

12 May 2025

**UWC Investment Portfolio Performance - April 2025**

**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 Investment Portfolio Performance**

UWC is pleased to provide the portfolio performance for April 2025 which includes the disclosure pursuant to Listing Rule 4.12.

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**Investor and Media Enquiries**

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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

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## C A P I T A L L T D .

### Investment Portfolio Report

April 2025

#### Important Notice

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### About Underwood Capital

Underwood Capital Limited<sup>1</sup> ("Underwood Capital", "UWC" or the "Company") (ASX: UWC) is an Australian-listed, specialist investment company that has traded on the ASX since 2015.

UWC's investment manager is HD Capital Partners Pty Ltd (ACN 664 583 537) ("HD"). HD was appointed to that role for a term of five years commencing 1 July 2023.

HD is a value-oriented, fundamental bottom-up stock picker focussing on opportunities in listed small cap equities markets including:

- a) undervalued, well-managed growth companies, often founder-led, that are off the radar of the broader investment community;
- b) undervalued securities where HD seeks to realise value; and
- c) situations that are dependent on a specific corporate action, such as mergers, liquidations, tender offers and divestments.

### UWC Investment Performance<sup>2 3</sup>

UWC Historical Performance - period ended				
	1 month	Financial year to date	12 months	Since inception
Pre tax return	10%	(7)%	(29)%	(15)%

For Underwood's latest investor presentations and news, please visit [www.uwcl.com.au](http://www.uwcl.com.au)

#### General Investor Queries

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W: [automatic.com.au](http://automatic.com.au)

### Performance Update

Net Tangible Asset Value Per Share Before Tax<sup>4</sup> as at 30 April 2025

**\$0.0961**

Key Metrics as at	30-Apr-25	31-Mar-25
Net Asset Value - pre tax	\$m 20	18
Investee Portfolio (ex cash)	\$m 18	16
Cash and cash equivalents	\$m 2	2
Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12)	\$ 0.0961	0.0870
Net Tangible Asset per share - post tax (issued pursuant to LR 4.12)	\$ 0.0861	0.0802
Net Asset Value per share	\$ 0.0864	0.0806
UWC share price (ASX)	\$ 0.048	0.050
Market capitalisation	\$m 10	10
ASX Investment Type	Listed Investment Company	
Initial Public Offering Date (inception date)	22-Jan-15	
No. of ordinary shares on issue	m 207	

<sup>1</sup> UWC Shareholders at the Annual General Meeting on 22 November 2024 approved a change in the company's name, from Hygrovest Limited to Underwood Capital Limited ("UWC"). The ASX code also changed from HGV to UWC as at 13 December 2024.

<sup>2</sup> Inception is 30 June 2018 being the date on which Underwood commenced accounting for investments as an investment entity.

<sup>3</sup> The quoted returns for one month and financial year to date are absolute, i.e., not annualised. The quoted returns for 12 months and since inception are annualised.

<sup>4</sup> Excludes tax on unrealised gains on the investment portfolio and company tax accrued for the current financial year. The financial information within this report is unaudited.

### UNDERWOOD CAPITAL NEWS

#### UWC Financial Results for April 2025

During April 2025, UWC's Net Asset Value (before provision for tax) increased by 10%. The increase was primarily due to a \$1.5m revaluation gain on UWC's investment in Weed Me Inc ("Weed Me") and a \$0.3m gain in the market value of UWC's listed Australian share portfolio.

The Weed Me gain arose from the receipt of updated net revenue results<sup>5</sup> from Weed Me and the 10% increase in the Enterprise Value to Net Revenue Multiple (EV/NRM) used by UWC when valuing its investment in Weed Me. UWC determines that valuation by:

- calculating a blended EV/NRM using the end of month market valuations of various listed Canadian companies, each of which UWC considers to be broadly comparable to Weed Me;
- determining what the value of UWC's Weed Me holding would be if that same blended EV/NRM was applied to Weed Me's 12 month historical revenues as most recently advised by Weed Me to UWC; and
- applying a 15% discount to that derived value, to account for Weed Me being unlisted.

UWC's shareholders should always, including but not limited to this month, be mindful that:

- UWC's NTA is constantly fluid, and UWC's reported month-end NTA is a point-in-time assessment only;
- for so long as Weed Me remains a large part of UWC's portfolio, UWC's NTA may be materially affected by fluctuations in the Weed Me valuation; and
- management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events which management believes to be reasonable under the circumstances<sup>6</sup>. Because Weed Me is unlisted, the fair value which UWC ascribes to its Weed Me holding is necessarily an estimate, using the valuation techniques described above to measure the fair value of the investment.

#### Investment Manager Update<sup>7</sup>

We were actively buying shares in new and existing holdings in April as markets panicked in response to US policy turmoil.

We acquired more Airtasker (ART) which released a pleasing quarterly result that showed the Australian business accelerating while the UK and US businesses continue to grow rapidly.

The UK business is now approaching meaningful scale, and its accelerating growth suggests escape velocity may be approaching, which would likely see the market respond positively.

We bought more shares in a founder-led industrial business trading on <10x PE with a decade long track record of double-digit revenue CAGR growth. While the business has recently run into some issues, we view them as transitory and the current price represents good value on a medium-term outlook in HD's view.

We acquired shares in a special situation trading at net cash backing despite ownership in a substantial commodity asset. They are proposing to return a large portion of their capital to shareholders.

We also received a takeover offer for our holding in a listed technology business at a 35% premium to last traded price. We are considering the merits of the offer.

UWC continues to have sufficient cash available to take advantage of opportunities should markets continue to be volatile.

HD Capital Partners

<sup>5</sup> These net revenue figures for the 12 months ending 31 March 2025 are derived from unaudited management accounts provided by Weed Me

<sup>6</sup> The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within future reporting periods are discussed in Notes 3 and 7 of the audited UWC annual report for the year ended 30 June 2024.

<sup>7</sup> The Investment Manager Update details the views of UWC's investment manager, HD Capital Partners



### Appendix One

#### 1. The year-to-date performance of UWC is detailed below:

Table One

UWC Historical Performance - financial year to date								
		30-Jun-23	30-Jun-24	31-Dec-24	31-Jan-25	28-Feb-25	31-Mar-25	30-Apr-25
Share price \$	AUD	0.042	0.046	0.051	0.051	0.050	0.050	0.048
Net Asset Value	AUD	0.0922	0.0933	0.0943	0.0907	0.0864	0.0806	0.0864
NTA Post Tax \$	AUD	0.0918	0.0929	0.0938	0.0904	0.0860	0.0802	0.0861
NTA Pre Tax \$	AUD	0.1028	0.1037	0.1071	0.1027	0.0961	0.0870	0.0961

#### 2. UWC's investment portfolio is detailed in Table Two:

Table Two

Investment	Cannabis investments 30-Apr-25 AUDm	Non-Cannabis investments 30-Apr-25 AUDm	Total Portfolio Book Value (unaudited) 30-Apr-25 AUDm	Weight	Total Portfolio Book Value (unaudited) 30-Jun-24 AUDm	Weight
<b>Listed investments:</b>						
Delivra Health Brands Inc.	0.0	0.0	0.0	0%	2.1	10%
Portfolio of listed small caps	0.0	10.5	10.5	53%	3.8	17%
<b>Total Listed Investments</b>	<b>0.0</b>	<b>10.5</b>	<b>10.5</b>	<b>53%</b>	<b>5.9</b>	<b>27%</b>
<b>Unlisted investments:</b>						
Weed Me	7.3	0.0	7.3	36%	9.2	42%
Emerging Therapeutics	0.0	0.0	0.0	0%	4.0	18%
Portfolio of unlisted debt securities	0.0	0.3	0.3	1%	0.8	3%
<b>Total Unlisted Investments</b>	<b>7.3</b>	<b>0.3</b>	<b>7.5</b>	<b>38%</b>	<b>13.9</b>	<b>64%</b>
	<b>7.3</b>	<b>10.8</b>	<b>18.1</b>	<b>90%</b>	<b>19.8</b>	<b>91%</b>
Cash	0.0	0.2	0.2	1%	0.3	2%
Receivables from investment divestments	0.3	0.0	0.3	2%	0.8	4%
AAA ETF	0.0	1.4	1.4	7%	0.9	4%
	<b>0.3</b>	<b>1.6</b>	<b>1.9</b>	<b>10%</b>	<b>2.1</b>	<b>9%</b>
<b>Total Portfolio</b>	<b>7.6</b>	<b>12.4</b>	<b>20.0</b>	<b>100%</b>	<b>21.9</b>	<b>100%</b>

**Note:**

The reference to AAA ETF refers to the investment in higher yielding cash on call deposits via an investment in ASX:AAA.

UWC's investment in Weed Me comprises 4.24m shares representing approximately 13% of Weed Me's issued capital (as at month end, UWC had ascribed to these shares a valuation of CAD1.52 per share).

UWC's investment in Emerging Therapeutics was sold in September 2024

UWC's investment in Delivra was sold in October 2024

#### 3. Valuation of Assets

UWC values its investments by applying the following principles:

- Listed securities – the book value is based on the closing share prices for public companies at period end converted into Australian dollars at the relevant prevailing foreign exchange rates at month-end.
- Unlisted equity securities – Generally, UWC's preference is to value its unlisted investments by applying an Enterprise Value to Net<sup>8</sup> Revenue Multiple (EV/NRM) provided these valuations are materially consistent with any recent capital raises by the given investee. The Canadian multiple of 1.1 (prior month of 1) is derived from the end of month market valuations of various listed Canadian companies, each of which UWC considers to be broadly comparable to Weed Me. The applied multiple represents the average of these multiples which range between 0.6 and 2. UWC also applies

<sup>8</sup> Gross sales less government excise taxes and sales discounts

a liquidity discount of 15% to the EV/NRM valuation, to account for Weed Me's unlisted status. In the absence of material historical revenue, the book value is generally based on the most recent material funding round share prices for private companies (converted into Australian dollars at the relevant prevailing foreign exchange rates as necessary). In the absence of a recent capital raise or arm's length transaction, or if intervening events or information suggest that applying one of those valuation metrics is inappropriate, management considers all available information, including benchmarking of instruments to market movements indicated by relevant indices. UWC also considers the recommendations of its investment manager.

The Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such theoretical disposal. UWC does not hedge the carrying value of existing investments denominated in non-AUD currencies. UWC's financial statements are subject to statutory audit or review by our independent auditor at 31 December and 30 June each year.

**Note:**

- a) All information within this release is unaudited unless stated otherwise.
- b) The book value includes shares, convertible notes, options, loans, warrants and accrued interest.

**Glossary**

<b>ABBREVIATION</b>	<b>Definition</b>
<b>AUD</b>	<i>means Australian dollars.</i>
<b>ASX</b>	<i>means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.</i>
<b>ASX Listing Rules</b>	<i>means the Listing Rules of ASX.</i>
<b>CAD</b>	<i>means Canadian dollars.</i>
<b>Company or UWC</b>	<i>means Underwood Capital Limited (ACN 601 236 417).</i>
<b>EBITDA</b>	<i>means Earnings before Interest, Tax, Depreciation and Amortisation.</i>
<b>IPO</b>	<i>Initial public offering of securities on a recognised securities exchange.</i>
<b>NAV</b>	<i>means net asset value.</i>
<b>Option</b>	<i>means an option to acquire a Share usually at predetermined price.</i>
<b>Share</b>	<i>means a fully paid ordinary share in the capital of a company.</i>
<b>Shareholder</b>	<i>means a registered holder of a Share.</i>