NAOS QUARTERLY INVESTMENT REPORT

Q4 FY26

ASX: NAC | NAOS EX-50 OPPORTUNITIES COMPANY LIMITED
ABN 49 169 448 837

ASX: NCC | NAOS EMERGING OPPORTUNITIES COMPANY LIMITED
ABN 58 161 106 510

ASX: NSC | NAOS SMALL CAP OPPORTUNITIES COMPANY LIMITED
ABN 47 107 617 381

NAOS Asset Management Limited is B Corp Certified

Q4 FY26 SUMMARY

Dear fellow shareholders,

Quarterly Overview

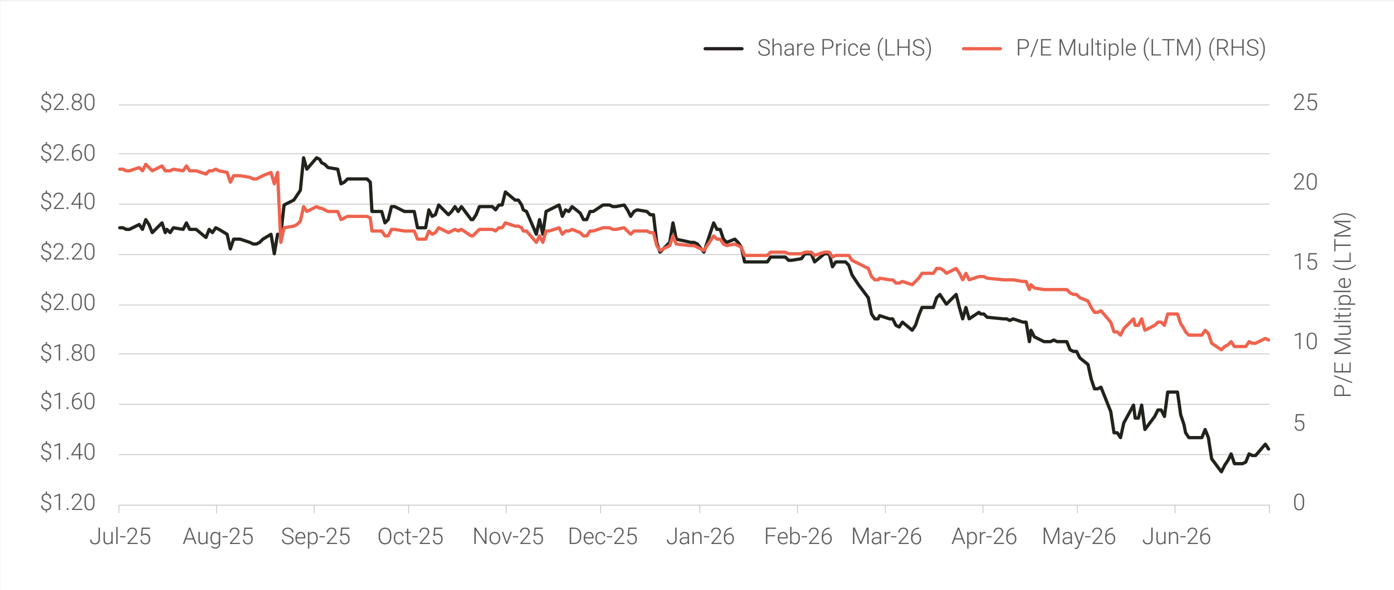
Q4 FY26 was, in our view, the most macro-driven quarter we have seen since the early stages of the COVID pandemic. The S&P/ASX 200 Accumulation Index (XJOAI) returned approximately +4.05% for the quarter, with much of that performance concentrated in resource companies and the largest index constituents. The S&P/ASX Small Ordinaries Accumulation Index (XSOAI) returned +3.32%. In the United States, the S&P 500 Index delivered a quarterly return of +15.20%, having staged a substantial recovery from a sharp pullback seen in early April 2026. It was a similar story to what we have all seen before, with the Magnificent Seven cohort driving a disproportionate share of that recovery, accounting for circa 55% of the total US market capitalisation added since the April 2026 lows.

The NAOS Listed Investment Companies (NAOS LICs) delivered mixed results for the quarter. NAOS Emerging Opportunities Company Ltd (ASX: NCC) was the standout performer, returning +6.14%. In contrast, NAOS Ex-50 Opportunities Company Ltd (ASX: NAC) returned -5.78%, while NAOS Small Cap Opportunities Company Ltd (ASX: NSC) returned -8.89%.

The underperformance of both NAC and NSC was primarily attributable to their holdings in MaxiPARTS Limited (ASX: MXI). The MXI share price fell from $1.96 at the end of March 2026 to $1.40 at the end of June 2026, representing a 29% decline over the quarter (down from a high of $2.61 in September 2025).

This decline occurred despite the company releasing a positive trading update stating that FY26 operating net profit before tax (NPBT) will be broadly in line with expectations. This should result in an improved balance sheet position, with nearly net debt-free status. At the time of writing, MXI was trading at a price-to-earnings (P/E) multiple of approximately 8x FY26 earnings and an FCF yield of close to 15%, which, in our view, will not be sustainable for any significant period.

MaxiPARTS Ltd - Share Price & P/E Multiple



Source - S&P

Beneath the headline market numbers, the quarter was shaped by two structural themes that we believe will continue to influence both market and corporate behaviour well into FY27.

1. The Middle East conflict and its first- and second-order economic consequences.
2. The accelerating buildout of data centre capacity in Australia and the increasingly visible constraints on that buildout, alongside the growing list of domestic businesses positioned to benefit.

Middle East Conflict - First-Order Effects

The conflict in the Middle East, which began in late February 2026, was the dominant macroeconomic driver of Q4 FY26. As we know, in late June 2026, a memorandum of understanding was signed by key parties, which should, over the next couple of months, hopefully lead to a lasting peace agreement among all parties.

The most immediate economic consequence of the recent conflict has been the impact on energy markets. Global oil prices have been highly volatile since the conflict began, with intra-quarter spikes pushing Brent crude well above pre-conflict levels (30-40%). The Strait of Hormuz, through which approximately one-third of global seaborne crude oil and 20% of global LNG shipments transit, has seen a material reduction in transit volumes through Q4 FY26. Shipping insurance premiums have risen sharply, and a number of Gulf-based producers (notably in Iraq and Kuwait) have been cutting output as storage capacity has filled. For Australia, the direct impact on energy import costs has been limited, but the indirect impact on diesel and refined fuel pricing has been meaningful, with downstream effects across the transport, logistics and agricultural sectors.

Middle East Conflict - Second & Third Order Effects - Inflation, Supply Chains and Monetary Policy

The second- and third-order effects of the conflict in the Middle East have begun to feed into the global inflation picture. Modelling by the Federal Reserve Bank of Dallas and the Centre for Economic Policy Research (CEPR) suggests that, even in a relatively benign scenario where disruptions to the Strait of Hormuz last only one quarter before exports gradually resume, the oil price surge is expected to add circa 0.6 percentage points to US headline inflation and circa 0.2 percentage points to US core inflation through CY26. In our view, the Australian inflation picture is more sensitive than these US estimates suggest. Underlying inflation was already proving stickier than expected heading into the quarter, amplifying the transmission of higher energy and logistics costs.

This inflation paradigm prompted a recalibration of the domestic monetary policy outlook during Q4 FY26. In May 2026, the RBA lifted the cash rate by 25 basis points to 4.35%, its third consecutive increase in CY26, fully reversing the 2025 easing cycle. At the June Monetary Policy Board meeting, the cash rate was held at 4.35%. The practical implication for many businesses, particularly emerging companies, is that the cost of debt has remained higher than budgeted. The anticipated timing of interest rate relief, which underpinned many FY26 capital plans, has been deferred.

The supply chain dimension is equally important. Beyond the headline oil-price impact, the quarter has seen extended lead times for a number of European-sourced products, periodic diesel availability constraints in certain Australian regions, and a general re-rating of insurance premiums for freight transiting high-risk waters. Feedback from several of our investee companies indicates that while supplies of key manufacturing inputs remain consistent, inventory levels have fallen sharply in some cases - in certain instances to below two weeks of cover. From a revenue and profitability perspective, many companies have responded by tightening discretionary spending, managing working capital more conservatively, and prioritising margin protection over aggressive volume growth.

Australian Data Centres - Constraints, Opportunities and Beneficiaries

The other dominant theme of the quarter has been the accelerating buildout of data centre capacity in Australia. The global AI infrastructure capital expenditure (CAPEX) cycle, led by the five largest US hyperscalers (Amazon.com Inc, Microsoft Corp, Alphabet Inc, Oracle Corp and Meta Platforms Inc) is now flowing through to Australia at an unprecedented scale. These companies are collectively committing an estimated US$700-800 billion in capex in CY26, with approximately 75% directed towards AI-related infrastructure.

Australia currently has approximately 145 operating data centres. National deployable data centre capacity is expected to more than double from circa 1.35 gigawatts (GW) in 2024 to more than 3.1 GW by 2030, requiring an estimated A$26 billion in new construction. Sydney alone is expected to account for over 65% of this incremental capacity.

The following key recent commitments underline the scale at play:

- Amazon.com Inc. (NASDAQ: AMZN) - Announced a A$20 billion Australian data centre investment in mid-2025 (the largest single technology investment ever made in Australia at the time);
- Blackstone Inc. (NYSE: BX) - Completed the A$24 billion acquisition of AirTrunk in 2024 (the largest infrastructure transaction in Australian history);

- NextDC Ltd. (ASX: NXT) - Progress on its S7 Eastern Creek campus, anchored by a memorandum of understanding with OpenAI valued at A$7 billion, accompanied by an uplift in NextDC's FY26 capex guidance of A$300 million and circa A$6 billion of new debt facilities; and
- Firmus' Project Southgate - An initial A$4.5 billion commitment scaling toward a potential A$73.3 billion across multiple Australian locations in partnership with NVIDIA Corp (NASDAQ: NVDA) and CDC Data Centres (majority owned by Infratil (ASX/NZX: IFT)) and Commonwealth Superannuation Corporation.

The constraint that increasingly defines the pace of this buildout is access to power. Modern AI workloads have driven a step-change in power density at the rack level, from circa 3 kilowatts (kW) per rack five years ago, to over 70 kW today, with next-generation NVIDIA GPUs pushing toward 250 kW per rack. The Australian grid was not designed for this density profile, and securing reliable, low-cost power has become the gating issue for almost every new data centre project. The Australian Federal Government's "Expectations for Data Centres and AI Infrastructure" announced in March 2026 has added further complexity, requiring developers to underwrite new renewable supply, fully fund grid connectivity costs, and provide demand flexibility. The risk for the sector is real: in our view, data centre projects will increasingly be approved or rejected based on power availability before all other considerations.

The opportunity for Australian businesses positioned within this buildout is arguably the strongest we have seen in any single thematic in over a decade. The combination of data centre capex, Defence facilities spending, and broader electrical infrastructure investment is an exceptionally favourable demand environment for specialist contractors. Listed names such as SKS Technologies Group Ltd (ASX: SKS), SRG Global Ltd (ASX: SRG), Southern Cross Electrical Engineering Ltd (ASX: SXE) and Duratec Ltd (ASX: DUR) have re-rated materially over the past 12-18 months, in several cases more than doubling in value. The earnings underpinning these moves are real - order books are at multi-year highs, project mix is shifting toward higher-margin work, and pricing power has improved as bid lists have shortened with fewer firms tendering for jobs. The caveat, as noted in prior quarterly reports, is that the valuations applied to many of these businesses are now well above their long-term historical averages. The bar for further re-rating from here is, in our view, materially higher than it was 12 to 24 months ago.

For investors in emerging companies, the beneficiary cohort extends well beyond the listed pure-play contractors. We continue to monitor a broader universe of businesses supporting the thematic, including:

- high-voltage electrical fit-out and commissioning specialists;
- mechanical services contractors with data centre cooling expertise;
- structural steel fabricators;
- fibre and dark fibre infrastructure providers;
- modular electrical systems manufacturers;
- sovereign engineering services providers; and
- certain niche software businesses that sit within the data centre operating stack.

Many of these businesses do not yet trade at premium valuations and, in our view, offer more attractive risk-reward profiles than the headline contractors. We expect the return dispersion within this thematic to widen over the next 12 to 18 months as investors learn to distinguish between the genuinely leveraged beneficiaries and those simply benefiting from thematic association.

Pulling it together, Q4 FY26 was a quarter in which two structural themes - a geopolitical one and a technological one - increasingly dominated investor attention. The Middle East conflict has reshaped the inflation, interest rates, and supply chain backdrops in ways we believe will persist well into FY27. Meanwhile, from a technological theme perspective, the Australian data centre buildout has created a multi-year demand environment for a select group of beneficiaries while pushing valuations of the more visible names to levels that, in our view, leave less margin for execution disappointment.

Against this backdrop, the broader Australian equity market has continued to reward both passive-flow-driven scale and thematic exposure to AI infrastructure, while leaving a significant cohort of high-quality emerging companies trading at valuations that, on a multi-year view, look materially attractive. As we have observed in prior quarterly reports, periods of macro-driven volatility often prove to be the times when disciplined, long-term capital allocators create the greatest shareholder value.

INVESTMENT PORTFOLIO PERFORMANCE SUMMARY

Investment Portfolio	Q4 FY26 Performance	1 Year Performance	3 Year Performance (p.a.)	5 Year Performance (p.a.)	Inception Performance (p.a.)
NCC Investment Portfolio Performance*	+6.14%	+18.72%	-2.69%	-4.73%	+6.26%
S&P/ASX Small Ordinaries Accumulation Index	+3.32%	+8.11%	+9.89%	+2.98%	+5.83%
NAC Investment Portfolio Performance*	-5.78%	-5.26%	-4.18%	-5.73%	+7.00%
S&P/ASX 300 Industrials Accumulation Index	+4.83%	-4.49%	+10.15%	+6.18%	+7.52%
NSC Investment Portfolio Performance*	-8.89%	-9.86%	-14.20%	-11.18%	-3.27%
S&P/ASX Small Ordinaries Accumulation Index	+3.32%	+8.11%	+9.89%	+2.98%	+5.65%

* Investment Portfolio Performance is post all operating expenses, before fees, interest, taxes, initial IPO commissions and all subsequent capital raising costs. Performance has not been grossed up for franking credits received by shareholders. Since inception (p.a.) includes part performance for the month of February 2013 (NCC), November 2014 (NAC) and December 2017 (NSC). Returns compounded for periods greater than 12 months. All figures as at 30 June 2026. NAC Benchmark= S&P/ASX 300 Industrials Accumulation Index, NCC & NSC Benchmark= S&P/ASX Small Ordinaries Accumulation Index.

NAOS CORE INVESTMENTS

		ASX Code	NAOS % Ownership (<5%, 5-20% or >20%)	Market Cap (as at 30 June 2026)
BIG RIVER	**Big River Industries**	ASX: BRI	>20%	$131 million

Leading manufacturer and distributor of value-added timber and building material products in Australia and New Zealand. BRI has gained scale in recent years through bolt-on acquisitions, now operating across 25 sites. Operates in the commercial sector, with customers using BRI products in real estate developments (detached and multi-residential), commercial construction and civil construction. Over 9,000 active trading accounts, serviced by ~570 staff members.

SAUNDERS INTERNATIONAL	**Saunders International**	ASX: SND	5-20%	$147 million

Engineering and construction projects across Australia for over 70 years. Over 580 employees working on Energy, Water, Power, Defence, Resource and Infrastructure projects of critical importance to clients in federal/state governments and the private sector. Clients include Western Sydney Airport, NSW Government (Bridges Program), BP and the Australian Defence Force.

MAXIPARTS LIMITED	**MaxiPARTS**	ASX: MXI	>20%	$79 million

Supplier of commercial truck and trailer aftermarket parts to the road transportation industry. Over 30 years in operation, one of the largest operators in Australia with a unified support and distribution network providing over 162,000 different parts across 30 sites nationwide.

MOVE	**MOVE Logistics**	ASX/NZX: MOV	5-20%	NZ$27 million

One of the largest freight and logistics providers in New Zealand, origins dating back to 1869. Team of over 1,100 experts providing end-to-end supply chain services to more than 3,500 customers across 40 branches spanning the two main islands of New Zealand.

urbanise	**Urbanise.com**	ASX: UBN	>20%	$51 million

Australia-headquartered cloud-based software business providing solutions for the strata management and facilities management industries across Asia-Pacific and the Middle East. The Urbanise Strata Platform is a market-leading accounting and administration software system used by strata managers across ~617,000 individual strata lots. The Urbanise Facilities Management Platform aids the maintenance of property assets and supervision of contractors across sectors including aged care, retail, commercial and essential infrastructure.

		ASX Code	NAOS % Ownership (<5%, 5-20% or >20%)	Market Cap (as at 30 June 2026)
BTC health.	BTC Health	ASX: BTC	>20%	$20 million
Distributor of medical devices and medical consumables to hospitals across Australia and New Zealand, specialising in acute pain management, neuro spinal surgery and pharmaceutical medicines in niche markets. Recently launched a division focused on cardiovascular equipment and consumables.				
xrf scientific	XRF Scientific	ASX: XRF	<5%	$247 million
Perth-based manufacturer of equipment and chemicals used to prepare samples for analytical testing and quality control. Facilities in Australia, Europe and Canada, plus global distributors; products are distributed globally and used by miners, construction companies and commercial analytical laboratories.				
pharmx	Pharmx	ASX: PHX	<5%	$86 million
ANZ's leading independent pharmacy platform, powering ~$23 billion in annual transactions through its supply-chain Gateway, launched in 2006. Its technology connects pharmacies, suppliers, brands, government and partners including the NDSS, driving innovation and efficiency, with recent expansion into New Zealand.				
schoolblazer LIMITED	Schoolblazer	ASX: SBZ	5-20%	$91 million
ASX-listed group whose 100% owned operating business, Schoolblazer Group, is a global, technology-focused schoolwear and sportswear platform with segment leadership in the United Kingdom, Australia and New Zealand. The group brings together Schoolblazer UK, Trutex and Mountcastle, supplying schools across wholesale, retail and online channels under a growing contracted school base.				
commsgroup Global Cloud Communications	Comms Group	ASX: CCG	5-20%	$46 million
Provides a full range of IT and Communications services from the Cloud, including IT managed services, cloud hosting, cloud communications, UCaaS and CPaaS. Strategic growth pillars: International; Domestic (Next Telecom / Platinum brands); Wholesale and Partner services. Customers range from Australian Government departments to SMEs.				
SomnoMed	SomnoMed	ASX: SOM	5-20%	$114 million
Global leader in oral appliances for the treatment of sleep apnea, operating in 28 countries. Since 2004 has delivered over one million devices, repositioning the jaw to keep airways open during sleep as a comfortable alternative to CPAP machines, improving sleep quality for patients and their families worldwide.				

		ASX Code	NAOS % Ownership (<5%, 5-20% or >20%)	Market Cap (as at 30 June 2026)
bravura solutions	**Bravura Solutions**	ASX: BVS	<5%	$906 million

Australia-headquartered leading technology provider to the global funds and wealth management industries. Manages in excess of A$10 trillion in client assets on its systems, ~1,000 staff worldwide, A$58.7 million cash and zero debt, with strong FY25 financial performance.

firmus	**Firmus**	Unlisted	Undisclosed	Undisclosed

Builds world-class, highly-efficient AI factories, utilising proprietary technology to drive down total cost of ownership and accelerate AI adoption. Offices in Australia and Singapore; partners with government, enterprise, education and innovators on sustainable, sovereign AI solutions.

NOTABLE INVESTEE COMPANY UPDATES

Note: The LICs listed in brackets had more than 5% exposure to the applicable investee company at quarter-end.

MAXIPARTS LTD (ASX: MXI) (NSC, NAC)

FY26 Guidance Reaffirmed Despite Middle East Disruption

In late May 2026, MXI released a trading update and reaffirmed its FY26 guidance. FY26 revenue is now expected to be in the range of $273 million to $278 million, with operating NPBT expected to be in the range of $13.4 million to $14.1 million. While guidance has been retained, the composition of the results and the trading commentary accompanying the update were, in our view, the more important elements.

The trading environment for MXI's heavy-vehicle distribution division softened notably in March 2026, at a time when uncertainty around Australia's fuel situation appeared at its peak, but, pleasingly, the divisional performance has seen consistent improvement since then. Customer activity was weaker in regions and sub-segments most exposed to discretionary freight and long-haul logistics. We attribute this primarily to the indirect effects of the Middle East conflict, including diesel availability constraints and elevated fuel prices. Importantly, we do not believe overall customer activity declined meaningfully; rather, spending on non-urgent, discretionary truck parts was deferred.

In contrast, the Förch Australia division - which serves industrial and resources end markets - has been notably resilient, continuing to deliver low double-digit year-on-year growth. This performance reinforces our confidence in MXI's ability to accelerate Förch Australia's expansion through cross-selling opportunities with the core distribution business, particularly on the East Coast.

A standout feature of the update was the management team's discipline in protecting profitability amid softer conditions. Proactive cost-reduction and working-capital management initiatives are expected to support gross and operating margins through 2H FY26. For a capital-light distribution business such as MXI, the ability to defend margins during a softer revenue period is a key indicator of underlying business quality.

In the same month, MXI also announced the appointment of Anu Parikh as Chief Financial Officer and Company Secretary, effective 7 July 2026. Anu brings significant strategic finance experience, with prior roles at National Australia Bank Ltd (ASX: NAB), Incitec Pivot and most recently as CFO of IsAlbi Pty Ltd. MXI has also strengthened its executive team with the addition of the former General Manager of Bapcor's Commercial Parts Division, Eddie Hanaphy.

Our investment thesis on MXI remains unchanged. The combination of structural demand for aftermarket truck parts, ongoing group margin expansion opportunities, and a balance sheet moving toward a net cash position should enable the company to deliver materially higher earnings per share (EPS) through FY27 and beyond.

Frustratingly, even after the trading update, the share price of MXI continued to fall into the end of FY26. The business, on an NPATA basis, based on the guidance provided, is trading on a P/E of just 7 times this year with a balance sheet that we believe will be net debt-free. We would expect capital management in the form of significant dividend increases or an aggressive buyback to be on the cards at the FY result given the sound financial position the business finds itself in, especially in the context of the low enterprise valuation.

URBANISE.COM LTD (ASX: UBN) (NAC, NCC)

Confirmed Launch Window for NAB Banking Integration

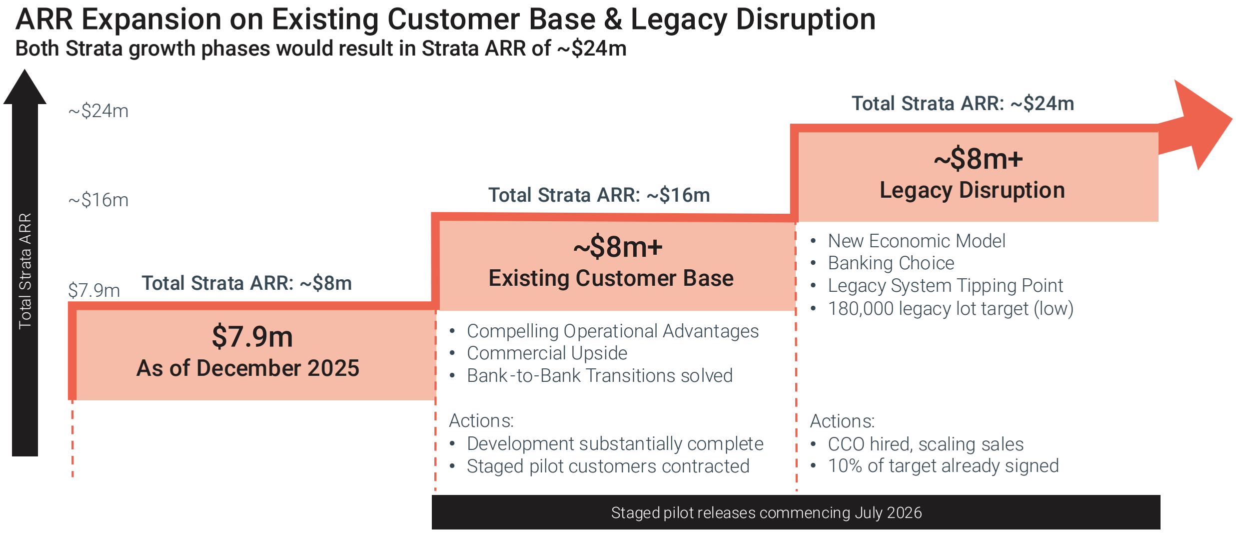
The most significant development for Urbanise.com Ltd (ASX: UBN) during Q4 FY26 was the confirmation of a staged commercial launch window for the NAB banking and payments integration. In June 2026, the company held an investor call to discuss the New Strata Payments platform, NAB Banking Integration, and Owners Portal capabilities. UBN confirmed a staged pilot release commencing in July 2026 of three connected upgrades:

1. A significant overhaul of its core Strata Management Solution;
2. The NAB banking and payments integration; and
3. A first-of-its-kind Body Corporate Manager-branded Owners Portal launching with payments and levies functionality, supporting modern payment methods including PayID and PayTo.

The strategic significance of this milestone is, in our view, difficult to overstate. The integration with NAB enables UBN to participate in the economics of the strata-related deposit and payments base in Australia, a segment encompassing approximately 2.15 million strata-titled properties and circa A$10-15 billion in strata-related bank deposits. As previously outlined, UBN will receive a fixed recurring fee of A$1.3 million p.a. from NAB for maintaining the payments platform, plus variable recurring fees tied to the volume of strata-related deposits held with NAB. UBN has publicly indicated a longer-term variable opportunity at approximately A$50 million per annum, equivalent to capturing a portion of the net interest margin generated on these deposits.

Importantly, several contracted customers have already committed to early adoption of the pilot, increasing confidence that the platform will transition from a controlled pilot to a broader commercial rollout through the second half of CY26. The next 12 to 18 months will be critical in determining how quickly the strata industry adopts the integrated solution and whether NAB exercises its option to acquire an additional 4.99% holding of UBN at $1.255 per share within 12 months of the product launch. As illustrated in the chart below, converting UBN's existing client base to the new NAB payments platform represents a significant ARR growth opportunity.

The Australian Strata Market Opportunity for Urbanise



Source: Urbanise

Concurrent with this operational progress, UBN has strengthened its Board and product offering. In May 2026, the Board appointed Darc Rasmussen as Executive Chairman, formalising his leadership through this critical execution phase. Further, Non-Executive Director, James Hourn will step down from the Board once a suitable replacement is appointed. Also in May, UBN launched Urbanise Artificial Intelligence at the Strata Community Association Australasia Conference in Adelaide. The first release, an AI Assistant embedded within the Urbanise Strata Platform, is expected to be commercially available during July 2026 and represents the first capability in a broader AI product roadmap.

XRF SCIENTIFIC (ASX: XRF)

(NAC)

Q3 FY26 Update and Acquisition of Combustion Gas Analysis Business

XRF Scientific Ltd (ASX: XRF) delivered a strong quarter on both operational and strategic fronts. In April 2026, the company announced the acquisition of Bruker Corp's (NASDAQ: BRKR) Combustion Gas Analysis (CGA) business, including its suite of CS/OHN elemental analysers (specialised laboratory machines that measure traces of Carbon, Sulphur, Oxygen, Hydrogen, and Nitrogen in solid samples). The acquisition consideration is US$4.0 million upfront, plus an additional earn-out of up to US$1.0 million payable over three years based on 7% of net CGA revenue.

We view this acquisition as strategically logical and financially low risk for several reasons:

- Bruker is a tier-1 global scientific instruments business; the CGA product line has an established global install base and a stable annuity-style consumables revenue stream (a classic razor-and-blades model);
- It expands XRF's product portfolio into a complementary segment of laboratory sample preparation and analysis;
- It creates meaningful cross-selling opportunities across XRF's existing global customer base in mining and laboratories; and
- It brings valuable intellectual property in-house at a fraction of the cost and time required to develop it organically.

Source - Company

A particularly attractive aspect of the deal is the planned relocation of manufacturing from Germany to Perth. This consolidation is expected to improve gross margins through in-house assembly and deliver the first revenue contribution from the new facility in late CY26.

The Q3 FY26 trading update, also released during the quarter, reinforced the business's underlying earnings momentum. Revenue for the period reached A$15.8 million, up 13.8% year-on-year, with profit before tax of A$3.7 million, up 10.7% year-on-year. Although the growth rates are more modest than those of some higher-multiple peers, XRF's track record of reliable revenue and profit growth stands out. The company has now delivered absolute profit growth across more than 10 consecutive reporting halves - a level of consistency matched by very few emerging companies on the ASX.

Looking forward, our medium-term thesis on XRF remains firmly intact and is supported by three key drivers:

1. A growing product suite as XRF builds out additional applications in sample preparation;
2. Internally funded bolt-on acquisitions of complementary intellectual property in a fragmented global market (of which the CGA transaction is a strong example); and
3. Deeper client penetration through expansion of its direct sales footprint into underpenetrated markets such as North America and India.

We continue to view the current valuation as attractive relative to the medium-term growth opportunity.

SCHOOLBLAZER LTD (ASX: SBZ) (NCC)

1H FY26 Result, FY26 Guidance and Group Synergies

In May 2026, Schoolblazer Ltd (ASX: SBZ) released its 1H FY26 result, the first set of half-year accounts under the new company name following the rebrand from Hancock & Gore Ltd. Reported revenue for the half was A$55.5 million, materially higher than the prior corresponding period (A$4.1 million), reflecting the full consolidation of the Schoolblazer UK acquisition. The result also reflects continued investment in the Australian Schoolblazer platform, acquisition and integration expenses for Trutex, and the inherent seasonality of the school wear business, in which the majority of group earnings are generated in the second half of the financial year (when the UK back-to-school period occurs). In our view, this half-year outcome is not representative of the consolidated group's run-rate earnings power.

Alongside the result, management provided FY26 revenue guidance of approximately A$190-200 million (subject to foreign exchange and supply chain conditions) and reiterated the medium-term pro forma EBITDA target of A$25 million by FY27. The path to that EBITDA target is underpinned by synergies from the integration of three businesses: Schoolblazer UK (acquired October 2024), Mountcastle (the legacy Australian uniform business) and Trutex (acquired during FY26).

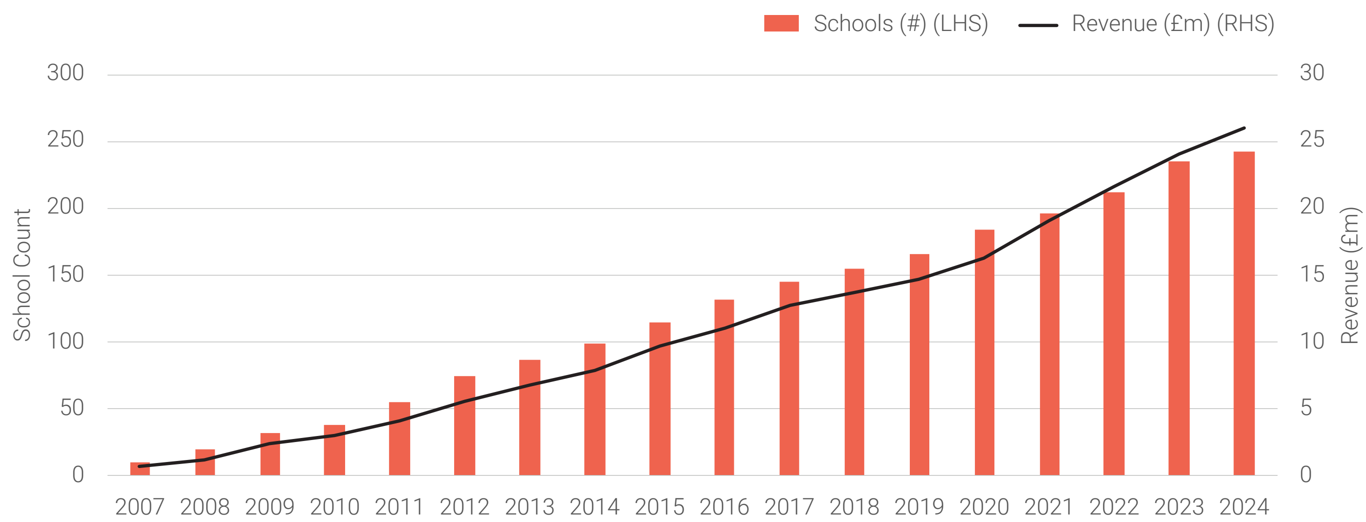
The strategic rationale for combining these businesses is, in our view, highly compelling:

- Schoolblazer UK provides a proven digital-first operating model and product capability;
- Trutex brings established UK and international sourcing relationships, together with strong brand reach into public schools and retail channels; and
- Mountcastle provides Australian operational infrastructure and customer relationships.

Together, these should deliver material improvements in gross margins, operating cost leverage and supply chain efficiency over the next 18 to 24 months.

The Australian Schoolblazer rollout continued to gain momentum. The inaugural Australian customer, Kambala (approximately 1,000 students), remains on track operationally, with positive feedback to date. More recently, Schoolblazer Australia has secured three additional independent schools (yet to be named) for rollout in CY27. As illustrated in the chart below, Schoolblazer UK's early growth was gradual and largely driven by word-of-mouth within the independent school network. However, as reference sites and further wins accumulated, the pace of new customer acquisitions accelerated significantly from year four onward.

Schoolblazer Growth Track Record



Source - Company, NAOS

Also, during May 2026, the company announced the appointment of Phillip Christopher (formerly H&G Investment Director) as Group Finance Director, with a clear mandate to lead capital management and group efficiency initiatives. We view this appointment as well-timed given the breadth of the integration work now underway.

Longer term, the opportunity remains substantial. The Australian schoolwear market is estimated at over A$450 million per annum (~1.5 million independent school students at ~A$300 average annual spend), while the global market exceeds A$30 billion. A well-executed, digital-first, vertically integrated platform is well positioned to capture a meaningful share of this addressable market.

ORDERMENTUM PTY LTD (UNLISTED)

Strategic Capital Partner Process

Ordermentum has been a long-standing private investment within the NCC portfolio. For newer shareholders, Ordermentum is the leading wholesale ordering and payments platform for the Australian food and beverage hospitality industry. Its B2B platform connects venues (restaurants, cafés, and hotels) with suppliers, digitising what were traditionally phone, email, and paper-based ordering, invoicing, and payment processes. The platform now processes more than A$1.5 billion in gross merchandise value (GMV) annually and continues to strengthen its competitive position through network effects, integrated payments, and the recent addition of AI capabilities.

To summarise the past ~9 months in a few sentences, Ordermentum appointed a well-known investment advisor with significant transaction experience in the unlisted software sector to run a process to secure a capital injection from an investor who would partner with the company for the next ~3+ years. Ordermentum received indicative non-binding offers from a number of parties, both domestic and international, which were structured in various different forms. During Q4 FY26, this process culminated in a secondary sell-down and a primary capital investment totalling A$55 million, contributed entirely by the leading domestic private equity firm Five V Capital Partners. As part of this transaction, NCC sold its entire holding in Ordermentum.

Reflecting on the investment in Ordermentum from a NAOS perspective, the positives have been clear:

- The management team built one of the few genuinely scaled vertical software platforms in the Australian SME hospitality market;
- Ordermentum demonstrated consistent GMV growth;
- It successfully expanded into adjacent segments such as fresh fruit and vegetables as well as grocery wholesalers; and
- It achieved all of this while maintaining a manageable cash burn profile.

The challenge, as with many private growth-stage software companies, has been balancing the capital required to support continued investment in product and distribution against the absence of near-term liquidity for existing shareholders. Overlaying this with a minority shareholding and an increasingly complex capital structure, we felt our capital could be redeployed elsewhere to achieve better risk-adjusted returns.

Looking forward, we believe that Ordermentum will continue to be successful, and we wish the company, the investors and the management team all the best for the future.

BIG RIVER INDUSTRIES LIMITED (ASX: BRI) (NAC, NCC, NSC)

Earnings Guidance & Strategic Update

BRI left it until the second-to-last day of the financial year to update the market on their full-year expectations for FY26, initial broad expectations for FY27, and to announce a strategic review.

Specifically, for FY26, management stated that the business expects EBITDA to be "largely" in line with consensus expectations (which is ~$31 million of EBITDA). This compares to FY25 EBITDA of $28.7 million. No further clarity was provided on other profit metrics such as EBIT, NPAT, etc. Management did state that Q4 was affected by the significant wet weather experienced in Queensland, which is BRI's largest geographic exposure.

For FY27, initial guidance was provided of "double-digit" earnings growth, which would imply an EBITDA base of $34.1 million. We view this guidance as rather conservative, as the JBS acquisition made in late December of 2025 will contribute an extra ~$2.5 million of EBITDA alone.

Finally, the Board announced that a strategic review will commence and that Greenstone Partners has been engaged as the Board considers that the current share price does not reflect the long-term value of the business.

There is much to digest within this update, but from our perspective, it is pleasing to see that the business is on track, albeit at an EBITDA & cash flow level. Given the large leased property network and movement in interest rates, we will be much more focused on the underlying profitability improvement for FY26 and FY27. But given the initial guidance for EBITDA we believe the business should be on track to generate $10-11.5 million of NPATA which equates to circa 11 cps of EPS. This places the stock in a P/E multiple <13 times in a cyclical environment that has not been very beneficial for the BRI business.

Regarding the strategic review, this is not a surprise. As we have discussed recently, a large private business with numerous building-materials-related assets has acquired a 19.99% stake in BRI on the open market. This party has been active in M&A over the years in the building materials space, most recently in April 2026 through the acquisition of Fletcher Reinforcing and Wire's business. Whether or not this review leads to a transaction is anyone's guess, but given that three shareholders now account for >80% of the shares on issue in BRI, we believe there are numerous strategic avenues that can be assessed to maximise long-term value for all shareholders.

Source - Company

INVESTMENT IN FOCUS (SITE VISIT/INVESTMENT)

XRF SCIENTIFIC LTD (ASX: XRF)

(NAC)

Company Overview

XRF Scientific Ltd (ASX: XRF) was founded in 1972 and listed on the ASX in 2006. The company designs, manufactures, and distributes specialist equipment and consumables used in the preparation and analysis of solid materials - primarily ore samples, cement, refractories, and related industrial inputs - for elemental and chemical composition testing.

XRF solves a deceptively simple but technically demanding challenge for its customers: delivering highly precise elemental analysis of materials. This requires consistent, repeatable sample preparation through fusion (melting the sample with a flux at high temperature), pressing (compacting into pellets), or combustion (controlled burning to measure gas-phase outputs). XRF designs and manufactures both the equipment used to prepare these samples (fusion machines, mills, presses, combustion analysers) and, critically, the consumable inputs (high-purity flux chemicals, platinum crucibles, fusion ware) that the equipment requires to operate. In our view, this dual-product model is the central source of XRF's competitive advantage. The equipment is sold once into the customer base, but the consumable revenue stream that follows is recurring, sticky and runs at significantly higher gross margins. Few global peers match XRF's scale across both parts of the workflow.

XRF's end markets are anchored in mining but extend to third-party analytical laboratories, cement producers, and growing cleantech and battery-materials businesses. Manufacturing is based in Perth, Sydney and Melbourne, with global sales supported by direct relationships and a network of distributors across the Americas, Europe and Asia.

Three Engines of Growth

In our view, the medium-term growth opportunity for XRF is driven by three complementary engines that management is executing on simultaneously.

1. **Deeper penetration of existing customers**

   Many tier-1 customers currently use only a portion of XRF's product range. As the company's reputation in customer laboratories has strengthened, it has expanded its share through complementary equipment, additional consumable grades, and custom fusion ware. We estimate this "share of wallet" opportunity could ultimately double revenue per customer over time.

2. **Geographic expansion**

   Australia remains XRF's most penetrated market. The United States, Latin America, Europe and India offer substantial headroom. Recent investments in a direct sales presence in North America and the establishment of operations in India (from early 2026) are designed to capture a larger share of customer spending, improve consumable replenishment, and deliver the local technical support that tier-1 clients' demand.

3. **New product development and complementary acquisitions**

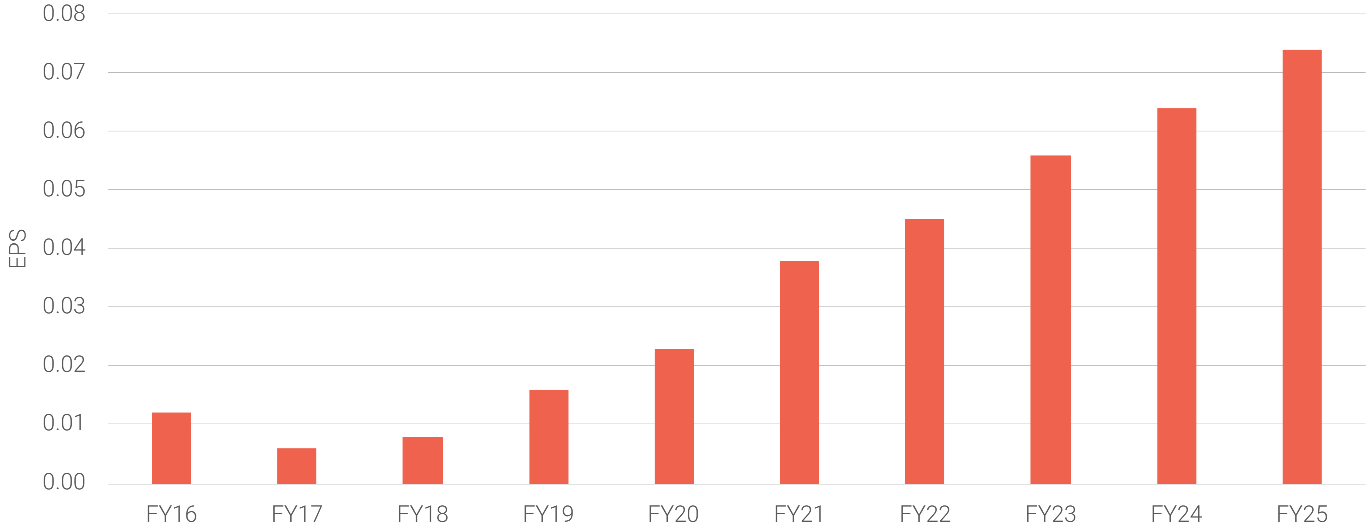
   The April 2026 acquisition of Bruker Corporation's (NASDAQ: BRKR) Combustion Gas Analysis (CGA) business is a strong example. For US$4.0 million upfront (plus a modest earn-out), XRF acquired a global line of CS/OHN elemental analysers that complements its existing fusion and pressing portfolio. Manufacturing is being relocated from Germany to Perth, with first revenue expected in late CY26. Similar opportunities exist in adjacent areas such as sulphur analysis, with applications in mining, cement, and battery minerals.

The combination of these three engines - depth, geography and product expansion - sets XRF apart from most other emerging Australian industrials. Each engine compounds independently, and meaningful progress in any one would, in our view, represent a material positive outcome for shareholders.

The Financial Profile

We believe what gives XRF the characteristics of a high-quality compounder is its strong financial profile. From FY20 to FY25, revenue grew from approximately A$29 million to approximately A$59 million, representing a 5-year compound annual growth rate (CAGR) of approximately 15.3%. EBITDA over the same period has grown from ~A$5 million to ~A$15.6 million (25.6% CAGR), with margins expanding from ~17% in FY20 to ~26% in FY25. The margin expansion has been driven by the increasing share of consumables in the revenue mix, scale leverage in the Perth manufacturing facility, and operating discipline through the cycle. Importantly, this growth has been delivered without a single material equity raising over the period.

XRF EPS Growth



Source - S&P

The business's capital intensity, in our view, is what makes compounding genuinely durable. Capital expenditure has averaged less than 3% of revenue over the past five years, peaking at c A$1.75 million on A$59 million of FY25 revenue. Operating cash flow has grown from circa A$4 million in FY20 to circa A$10 million in FY25, translating into a FY25 free cash flow of circa A$8 million, or a free cash flow margin of ~14%. The resulting balance sheet flexibility is significant: at FY25 year-end, XRF held net cash of ~A$8.6 million, with no material drawn debt. This balance sheet strength funds bolt-on acquisitions, geographic expansion, and R&D without requiring equity raises.

The Q3 FY26 trading update reinforced this trajectory, with revenue of A$15.8 million (+13.8% year-on-year) and profit before tax of A$3.7 million (+10.7% year-on-year).

We continue to view XRF as a core holding in NAC. At current valuations, the long-term potential for shareholder value creation across the three growth engines remains substantial.


OUTLOOK

NAOS

OUTLOOK

Looking forward, the Q4 FY26 macro environment has created a more nuanced outlook for emerging companies than we have seen for some time. The Middle East conflict has reshaped expectations around inflation and interest rates, while adding input cost uncertainty across multiple sectors. Conversely, the accelerating Australian data centre buildout has created the strongest demand backdrop in over a decade for a select group of contractors, engineers, and related service providers. In our view, this combination will continue to drive meaningful dispersion in outcomes across the emerging companies universe.

Q1 FY27 will bring the FY26 reporting season (August 2026) for most investments within the NAOS portfolios. Some companies have provided updates in recent months, while others have not made significant market announcements since the 1H FY26 results in February.

From our perspective, we will be looking closely at the following investments:

- **MaxiPARTS Ltd (ASX: MXI)** - With FY26 headline guidance already provided, we will focus on cash conversion and the expected move toward an unlevered balance sheet. At a P/E multiple of approximately 7x FY26 earnings (adjusted for non-cash amortisation), capital management (whether through scaling the business or returning capital to shareholders in an accelerated manner) should come to the forefront.
- **SomnoMed Ltd (ASX: SOM)** - SOM has been one of the NAOS investments that has been rather quiet since the release of its 1H FY26 result back in February. Therefore, the full-year FY26 results will be of added significance as we would also expect FY27 guidance, consistent with the company's practice in previous years. Just as importantly, we hope to see an update on the Rest Assure product and its commercialisation timeline.
- **Firmus** - Firmus will likely attract the most attention across the NAOS portfolios. Since the April 2026 roadshow, management has remained execution-focused, highlighted by the late June 2026 announcement of a major new project in Indonesia backed by NVIDIA Corp (NASDAQ: NVDA), expected to generate US$25-30 billion in revenue over the first six years once fully operational. In Q1 FY27 we expect further progress, including the Melbourne facility (housed in a CDC data centre) becoming operational and revenue-generating, potential new customer contracts, and an update on the IPO process.

As we have noted previously, CY26 was always expected to be a pivotal year for the NAOS LICs, and that view remains unchanged. While the year has become more weighted towards 2H CY26, we also believe the opportunity is now significantly more de-risked than it was at the start of the year. We expect to see meaningful price volatility across many of our investments over the next six months as catalysts unfold and long-term value creation becomes more visible.

Finally, the entire NAOS team remains grateful for your support as fellow shareholders. We look forward to providing you with the FY26 annual Investment Manager's Report and the relevant LICs' audited results during August. If you have any questions or suggestions, please do not hesitate to contact me directly or any member of our team.

Warm regards,

Sebastian Evans

Managing Director and Chief Investment Officer
NAOS Asset Management Limited

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