



FLAGSHIP INVESTMENTS LIMITED

ABN 99 080 135 913

APPENDIX 4D STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

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APPENDIX 4D STATEMENT

Results for Announcement to the Market

The reporting period is the Half-year ended 31 December 2025, with the corresponding period being 1 July 2024 to 31 December 2024.

SUMMARY OF RESULTS

Investment Portfolio performance was negative 9.8% in the six months ended 31 December 2025, compared to positive 9.1% in the prior year. Over the period, Net Assets decreased by \$7,758,895 which includes the payment of the 2025 final dividend of \$1,357,507.

	Dec 2025 \$	Dec 2024 \$	Movement %
Revenue from ordinary activities	617,134	736,315	-6.2%
Comprehensive Income/(loss) (after tax) attributable to members	(6,401,388)	4,229,508	-251.4%
Comprehensive Income/(loss) per share (Cents)	(24.76)	16.36	-251.3%
Net Tangible Asset backing per share (before tax on unrealised gains) (Cents)	204.0	259.0	-21.2%

DIVIDEND

Interim Dividend per share

Fully Franked Interim Dividend - payable on 27 February 2026: 5.1 cents

The record date to determine entitlements to the interim dividend 12 February 2026

Dividend Reinvestment Plan

The Dividend Reinvestment Plan will apply to this interim dividend with the price determined by the Directors. The last date for the receipt of an election notice for participation in the dividend reinvestment plan will be at close of business on 13 February 2026. There is no foreign conduit income attributable to the dividend.

Previous corresponding period

Fully Franked Interim Dividend paid on 27 February 2025: 5.1 cents

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MARKET COMMENT

The ASX All Ordinaries has produced a below average return of 2.8% in the year to date. This was driven by a rotation from chips to rocks where AI and other technology businesses started the year strongly but in the second half the shift to commodities and particularly gold and critical minerals fuelled the market. Globally the AI thematic is likely to continue as a highlight as deployment occurs across business functions delivering productivity improvements. While speculation on AI related IPOs (OpenAI, Anthropic and xAI) will no doubt generate a lot of attention.

After rate cuts earlier in 2025 the Reserve Bank of Australia took a more cautious path, holding rates while persistent underlying inflation drove speculation of rate hikes early in 2026. GDP growth fell short of expectations through the year and the labour market remained resilient with unemployment sitting at 4.2% in late Q4. This macro position has driven more investors towards value-orientated stocks, moving away from growth stocks.

The outlook for 2026 remains subject to geopolitical impacts, tariffs and ongoing macro uncertainty. FSI remains committed to its core philosophy of focusing on the economics of the business rather than attempting to anticipate short-term macroeconomic outcomes. FSI, under the management by EC Pohl & Co, continues to focus on owning companies with strong competitive advantages, proven management teams, and clear pathways to sustainable earnings growth. By maintaining a long-term ownership mindset and actively managing position sizes as valuations evolve, FSI will seek to balance risk management with the pursuit of attractive returns.

REVIEW OF OPERATIONS

Investment performance for the six months to December 2025 was negative 9.8%, compared to the ASX All Ordinaries Index increase of 2.8%. This is a marked difference to the prior year when portfolio performance was positive 9.1% and this is reflected in the change in Other Comprehensive Income from last year to the current year.

Total Comprehensive Loss after the provision of tax for the half year to December 2025 was \$6,401,388 a substantial decrease from the prior year due to the portfolio performance noted above. The fluctuation in asset valuation is not indicative of a significant change in the operations or investment process of FSI, unfortunately a number of portfolio stalwarts faltered during the period, including James Hardie and Corporate Travel. While broadly the performance reflects a market cycle skewed by the performance of the materials sector in Australia, more broadly it reflects a market where participants have chosen to ignore business fundamentals and focus on the euphoria surrounding the believed benefits as well as the negative impacts of artificial intelligence. FSI continues to invest in high-growth, high-quality businesses, with strong balance sheets, scalable business models and durable competitive advantages.

During the six months to December 2025 the Company paid the FY2025 Final Dividend of 5.25 cents per share, a 1.0% increase on the prior year. The total dividend paid over the last 12 months was 10.35 cents per share and represents a 5.78% yield on the closing share price on 31 December 2025 of \$1.79.

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Portfolio Performance:

	6 Months	1 years	5 years p.a.	10 years p.a.	Since Inception (1 May 1998) p.a.
Portfolio	-9.8%	-13.1%	4.5%	9.9%	11.6%
ASX All Ordinaries Index	2.8%	7.1%	5.7%	5.4%	4.4%
ASX All Ord Accumulation Index	4.4%	10.6%	9.7%	9.5%	8.6%

OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, Augmented Audit Co Pty Ltd.

All the documents comprise the information required by ASX listing Rule 4.2A.3.

This information should be read in conjunction with the Company's most recent Annual Financial Report.

Authorised for release by the Board.

For any queries, please contact:

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