SANDON CAPITAL
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ASX Announcement

26 August 2026

- **SNC continues to deliver fully franked dividends, supported by substantial profit reserves and franking credits – 3.6 years of dividend capacity** [i]
- **SNC shares offer an attractive 8.1% fully franked yield, or 10.7% including franking credits, at a 5.9% discount to pre-tax NTA** [ii]
- **Portfolio performance has improved in early FY27, following a disappointing FY26**

The Directors of Sandon Capital Investments Limited (ASX:SNC) have released the Company's 2026 Annual Report. This announcement provides an update on SNC's recent portfolio performance, dividend payments and capacity to continue paying fully franked dividends.

SNC's gross portfolio return was -14.6% before fees, expenses and taxes, largely reflecting unrealised mark-to-market losses. Notwithstanding this short-term performance, SNC used its substantial profit reserves and franking balance to continue paying fully franked dividends of 5.63 cents per share in the 12 months to 30 June 2026.

This demonstrates one of the structural benefits of listed investment companies: the capacity, where sufficient reserves and franking credits are available, to maintain the payment of fully franked dividends to shareholders through periods of weaker portfolio returns.

Directors have previously announced their intention to pay fully franked dividends in July (already paid), August and September 2026.

This announcement should be read in conjunction with the 2026 Annual Report.

FY27 has started positively

The Company was pleased to report that FY2027 started positively, with a gross portfolio return of 3.5% reported for the month ended 31 July 2026.[iii]

Indicative Monthly Dividend Timetable

The table below shows the indicative dividend timetable and may be subject to change.

	Aug 2026	**Sept 2026**
Fully franked dividend	**0.47cps**	**0.47cps**
Ex date	**12 Aug 2026**	**11 Sep 2026**
Record Date	13 Aug 2026	14 Sep 2026
DRP Election Date	14 Aug 2026	15 Sep 2026
Payment Date	**31 Aug 2026**	**30 Sep 2026**

SNC offers an attractive fully franked dividend yield of ~8.1% at a 5.9% discount to pre-tax NTA[iv]

SNC shares are currently trading at an attractive annualised yield of 8.1% (which grosses up to 10.7% when including the value of franking credits at SNC's corporate tax rate of 25%) at a 5.9% discount to pre-tax NTA.

The Company has significant profit reserves. As of 31 July 2026, SNC has profit reserves totalling 40.0 cents per share and a franking balance of 6.8 cents per share. Based on the current franking balance, SNC has the capacity to pay 20.4 cents per share in fully franked dividends should the directors choose. This equates to 3.6 years of dividends at the current rate of 5.64 cents per annum.

Investment Manager Commentary

The Directors and the Investment Manager acknowledge that the performance of the SNC Portfolio in 2026 was disappointing, both in absolute and relative terms.

The table below illustrates the investment performance of the portfolio as measured by gross investment income, including net realised and unrealised gains, dividends and other investment income.

	SNC Gross Return	Small Ordinaries Accumulation Index	All Ordinaries Accumulation Index
Full year to 30 June 2026	-14.6%	+8.1%	+5.7%

All figures for SNC are before management fees, corporate expenses, interest, taxes. Sources: SNC, Bloomberg

The largest positive contributors to performance this year were Joyce Corporation Ltd, BCI Minerals Ltd and Magellan Financial Group Ltd. The largest detractors were QPM Energy Ltd, Fleetwood Ltd and Coventry Group Ltd.

Aside from QPM Energy Ltd, most holdings that delivered unrealised losses during the period reported improved operating and financial performance. In these cases, share price declines stood in contrast to stronger underlying business fundamentals and financial results. Some, such as Fleetwood have already begun to deliver improved share price returns since 30 June 2026 following significant announcements regarding acquisitions and divestments. Fleetwood and others contributed to SNC reporting a gross return of 3.5% for the month ended 31 July 2026.[iii]

As we have long stated, the timing of catalysts that drive share price performance, and the point at which other investors recognise value, is inherently uncertain. This is why patience and a permanent capital base remain important features of our investment approach.

At the time of writing, most portfolio companies had not yet reported their full year results, so any outlook commentary would necessarily be limited. We will provide commentary on results and announcements we consider meaningful in the August NTA report, to be released in early September.

We remain confident in the prospects for future returns as we continue to apply our investment approach with discipline and patience.

This Announcement has been authorised by the Board.

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[i] Based on 31 July 2026 profits reserve, franking credit balance and current annualised dividends of 5.64 cents per share, assuming all other things being equal.

[ii] Based on a closing price of $0.70 on 25 August 2026 and the 31 July 2026 pre-tax NTA of $0.7439 per share.

[iii] Gross performance is calculated after management fees but before any performance fees, corporate expenses or taxes.