Annual General Meeting Chairman's Address

18 November 2026
ASX announcement

Introduction and welcome

Good morning and welcome to the ninth WAM Microcap Limited (ASX: WMI) Annual General Meeting (AGM). My name is Geoff Wilson, Chairman of the Board of Directors. WAM Microcap provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than $300 million at the time of acquisition. WAM Microcap also provides exposure to relative value arbitrage and market mispricing opportunities. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

This is a hybrid meeting, held both online and in person here at the Museum of Sydney. The hybrid meeting format allows those that cannot join us in person to ask questions and actively participate. This is very important to us at Wilson Asset Management.

I acknowledge the Gadigal people of the Eora nation and pay my respects to Elders past and present.

Thank you for joining us and for your continued support of WAM Microcap. I am joined today by my fellow Board members Jacqueline Sullivan, Sally Loane AM, Kate Thorley and Tony Nicol. Richard King, a representative from WAM Microcap's auditor, Pitcher Partners Sydney, will be available to address any questions relating to the Company's financial statements.

We are also joined by Wilson Asset Management Director of Finance Joe Camilleri, who will moderate today's meeting, and assist in addressing any questions received online or in person during the meeting.

FY2026 in review

Financial results

Following eight consecutive years of outperformance since listing, the 2026 financial year was a challenging year for the WAM Microcap investment portfolio. In the 12 months to 30 June 2026, the WAM Microcap investment portfolio increased 0.1%*, while the S&P/ASX Small Ordinaries Accumulation Index rose 8.1%.

The underperformance relative to the benchmark was largely driven by the investment portfolio's limited exposure to resources companies during a period of exceptionally strong performance from the sector, alongside stock selection that fell short of the level we expect.

The most significant headwind for the investment portfolio was the substantial divergence in performance between resources and industrial companies. While this positioning weighed on investment portfolio performance in FY2026, we believe our focus on identifying undervalued micro-cap industrial companies will continue to provide opportunities for shareholders over the long term.

Many investment portfolio holdings continue to deliver solid operational outcomes despite recent share price weakness, and the investment team continues to identify opportunities where we believe underlying company fundamentals are not fully reflected in market valuations.

The WAM Microcap Board of Directors declared a fully franked final dividend of 5.35 cents per share, taking the fully franked full year dividend to 10.7 cents per share. The fully franked full year dividend represents a fully franked dividend yield of 7.5%^ and a grossed-up dividend yield of 10.7%^, when including the value of franking credits.

Pleasingly, the listed investment company structure, together with the profits reserve available, have enabled the Board to continue to provide fully franked dividends to shareholders through market cycles. Since listing in June 2017, the Company has delivered 86.05 cents per share in fully franked dividends to shareholders, or 122.9 cents per share when including the value of franking credits.

FY2027 outlook and update

Company update

In the four months to 31 October 2026, the investment portfolio decreased 14.0%*, while the S&P/ASX Small Ordinaries Accumulation Index decreased 6.9%.

Selling pressure intensified during October, with the largest detractors being industrial and information technology holdings, with further weakness across health care and materials. The investment portfolio's underweight exposure to materials provided meaningful relative protection as resource companies declined during the month. This was insufficient to offset the weakness among several industrial, technology and health care holdings.

The investment portfolio ended October with a cash weighting of approximately 10%, providing the investment team with flexibility to manage risk and selectively invest where market weakness has created attractive opportunities.

Market outlook

The investment team expects near-term conditions to remain challenging for micro-cap companies. This area of the market is particularly sensitive to changes in investor risk appetite, liquidity and the cost and availability of capital. In periods of heightened uncertainty, selling can be amplified by lower trading liquidity, resulting in substantial share price movements even where there has been limited change in a company's underlying operations.

Interest rates remain a key influence on smaller companies. While inflation remains elevated, there are signs the tightening cycle may be approaching its peak, with markets pricing in rate cuts from mid-2027. A stabilisation in interest rates, and eventually lower rates, would provide a more supportive environment for selected micro-cap companies.

Despite the challenging conditions, periods of indiscriminate selling can create opportunities to invest in companies at valuations that do not fully reflect their underlying earnings potential. The investment team will continue to distinguish between companies where weaker share prices reflect deteriorating fundamentals and those where share price weakness has created a disconnect between underlying company fundamentals and market valuations.

The investment portfolio's cash position provides capacity to respond as these opportunities emerge. The investment team anticipates valuations to remain compressed in the near term, and will remain selective, with an emphasis on companies that have resilient balance sheets, clear pathways to profitability and the potential to benefit as market conditions and investor confidence improve.

For more information

Further information on WAM Microcap can be found in the FY2026 Annual Report and on our website.

Thank you

Thank you for your support and for entrusting us with your capital. I would also like to thank the Wilson Asset Management team and my fellow Board members.

*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.
*Based on the 30 June 2026 share price of $1.435 per share. Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30%.

About WAM Microcap

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All major platforms provide access to WAM Microcap, including Asgard, BT Panorama, Colonial First State Edge, HUB24, Insignia Expand IDPS, Macquarie Wrap and Netwealth.

Listed June 2017

ASX

WAM Microcap receives coverage from the following independent investment research providers:

Zenith Investment Partners · Bell Potter · Lonsec · Independent Investment Research · Ord Minnett

This announcement has been authorised by the Board of WAM Microcap Limited.

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for more than 130,000 investors and the Australian community for 29 years. As the investment manager for nine leading listed investment companies (LICs): WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Income Maximiser (ASX: WMX), WAM Research (ASX: WAX), WAM Active (ASX:WAA) and WAM Strategic Value (ASX: WAR); and four unlisted funds: Wilson Asset Management Leaders Fund, Wilson Asset Management Founders Fund, Wilson Asset Management Real Assets Fund and Wilson Asset Management Equity Fund, Wilson Asset Management invests $6.0 billion on behalf of more than 130,000 retail and wholesale investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG), as well as Future Generation Women. Wilson Asset Management advocates and acts on behalf of retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with $10,000 each year to donate to charities of their choice. All philanthropic investments are made by Wilson Asset Management and not the LIC.

Wilson Asset Management

$6.0 billion
in funds under management

>250 years
combined investment experience

29 years
making a difference for shareholders

13
investment products

For more information visit www.wilsonassetmanagement.com.au or contact:

Geoff Wilson AO
Chairman &
Chief Investment Officer
(02) 9247 6755
X (Twitter): @GeoffWilsonWAM
LinkedIn: @Geoff Wilson

Catriona Burns
Chief Executive Officer
(02) 9247 6755
0487 497 437

Joe Camilleri
Director for Finance
(02) 9247 6755
0402 759 790

Alexandra Hopper Irwin
Head of Corporate Affairs & Marketing
(02) 9247 6755
0431 381 295