. Demand pipeline and program engagement remain strong

Midas

Midas Minerals | Copper | Advanced Exploration

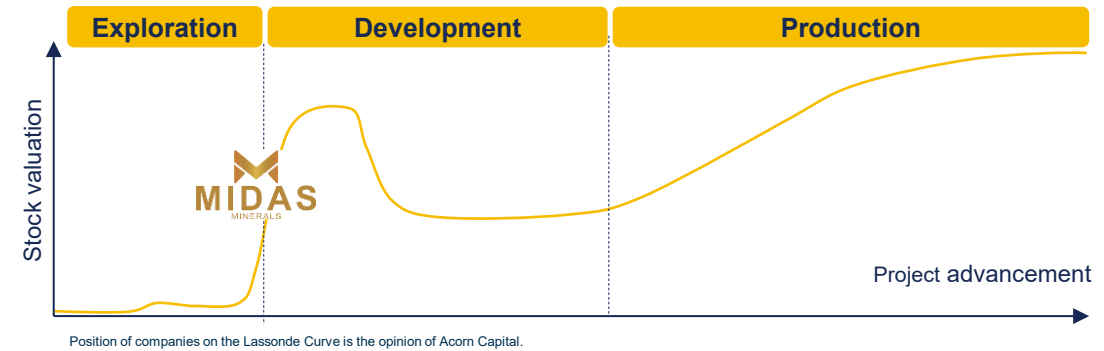
First invested April 2024

Investment Rationale/Thesis

- Copper explorer (advanced) in northeastern Namibia
- Acquired project from a large South American miner
- New thinking on exploration (turned drill rig around 180°)
- High-grade copper intercepts: 16m @ 2.55% Cu and 72.6g/t Ag
- 4 drill rigs on site
- Quality management (led by Mark Calderwood – Perseus Mining)

Stage of development

Illustrated on the Lassoende Curve



Future Milestones



Located in mining region with good infrastructure



Positive drill results that highlight the prospectivity of the region



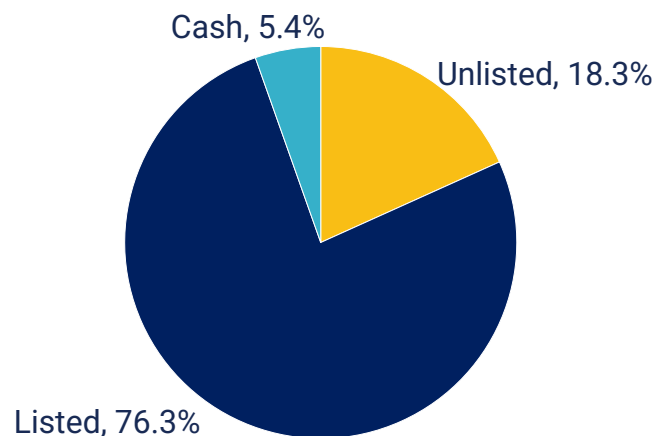
Strong newsflow expected with 4 drill rigs on site



Strong management team and board

Key facts | 31 January 2026

Pre-tax NTA	1.3402	Performance - since inception ^{5,7}	9.9% p.a.
Post-tax NTA¹	1.2639	Benchmark - since inception ^{6,7}	8.2% p.a.
ACQ share price	\$1.03	Investment Split	
Ordinary Dividends ²	6.25c	<p>Cash, 5.4%</p> <p>Unlisted, 18.3%</p> <p>Listed, 76.3%</p>	
Implied cash dividend yield ³	6.1%		
Franking on last dividend ⁴	100%		
Shares Outstanding	89.9m		
Market Capitalisation	\$92.5m		
Number of stocks	72	Lonsec Rating ⁸	



1. Post-tax NTA = before taxes on unrealised gains
 2. Declared and paid on a 12 month basis looking back from 28 February 2026
 3. Annualised cash dividend yield = Total ordinary dividends over trailing 12 months (FY25 final 2.75c + 1H26 interim 3.5c = 6.25c) / ACQ share price (\$1.03) = 6.1%
 4. Dividends declared as at February 2026 are 100% franked
 5. Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs.

Includes dividends paid and payable but has not been grossed-up for franking credits received by shareholders. All figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.
 6. S&P/Small Ordinaries Accumulation Index
 7. Inception is the date ACQ listed on the ASX which was 1 May 2014
 8. Lonsec Research – refer to disclaimer on Page 2

Acorn Capital Investment Fund

Type	Listed Investment Company
Objective	To achieve after-fee returns in the long-term that are higher than the S&P/ASX Small Ordinaries Accumulation Index
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment universe	<ul style="list-style-type: none"> • Australian Listed Equities • Unlisted investments • Cash
Liquidity	On market
Investment timeframe	7 years
Dividends	Targeted semi annually (May and Nov)
Market Cap	\$92.5m (31 January 2026)
Base Management fee	0.95%
Performance fee	20% of returns in excess of the benchmark, subject to highwatermark
Sector limits	Stock: +/- 7.5% at purchase Investment Universe: +/- 7.5%
Board	John Steven Chair Clark Morgan Maureen Baker Robert Brown
Shorting	The fund is long only. The fund is not permitted to short sell securities.
Investment Manager	Acorn Capital Ltd