Spheria Emerging Companies Limited (Company)
Level 25, 264 George Street
Sydney NSW 2000

Telephone: 1300 010 311
Email: invest@pinnacleinvestment.com
ACN 621 402 588

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By Electronic Lodgement

Market Announcements Office
ASX Limited
39 Martin Place
Sydney NSW 2000

Dear Sir/Madam

2026 Spheria Emerging Companies Limited (ASX: SEC) Annual General Meeting – Chairman's Address

Please find attached a copy of the Chairman's address which will be delivered at the Company's Annual General Meeting today.

This announcement was authorised for release by the Board of Directors.

2026 Annual General Meeting – Chairman's Address

[Slide 7 – Investment Objectives]

On 5 December this year, the Company will celebrate its ninth anniversary since listing on the ASX in 2017. The Company's investment objectives as outlined in the Company's prospectus at the time of the IPO were as follows:

- outperform the benchmark, the S&P/ASX Small Ordinaries Accumulation Index, over each full investment cycle (which the Manager considers to be a period of typically 3 to 5 years); and
- provide capital growth (over each investment cycle) and income.

The Company aims to maximise total shareholder return via a combination of capital growth and income, and to regularly pay fully franked dividends to shareholders. Let's assess how we have done against those objectives.

[Slide 8 – Objective 1: Outperform the benchmark]

Regarding the first objective to outperform the benchmark. Company performance which is defined as the portfolio's performance after fees and company administration costs (but before tax) outperformed the benchmark which is the S&P/ASX Small Ordinaries Index by 1.0% p.a. since inception to 30 June 2026, and by 1.8% p.a. when updated from inception through to 31 October 2026.

We will hear more from Marcus on this later but this is an excellent outcome for shareholders and consistent with the first investment objective of the Company as outlined on the previous slide.

[Slide 9 – Objective 2: Provide Capital Growth and Income]

Regarding the second objective to provide capital growth and income, as detailed on the previous slide the Company's performance since inception returned 6.6% p.a. to 30 June 2026. Updated through to 31 October 2026, this decreased marginally to 6.4% p.a. since inception.

The Company's total shareholder return, or TSR Performance, which measures the combination of shareholder returns from a change in the SEC share price adjusted for any dividends paid, since listing in December 2017 to 30 June 2026 was 6.4% p.a., and updated through to 31 October 2026 is 6.7% p.a.

The Company's share price on 31 October 2026 was $2.36 compared to an issue price at IPO of $2.00, representing a positive capital return of 2.0% p.a., while during this time dividends of 87.1 cents have been paid, equivalent to an income return of 4.7% p.a.

Over the year to 31 October 2026, the TSR declined 6.7% largely due to a reduction in capital return over the period of 12.5%, but the income return was still a strong 5.8%.

The conclusion from this is that both the income and capital growth of the Company are important drivers of shareholder returns and to varying degrees over the short and long term. This takes me to the next slide.

[Slide 10 – Provide Capital Growth and Income]

This is an additional slide on the Company's capital growth and income objective. The dark blue bars in this chart indicates the change in pre-tax NTA per share since IPO which shows the growth over the time period driven by portfolio performance. The lighter blue bars indicate the dividends and the franking credits attached to those dividends which the Company has paid since IPO. As you can see from the chart, this has been a strong additional driver of returns to shareholders. This is particularly true in recent years since the Company increased its dividend payout as a percentage of its NTA per share, which I will cover on the next slide.

[Slide 11 – Increases in Dividend Yield and Frequency]

Turning to dividends, the payment of which in a regular and fully franked manner is a key benefit of the listed investment company (LIC) structure.

In recent years, the Company has increased both its targeted annual yield as a percentage of NTA per share, and its dividend frequency.

Commencing from the September quarter of 2021, the Company moved to the payment of quarterly dividends at an annual targeted rate of 4% of post-tax NTA per share. In June 2023 quarter this was increased to an annual targeted rate of 5% of post-tax NTA, and then to 6% in the June quarter of 2024. The top right chart shows the impact that these increases have had on the Company's cash dividend yield and gross dividend yield (including franking) over each financial year through to FY26.

More recently, from February 2026 the Company transitioned from the payment of quarterly dividends to monthly dividends, and these are shown in the bottom right chart. These continue to be paid at the annual targeted rate of 6% of post-tax NTA, and are calculated and announced on a quarterly basis. The Company recently announced the monthly dividends to

be paid during the current quarter of 1.1 cents per share, the first of which was paid on 30 October, with the following two dividends payable on 30 November and 31 December.

The Company's move to a more regular and higher level of income has been favourably received and we remain committed to continue to pay dividends at the current level should the Company's outlook and financial resources permit.

[Slide 12 – Share price vs NTA]

Shareholders will recall that closing the NTA discount has been a focus of the Board. We are pleased that over the last year the Company's share price, represented by the blue line in the chart on this slide, has largely traded above its NTA per share, represented by the grey line, so that the Company has moved to a position where its share price is regularly trading at a premium to its NTA. This is represented by the yellow line in the chart.

We believe that a number of measures have assisted with this improvement:

- The conditional proposals that the Company conducted between October 2024 and March 2026;
- The strong performance of the Company's investment manager, Spheria Asset Management, which continues to outperform its benchmark since inception; and
- The increases in targeted dividend yield and frequency that have been put in place.

While we are pleased with these outcomes for shareholders, the Board will continue to monitor how the Company's share price trades relative to its NTA and assess whether any further measures should be undertaken as circumstances require.

Finally, shareholders will note that resolution 4 in the formal business is seeking authority for an additional 10% placement capacity. One of the long-term objectives of the Board has been to increase the size of the Company via a capital raising, as this benefits shareholders by increased liquidity and the potential for a lower management expense ratio.

The extra 10% placement capacity would allow the Board additional flexibility to grow SEC, if the conditions are right, in order to achieve some of the original goals of increased liquidity and lower company expenses.