

WEBINAR

SALTER BROTHERS
EMERGING COMPANIES LIMITED
(ASX CODE: SB2)



EMERGING COMPANIES LIMITED

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1. EXECUTIVE SUMMARY



- Salter Brothers is a global alternative investments manager with over A\$4B of group assets under management.
- Salter Brothers Emerging Companies Limited (**ASX-SB2**) is a professionally managed listed investment company (**LIC**), dedicated to investing in small cap Australian companies with a market capitalisation of under A\$500M.
- SB2 has a strong three-year track record of outperforming the small cap market, with the fund achieving a 7.03% gain during the month of July 2025 outperforming the market.*
- As at 31st July 2025, the share price of SB2 traded at a -35% discount to the underlying post tax NTA value^

* Performance numbers calculated as at 31st July 2025. 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.

^ SB2 discount to NTA calculated as at 31st July 2025. For more information, refer to the Investment Report and NTA Update dated 8th August 2025 as published on the SB2 website (salterbrothers.com.au/funds-management/emerging-companies/asx-announcements).

2. SB2 INDEPENDENT REVIEW

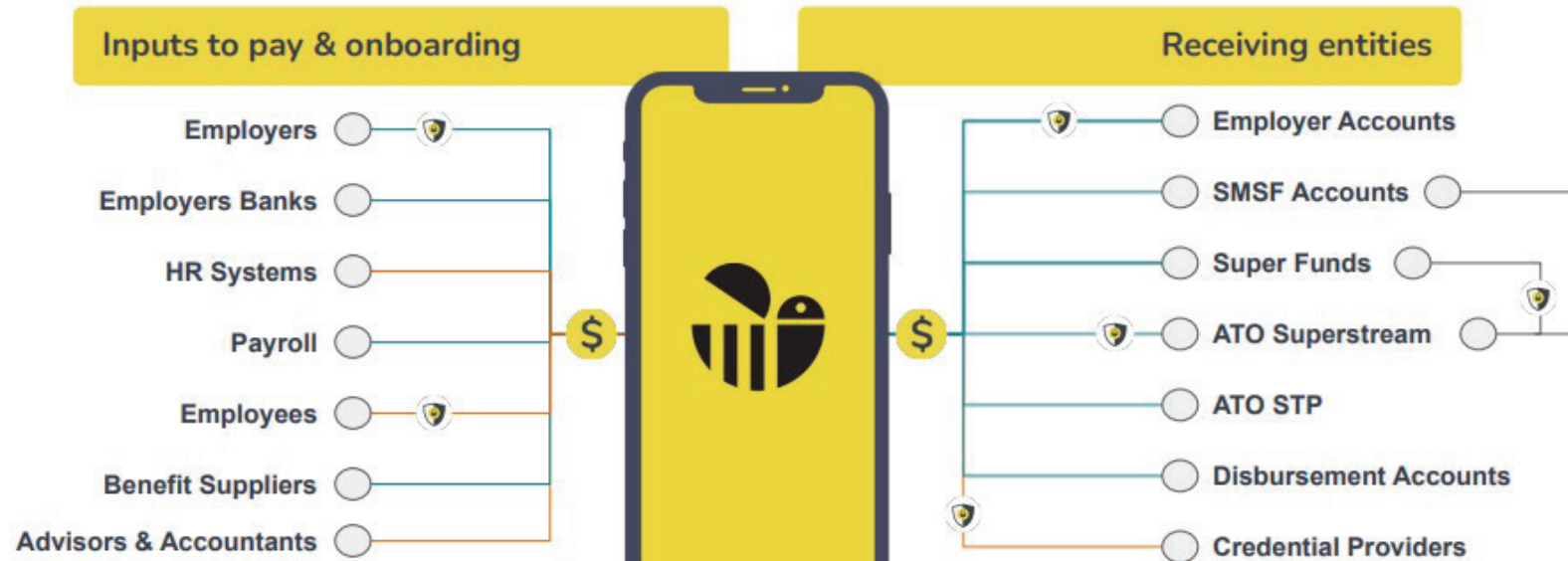
Salter Brothers commissioned an independent review of SB2

The report and rating is available to wholesale investors.
If you would like a copy, please reach out to Salter Brothers.

3. INVESTMENT CASE - WRK

Share Price
\$0.098

Market Cap
\$170m*



Summary

- Wrkr is a regulatory technology business for Australian employers helping to simplify and streamline workforce compliance from hire to retire.
- Salter Brothers initially entered the position through a capital raise in September 2024 at \$0.025 and has continued to build a meaningful position, including participation in the recent capital raise.
- Wrkr digitally solves the compliance moments from onboarding (ID, Credentials, Bank Account, Tax Details, Super Fund Choice & Stapling, Contract Terms and Pay requirements) to processing pay and Super contributions, all in a branded mobile application lifting user experience.
- The company is well supported by July 2026 Payday super reforms, with key provisions including real-time super contribution (super payment alongside wage or salary), faster allocations by funds (20 days to 3), greater regulation and revised penalties for employers not meeting deadlines.
- Recently Wrkr has announced the completion of their Pilot Trial with MUFG client Rest Super, and the signing of AusSuper, Australia largest super fund. There remains several unsigned MUFG clients, further opportunity in payroll providers, the decommissioning of the ATO clearing house, additional compliance moments for signed users and many further organic and inorganic opportunities.
- The investment team views WRKR as a high conviction opportunity with significant growth potential with a high quality of earnings.

* As at 31st July 2025 (ASX:WRK)

4. INVESTMENT CASE STUDY - AAL

Share Price
\$0.40

Market Cap
\$115m*

Key Drivers

- › Alfabs Australia Ltd is a family-owned and operated company since 1986, with the founding family remaining 50% owners. The group operates across diversified segments, including engineering (fabrication, construction, and maintenance services), mining equipment, protective coatings, transport/logistics, and hire equipment.
- › Salter Brothers participated in their Pre-IPO, and Alfabs has become a top 5 holding, reflecting our confidence in its long-term growth potential.
- › Alfabs Engineering is a premier contractor located in New South Wales. The division has established a solid reputation as a dependable contractor known for its high-quality off-site fabrication services. Notable projects include the northern concourse roof at Sydney Central Station and the stage 12 refurbishment of the Parramatta Light Rail. In the first half of 2025, this segment reported an EBITDA of \$3.6 million, a significant increase from \$2.2 million EBITDA in the first half of 2023.
- › Alfabs is experience very strong growth in their mining hire and maintenance business. Alfabs has a significant competitive edge utilising the skills in their engineering business to deliver above market returns on capital. In FY25 the company delivered all hire equipment to the Malabar mine, with some impact expected to be captured in their financial results. The investment team remains confident in continued growth in this segment.
- › Currently, on consensus forecasts Alfabs trades on FY25 EV/EBITDA of 3.2x and a 6.5x PE, offering a compelling valuation compared to its peers. With a forecasted dividend yield of over 8%*, Alfabs presents a strong value play, driven by continued contract wins and sector expansion.



* As at 31st July 2025

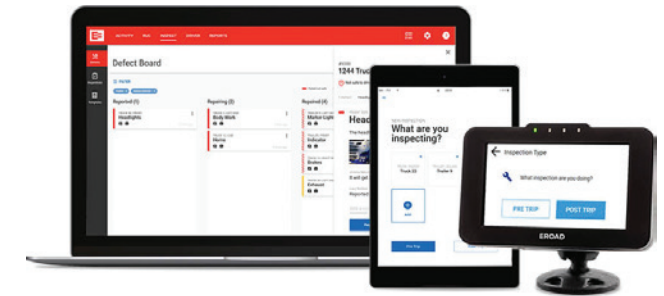
5. INVESTMENT CASE - ERD

Share Price
\$1.42

Market Cap
\$265m*

Key Drivers

- › Eroad is an international hardware enabled SaaS provider delivering safety, compliance, sustainability and efficiency solutions for complex vehicle fleets, allowing operators real time visibility and control.
- › Salter Brothers first started the position in July 2024 and accumulated the holding ahead of the FY25 March year-end results.
- › Eroad's solutions are embedded in demanding, highly regulated fleet operations. Including food distribution, construction materials, and heavy transport, enabling customers to operate smarter, safer, and more sustainably.
- › In May 2025, Eroad delivered a strong full-year result, significantly exceeding market expectations. Free cash flow rose to NZ\$16.1m despite a NZ\$7.5m capex drag for the temporary impact of the 4G upgrade program, which is expected to conclude in CY25. The company also issued FY26 guidance for revenue of at least NZ\$205m, a normalised free cash flow yield of 8-10%, and a medium-term ARR growth CAGR of 11-13%.
- › Recently the New Zealand Government has announced plans to transition all vehicles to electronic Road User Charging (eRUC). Eroad is already established as the market leader in RUC and is well positioned to capture an additional 3.5m vehicles under the eRUC system, representing a significant growth opportunity.
- › With improving profitability, robust free cash flow generation, and a strong growth pipeline across its key geographies, Eroad presents an attractive combination of operating leverage and recurring revenue growth potential.



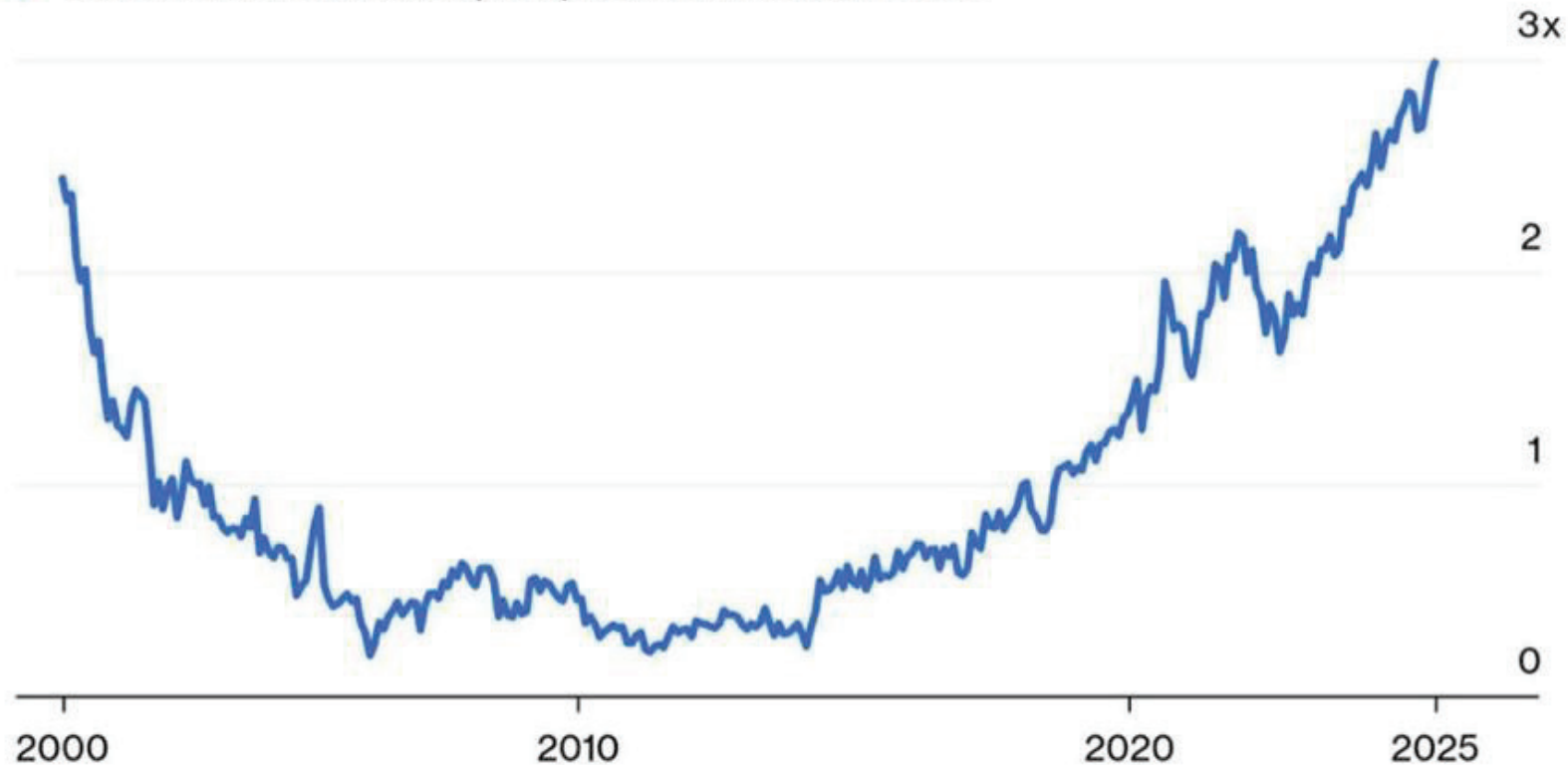
* As at 31st July 2025 (ASX:ERD)

6. US SMALL CAP VS LARGE CAP VALUATIONS

Small Caps' Unmissable Deep Discount

The premium in large caps' book multiples is the widest in 25 years

— Russell 1000 Book Multiple Spread Over Russell 2000



Source: Bloomberg

Bloomberg Opinion

7. SB2 PERFORMANCE

Performance Summary [#]	SB2	ASX Emerging Companies Index*	Difference
1 Month	7.03%	3.85%	3.18%
3 Months	0.50%	6.42%	-5.92%
12 Months	5.09%	10.58%	-5.49%
Inception p.a.*	3.34%	1.19%	2.15%
Inception*	14.68%	9.28%	5.40%

[#] Performance numbers calculated as at 31st July 2025. 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 is 27 May 2021.

- The Salter Brothers Emerging Companies Portfolio increase **7.03%** in July. Outperforming the ASX Emerging Companies Index (**ASX:XEC**), **which posted a monthly return of 3.85%.**
- The 4 months to June presented challenging trading markets with a significant level of volatility experienced across global markets, largely driven from policy speculation and a shift in sentiment. The small cap market also observed a notable divergence in performance across the resource sector and broader back to larger capitalisation stocks.
- The portfolio has demonstrated resilient performance upon news flow which provides comfort as a majority of the portfolio will release their annual results in August.

8. SB2 PORTFOLIO POSITIONING

Key Holdings

	Market Cap	Sector	Company Description
1. Alfabs Australia Ltd (ASX: AAL)	\$110m	Engineering & Mining	Provides a design-to-delivery solution for its clients across heavy steel fabrication, construction and maintenance services, mining equipment, protective coatings, and transport. clinics.
2. Betr Entertainment Ltd (ASX: BBT)	\$300m	Casinos & Gaming	Bluebet under new Chairman Matt Tripp plans to aggressively pursue inorganic growth by leveraging their integration technology and consolidating the sub-scale wagering platforms
3. Ai-Media Technologies LTD (ASX: AIM)	\$120m	Business Software	Provider of live and recorded captioning, transcription, subtitles, translation, and speech analytics using a proprietary, cloud-based technology platform.
4. Alcidion Group Ltd (ASX: ALC)	\$130m	Health Care Technology	Alcidion is a global health tech business that has recently upgraded their earnings and cash flow outlook for FY25 and have a developed pipeline of new contract opportunities.
5. Eroad LTD (ASX: ERD)	\$250m	Electronic Equipment and software	Eroad provides electronic on-board units and software as a service to the transport industry. The EROAD platform, which connect drivers, vehicles, assets, and operations to give businesses real-time visibility to operate efficiently and remain compliant.

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 and long-term capital.
- › Growth and income from its investments and generating attractive risk adjusted returns over the long term.
- › As such, the weighted average investment profile of our portfolio (as at 31/07/2025) features:
 - › Weighted average FY25-26F Revenue growth of c.19%
 - › Weighted average FY25-26F EBITDA margin of c.13%
 - › Weighted average FY25-26F NPAT margin of c.4%
 - › Weighted average FY25-26F P/E multiple of c.8.1x

Metrics of the Listed Portfolio**

	FY24A	FY25F	FY26F
Key Ratios			
EV / Revenue (x)	2.2.x	1.8x	1.6x
EV / EBITDA (x)	7.5.x	5.9x	5.8x
EV / EBIT (x)	9.6x	7.0x	6.0x
P / E (x)	9.5x	9.2x	7.0x
Portfolio Financials			
Revenue Growth (%)	29%	18%	19%
EBITDA Margin (%)	9%	11%	14%
EBIT Margin (%)	-4%	2%	7%
NPAT Margin (%)	-7%	-1%	4%

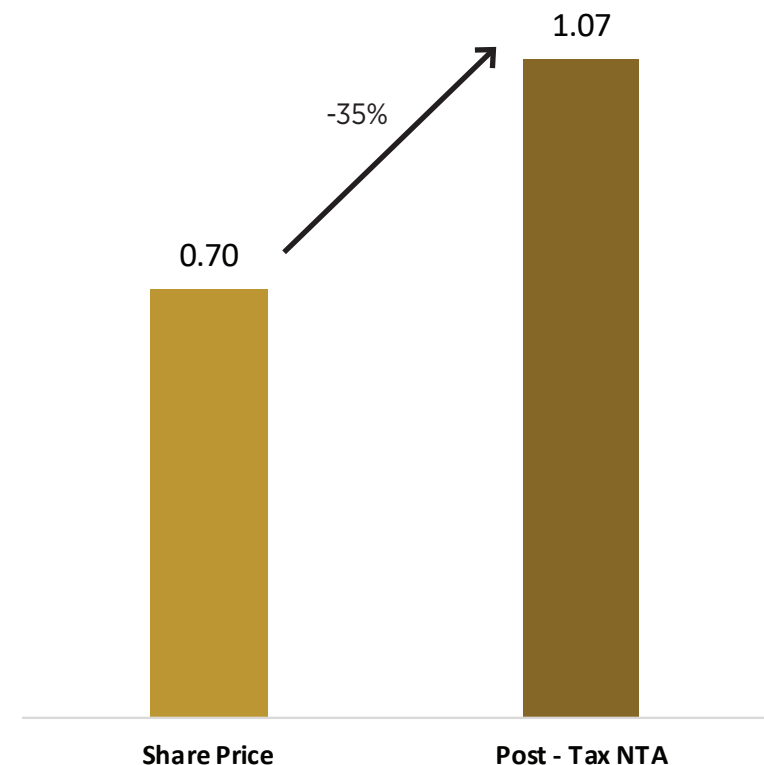
**All metrics reflect weighted averages of the combined portfolio based on SB2 forecasts, as at 31/07/2025, adjusted for abnormalities.

9. DISCOUNT OPPORTUNITY

Steps to Narrow the NTA and Share Price Gap:

- › SB2 is currently trading at a ~ 35% discount to its Post-Tax NTA as at the 31st July.
- › SB2 maintains an ongoing commitment to on market share buy backs.
- › Salter Brothers has paid a maiden, fully franked interim dividend of 2 cents per share, representing an annualised dividend yield of 5.75%.*
- › Reduction in Salter Brothers Trustee Ownership from 48% in February 2024 to 11.3% as at 31st July.
- › Salter Brothers commissioned an independent review to accommodate wholesale investor mandates.
- › The investment team remains actively engaged in building awareness, through monthly investor webinars, linked in, conference presentations and investor roadshows.

Discount Comparison



* Dividend yield assuming a constant dividend per share, calculated as at 31st July 2025.

Q&A

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