SALTER BROTHERS
EMERGING COMPANIES LIMITED

10 APRIL 2026

SB2 Investment Report & NTA Update

NTA PRE TAX	NTA POST TAX	TOTAL DIVIDENDS
$0.798	$0.920	$0.04

NET TANGIBLE ASSET VALUE PER SHARE AS AT 31ST MARCH 2026

SB2# Portfolio Performance to 31st March 2026†

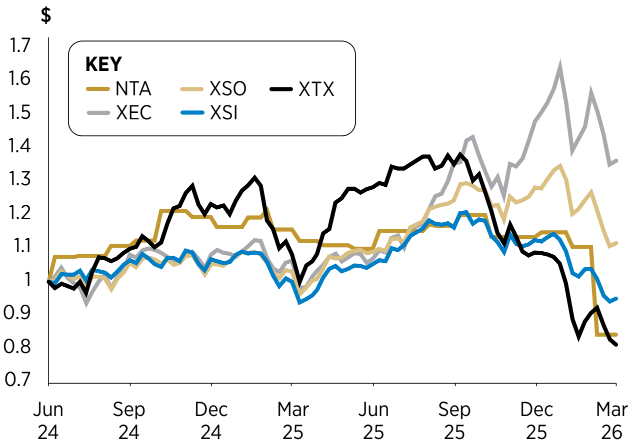
1 Month	3 Months	1 Year	3 Year (p.a.)	Since Inception (p.a.)^	Since Inception^
-13.96%	-16.60%	-16.32%	1.02%	0.08%	0.41%

Salter Brothers Emerging Companies Limited ACN 646 715 111 (ASX:**SB2**)
† 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.

Summary

ASX Code	SB2
Net Tangible Assets	$77.34m
SB2 Market Capitalisation	$52.13m
Share Price	$0.62
Discount to NTA	-32.61%
Companies Held	35
Weighted Average Market Cap of Portfolio	$229m
Annualised Dividend Per Share	4c
Annualised Dividend Yield %	6.45%

Performance



Pre-Tax NTA, Emerging companies index (ASX:XEC) and All ordinaries (ASX:XAO) have all been rebased to 0.80. Source Iress.

Portfolio Commentary

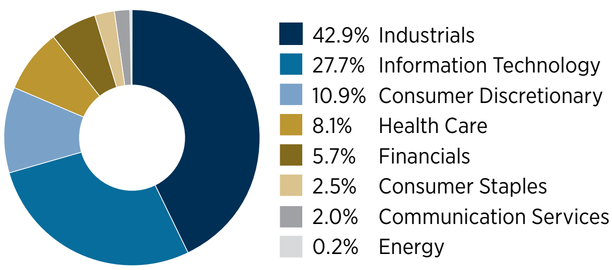
The portfolio declined 13.96% in March, amidst a significant market sell-off in the small and micro-cap sector. The broader small ordinaries index decreased 11.6% in March. The hardest hit was the micro caps end of the market as a flight to safety and liquidity transpired indiscriminately.

Market downturn was primarily driven by escalating tensions in the middle east. This environment then contributed to the RBA increasing the cash rate during the month, with expectations of further rate increases over the next 12 months.

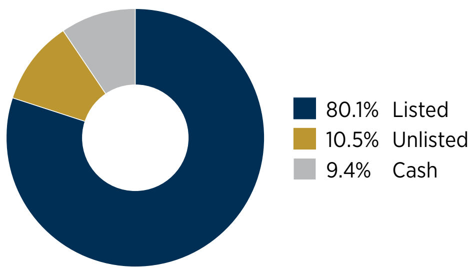
The Directors declared a 2 cents per share fully franked interim dividend during the month of February that will be paid in April.

A copy of the Salter Brothers external ratings report is available at www.salterbrothers.com.au/ratings-awards

Listed Portfolio Sector Weights

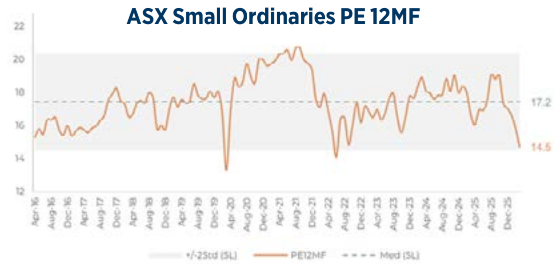


Portfolio Composition



The portfolio's investment strategy was compliant with the emerging companies' investment requirements of the Australian Significant Investor Visa regime for the period ending 31st March 2026.

Market Recap



There has been a significant sell-off in the small/micro-cap industrial equities sector in which SB2 invests, predominantly driven by macroeconomic factors. Calendar year-to-date attribution highlight a marked divergence of performance across the small cap sectors. Examples include, the technology sector declining 25%, while small industrials are down 15%, compared with a relatively modest 4% decline in small resources. This has been driven by persistently strong commodity prices coupled with declining investor sentiment in the technology sector, following caution surrounding AI-related exposures and higher interest rates.

On a broader equity market basis, small caps have materially underperformed large caps. The Small Ordinaries Index is down 11.7% YTD, significantly lagging the ASX 100, which has declined just 2%. This divergence is further evident on a global basis, with Australian small caps underperforming US counterparts, as the Russel 2000 has risen 0.2% over the same period.

This short-term head wind has been driven by a sustained rotation of capital out of small caps and into perceived safer large-cap investments. As a result, small ordinaries one-year forward P/E multiples are now trading at a ~15% discount to their 10-year average.

With investor sentiment driven by increased uncertainty and elevated fear, many sectors are approaching oversold territory relative to fundamentals. This creates the potential for a meaningful rebound in small/micro-cap market performance opportunities once uncertainty inevitably subsides and market sentiment stabilises and focuses on fundamentals.

Feature Stocks

Felix Group Holdings Ltd (ASX:FLX)

During March, FLX appointed their new CEO Chris Aitkin. Chris has 20 years' experience in technology and SASS businesses, most recently serving as CEO of Rezdy.

FLX share price has remained under pressure as their enterprise sales lost momentum with growth decelerating to +15% increase on PCP. Whilst also the previous CEO and chairman exited, and the broader SaaS market has declined.

However, the investment team views the appointment of Dominic O'Hanlon as Chairman and Chris Aitkin as CEO to be a positive outcome for FLX. Encouragingly, enterprise sales outlook is improving and early indication from Nexvia cross sell opportunity is highly positive.

Acrow Ltd (ASX:ACF)

ACF financial 1H result was in line with the markets expectation and their first half guidance. Forward indicators continue to strengthen with hire contract pipeline up 34% on PCP and a record monthly value of contract win through May of $14.3 million indicating strong momentum. The outlook for the industrial access business remains strong and early signs of increased activity is now evident in Queensland.

These positive trends and strong momentum has provided the board the confidence to issue FY27 guidance, with expected EBITDA between $88m - $98 million above FY26 EBITDA Guidance of $82 million at the midpoint.

Top 5 Holdings

1. WRKR Ltd (ASX:WRK)
2. BETR Entertainment Ltd (ASX:BBT)
3. Symal Group Ltd (ASX:SYL)
4. Alfabs Australia Ltd (ASX:AAL)
5. Credit Clear Ltd (ASX:CCR)

Metrics of the Listed Portfolio**

	FY25A	FY26F	FY27F
Key Ratios			
EV / EBITDA (x)	6.7x	6.1x	5.7x
EV / EBIT (x)	10.0x	9.0x	7.7x
P / E (x)	11.8x	10.3x	9.2x
Portfolio Financials			
Revenue Growth (%)	18%	24%	18%
EBITDA Margin (%)	11%	8%	12%
EBIT Margin (%)	4%	1%	7%
NPAT Margin (%)	1%	-2%	4%

**All metrics reflect weighted averages of the combined portfolio based on SB2 forecasts, as at 31/03/2026, adjusted for abnormalities and key ratios earnings metrics exclude loss making entities.

Key Listed Contributors & Detractors

Key Contributors for March 2026

#	Company Name	Price Chg. (%) (Absolute)	Weighted Avg. Price Chg (%)
1	Close The Loop Ltd (ASX:**CLG**)	+17.4%	+0.08%
2	Adneo Ltd (ASX:**AD1**)	+0%	+0.01%
3	Qoria Ltd (ASX:**QOR**)	+7.7%	+0.01%

Key Detractors for March 2026

#	Company Name	Price Chg. (%) (Absolute)	Weighted Avg. Price Chg (%)
1	WRKR Ltd (ASX:**WRK**)	-22.2%	-2.23%
2	BETR Entertainment Ltd (ASX:**BBT**)	-20.0%	-2.00%
3	Symal Group Ltd (ASX:**SYL**)	-21.7%	-1.97%

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About Salter Brothers Emerging Companies Limited

ASX:SB2 is a an actively managed Australian small caps investment portfolio 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 real estate, equities and private credit, with group assets under management of over A$5.4 billion.

To find out more about Salter Brothers visit **salterbrothers.com.au**

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This information contained in this document has been prepared by Salter Brothers Funds Management Pty Ltd ACN 608 295 683 (**Manager**), a corporate authorised representative of Salter Brothers Asset Management Pty Ltd ACN 119 833 760 (AFSL 308 971) (**SBAM**) and Salter Brothers Emerging Companies Limited ACN 646 715 111 (**SB2**) (the Manager and SB2 are collectively known as the **Disclosers**).

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