

ASX ANNOUNCEMENT

14 November 2025

Chairperson's 2025 AGM Address

Salter Brothers Emerging Companies Limited (**SB2 or the Company**) provides the below Chairperson's address which will be provided to the 2025 AGM today.

Good afternoon fellow shareholders and welcome to our 2025 Annual general Meeting I am John Vatovec, the Chairperson of Salter Brothers Emerging Companies Limited, joining me for today's meeting are my fellow Directors, Robert Salter and Marco Marcou. Also in attendance is our Company Secretary, Justin Mouchacca, and a representative from Deloitte, the company auditor.

SB2 completed its fourth year as a listed investment company during the 2024/25 Financial Year. The fund continued its charter and focus of providing investors with attractive risk adjusted returns, with capital growth and income over the long term by investing in a portfolio of typically 20-35 investments in predominantly Australian listed and unlisted securities of emerging companies (defined as companies with a market capitalisation under \$500m at the time of investment).

This affirms compliance with the emerging companies' investment requirements of the Australian Significant Investor Visa regime. As such the portfolio has a smaller cap focus and portfolio performance is driven by the performance of this sector of the market.

With global inflation broadly under control in FY25, interest rates are in a declining to moderating cycle now. This interest rate regime lifted the performance of the small cap sector significantly and after several years of underperformance the sector outperformed the larger caps.

We expect this outperformance to continue as most smaller caps are still trading at compelling valuations and have superior profit outlooks to the larger caps.

As at 31 October 2025, the SB2 portfolio contained 24 listed (82.4% of total value), 6 unlisted holdings (15.7% of total value) and a 1.9% cash balance.

The average weighted market capitalisation of the portfolio as of 31 October was \$249m.

Over the last 12 months the investment team, which continues to be led by Gregg Taylor, continued its strong relative performance by posting a trading result of an increase of 7.31% across the portfolio with the pre-tax tangible assets (NTA) at \$1.086, with a post-tax NTA at \$1.093.

A key point of differentiation for SB2 is that fact that the fund has 15% of its portfolio in unlisted investments. We remain optimistic regarding the upside of this unlisted portfolio.

We are pleased to report that SB2 paid its inaugural dividends in FY25, with a 2c (100% franked) dividend paid in April 2025 and a 2c (85% franked) dividend paid in October 2025. These dividends, subject to profitability and franking credits, are expected to be maintained.

The company extended its share buyback program for another 12 months in November 2025. The total number of shares bought back since the program began in September 2022, is now at 10.3 million shares at a cost of \$7.1m.

Directors remain very conscious of the share price to NTA discount and along with the share buyback and dividend payments, are exploring other initiatives going forward.

SALTER BROTHERS EMERGING COMPANIES LIMITED | ABN 96 646 715 111 | ASX CODE SB2

MELBOURNE

Level 9, 477 Collins St
Melbourne VIC 3000
Australia

SYDNEY

Level 36, 264 George St
Sydney NSW 2000
Australia

BRISBANE

168 Knapp St
Fortitude Valley QLD 4006
Australia

SINGAPORE

50 Collyer Quay
#05-06 OUE Bayfront
Singapore 049321

TOKYO

16F, Roppongi Hills Mori Tower
6-10-1, Roppongi, Minato-ku
Tokyo 106-6116, Japan



EMERGING COMPANIES LIMITED

On behalf of the Directors and the Manager of SB2, I would like to thank all shareholders for their continued support and look forward to providing you with ongoing updates as the company continues to grow and we explore further investment and capital enhancement opportunities to enhance shareholder returns.

-ENDS-

About Salter Brothers Emerging Companies Limited

ASX:SB2 is an actively managed Australian small caps investment fund that seeks to provide investors with attractive risk adjusted returns over the long term. Investing in listed and unlisted emerging companies (sub \$500m market cap) across a range of sectors.

About Salter Brothers

Salter Brothers is an Australian-owned global alternatives investment manager, with offices and operations in Australia, Singapore, Japan and the USA. It is focused on property (living, hospitality and social infrastructure sectors), equities (listed small cap and private equity) and private credit (commercial real estate and corporate lending), with group assets under management of over A\$4.5 billion. Whilst operating in multiple sectors, the company is renowned for its hospitality investments, managing over 44 hotels, accounting for over 6,500 rooms) since December 2015 and now operates its own brands and hotel management platform.

www.salterbrothers.com.au

Media contacts

Caterina Nesci

Director of Brand & Marketing

T: +61 466 888 037

E: caterina.nesci@salterbrothers.com.au

Megan Powell

Marketing & Communications Manager

T: +61 403 317 222

E: megan.powell@salterbrothers.com.au

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Singapore 049321

TOKYO

16F, Roppongi Hills Mori Tower
6-10-1, Roppongi, Minato-ku
Tokyo 106-6116, Japan

P | +61 3 9258 2100

E | info@salterbrothersemergingcompanies.com.au

salterbrothersemergingcompanies.com.au