

ACORN CAPITAL INVESTMENT FUND LIMITED

INVESTOR UPDATE
(INCORPORATING 1H 2025 FINANCIALS)



Disclaimer and important notices

This presentation has been prepared by Acorn Capital Investment Fund Limited ACN 167 595 897 (ACQ). The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation does not purport to provide investment advice. We strongly suggest that investors consult a financial adviser prior to making any investment decision. The presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or fund/company offered by ACQ or Acorn Capital Limited (Acorn Capital). This presentation does not take your specific needs or circumstances into consideration, so you should look at your own financial position, objectives and requirements and seek financial advice before making any financial decisions.

The information provided in the presentation is given in good faith and is believed to be accurate at the time of compilation. Neither Acorn Capital, ACQ, nor its directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information.

To the extent permissible by law, Acorn Capital, ACQ and its respective officers, employees agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further neither ACQ nor Acorn Capital, or its respective officers, employees, agents and advisors accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of or in connection with the information contained in this presentation. Any recipients of this presentation should independently satisfy themselves as to the accuracy of all information contained herein. Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

Lonsec Research

The rating issued 10/2024 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2024 Lonsec. All rights reserved.

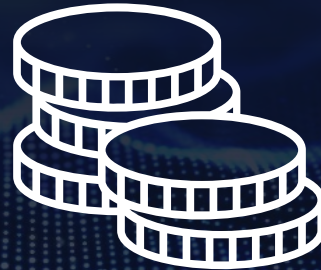


Strategy

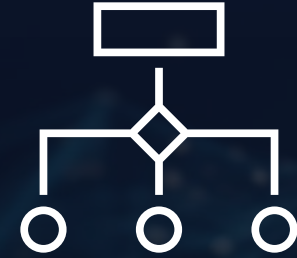
ACQ investment strategy has demonstrated its ability to deliver positive investment outcomes



**Capital
growth**



**Dividend
income**



**Portfolio
diversification⁽¹⁾**

1. Acorn Capital believes that the ACQ investment strategy should provide diversification benefits to an already diversified investment portfolio

Overview of Half Year Results | 31 December 2024

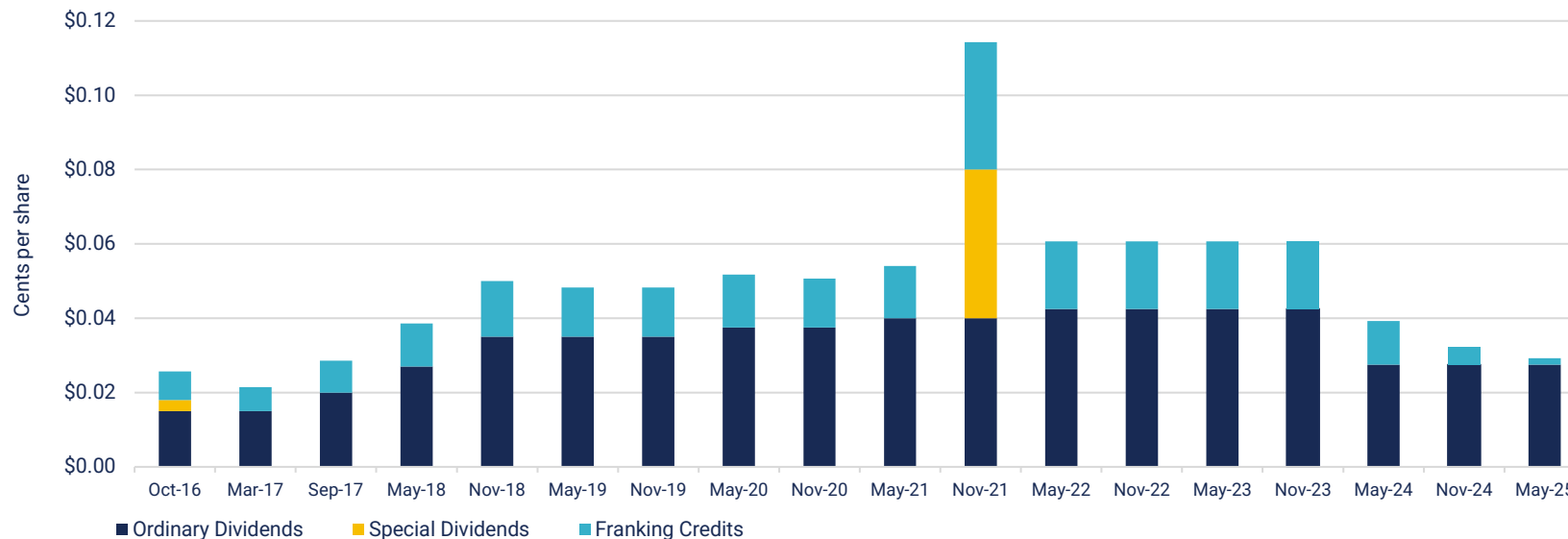
- Material improvement in the company's net profitability (\$3.36 million) compared to prior half period (\$0.241 million) reflective of market conditions
- Interim Dividend of 2.75 cents per share 20% franked declared, payable on 28 May 2025
- This interim dividend, together with the final dividend for 2024 (2.75 cents per share, franked to 50%), implied annualised cash dividend yield of **6.9%**

	Half Year to	
	31 Dec 2024	31 Dec 2023
Net Profit (\$'000)	3,360	241
Dividend Reserves (\$'000)	26,291	26,282
Interim Dividend (cents per share)	2.75	2.75
Franking Credit Proportion	20%	100%
NTA per share before income tax (\$/share)	1.05	1.03
NTA after income tax excluding tax on unrealised gains (\$/share)	1.06	1.06
NTA per share after income tax (\$/share)	1.07	1.07

Dividend stream

ACQ has declared and paid 63.25 cents per share in dividends since inception, and 24.28 cents per share franking credits, resulting in a grossed-up value of 87.53 cents per share^{1,2}

Dividend stream



The Board has re-iterates its dividend guidance of:

“ Acorn Capital Investment Fund Limited intends to pay annual dividends targeting at least 5% of closing post-tax NTA for each financial year, franked to the highest extent possible and without the Company incurring a liability. Where the Company accumulates franking credits that the Board determines are in excess to its requirements it is the intent to distribute those excess credits by way of special dividends. This is subject to the Company having sufficient profit and cash flow to make such payments. ”

1. ASX listing date 1 May 2014

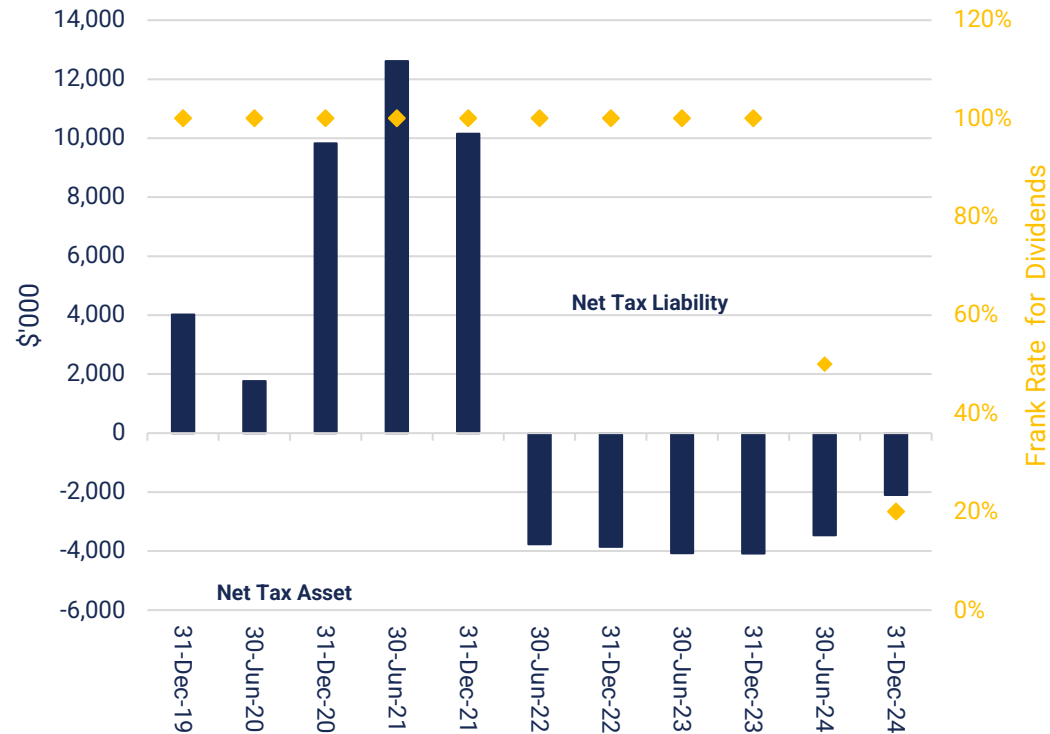
2. Includes dividend payable 28 May 2025

Franking Credits

Dividends are franked to the “highest extent possible” consistent with ACQ’s dividend policy

- ACQ’s ability to pay fully franked dividends is dependent on the generation of taxable gains and is related to market conditions
- It is relevant to note that ex-ASX250 dividend yields are estimated to be ~2%, highlighting dependency on capital growth for portfolio returns
- Deferred Tax Assets have reduced by ~39% in the 6 months to 31 December 2024 and are ~50% of the balance as at 31 December 2023(refer to the chart to the right which illustrates this point)
- An incremental capital appreciation of the value of ACQ’s net assets will result in the return to a net taxable position and increase the ability of ACQ to pay franking credits

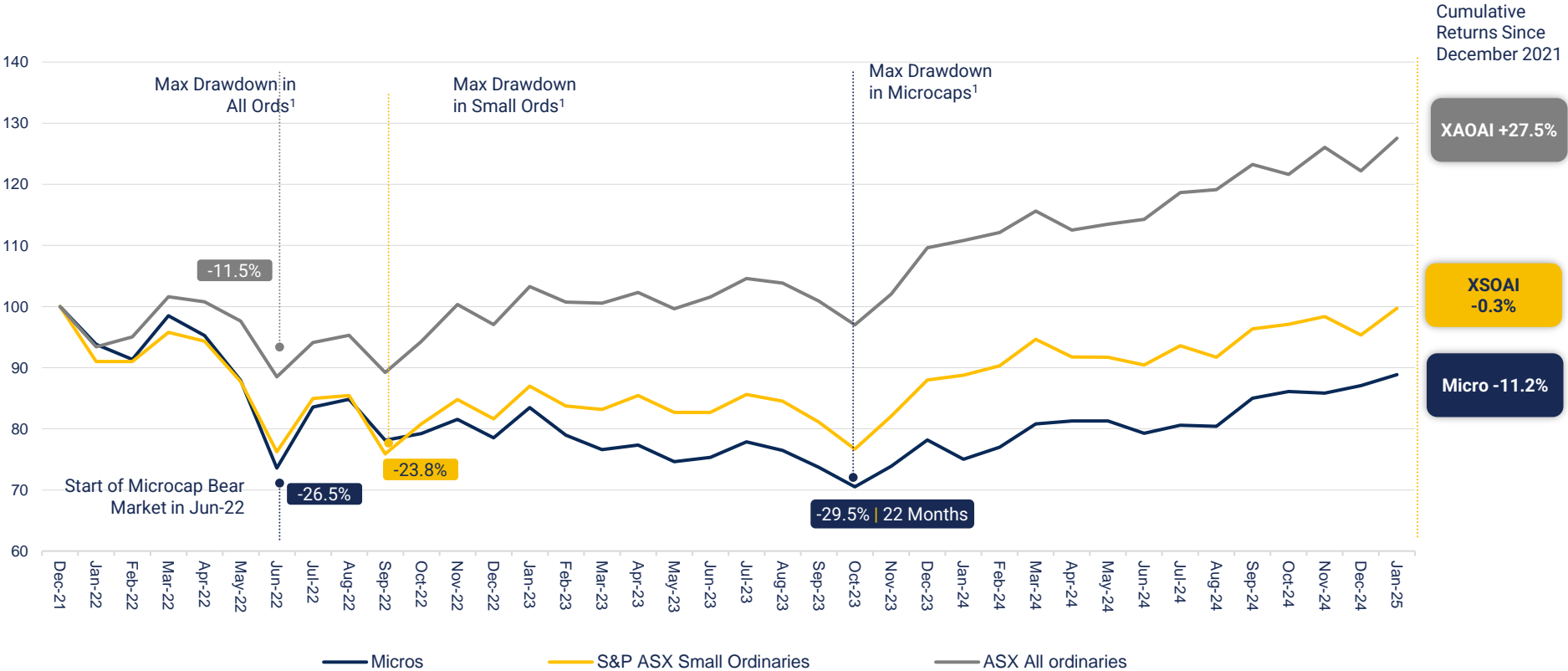
Estimated Net Taxable Position of ACQ and Historical Franking Credit Rate of Dividends



1. ASX listing date 1 May 2014
2. Includes dividend payable 28 May 2025

Microcap sector conditions continue to improve

Microcaps and the S&P/Small Ordinaries Accumulation Index have returned +26% and +30.1% respectively since October 2023

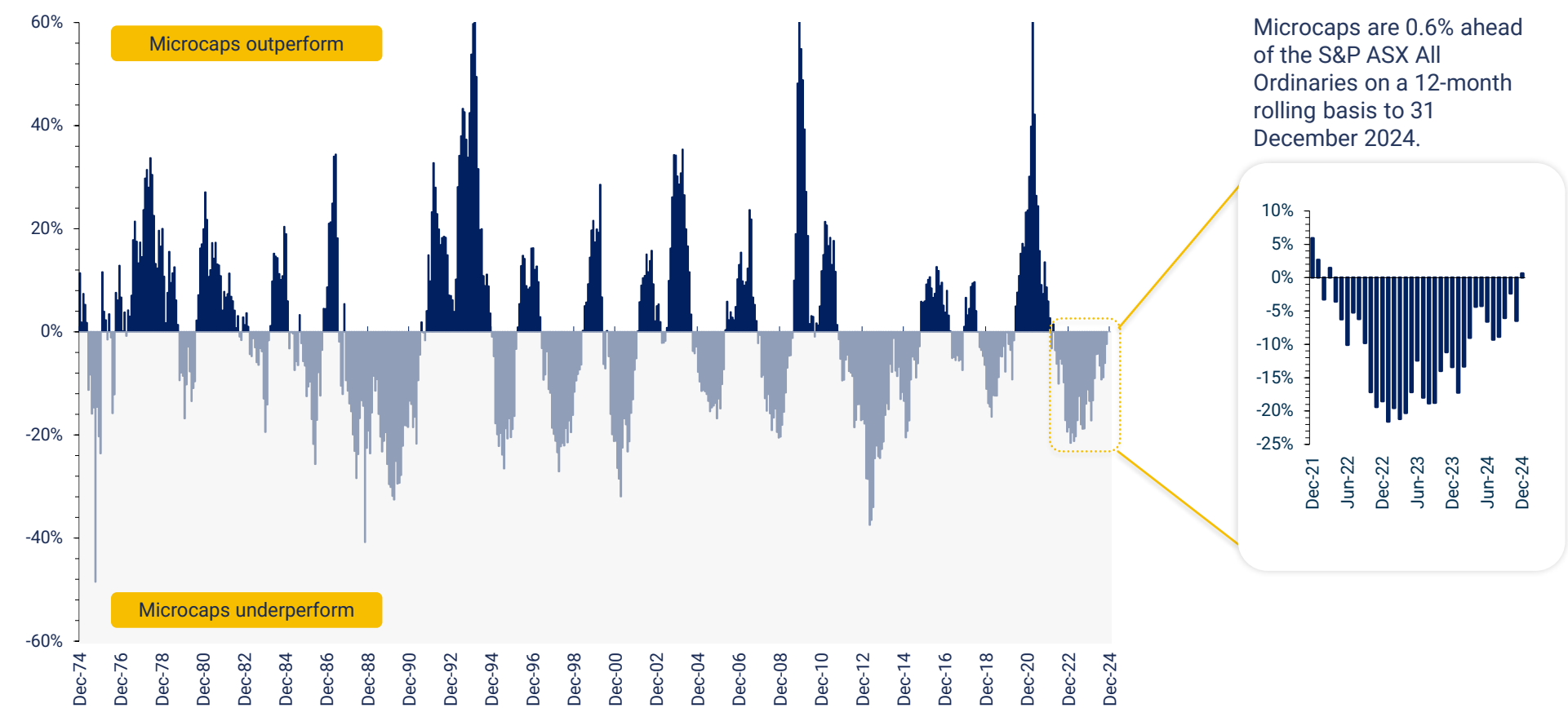


1. Maximum Drawdown calculated from December 2021
2. Observations/calculations based on monthly time series of returns for Acorn Capital/SIRCA Microcap Index

Microcap listed markets bouncing back

Rolling 12 Month return differential

Microcap Index (ASX ex-250) vs S&P/All Ordinaries calculated on a 12-month historical rolling returns



Periods of relative underperformance in microcaps have historically created attractive opportunities to deploy capital into the sector.

Median cycle had been 19-months since 1974. Most recent down cycle was 32 months in rolling 12-month returns vs All Ordinaries to 31 Dec 2024.

Key facts | Portfolio Highlights

Whilst IPO markets remain subdued, liquidity events are still being achieved in the unlisted portfolio

- In the 12 months to 31 January 2025, ACQ has outperformed its benchmark by 5.3%

Portfolio Return for 12 Months to 31 January 2025¹

ACQ (Post Fees & Op Costs)	+17.6%
S&P/ASX Small Ords Acc. Index	+12.3%
Microcap Index	+19.0%

Unlisted Investments¹

Unlisted investment weight in portfolio	22.8%
Estimated weighted average uplift on exit of unlisted investments ²	59.0%

- Current unlisted weight, is post three trade sale events in the past 13 months
- This illustrates that the investment strategy is not reliant on IPO markets
- Largest unlisted portfolio position as at 31 December 2024 (Splend) was sold in January 2025 for an IRR¹ of ~**23%** and **2.3x** money on invested capital

1. IRR is the Internal Rate of Return and is the annualised rate of return derived from the investment cashflows. Calculated IRR is based on Acorn Capital estimates

2. Calculated by comparing the aggregate value of all unlisted investment on liquidity as compared to the aggregate value of the unlisted investments that have reach liquidity portfolio 3 months before their liquidity

Key facts | 31 January 2025

Pre-tax NTA	1.0625	Performance - since inception ^{5,7}	8.0% p.a.							
Post-tax NTA ¹	1.0804	Benchmark - since inception ^{6,7}	6.9% p.a.							
ACQ share price	\$0.82	Investment Split <table><tr><th>Category</th><th>Percentage</th></tr><tr><td>Listed</td><td>71.7%</td></tr><tr><td>Unlisted</td><td>22.8%</td></tr><tr><td>Cash</td><td>5.5%</td></tr></table>	Category	Percentage	Listed	71.7%	Unlisted	22.8%	Cash	5.5%
Category	Percentage									
Listed	71.7%									
Unlisted	22.8%									
Cash	5.5%									
Ordinary Dividends ²	5.5c									
Implied cash dividend yield ³	6.7%									
Franking on dividends ⁴	20%									
Shares Outstanding	89.3m	Lonsec Rating ⁸ Recommended Lonsec Research								
Market Capitalisation	\$73.2m									
Number of stocks	77									

1. Post-tax NTA = before taxes on unrealised gains

2. Partially franked dividend, declared and paid on a 12 month basis looking back from 31 JAN 2025

3. Based on share price at 31 JAN 2025

4. Dividends paid are estimated to be partially franked at a tax rate of 30% (subject to availability of franking credits)

5. Calculated as the movement in NTA before tax, post management fees, performance fees and operating costs. Includes dividends paid and payable but has not been grossed-up for franking credits received by shareholders. All

10

figures are unaudited, and unlisted valuations are performed by Acorn Capital in accordance with ACQ Board approved policies.

6. S&P/Small Ordinaries Accumulation Index

7. Inception is the date ACQ listed on the ASX which was 1 May 2014

8. Lonsec Research – refer to disclaimer on Page 2

Unlisted | Expansion stage of development

- ACQ first in invested in 2018
- Elenium offers innovative self-service automation solutions for the aviation industry, addressing capacity and operational challenges for airlines and airports through advanced software and hardware.

The Elenium solution

Increases

passenger processing capacity by up to 60% in existing terminal space, reducing the need for manual operations and infrastructure costs.

Supports

over 40 airlines and 30 airports, including major partners Qantas and Etihad, enhancing operational ease and ROI.

Utilises

AI with a modular design for easy upgrades, adaptable to future passenger needs and airport trends.



Secured major contracts, including Qantas' national bag drop replacement and Auckland Airport's kiosk upgrade.



Deployed solutions internationally, including kiosks for Qatar Airways at the World Cup and end-to-end systems at Leeds Bradford Airport.

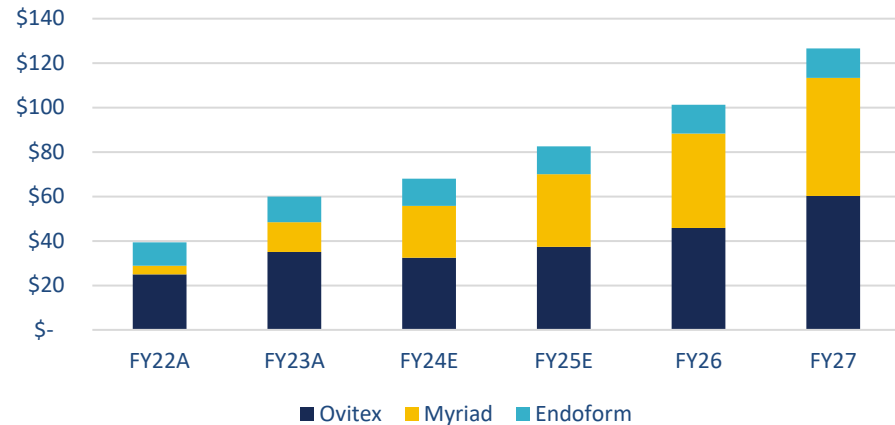


Secured major contracts, including Qantas' national bag drop replacement and Auckland Airport's kiosk upgrade.

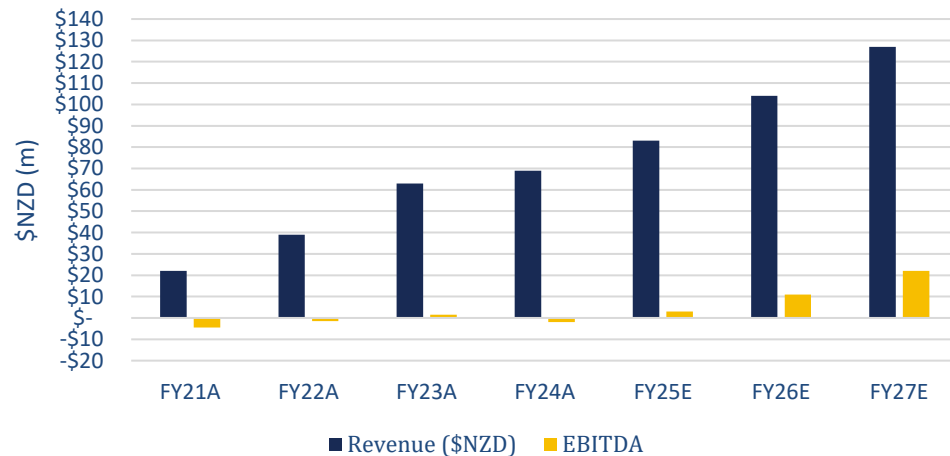


Achieved a first with Qantas, Jetstar, and Virgin sharing Elenium's common-use bag drop.

Revenue By Product Line (\$NZD)



Acorn Capital Forecasts



Source: Aroa/Acorn Capital

Aroa Biosurgery (ARX.ASX)

Expansion stage of development

- A structural growth opportunity in soft tissue repair – faster, higher quality tissue regeneration at lower cost for patients and health system
- An attractive commercial product portfolio with additional products in late stage development that all leverage Aroa's Endoform platform (highly scalable)
- Commitment to generating high quality clinical evidence will provide additional competitive moat
- Undemanding valuation for growth profile and inflexion point of earnings.
- Acorn Capital's view: company will grow topline >20% pa., operational leverage will be evident and increasing, commercialisation of pipeline will support long term growth runway.



R&D Investment into new pipeline of innovative devices (Symphony, Enivo) complete



Exceptional clinical evidence (Ovitex a category leader in Hernia care)



Strong balance sheet with optionality – ~NZD \$22m, cashflow positive in 2H FY25 onwards

Dredge Robotics



Unlisted

Expansion stage of development

- ACQ first invested in November 2021
- Dredge Robotics (DR) (previously Fremantle Commercial Diving) is a tech-enabled services business that conducts essential maintenance of large-scale water storage infrastructure.
- DR has developed proprietary robotic technology to clean and dredge both potable and non-potable water storage facilities (e.g. reservoirs, tanks, process tanks).
- Its clients include water utilities on the potable side and mining, energy, industrial and agricultural businesses for non-potable services. Major non-potable clients include BHP, Rio, Fortescue Mining, Energy Australia and Wesfarmers.
- DR has grown strongly during since Acorn's investment in November 2021 with revenues increasing from \$6m to \$19m for FY24.
- The business has expanded its margins and is now highly profitable and cashflow positive.



DR's technology offers three critical benefits to clients.



More cost effective than alternatives which historically have been barge dredging or manned diving;



Allows asset owners to keep assets online during maintenance



Significantly safer for both personnel and mission critical assets.

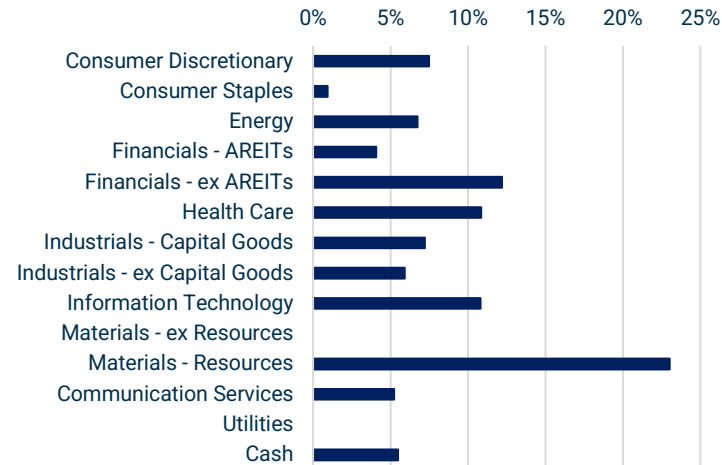
Performance and positioning

Portfolio Return for Periods to 31 January 2025	3 mth %	1 yr %	3 yr % p.a.	5 yr % p.a.	7 yr % p.a.	Since inception % p.a. ³
ACQ (Post Fees & Op Costs) ¹	-1.0	17.6	-4.2	5.5	6.1	8.0
S&P/ASX Small Ords Acc. Index ⁴	2.7	12.3	3.1	4.3	5.1	6.9
Value add	-3.7	+5.3	-7.3	+1.3	+1.0	+1.1
Alternate market indices						
Acorn Capital / SIRCA Microcap Acc. Index ²	3.2	19.0	-1.6	6.8	5.7	7.2

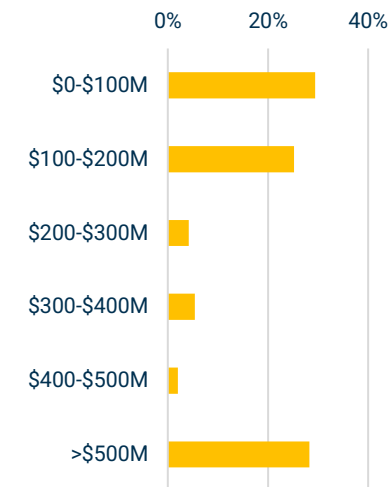
Top 10 investments

	Weight (%)
1 Meeka Metals Limited	3.1
2 Dregde Robotics ^{5,6}	3.0
3 Elenium Automation ⁵	2.9
4 Aroa Biosurgery Limited	2.9
5 Superloop Limited	2.8
6 MX51 Group ⁵	2.2
7 Opthea Limited	2.2
8 Eroad Limited	2.2
9 Pantoro Limited	2.2
10 Marketplacer ⁵	2.1
Total	25.5

Sector Exposures



Market Cap Bands



1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures include unlisted valuations that are performed by Acorn Capital in accordance with ACQ Board approved policies.

2. Acorn Capital / SIRCA Microcap Accumulation Index data is verified 3 months in arrears by SIRCA ('Securities Industry Research Centre of Asia-Pacific')

3. Inception is 1 May 2014

4. Source: Factset

5. Unlisted investment

6. Previously known as Fremantle Commercial Diving

Why invest in ACQ

Proven approach that provides attractive yield and diversification benefits



Proven strategy

- ACQ's investment strategy has outperformed its Benchmark since inception
- Strategy has delivered a return since inception of +8.0%¹ to 31 January 2025 outperforming the S&P/Small Ordinaries Accumulation Index by +1.1%
- Recommended rating from Lonsec³



Access to capital growth and yield

- The present macro economic themes across the investment universe offer appealing opportunities for investors with a contrarian approach
- 5.5 cents in partially franked dividends declared and paid in past 12 months
- 29 cents per share in dividend reserves
- ACQ has a policy of paying a dividend of at least 5% of the 30 June Post-Tax NTA²



Distinctive portfolio & Attractive returns

- ACQ provides investors with a distinctive emerging company portfolio, that is difficult to replicate
- Risk managed through bottom-up stock selection and diversification across industry & stage of development
- Through ACQ's investment activities retail investors in ACQ have access to institutional placements
- Acorn Capital continues to see attractive unlisted investments for deployment of ACQ capital

1. Portfolio performance is unaudited and calculated as the movement in NTA before tax effects, which is post all management fees, performance fees and operating costs. Performance includes dividends paid and payable but has not been grossed up for franking credits received by shareholders. All figures include unlisted valuations performed by Acorn Capital in accordance with ACQ Board approved policies. Assumes re-investment of dividends. Past performance is not a

reliable indicator of future performance.

2. Refer ACQ ASX release dated 29 August 2024 for more information

3. Refer to page 2 for the Lonsec disclaimer

Acorn Capital Investment Fund

Type	Listed Investment Company
Objective	To achieve after-fee returns in the long-term that are higher than the S&P/ASX Small Ordinaries Accumulation Index
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment universe	<ul style="list-style-type: none"> • Australian Listed Equities • Unlisted investments • Cash
Liquidity	On market
Investment timeframe	7 years
Dividends	Targeted semi annually (May and Nov)
Market Cap	\$73.2m (31 January 2025)
Base Management fee	0.95%
Performance fee	20% of returns in excess of the benchmark
Sector limits	Stock: +/- 7.5% at purchase Investment Universe: +/- 7.5%
Board	John Steven Chair Clark Morgan Maureen Baker Robert Brown
Shorting	The fund is long only. The fund is not permitted to short sell securities.
Investment Manager	Acorn Capital Ltd