Spheria Emerging Companies Limited (Company)
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Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

Spheria Emerging Companies Limited (ASX: SEC) announces quarterly fully franked dividend of 3.4 cents per share

The Board of SEC has resolved to pay a quarterly dividend for the period ended 30 June 2024 of 3.4 cents per share, which will be payable on 13 August 2024. The dividend will be fully franked at the corporate tax rate of 30%.

The payment of the dividend is consistent with the Company's increased dividend target announced in June 2024 to pay dividend on a quarterly basis, at a level of 1.5% of post-tax NTA at the end of each calendar quarter, subject to available profits, cash flow and franking credits. Previously the dividends were paid at a rate of 1.25% of post-tax NTA.

The dividend has been calculated based on the Company's post-tax NTA as at 30 June 2024 of $2.239 per share, multiplied by 1.5%, giving rise to a fully franked dividend of 3.4 cents.

Details of the dividend are as follows:

Amount:	3.4 cents per share
Ex – Dividend Date:	23 July 2024
Dividend Record Date:	24 July 2024
Dividend Payment Date:	13 August 2024

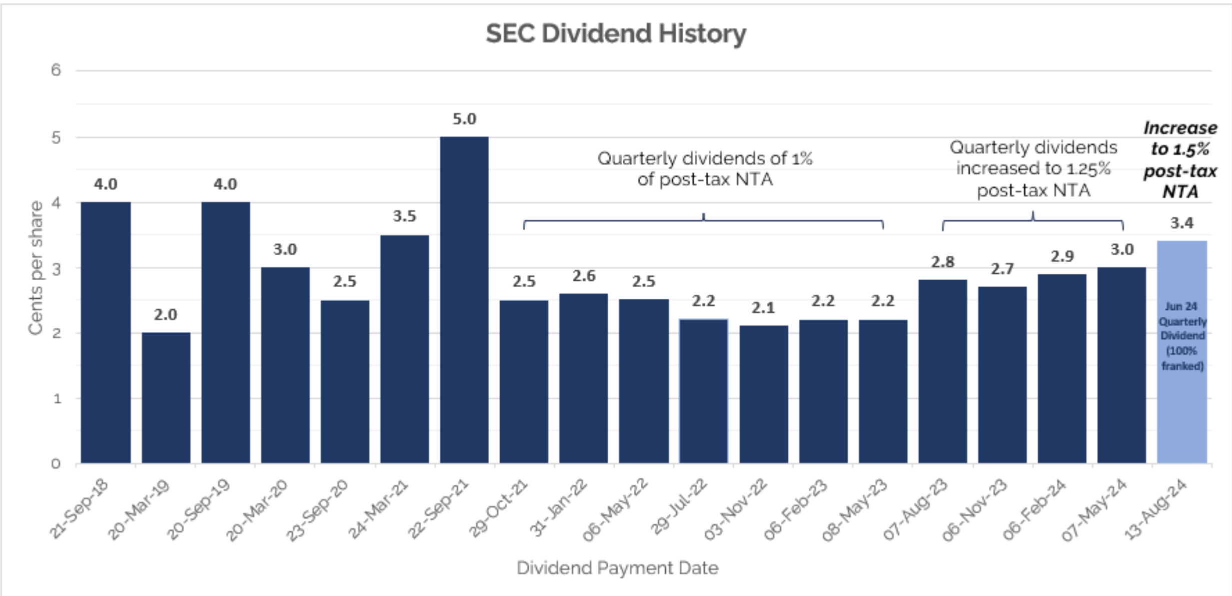
Commenting on current market conditions, Spheria Asset Management Pty Ltd (Investment Manager of SEC) said: *"*The small cap index fell 4.5% in the June quarter due to heavy selling pressure reflecting a myriad of factors ranging from macro to micro-economic. On the macro-economic front, the persistent issue being a higher for longer interest rate thematic which is now hammering consumer spending and will undoubtedly lead to some ugly economic prints over the next couple of quarters. The question in our minds is how deep and long will the recession be if the current monetary policy settings are maintained and therefore can they be maintained? Whilst negative for corporate profitability it is also driving a continued fight to safety thematic that is favouring large cap companies - the top 100 index down only 0.8% over June quarter - that are seen as less sensitive to the economy with little regard to the pronounced over-valuation of this segment. Perversely, smaller companies that are speculative in nature or ridiculously expensive but where the narrative is overpowering any common sense are finding favour as well (e.g. Mesoblast rallied +50% in the quarter and Life360 +28%). This is figuratively a macro quagmire for any small cap manager that has a valuation bent. Moving on from the macro, the June quarter saw several small cap mandates being transitioned in the market which added to the selling pressure as well as end of year tax loss selling (which is rarely good for us). Whilst the quarter was challenging for our absolute and relative performance, we have used the downturn to deploy cash from several takeovers that completed during the quarter into more cyclically exposed companies where the valuations are so depressed we feel the odds are heavily stacked in our favour to make significant returns over the next few years at relatively low risk."

Please note that the Company's dividend reinvestment plan (**DRP**) is available for this dividend. Shareholders who would like to participate in the DRP for this dividend need to elect to do so by Thursday, 25 July 2024.

Shareholders can enrol at: https://investor.automic.com.au or alternatively, please contact the Company's share registry, Automic, for assistance on 1300 902 587 (in Australia) / +61 2 7208 4521 (International).

Shareholders who would like to find out more about the DRP can visit the Company's website.

After payment of this dividend, the total dividends since the Company's IPO in December 2017 will be 55.1 cents per share.



At 30 June 2024, the value of the Company's franking account[1] was $5.6m (9.3 cents per share). This is equivalent to 21.7 cents per share in fully-franked dividends at the Company tax rate of 30% and the Company presently maintains sufficient profit reserves for this value of dividends.

The Board will continue to monitor the Company's dividend policy based on prevailing market conditions.

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

[1] After allowing for current tax assets receivable.