

20 February 2025

UWC HY25 Results Presentation

Underwood Capital Limited (ASX: UWC) ("UWC" or the "Company") is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and debt securities.

UWC HY25 Results Presentation

UWC today released its Appendix 4D and financial statements for the half year ended 31 December 2024.

Attached is a copy of a presentation on UWC's performance for the half year ended 31 December 2024.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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About UWC

Underwood Capital Limited (ASX:UWC) ("UWC") ABN 91 601 236 417 is an Australian-listed specialist investment company which concentrates on producing capital growth for shareholders over the medium term from investments in listed and unlisted equities and debt securities.

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of UWC. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of UWC may be influenced by a number of factors, many of which are outside the control of UWC. No representation or warranty, express or implied, is made by UWC, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause UWC's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. UWC does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in UWC. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). UWC's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

UNDERWOOD

C A P I T A L L T D .

1H 2024-2025 FY

Overview

UNDERWOOD TRADES AT A ~44% DISCOUNT TO ITS NET TANGIBLE ASSETS

| Market Data | |
|-------------------------------|-----------------------|
| Stock code: | ASX:UWC |
| Share price ⁽¹⁾ : | \$0.05 |
| Shares outstanding: | 209 Million |
| Market capitalisation: | \$10.5 Million |

| Balance Sheet ⁽³⁾ | |
|------------------------------|-----------------------|
| Cash & listed investments: | \$12.4 Million |
| Credit investments: | \$0.25 Million |
| Private equity: | \$9.5 Million |
| Other assets: | \$0.4 Million |
| Total liabilities: | \$2.9 Million |
| Net tangible assets: | \$19.7 Million |

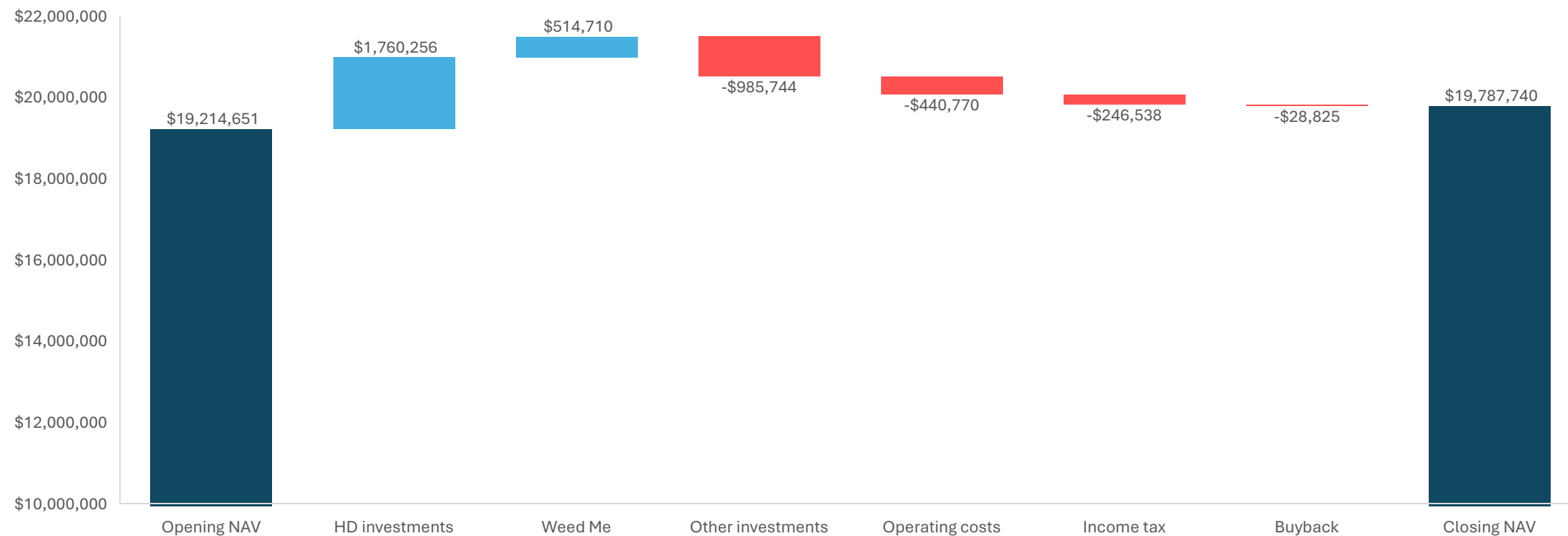
Note:

1 – UWCL share price as at 13 February 2025

2 – The discount of 44% is based on NTA as at 31 January 2025 and the market capitalisation as at 13 February 2025. Pre tax per share NTA as at 31 January 2025 was 10.25c

3 – The audited balance sheet as at 31 December 2024

1H 2025 NTA Bridge



+3% net for the first half of 2025

HD Capital investments

HD Capital Partners, as the investment manager of Underwood Capital, has deployed the proceeds from legacy investment sales into its core investment strategy: concentrated, long-term bets on undervalued and overlooked companies.

Excluding our credit investments, these actions generated a **20% pre-tax return** in the first half of FY 2025:

| | | | |
|------------------------|---|---------------------------|-----|
| Opening book value | = | \$3,714,311 | (A) |
| Net additions | = | \$4,023,065 | (B) |
| Total capital employed | = | (A) + (B) | |
| | = | \$7,737,376 | (C) |
| Realised gains | = | \$74,540 | (D) |
| Income | = | \$72,249 | (E) |
| Closing book value | = | \$9,281,278 | (F) |
| ROI | = | { (F) + (E) + (D) } / (C) | |
| | = | +20% | |

Legacy investments

HD's appointment as UWC's investment manager coincided with a change in focus on the types of investments UWC pursues. Consistent with that new strategy, UWC has opportunistically disposed of most of its legacy investments, realising value from many.

Exits to date

| Investment | Book value Jun-23 | Exit Value | Multiple of initial value |
|--------------------------|-------------------|------------|---------------------------|
| Delivra | \$0.63M | \$1.19M | 1.9X |
| J Supply | \$0 | \$0.01M | n/a |
| Martha Jane Medical | \$0 | \$0.03M | n/a |
| Valo | \$0.5M | \$0.6M | 1.2X |
| Emerging Therapeutics | \$3.98M | \$3.8M | 0.95X |
| Weed Me Convertible note | \$1.1M | \$1.1M | 1X |
| Other | \$0 | \$0.36M | n/a |

Remaining legacy investments

UWC's sole legacy investment remaining is Weed Me. The business continues to grow organically and profitably, with UWC receiving several dividend payments in CY 2024. It remains up for sale, however, given the current industry conditions and its current trading, we are happy to maintain our shareholding.

What makes us different?

Our goal is to significantly outperform global equity markets, over rolling 5-year periods, by taking **concentrated**, **long-term** positions in **undervalued** and **overlooked** companies

| Going where others can't | Doing what others won't |
|--------------------------|--|
| Not tracking an index | Making long-term bets |
| Illiquid securities | Concentrated positions |
| Smaller companies | Active engagement with management |
| Global opportunity set | Unique insights through field research |
| Equity or debt | Willingness to hold cash |
| Public or private | Buying during periods of uncertainty |

Investment strategy

We pursue an opportunistic investment strategy, focussed on highly asymmetric situations characterised as ***“heads we win, tails we don’t lose”***

Generals

undervalued, well managed growth companies, often founder-led, that are off the radar of the broader investment community.

Activist

investments in undervalued securities where we seek to realise value ourselves.

Work-outs

investment situations that are dependent on a readily identifiable catalyst, typically a specific corporate event such as a merger, demerger, liquidation, tender offer or divestment.

