



DMX Australian Shares Fund

September 2026 – Investor Update

A wholesale unit trust managed by:
DMX Asset Management Limited
AFSL 459 120
13/111 Elizabeth Street, Sydney, NSW 2000
Trustee & Administrator:
Fundhost Limited AFSL 233 045

Unit price (mid) based on NAV (31 August 2026)	\$1.1722
Unit price (mid) based on NAV (30 September 2026)	\$1.1504
Number of Stocks	48
% cash held - month end	4%
Fund size (gross assets)	\$17m

1-month return	-1.9%
3-month return [#]	4.4%
1-year return [#]	-2.0%
3-year return, p.a. [#]	10.6%
5-year return, p.a. [#]	5.2%
Since inception (1 March 2021, p.a.) [#]	7.9%
Since inception (cumulative) [#]	52.7%

[#] Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV decreased 1.9% in September, in a broadly weak market. The ASX 200 Accumulation Index declined 2.4% while smaller companies indexes also declined: the ASX Small Ordinaries down 2.3% and the ASX Emerging Companies Index down 4.3%.

Commentary

Positive contributors from a number of our smaller positions helped us during a relatively weak September. Our new position in **Janus Electric** rose 62% as this diesel to electric truck converter gaining broader investor interest in the wake of higher diesel prices and as the company rapidly scales its operations. We visited the company earlier in the month with additional commentary and photographs including in our Appendix. Our recently re-established position in **Beonic** performed well, with those shares up 47% though on light volume for this very small company. Finally of note, **Kinatiko** firmed, up 7%, following its well-received announcement of an on-market share buyback. That buyback has commenced in October at a healthy pace, and we hope will both enhance intrinsic value for shareholders, while leading to a restoration of the equity value of this interesting smaller, growing, cash-rich, and profitable compliance software company.

Detractors include **Raiz Invest** which declined 21%. We've written about Raiz previously, and have found it an attractive micro-investing and financial services platform. The market though has anticipated bad news here, with the stock going into a trading halt last week and this week emerging down another 30+% as we write on the back of historic tax compliance matters in relation to some of its funds. This development is quite surprising & disappointing, and carries a presently unknown potential liability to remediate the issues. We are re-assessing our position here following this material development. **Verbrec** declined 10% on no news, but since month-end has recovered on the back of an initiation by a new broker and increasing investor awareness of how well placed Verbrec is to key electrification and data centre thematic. Verbrec remains a key holding for the fund and is in the sweet spot of being small, growing, well-capitalised, and still very cheap on around 10 times expected FY2027 earnings. The company has demonstrated prudent capital allocation in recent times with value accretive non-core disposals, acquisitions, and a desire to make earnings accretive strategic and tuck-in acquisitions.

Investment platform operator, **Praemium**, declined 19% following full year results which we thought were OK though with a softer outlook for the year ahead. The company is going through some leadership change, with its Chair bringing forward his announced retirement, and since month-end, its CEO abruptly leaving. Its shares have recovered somewhat in October on that latter news with many viewing the development as a potential catalyst for the company to be sold.

Final Kip McGrath Update

We last month discussed **Kip McGrath** which has been subject to an unsolicited takeover offer from Crimson Education. Merger arbitrage specialist, Harvest Lane, acquired a 19% stake and agreed to sell its shares to the bidder, Crimson Education, in the absence of a superior offer. As we are finalising monthly reporting, Crimson has announced a slight increase to its bid price (from 73c to 75c) and the Kip McGrath board has endorsed this,

now recommending investors accept the offer. We're satisfied that a robust process has been followed whereby the company has conducted a thorough search for a more compelling offer. While we're underwhelmed by the price offered at these levels, other key investors have been happy to deal here resulting in Crimson securing a majority stake in the business. We'd expected them to ultimately secure a majority stake, and we've been considering the potential to retain our stake (or much of it) and continue on as a minority shareholder alongside them and others. We also believe the Board are commercial and pragmatic here, and with them now supporting the revised bid and selling all their own shares into it; together with the uncertainty of being stuck as a minority shareholder, and – most importantly – our opportunity cost of this capital, we've decided to sell into the Crimson bid. Across our funds, this liquidity event will generate around 4% in capital to be rotated into other compelling opportunities we face across our portfolio.

We've been invested in Kip McGrath for many years and have had a disappointing result with this position on the back of failed North American expansion and other shenanigans. The company had been very much back on track over the past year or two under its new board and management. We were looking forward to what the company could achieve organically from here, but Crimson's hostile and now successful bid for control changes the picture. Again, with our rich opportunity set in the unloved ASX small-cap sector, we're comfortable to take our proceeds here and re-deploy elsewhere.

The DMXCP report includes detailed commentary on emerging Australian success stories, Janus Electric and **Laserbond**, both of which are commonly owned by DMXASF. These are included as an Appendix to this report and we encourage you to review this additional content.

Summary

While the portfolio was soft in a weak broader market, and in particular for smaller companies, we are positive on its embedded upside potential. With the exception of Raiz's out-of-left-field development, fundamentals are intact and – all things equal – the corollary of lower share prices is greater expected future returns. We look forward to the upcoming AGM season to receive trading updates across the portfolio.

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management

Appendix: DMX Capital Partners report commentary on Janus Electric & Laserbond

Laserbond (ASX:LBL)

LBL's patented laser cladding technology materially extends the life of heavy industrial equipment by up to 10x by using lasers to melt LBL's proprietary powder on the surface of the equipment, creating a wear resistant coating. This laser application creates a much stronger (and therefore longer lasting) metallurgical bond than other alternatives such as thermal spraying or ceramic coating. The technology was originally invented by brothers Wayne and Greg Hooper, with the Hooper family managing the growth of LBL until mid-2025. The reins have now been passed to experienced CEO Rob Freeman who is looking to professionalise the company, diversify its customer and execute on meaningful offshore opportunities. During FY26 LBL secured a significant \$2.3m licensing opportunity with Komatsu, where Komatsu will apply LBL's technology and powder consumables to its own equipment. Management believes there are further potential near term opportunities with Komatsu, as well as other heavy equipment OEMs. This interest clearly demonstrates the commercial value of the LBL technology / intellectual property. LBL also currently owns 40% of its Western Australian associate Gateway - taking full ownership of Gateway would result in LBL consolidated revenue exceeding \$100m – providing LBL with a compelling opportunity to scale its margins.

From a value perspective at ~10x FY27 earnings, LBL screens attractively. We also note that compared to other ASX metal additive technology companies (Metal powder (ASX:MPW) and Titomic (ASX:TTT) which both have market caps over \$200m and are loss-making) LBL with its looks compelling.

Janus Electric (ASX:JNS)



JNS truck Chris drove in



JNS electric drive train



Installed electric engine

JNS has been developing its diesel to electric truck conversion architecture and capability since 2019. Today, JNS' operating model, comprising the diesel-to-electric retrofit, battery swap, charging infrastructure and SAAS operating system is unique for Class 6–8 trucks, and it has no direct global competitor outside China.

Similar to LBL, there has been a recent transition from the founder, Lex Forsyth, to an experienced CEO Ben Hutt who has set himself some ambitious targets to capitalise on JNS' global opportunity. With a first-mover advantage in an addressable market of ~8m+ heavy diesel trucks, conversion of just 2,000 of these trucks would see JNS generate ~\$1b in cumulative revenue. For FY28 Ben is targeting 650 trucks with revenue of ~\$300m. Brokers are less bullish though, estimating FY28 revenue of \$160m and NPAT of \$12m. With diesel prices continuing to rise, governments globally increasingly supportive of truck electrification and JNS receiving worldwide interest and recognition for its offering, we believe JNS has a good chance here to become a significant global player in the electric truck market. We look forward to seeing how Management can deliver on its potential here.

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