



Spheria Emerging Companies Limited (Company)
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Market Announcements Office
ASX Limited
20 Bridge Street
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Dear Sir/Madam

On-market share buy-back and increased dividend target

The Board of Spheria Emerging Companies Limited (**ASX: SEC**) (**Company**) has decided to implement two initiatives to close the recent widening of the Company's share price discount to its Net Tangible Assets per share (**NTA**). While acknowledging that this is a broader issue than one specific to the Company and is particularly prevalent with ASX listed small cap and global listed investment companies, the Board is nevertheless committed to undertaking capital management initiatives to address this issue.

To this end, the Board is pleased to announce that the Company has decided to implement the following two capital management initiatives:

- 1. On-market share buy-back.** The Company will purchase up to 5,413,557 shares during the 12-month period commencing 14 June 2023 and ending 13 June 2024. This buy-back is a clear commitment to shareholders that the Board is prepared to take action when the share price is at a material discount to the NTA.
- 2. Increased dividend target.** A 25% increase in the target quarterly dividend per share to 1.25% of post-tax NTA per quarter from the current 1% of post-tax NTA per quarter. This is equivalent to a yield of 5% of NTA p.a. (7.1% including franking). The Company's strong dividends from its underlying portfolio together with a high level of retained profits and franking credits enables this change. This increased dividend target will be implemented from the 30 June 2023 quarterly dividend. The increased dividend target is in acknowledgment of the attractiveness of regular fully franked dividends to shareholders and utilises a significant benefit of the LIC structure, being the ability to pay regular and consistent fully franked dividends. The new dividend guidance is subject to available profits, cash flow and franking credits.

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