

Investment Report & NTA Update

13 March 2025

Net Tangible Asset Value per share as at 28 February 2025

Pre Tax NTA	Post Tax & Pre Unrealised Gains Tax NTA	Post Tax NTA	Share Price	% Discount / Premium to NTA*
\$1.126	\$1.126	\$1.130	\$0.835	-26.11%

* Percentage discount to NTA is calculated from the post tax NTA.

Investment Portfolio Performance[†]

	1 Month	3 Months	1 Year	2 Years p.a.	3 Years p.a.	Inception p.a. [^]	Inception (Total Return) [^]
SB2 [#]	2.37%	-0.78%	16.76%	7.10%	3.57%	4.78%	19.15%

[#] Salter Brothers Emerging Companies Limited (ASX:SB2)

[†] Investment portfolio performance is calculated net of Management fees but before taxes, other fees, and expenses. Performance has not been grossed up for franking credits received by shareholders.

[^] Inception date is 27 May 2021.

Dividends

On 28 February 2025, the SB2 directors declared a fully franked interim dividend of 2 cents per share (CPS) to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2024, to be paid to shareholders on 24 April 2025.

Key Listed Contributors & Detractors

Key Contributors for February 2025			
#	Company Name	Price Chg. (%) (Absolute)	Weighted Avg. Price Chg (%)
1	Alfabs Australia Ltd (AAL)	+15.7%	+1.71%
2	Aldicion Group Ltd (ALC)	+30.4%	+1.65%
3	Asset Vision Co Ltd (ASV)	+33.3%	+0.72%

Key Detractors for February 2025			
#	Company Name	Price Chg. (%) (Absolute)	Weighted Avg. Price Chg (%)
1	Camplify Holdings Ltd (CHL)	-33.5%	-1.11%
2	OFX Group Ltd (OFX)	-14.3%	-0.39%
3	Close the Loop Ltd (CLG)	-16.7%	-0.39%

Key Features of the SB2 Portfolio

- Taking a two year view, the weighted average valuation upside of the listed holdings in the portfolio based on SB2 forecasts is greater than 70%.
- The SB2 equity portfolio quantitatively reflects the investment philosophy of the Investment Team – that is focused on capital preservation, long-term capital, growth and income from investments and generating an attractive risk adjusted return over the long term.
- As such, the weighted average investment profile of our portfolio (as at 28/02/2025) features:
 - Weighted average FY25-26F Revenue growth of c.+18%
 - Weighted average FY25-26F EBITDA margin of c.18%
 - Weighted average FY25-26F NPAT margin of c.5%
 - Weighted average FY25-26F P/E multiple of 8.1x

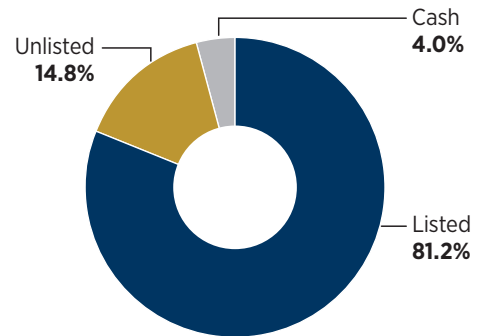
Metrics of the Listed Portfolio**

	FY24A	FY25F	FY26F
Key Ratios			
EV / Revenue (x)	2.1x	1.7x	1.5x
EV / EBITDA (x)	12.3x	8.5x	5.0x
EV / EBIT (x)	13.9x	11.4x	8.0x
P / E (x)	9.8x	8.4x	7.8x
Portfolio Financials			
Revenue Growth (%)	15%	17%	19%
EBITDA Margin (%)	12%	15%	20%
EBIT Margin (%)	0%	6%	12%
NPAT Margin (%)	-4%	2%	8%

**All metrics reflect weighted averages of the combined portfolio based on SB2 forecasts, as at 28/02/2025, adjusted for abnormalities.

Portfolio Composition

- The SB2 Portfolio has 26 Listed holdings (81.2% of the total value), 6 Unlisted holdings (14.8% of the total value) and 4.0% Cash.
- The weighted average market capitalisation of the stocks in the listed portfolio is ~\$186m.
- The investment strategy was compliant with the emerging companies' investment requirements of the Australian Significant Investor Visa regime for the period ending 28 February 2025.
- A key requirement of the Australian Significant Investor Visa regime is that the portfolio invests in companies with a market capitalisation of less than \$500m. As such the portfolio has a microcap bias and the portfolio performance is driven by the performance of this sector of the market.



February 2025 Monthly Update

In February, the portfolio posted a positive return of 2.37%, outperforming the market, which declined 1.98%.

On 28th of February 2025, the directors of Salter Brothers Emerging Company Ltd declared a fully franked interim dividend of 2 cents per share (CPS) to the holders of fully paid ordinary shares, in respect of the half-year ending 31st December 2024. The dividend is scheduled to be paid on the 24th of April 2025.

February's market movements were largely driven by the release of interim financial reports. The portfolio navigated this period with mostly positive updates—a strong outcome given several challenging trading results.

During the month, the top three positive contributors to the portfolio were Alfabs Australia (**AAL**), Alcidion Group (**ALC**), Asset Vision Co (**ASV**). The top three detractors were Camplify Holdings (**CHL**), OFX Group (**OFX**), and Close The Loop (**CLG**).

Alfabs Australia LTD (AAL) rose in February following the release of their impressive first-half results. The company reported a first-half EBITDA of \$12.5 million, representing a 21% increase on the prior corresponding period (PCP), and declared a maiden interim dividend of 1.5 cents per share. The investment manager maintains high conviction in the Alfabs team's ability to capitalise on secured opportunities and drive stronger earnings in the second half.

Alcidion Group LTD (ALC) rose significantly in February after confirming the commercial terms of their North Cumbria contract. The terms were favourable, with \$8–9 million to be recognised in FY25, bringing Alcidion's contracted revenue for the year to \$39.5 million—above its breakeven range of approximately \$36 million. Additionally, the company released its first-half results, highlighting a strong cash position and a promising pipeline.

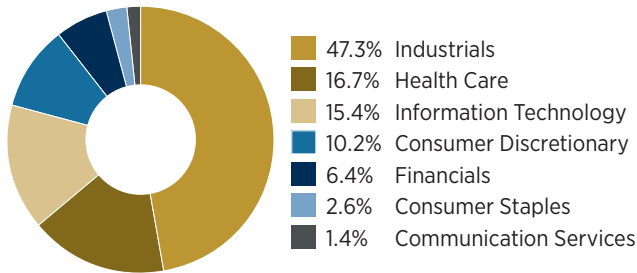
Asset Vision Co Ltd (ASV) rose over 33% in February. Over the past year, the company has performed exceptionally well, achieving positive free cash flow and demonstrating significant operating leverage—growing its topline by over 30% with negligible changes to their cost base. The company indicated they have won a further \$400k in ARR this January and remain very bullish of the year ahead.

Camplify Holdings LTD (CHL) underperformed during the reporting season. The company reported a larger earning loss than the market and investment manager had expected. While acknowledging the inherent challenges in the business, the investment manager believes the stock has been oversold. This presents an appealing opportunity, driven by the completion of a major cost-reduction program, the launch of a new insurance product, the resolution of key issues in their German camper business, and the seasonally stronger second half of the year, all of which should contribute to a significant improvement in financial performance. The investment team believes with appropriate execution the share price will reach an inflection point.

OFX Group LTD (OFX) has continued to experience downward pressure on the share price despite not reporting any financial results due to the March year end reporting period. Negative market sentiment likely driven by speculation over the potential impact Trump-era tariffs will have on import / export volumes and as such FX markets, as well as the potential removal from key ASX indices in the March rebalancing (which did not occur). The investment team is actively reviewing this position.

Close The Loop LTD (ASX:CLG) result was underwhelming, though it presented in line with the January trading update. The company experienced a decline in EBITDA, driven by an unfavourable product mix in their resource recovery segment and delays in opening the Mexicali facility. The investment team recently visited one of Close The Loop's North American sites and is comfortable with the current holding, with the view appropriate execution can return the business to their FY24 earnings level and beyond.

Listed Portfolio Sector Weights



Top 5 Holdings

1. Alfabs Australia Ltd (ASX:**AAL**)
2. Ai-Media Technologies Ltd (ASX:**AIM**)
4. Bluebet Holdings Ltd (ASX:**BBT**)
4. Acrow Formwork and Construction Services Ltd (ASX:**ACF**)
5. Alcidion (ASX:**ALC**)

Investment Team



Gregg Taylor
Investment Director
25+ years' experience
Previous:
Schroders Investment Management and
Bombora Investment Management



Tineyi Matanda
Investment Director – Funds Management
18+ years' experience
Previous: Pwc, MAP Capital



Emily Mohan
Investment Director
12+ years' experience
Previous: iPartners, Bombora



Francis Crossle
Analyst
3+ years' experience



Dane Grant
Analyst
2+ years' experience

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Authorised for release by the Board of SB2.

Important information

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