Chairman's address
to the 2026 Annual General Meeting
Thursday 19th of November 2026

Dear Shareholders

On behalf of the Board, welcome to the Annual General Meeting for the year ended 30 June 2026. I thank you for your ongoing support and trust in our company.

I would like to open by acknowledging that FY26 was an exceptionally turbulent and difficult year for Microequities. Within the year we achieved a record high FUM in H1 followed by a decline of over 20% by year end. Importantly this fall in FUM was due to market conditions, not investor withdrawals.

Calendar 2026 has been an awful time for Australian microcaps with the exclusion of resources which are beyond our mandate. Rising interest rates and AI disruption filled the headlines with software and small/microcap growth stocks (which form a large part of our portfolios) being particularly hard hit. Shareholders will be aware of what the media has called the "SaaS Apocalypse".

Research consistently shows that following fads and trying to time the market produce poor long-term results. Nonetheless when faced with turbulent market conditions, it is difficult to keep one's nerve. I thank and congratulate our investors and shareholders for remaining true to our long-term value investing ethos.

Despite the particularly challenging conditions in the sector of the market in which Microequities invests the business demonstrated great resilience. Whilst most KPIs for our company provided negative year on year comparisons, the business maintained solid levels of cash flow generation, profitability and dividends. Our balance sheet remains strong, and the business is well positioned to benefit from a reversion to the mean in market conditions.

Looking ahead, the MAM investment team believe that the current pricing dislocation in Australian small and microcap listed companies means that the upside opportunities for microcap investors are at historic highs. Reflecting this view of market conditions the Company continued to invest on balance sheet into our own funds.

Thank you to all our shareholders for your continued support and we look forward to our business partnership and delivering you with positive investment outcomes and shareholder returns.

Leslie Szekely
Non-Executive Chairman

CEO's address
to the 2026 Annual General Meeting
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I'm pleased to welcome everyone to our 2026 Annual General Meeting. FY26 was a challenging year for Microequities and our investors. A strong first half in which we finished with record FUM and several of our investment funds achieved historical highs was followed by a sharp decline in industrial small-cap and microcap market valuations, particularly across technology businesses. These market falls particularly affected our domestic growth strategies and consequently our FUM and financial results. Throughout this period, we remained focused on disciplined investment management, client service and the long term development of our business.

Financial Performance

Operating profit from investment management declined by 19% to $8.4m. Recurring revenue fell by 5% to $10.2m, while performance fees declined by 37% to $2.3m. Operating profit from recurring revenue was $6.1m, down 9%. We maintained cost discipline, with ongoing operating expenses increasing by 3%. Net profit attributable to shareholders was $5.7m, a decline of 20%.

Funds under management ended June at $517.1m, compared with $607.9m a year earlier, having reached a record $657m at December. As outlined in our April market update, the subsequent decline was predominantly driven by lower market valuations. Our balance sheet remained sound, with net assets of $23.2m and cash of $3.8m at year end. Our investments in Microequities products also continue to provide shareholders with direct exposure to the investment strategies we manage.

For FY26, the company declared total fully franked dividends of 3.3 cents per share, comprising an interim dividend of 2.3 cents and a final dividend of 1.0 cent. The lower final dividend reflected weaker second half profitability and our decision to retain capital to support the development of new products.

Investment Performance

The second half was particularly difficult for our Australian equity strategies. Concerns about the potential disruption of software businesses by artificial intelligence (AI) contributed to substantial share price declines. Our response has been to examine the evidence at each investee company: its competitive position, customer retention, earnings and cash generation. We remain alert to the risks of technological change but have not yet seen any deterioration in the fundamentals or business models of our software investee companies. AI is also creating opportunities. Our Global Value Microcap Fund's cybersecurity investments benefited from increased demand for protection against more sophisticated threats. This illustrates the importance of assessing individual businesses and their exposure to structural change, rather than applying a single conclusion to an entire sector.

We are in the early stages of the rapidly evolving AI revolution and will remain vigilant, guided by data and evidence. We will continue to test the investment thesis for every business across our portfolios, rather than rely on oversimplified, narrative driven conclusions. We deem the

current valuation disconnect across parts of the industrial small cap and microcap market provides a once in a generation investment opportunity and Microequities intends to augment its on balance sheet capital to opportunistically capitalise on the pricing dislocation.

Operating update and priorities for FY27

The downward trajectory of market prices in our asset class continued through the first four months of FY27, resulting in a decline in FUM to circa $473m as at 31 October 2026. The business continues to trade profitably, and we will increase the deployment of balance sheet capital to maximise shareholder value creation. Over time, we expect these investments to provide a growing contribution to earnings, complementing our core funds management business.

The investment management team continues to work towards the launch of the Microequities Fixed Income Trust, which will offer wholesale investors a choice of investment terms and monthly cash returns. The product will broaden the ways we can serve our clients beyond our traditional offering but importantly builds on the key investment competencies.

I would like to close by thanking our shareholders for their continued support, our investors for their trust through a difficult market, and our investment, relationship management and operations teams for their dedication throughout the year. We remain committed to delivering long term value for our clients and shareholders.

Carlos Gil
Chief Executive Officer

Microequities Asset Management Group Limited

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