



ECP EMERGING GROWTH LIMITED

INTERIM FINANCIAL REPORT

For the Half-Year Ended 31 December 2024

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Directors' Report

Your Directors submit the Interim Financial Report of ECP Emerging Growth Limited (the "Company") for the half-year ended 31 December 2024.

Directors

The following persons were Directors of ECP Emerging Growth Limited since 30 June 2024 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Mr David Crombie AM
- Mr Jared Pohl

Principal Activity

The principal activity of the Company is investing in a diversified portfolio of quality small to mid-cap companies listed on the Australian Securities Exchange. There have been no significant changes in the nature of this activity during the period.

Market Commentary

The ASX Small Ordinaries has produced a modest return of 4.0% in the year to date and the IMF's recent statement on global growth challenges has proven particularly relevant to this performance. Ageing populations, insufficient investment, and stagnant productivity gains have emerged as significant barriers to sustained growth. Against this backdrop, investor attention converged on three critical themes:

- The enduring impact and growth potential of the AI revolution.
- Disinflation trends and their influence on central bank rate policies.
- The economic and geopolitical effects of President Trump's return to office.

AI has become a transformative force, underscoring a structural economic shift. Moreover, hyperscale cloud providers like Microsoft (NASDAQ: MSFT) have heavily invested in AI infrastructure, further driving adoption. While AI offers significant operational benefits, questions about its long-term scalability and broader impact continue to shape the conversation.

Easing inflationary pressures have allowed some central banks to cut rates, however this is yet to materialise in Australia. And, while this trend offers relief, underlying risks in energy markets and geopolitical tensions persist in keeping investors cautious.

Lastly, President Trump's return to power has reshaped the economic landscape, reigniting debates on ESG, globalisation and market dynamics with promises of protectionist trade policies and fiscal reforms.

Review of Operations

Investment performance for the six months to December 2024 was positive 6.4%, compared to the ASX Small Ordinaries Index increase of 4.0%. The result is behind the prior year six-month portfolio performance of positive 17.8% which is reflected in the year-on-year profit for the period. The twelve-month performance of 19.4% to December 2024 highlights the momentum in the portfolio and the compliments the performance since inception of 14.5%.

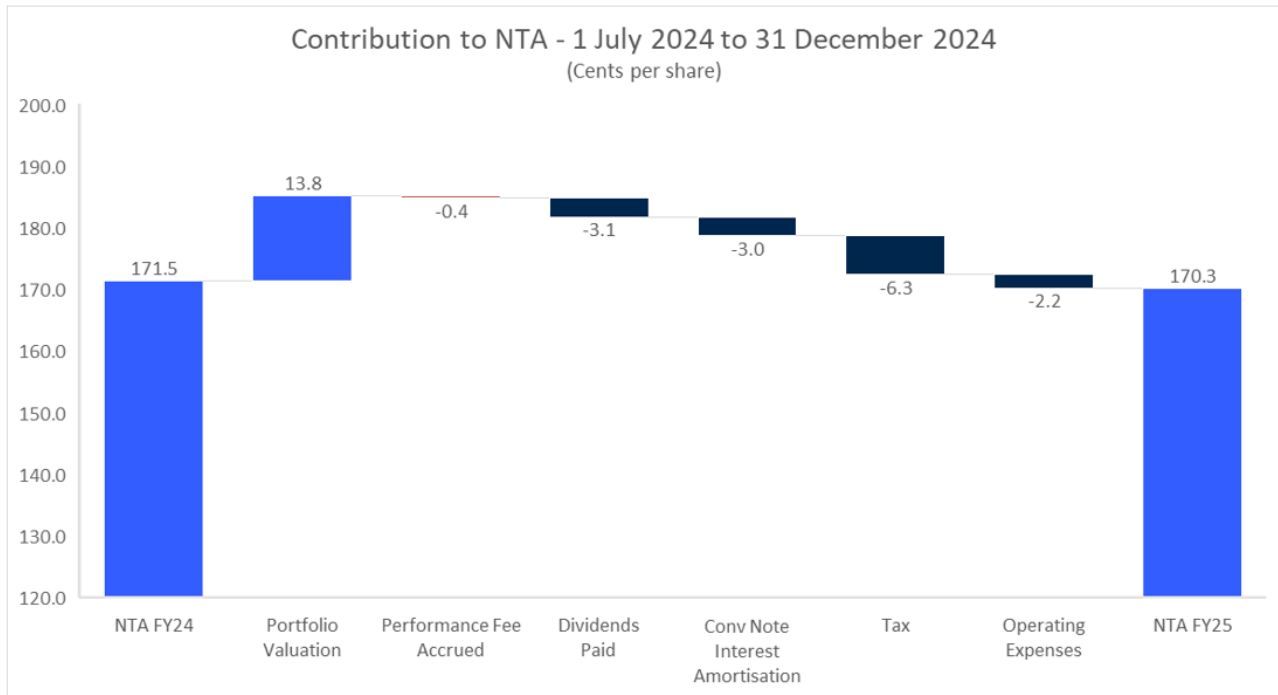
Net profit decreased compared to last year by \$3,218,110, due to the portfolio performance decline mentioned above. However, with the 1 year positive performance, the net assets of the Company continue to grow, from 156.2 cps in December 2023 to 170.3 cps in December 2024 while also paying out dividends of 5.4 cents per share during the year.

Portfolio Performance

	6 mths to Dec 2024	12 mths to Dec 2024	3 years	5 years	Since Inception (23 Jan 2014) p.a.
ECP Portfolio	6.4%	19.4%	4.3%	13.8%	14.5%
ASX Small Ordinaries	4.0%	5.5%	-4.3%	1.3%	3.2%

Net Tangible Asset Backing

The net tangible asset backing (NTA) per share (tax on realised gains only) at 31 December 2024 was 170.3 cents per share compared with 171.5 cps at 30 June 2024. The graph below depicts the movement in NTA in terms of the contribution of the portfolio and outgoings in running the Company.



Significant Changes in State of Affairs

There have been no significant changes to the operations of the Company during the last six months.

Dividend Declared

A fully franked interim dividend of 2.4 cents per share in respect to the half-year ended 31 December 2024 is to be paid on 13 March 2025. This represents a 4.3% increase on the interim dividend paid in March 2024.

During the six-month period to December 2024 the Company paid a final dividend for the 2024 financial year of 3.1 cents per share. The total distribution of \$568,512 was paid on 11 September 2024.

Capital Gains Component of Dividend

The capacity of the Company to continue to facilitate access to the LIC capital gain benefit of the dividend, will depend on the Company's capacity to generate capital profits.

The interim dividend will include an LIC capital gain component.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2024.

This report is made in accordance with a Resolution of the Directors.

Jared Pohl
Director
GOLD COAST
20 February 2025

ECP EMERGING GROWTH LIMITED

ABN 30 167 689 821

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ECP EMERGING GROWTH LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2024, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

Augmented Audit Co Pty Ltd
Authorised Audit Company No. 541764



Jessica Johl
Director
20 February 2025

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Other Income	2	348,544	369,634
Net cumulative gain/(loss) on sale of financial assets at fair value		4,446,984	(13,262)
Net unrealised gains/(losses) on financial assets at fair value		(2,232,341)	5,371,889
Finance Expense		(543,218)	(519,153)
Other Expenses		(489,167)	(352,466)
Profit before income tax		1,530,802	4,856,642
Income tax expense		(489,112)	(596,841)
Net Profit after income tax for the half-year		1,041,690	4,259,801
<i>Other Comprehensive Income</i>			
Other Comprehensive Income for the half-year, net of tax		-	-
Total Comprehensive Income for the half-year		1,041,690	4,259,801

Earnings per share:	Cents	Cents
Basic earnings per share based on net profit	5.68	23.23
Diluted earnings per share based on net profit	5.86	18.20
Comprehensive Earnings per share	5.68	23.23

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Financial Position

As at 31 December 2024

	Note	31 Dec 2024 \$	30 June 2024 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		1,173,162	2,234,173
Trade Receivables and Other Assets		60,058	97,403
TOTAL CURRENT ASSETS		1,233,220	2,331,576
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	4	41,543,783	39,170,882
TOTAL NON-CURRENT ASSETS		41,543,783	39,170,882
TOTAL ASSETS		42,777,003	41,502,458
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		138,236	103,018
Current Tax Liabilities		1,557,306	404,439
TOTAL CURRENT LIABILITIES		1,695,542	507,457
NON-CURRENT LIABILITIES			
Deferred Tax Liability		573,989	1,237,929
Convertible Note		9,841,360	9,601,681
TOTAL NON-CURRENT LIABILITIES		10,415,349	10,839,610
TOTAL LIABILITIES		12,110,891	11,347,067
NET ASSETS		30,666,111	30,155,391
EQUITY			
Issued Capital	6	18,016,458	17,978,916
Option premium on convertible notes		1,848,766	1,848,766
Retained Earnings		10,800,887	10,327,709
TOTAL EQUITY		30,666,111	30,155,391

The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Changes in Equity

For the Half-Year Ended 31 December 2024

	Note	Ordinary Shares	Retained Earnings	Notes Option Premium	TOTAL
2023		\$	\$	\$	\$
Balance at 1 July 2023		17,978,916	4,501,973	1,848,766	24,329,655
Profit for the half-year		-	4,259,801	-	4,259,801
Other Comprehensive Income		-	-	-	-
Transactions with Owners in their capacity as owners					
Dividends paid	3	-	(531,834)	-	(531,834)
Balance at 31 December 2023		17,978,916	8,229,940	1,848,766	28,057,622

	Note	Ordinary Shares	Retained Earnings	Notes Option Premium	TOTAL
2024		\$	\$	\$	\$
Balance at 1 July 2024		17,978,916	10,327,709	1,848,766	30,155,391
Profit for the half-year		-	1,041,690	-	1,041,690
Other Comprehensive Income		-	-	-	-
Transactions with Owners in their capacity as owners					
Dividends paid	3	-	(568,512)	-	(568,512)
Shares issued via dividend reinvestment plan net of costs		37,542	-	-	37,542
Balance at 31 December 2024		18,016,458	10,800,887	1,848,766	30,666,111

The above Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.

Condensed Statement of Cash Flows

For the Half-Year Ended 31 December 2024

	31 Dec 2024 \$	31 Dec 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	326,379	324,511
Interest received	33,293	51,068
Income Tax refund received	-	608,678
Interest paid on convertible notes	(303,538)	(296,726)
Other payments (inclusive of GST)	(427,733)	(161,532)
Net cash provided by/(used in) operating activities	(371,599)	525,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	10,188,926	8,525,937
Payment for investments	(10,347,184)	(7,076,642)
Net cash provided by/(used in) investing activities	(158,258)	1,449,295
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(530,538)	(531,834)
Share issue costs	(616)	-
Net cash used in by financing activities	(531,154)	(531,834)
Net (decrease)/increase in cash and cash equivalents held	(1,061,011)	1,443,460
Cash and Cash Equivalents at beginning of the financial period	2,234,173	1,893,100
Cash and Cash Equivalents at the end of the financial period	1,173,162	3,336,560

The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements.

Notes to the Condensed Financial Statements

NOTE 1 BASIS OF PREPARATION

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

ECP Emerging Growth Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest financial statements of ECP Emerging Growth Limited. As such it does not include all the Notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2024, together with any public announcements made by ECP Emerging Growth Limited during the half-year ended 31 December 2024 in accordance with the continuous disclosure requirements of the ASX listing rules.

The same accounting policies and methods of computation have been followed in this Interim Financial Report as were applied in the most recent annual financial statements.

These Interim Financial Statements were authorised for issue on 20 February 2025.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2024.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Notes to the Condensed Financial Statements

NOTE 2 OTHER INCOME

	31 Dec 2024 \$	31 Dec 2023 \$
Dividends Received	315,251	318,566
Interest Received	33,293	51,068
Total Other Income	<u>348,544</u>	<u>369,634</u>

NOTE 3 DIVIDENDS

	31 Dec 2024 \$	31 Dec 2023 \$
Dividends paid during the half-year:		
- final dividend of 2.9 cents per share paid 12 September 2023 – fully franked	-	531,834
- final dividend of 3.1 cents per share paid 11 September 2024 – fully franked	568,512	-
	<u>568,512</u>	<u>531,834</u>

Since the end of the half-year, the Directors have declared an interim dividend of 2.4 cents per share. The Interim dividend is 100% franked and payable on 13 March 2025.

NOTE 4 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Profit or Loss.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be measured and disclosed using the three-level hierarchy:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Condensed Financial Statements

NOTE 4 FAIR VALUE MEASUREMENTS (Continued)

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements.

Company – at 30 June 2024	Level 1	Level 2	Level 3	TOTAL
Assets	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	39,170,882	-	-	39,170,882
Total Financial Assets	39,170,882	-	-	39,170,882

Company – at 31 December 2024	Level 1	Level 2	Level 3	TOTAL
Assets	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	41,543,783	-	-	41,543,783
Total Financial Assets	41,543,783	-	-	41,543,783

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements.

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

NOTE 5 OPERATING SEGMENTS

Segment Information

The Company operates solely in the investment industry. Its core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Board. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Board considers the business to consist of just one reportable segment.

Notes to the Condensed Financial Statements

NOTE 6 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price \$	Issued Capital \$
30 June 2023	Balance	18,339,088		18,350,465
	Nil Movement*	-	-	-
30 June 2024	Balance	18,339,088		18,350,465
	DRP	26,418	1.4388	37,973
31 December 2024	Balance	18,365,506		18,388,438
<i>Adjust for</i>				
	Capital Raising Costs			(531,400)
	Capital Raising Costs – Tax Effect			159,420
	Net Capital Raising Costs (After Tax)			(371,980)
	Balance of Contributed Equity Per Balance Sheet			18,016,458

* The Dividend Reinvestment Plan was facilitated through on-market purchase of shares.

(a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 7 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

NOTE 8 EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the period, the Directors declared a fully franked interim dividend of 2.4 cents per share payable on 13 March 2025.

The Directors are not aware of any other matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

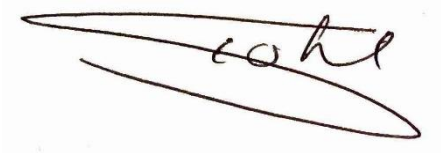
Directors' Declaration

The Directors declare that the Financial Statements and Notes as set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:

- a) complying with Accounting Standard AASB134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that ECP Emerging Growth Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in dark ink, appearing to read 'J. Pohl', is enclosed within a large, loopy, horizontal oval shape.

Jared Pohl

Director

GOLD COAST

20 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED

Conclusion

We have reviewed the half-year financial report of ECP Emerging Growth Limited (the company), which comprises the Condensed Statement of Financial Position as at 31 December 2024, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of ECP Emerging Growth Limited does not comply with the Corporations Act 2001, including:

- a) giving a true and fair view of ECP Emerging Growth Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the corporations Act 2001 which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the company's financial position as at 31 December 2024 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Augmented Audit Co Pty Ltd

Authorised Audit Company No. 541764

**Jessica Johl**

Director

20 February 2025



www.ecpam.com/emerging

REGISTERED OFFICE

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ACN 167 689 821

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