

Underwood Capital Limited
Appendix 4E
Preliminary Final Report

1. Company details

Name of entity: Underwood Capital Limited (“the Company” or “consolidated entity”)
 ABN: 91 601 236 417
 Reporting period: For the year ended 30 June 2025 (the “Financial Year”)
 Previous period: For the year ended 30 June 2024

2. Results for announcement to the market

			30-Jun-25	30-Jun-24
			\$'000	\$'000
Revenues from ordinary activities	down	22%	937	1,199
Profit/(Loss) from ordinary activities after tax attributable to the owners of Underwood Capital Limited	up	286%	243	(131)
Profit/(Loss) for the year attributable to the owners of Underwood Capital Limited	up	286%	243	(131)

3. Commentary on results for the period

The profit for the consolidated entity, after providing for income tax and non-controlling interest, amounted to \$0.243m (compared to the prior corresponding period (pcp) to 30 June 2024: loss of \$0.131m). The profit for the Financial Year included the following gains and losses from the following investments¹:

	Gains & Income/ (Losses)	Book value
	Financial Year Ended	
	30-Jun-25	30-Jun-25
	\$'000	\$'000
Investment in Weed Me Inc	130	8,863
Investment in Delivra Health Brands	(911)	0
Listed ASX securities	1,736	10,853

The main driver of financial performance in the Financial Year was the change in market value of UWC’s investments in listed Australian securities.

Operating overheads for the Financial Year were \$0.9m down from \$1.1m in the previous corresponding Financial Year.

4. Net tangible assets

During the Financial Year, the net tangible asset backing per share (NTA/share) increased from 9.1 cents as at 30 June 2024 to 9.3 cents as at 30 June 2025. The net tangible assets of the consolidated entity remained largely unchanged at \$19.2m at 30 June 2025. The increase in NTA/share, despite total NTA remaining largely unchanged, was due to a reduction in the number of the issued shares of the Company as a result of the on market share buyback conducted during the Financial Year.

5. Control gained over entities

Not applicable

6. Loss of control over entities

Not applicable

7. Dividends

Current period

There were no dividends paid, recommended or declared during the current Financial Year.

¹ Includes unrealised and realised gains and losses, interest and dividend income as applicable.

Previous period

There were no dividends paid, recommended, or declared during the previous Financial Year.

8. Dividend reinvestment plans

Not applicable

9. Details of associates and joint venture entities

Not applicable

10. Foreign entities

Not applicable

11. Audit qualification or review

None

12. Attachments

The Annual Report of the Company for the year ended 30 June 2025 is attached including audited financial statements.

This document provides all the disclosures required under listing rule 4.3A.

Underwood Capital Limited
(Formerly known as Hygrovest Limited)

ABN 91 601 236 417

Annual Report – 30 June 2025

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Corporate Directory

Directors	Mr Warwick Sauer (Non-Executive Chair)
	Mr Jason Byrne (Non-Executive Director)
	Mr David Prescott (Non-Executive Director)
Chief Financial Officer and Company Secretary	Mr Jim Hallam
Registered office and principal place of business	Level 57, MLC Centre, 25 Martin Place Sydney NSW 2000 Telephone: +61 2 9236 7334 Facsimile: +61 2 8080 8315
Share register	Automic Registry Services Level 5 126 Phillip Street Sydney NSW 2000 Telephone: +61 1300 288 664
Auditor	Connect National Audit Pty Ltd Level 3, North Building, 333 Collins Street Melbourne, VIC 3000
Stock exchange listing	Underwood Capital Limited securities are listed on the Australian Securities Exchange (ASX code: UWC)
Website	www.uwcl.com.au

The Annual General Meeting of Underwood Capital Limited will be held as follows:	
Venue	The office of Automic Group, Level 5, 126 Phillip Street Sydney NSW 2000
Time	1:00pm (AEST)
Date	27 November 2025
Place	The Company is pleased to provide Shareholders with the opportunity to attend and participate in a hybrid meeting, with shareholders participating in an online meeting platform, where shareholders who cannot attend the physical meeting will be able to watch, listen, and vote online.
Nominations for Directorships of UWC	Nominations of persons intending to propose their nomination as a director of Underwood Capital Limited must be lodged at the registered office by 9 October 2025.
Corporate Governance Statement	https://www.uwcl.com.au/corporate-governance/ .

Underwood Capital Limited

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity") consisting of Underwood Capital Limited (referred to hereafter as "Underwood" "UWC", the "Company" or "parent entity") and the entity it controlled (the "Group") at the end of, or during, the year ended 30 June 2025 ("the Financial Year").

Directors

The following persons were Directors of UWC during the Financial Year and up to the date of this Report, unless otherwise stated:

Mr. Warwick Sauer (Non-Executive Chair)

Mr. David Prescott (Non-Executive Director)

Mr. Jason Byrne (Non-Executive Director)

Principal activities

UWC (ASX: UWC) is an Australian-listed, specialist investment company that has traded on the ASX since 2015. Investors in UWC gain exposure to a portfolio that primarily seeks to produce capital growth over the medium term from investments in listed and unlisted equities and debt securities.

Investments are managed by HD Capital Partners under an Investment Management Agreement that is scheduled to run for five years from 1 July 2023 to 30 June 2028.

In December 2024 UWC changed its name to "Underwood Capital Limited", from Hygrovest Limited. Its ASX code also changed from "HGV" to "UWC".

UWC measures and evaluates the performance of substantially all of its investments on a fair value basis.

The operating revenues, expenses and cashflows of the UWC consolidated entity for the Financial Period reflect the operations of UWC, which operates as an investment entity for financial reporting purposes comprising:

- Revenue and other income – including realised and unrealised gains/losses, dividends and interest income from investments.
- Operating expenses – such as the investment management and administration expenses required to operate as an investment company listed on the Australian Securities Exchange.

Dividends

There were no dividends paid, recommended or declared during the current or previous Financial Year.

Review of operations

The profit for the consolidated entity, after providing for income tax, amounted to \$0.243m (compared to the prior corresponding period (pcp) to 30 June 2024: loss of \$0.131m). The profit for the Financial Year included the following gains and losses from the following investments¹:

	Gains & Income/ (Losses) Financial Year Ended 30-Jun-25 \$000	Book value 30-Jun-25 \$000
Investment in Weed Me Inc	130	8,863
Investment in Delivra Health Brands	(911)	0
Listed ASX securities	1,736	10,853

The main driver of financial performance in the Financial Year was the positive change in market value of UWC's investments in listed Australian securities.

Operating overheads for the Financial Year were \$0.9m down from \$1.1m in the previous corresponding Financial Period.

¹ Includes unrealised and realised gains and losses, interest and dividend income as applicable.

During the Financial Year, the net tangible asset backing per share (NTA/share) increased from 9.1 cents as at 30 June 2024 to 9.3 cents as at 30 June 2025. The net tangible assets of the consolidated entity remained largely unchanged at \$19.2m at 30 June 2025. The increase in NTA/share, despite the total NTA being largely unchanged, was due to the number of issued shares of the Company reducing as a result of the on market share buyback conducted during the Financial Year.

The Group's primary investment strategy is to provide investors with exposure to a portfolio that primarily seeks to produce capital growth over the medium term from investments in listed and unlisted equities and debt securities, whilst managing risk through a portfolio approach to investing. Risks relating to the Group's investment portfolio include:

- The risk associated with an investee Company's early stage investments needing sufficient funding to implement their respective business plans.
- The risk of reliance upon the Canadian equities market to provide the opportunity for the Company's Canadian cannabis investment to raise new funds and move from private to listed status.
- Adverse movement in market prices, exchange rates, and/or illiquid markets may result in financial loss to the Group and its shareholders.

To enable UWC to effectively manage these risks, the Board has sought to identify the material risks, both financial and non-financial, to UWC's business operations, and suitable methods to aid in controlling those risks. The material risks, methods to control them, and ongoing monitoring procedures are outlined in the Company's risk management policy (RMP).

The RMP does not address every possible risk to UWC or necessarily set out full detail of the procedures and processes adopted to manage each risk. In particular, it does not identify and manage risks within the investee businesses in which UWC holds a minority investment. UWC's Board is responsible for an annual review of the appropriateness, effectiveness and adequacy of the RMP noting the ability and right of directors to rely on management information and assurances.

UWC is focused on seeking to improve UWC's performance, via initiatives including:

- a) maximising the value of UWC's existing investments;
- b) revising UWC's investment approach so that it is more value focused than it has been historically; and
- c) reducing UWC's fixed cost structure.

Steps that have been taken on these fronts thus far include:

- a) Maximising value of investments acquired by UWC under its previous investment strategy:
 - i. UWC entered an agreement to sell its shares (the Shares) in Emerging Therapeutics Group Pty Ltd (ETG), formerly named Southern Cannabis Holdings. The consideration comprised:
 - cash of \$3.5m paid on 25 September 2024; and
 - a further amount of \$0.3m payable on 25 March 2026.

The total sale price was approximately 0.95X the investment's 30 June 2023² book value.

- ii. UWC sold its investment in Delivra Health Brands Inc. ("Delivra") for CAD1.1m. Whilst the sale price reflected a discount to UWC's 30 June 2024 carrying value, it was approximately 2X the investment's 30 June 2023 book value.

- b) Revising investment strategy:

UWC's goal is to significantly outperform global equity markets, over rolling 5-year periods, by taking concentrated, long-term positions in undervalued and overlooked companies while prioritising protection of capital. Nearly \$11M has now been deployed into this new strategy, with those investments returning ~29%³ per annum for the year ended 30 June 2025.

² HD's appointment was effective from 1 July 2023

³ Calculation was made on time weighted basis

c) Reducing operating costs:

During the last financial year, UWC announced a number of measures to materially reduce its operating overheads. These measures were realised during the prior year and this year, with FY25 operating expenses⁴ at \$0.9m (compared to \$1.1m in FY24).

In November 2024 UWC's Directors voluntarily further reduced board fees by \$10,000 per annum per director. This further reduction was on top of a voluntary 10% decrease in their fees in financial year 2023.

Financial position

During the Financial Year, the net tangible asset backing per share (NTA/share) increased from 9.1 cents as at 30 June 2024 to 9.3 cents as at 30 June 2025. The net tangible assets of the consolidated entity remained largely unchanged at \$19.2m at 30 June 2025. The increase in NTA/share, despite total NTA being largely unchanged, was due to the number of issued shares of the Company reducing as a result of the on market share buyback conducted during the Financial Year.

Significant changes in the state of affairs

The principal continuing activities of the consolidated entity consisted of those of an investment company with a portfolio of minority investments.

In September 2024 UWC announced an on-market buyback of up to a maximum of 21,031,060 ordinary shares (being approximately 10% of UWC's ordinary shares) during the twelve months ending October 2025 ('buyback') as part of its active approach to capital management. During the Financial Year UWC acquired 4.5m UWC shares for total consideration of \$0.2m.

Given both the discount at which UWC's shares were trading in comparison to their underlying net asset value, and given also UWC's strong capital position, the Board determined that buying back shares was an appropriate use of available funds.

UWC Shareholders at the Annual General Meeting on 22 November 2024 approved a change in company name to Underwood Capital Limited ("UWC"), from Hygrovest Limited.

In 2019 UWC had announced that it intended thereafter to distribute annually dividends equal to 20% of its annual post-tax profit (after excluding unrealised gains and losses on investments). The announcement confirmed the company's intention that such dividends would benefit from available franking credits. During the year UWC confirmed that moving forward, it will pay dividends as and when it considers appropriate, given the following:

- a) UWC has not since the 2019 announcement accrued a material franking credit balance, meaning that shareholders would not derive any material benefit from any such franking upon UWC's payment of a dividend;
- b) UWC's change in both investment manager and investment approach; and
- c) the benefits that come with UWC having maximum flexibility in relation to capital allocation.

There were no other significant changes in the state of affairs of the consolidated entity during the Financial Year.

Matters subsequent to the end of the Financial Year

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future Financial Years.

Likely developments and expected results of operations

The performance of the Company's investment portfolio is materially dependent on overall performance of global equity markets.

⁴ Excluding base management fees

Environmental regulation

The operations of the Group are not subject to any particular and significant environmental regulations under a law of the Commonwealth or State. There have been no known significant breaches of any other environmental requirement.

Information on Directors

Name:	Warwick Sauer
Title:	Non-executive Chair (appointed 20 March 2023)
Experience and expertise:	Mr. Sauer is a corporate lawyer with 25 years' experience, focusing on commercial law, capital markets, M&A, and litigation. He spent 14 years with property services multinational JLL, including seven years as General Counsel for JLL's \$4b APAC business, managing a team of 75. Mr. Sauer is also a director of a privately held investment company.
Qualifications:	Mr. Sauer has a Bachelor of Commerce majoring in financial accounting and a Bachelor of Laws, both from the University of Queensland.
Other current ASX directorships:	Director of BSA Limited (ASX: BSA)
Former ASX listed directorships (last 3 years):	Nil
Interests in shares:	1,838,277

Name:	David Prescott
Title:	Non-executive Director (appointed 20 March 2023)
Experience and expertise:	Mr. Prescott is the founder and Managing Director of Lanyon Asset Management, a value-orientated equities fund manager. He has over 20 years investing and financial analysis experience working for firms in Australia and the UK. He was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners).
Qualifications:	Mr. Prescott has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA charterholder.
Other current ASX directorships:	Nil
Former ASX listed directorships (last 3 years):	Lanyon Investment Company Limited BSA Limited
Interests in shares:	Nil

Name: Jason Byrne

Title: Non-executive Director (appointed 1 August 2023)

Experience and expertise: Mr. Byrne has 30+ years' experience building businesses in a wide variety of industries - wagering technology, digital place based advertising, e-commerce, legal technology, apparel logistics, procurement technology, and offshore development. Jason also works with other companies assisting them to create, build, pivot, grow, acquire, or sell.

Other current ASX directorships: Motio Limited

Former ASX listed directorships (last 3 years): Nil

Interests in shares: Nil

Other current directorships and former directorships (last three years) quoted above are directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Information on Company Secretary

Mr James Hallam

Company Secretary and Chief Financial Officer ("CFO") (appointed as Company Secretary on 22 June 2018) BEcon, ACIS/ACSA.

Mr Hallam has 27 years of experience in the investment management industry with alternative asset fund managers in Australia and overseas including Hastings Funds Management and Annuity Australia. Mr Hallam's roles include acting as responsible manager, investment manager and CFO within alternative asset fund managers. He has a Bachelor of Commerce (Economics), is a member of the Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors (the "Board") held during the year ended 30 June 2025, and the number of meetings attended by each director were:

Directors	Board Meetings	
	Number of Meetings Eligible to Attend	Number Attended
Jason Byrne	4	4
David Prescott	4	4
Warwick Sauer	4	4

Held: represents the number of meetings held during the time the director held office.

Remuneration Report (audited)

The Remuneration Report details the Key Management Personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

For the purposes of this Remuneration Report, Key Management Personnel includes the following Directors and senior executives who were engaged by the Company at any time during the year ended 30 June 2025:

a) Non-Executive Directors

Mr Warwick Sauer (Non-Executive Chair (appointed as a Non-Executive Director on 20 March 2023 and appointed Non-Executive Chair on 1 August 2023))

Mr Jason Byrne (Non-Executive Director) (appointed 1 August 2023)

Mr David Prescott (Non-Executive Director) (appointed 20 March 2023)

b) Key Management Personnel

Mr James Hallam, Chief Financial Officer (appointed 3 April 2018)

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration.
- Details of remuneration.
- Service agreements.
- Share-based compensation.
- Additional disclosures relating to Key Management Personnel.

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for Shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness.
- Acceptability to Shareholders.
- Performance linkage / alignment of executive compensation.
- Transparency.

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

The principles underpinning the consolidated entity's Remuneration Policy are that:

- Reward reflects the competitive global market in which UWC operates.
- Rewards to executives are linked to creating value for Shareholders.
- Remuneration arrangements are equitable and facilitate the development of senior management across the consolidated entity.
- Where appropriate, senior managers may receive a component of their remuneration in appropriately structured equity securities to align their interests with those of the Shareholders.

Non-Executive Directors' remuneration

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The maximum aggregate remuneration approved for Non-Executive Directors is currently \$500,000.

It is recognised that Non-Executive Directors' remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more closely than may be the case with larger companies the Non-Executive Directors are entitled to participate in equity-based remuneration schemes subject to Shareholder approval.

All Directors are entitled to have their indemnity insurance paid by the Company.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The Company's Remuneration Policy for executives is designed to promote superior performance and long-term commitment to the Company.

Overall remuneration policies provide a framework and quantum scale for remuneration whilst being subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is deemed by the Board to be in the interests of the Company and Shareholders to do so.

Executive remuneration and other terms of employment are reviewed regularly by the Board having regard to performance, relevant comparative information and expert advice.

The Company's Reward Policy reflects its obligation to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company.

The Executive remuneration and reward framework has four components:

- Salary – Executives receive a sum payable monthly in cash.
- Bonus – Executives are eligible to participate in a bonus or profit participation plan if deemed appropriate.
- Long term incentives – Executives may participate in share option/performance right schemes at the discretion of the Board.
- Other benefits – Executives are eligible to participate in superannuation schemes and other appropriate additional benefits.

The combination of these comprises the Executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board based on individual performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ("STI") program is designed to align the targets of the business with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ("KPIs") being achieved. KPIs include profit contribution, leadership contribution and product management and may be set by the consolidated entity from time to time.

The long-term incentives ("LTI") include share-based payments. Shares may be awarded to executives over a period of three years based on long-term incentive measures. These include increase in Shareholders' value relative to the entire market or direct competitors. Executives may participate in employee share option/performance right schemes at the discretion of the Board.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals may be directly linked to the performance of the consolidated entity.

Refer to the section below for details of the earnings and total Shareholder returns for the last five years. The earnings of the consolidated entity for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Total income	937	1,199	(2,592)	(16,338)	(5,184)
Profit/(loss) before income tax	46	95	(4,163)	(17,795)	(6,799)
Income tax (expense)/benefit	198	(226)	179	1,863	2,775
Profit/(loss) after income tax	243	(131)	(3,984)	(15,932)	(4,024)

The factors that are considered to affect total shareholders return ("TSR") are summarised below :

	2025	2024	2023	2022	2021
Share price at start of financial year (\$)	0.042	0.042	0.064	0.077	0.096
Share price at end of financial year (\$)	0.046	0.046	0.042	0.064	0.077
Basic earnings per share (cents per share)	0.12	(0.06)	(1.74)	(6.93)	(1.75)
Diluted earnings per share (cents per share)	0.12	(0.06)	(1.74)	(6.93)	(1.75)

Hedging of securities

In accordance with the Group's general share trading policy and employee share plan rules, participants are prohibited from engaging in hedging arrangements over unvested securities issued pursuant to any employee or director share plan, without prior approval of the Board.

Use of remuneration consultants

The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. There were no external remuneration consultants engaged during the period to provide such services. The chairman's fees are determined independently of the fees of other Non-Executive Directors based on comparative roles in the external market. The chairman abstains from decisions relating to the determination of his own remuneration.

Voting and comments made at the Company's 2024 Annual General Meeting ("AGM")

At the 2024 AGM, 93% of the proxy votes cast at that meeting voted for the adoption of the Remuneration Report for the year ended 30 June 2024 (Resolution 1).

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Details of remuneration

Details of the remuneration of Key Management Personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits		Share based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super contribution	annual and long service leave	Termination	Equity settled	
2025	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Mr Warwick Sauer	52,137		0	0	5,996	0	0	58,133
Mr Jason Byrne	41,933							41,933
Mr David Prescott	41,933		0	0	0	0	0	41,933
<i>Other Key Management Personnel:</i>								
Mr Jim Hallam	190,417		0	0	30,000	(14,972)	0	205,445
	326,420		0	0	35,996	(14,972)	0	347,444

	Short-term benefits			Post-employment benefits	Long-term benefits		Share based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary benefits	Super contribution	annual and long service leave	Termination	Equity settled	
2024	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Mr Peter Wall	12,000		0	0	0	0	0	12,000
Mr Doug Halley	5,333		0	0	0	0	0	5,333
Mr Jason Byrne	46,350							46,350
Mr Warwick Sauer	59,729		0	0	6,570	0	0	66,299
Mr David Prescott	50,850		0	0	0	0	0	50,850
								0
<i>Other Key Management Personnel:</i>								
Mr Jim Hallam	216,553		0	0	27,500	(7,383)	0	236,813
	390,815		0	0	34,070	(7,383)	0	417,645

Details of remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration	Fixed remuneration	At risk - STI	At risk - STI	At risk - LTI	At risk - LTI	Total	Total
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
<i>Non-Executive Directors:</i>								
Mr Peter Wall	-	100%	-	-	-	-	-	100%
Mr Doug Halley	-	100%	-	-	-	-	-	100%
Mr Warwick Sauer	100%	100%	-	-	-	-	100%	100%
Mr Jason Byrne	100%	-	-	-	-	-	100%	-
Mr David Prescott	100%	100%	-	-	-	-	100%	100%
<i>Other Key Management Personnel:</i>								
Mr Jim Hallam	100%	100%	-	-	-	-	100%	100%

Service agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Jim Hallam
Title:	Chief Financial Officer and Company Secretary
Terms of contract	Base salary - \$170,000
	Termination benefit - 6 months
	Notice Period (no fault) - 6 months

Performance based remuneration granted and forfeited during the year by Key Management Personnel

During the Financial Year:

- There were no performance rights granted or on issue.
- There were no options granted.
- There were 1m options which expired.
- There were no options exercised.

Share-based compensation

Options

There were no options over ordinary shares granted to or vested by Directors and other Key Management Personnel as part of compensation during the Financial Year.

Additional disclosures relating to Key Management Personnel Shareholding

The number of Shares in the Company held during the Financial Year by each director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received on the exercise of Options/ performance rights	Additions	Balance at the end of the year
<i>Ordinary Shares</i>				
Mr Warwick Sauer	1,242,010	0	596,267	1,838,277
Mr David Prescott	0	0	0	0
Mr Jason Byrne	0	0	0	0
Mr Jim Hallam	0	0	0	0
	<u>1,242,010</u>	<u>0</u>	<u>596,267</u>	<u>1,838,277</u>

Option holding

The number of Options over Ordinary Shares in the Company held during the Financial Year by each Director and other members of Key Management Personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Balance at the start of the year	Balance at the start of the year	Granted	Exercised	Other changes during the period	Balance at the end of the year	Vested and exercisable	Unvested
	Vested	Unvested	Total				Total		
<i>Options over ordinary Shares</i>									
Mr Warwick Sauer	0	0	0	0	0	0	0	0	0
Mr David Prescott	0	0	0	0	0	0	0	0	0
Mr Jason Byrne	0	0	0	0	0	0	0	0	0
Mr Jim Hallam	1,000,000	0	1,000,000	0	0	(1,000,000)	0	0	0
	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>

Other transactions with Key Management Personnel and their related parties:

During the reporting period, the consolidated entity did not have any transactions with related parties.

This concludes the remuneration report, which has been audited.

Shares under option

There were no options on issue at the end of the Financial Year to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights

There were no Ordinary Shares of UWC issued during the year ended 30 June 2025 and up to the date of this report arising from exercise of performance rights granted.

Indemnity and insurance of officers

The consolidated entity has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the Financial Year, the consolidated entity paid a premium in respect of a contract to insure the Directors and executives of the consolidated entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The consolidated entity has not, during or since the end of the Financial Year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

During the Financial Year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the consolidated entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

Officers of the Company who are former partners of Connect National Audit Pty Ltd

There are no officers of the Company who are former partners of Connect National Audit Pty Ltd.

Rounding of amounts

The consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Auditor

Connect National Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This Report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Warwick Sauer
Non-Executive Chair
25 August 2025

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the audit of Underwood Capital Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Underwood Capital Limited.



ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
Melbourne, VIC 3000
Date: 25 August 2025

Corporate Governance Statement

The Board recognises the importance of establishing a comprehensive system of control and accountability as the basis for the administration of corporate governance.

To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council ("Recommendations").

The Board has adopted the suite of corporate governance policies and procedures which are contained with the Company's Corporate Governance Plan and the Company's Corporate Governance Statement, a copy of which is available on the Company's website at <https://www.uwcl.com.au/corporate-governance/>.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company is pleased to report that its practices are largely consistent with the Recommendations of the ASX Corporate Governance Council and sets out its compliance and departures from the Recommendations for the year ended 30 June 2025 in the Corporate Governance Statement, which is accurate and up to date as at 25 August 2025 and was approved by the Board of the Company.

In light of the Company's size and nature, the Board considers that the current corporate governance regime is a fit-for-purpose, efficient, practical and cost-effective method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the implementation of additional corporate governance policies and structures will be reviewed.

Underwood Capital Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year ending 30 June 2025

	Note	30-Jun-25 \$000	30-Jun-24 \$000
Investment Income			
Interest and dividend income from financial assets at fair value through profit or loss		540	206
Net gains/(losses) on financial instruments at fair value through profit or loss	6	1,529	762
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	6	(1,216)	(29)
Total investment income/(loss)		<u>854</u>	<u>939</u>
Other Income/(Loss)			
Other operating income/(loss)		83	260
Total income/(loss)		<u>937</u>	<u>1,199</u>
Expenses			
Administration expenses		(333)	(494)
Asset management expenses		(211)	(175)
Employee and director related expenses		(348)	(434)
Total Operating expenses		<u>(890)</u>	<u>(1,104)</u>
Equity based payments reversal/(expense)		0	(0)
Total expenses		<u>(890)</u>	<u>(1,104)</u>
Profit/(Loss) before income tax		46	95
Income tax (expense)/benefit	4	198	(226)
Profit/(Loss) after income tax for the Financial Period		<u>243</u>	<u>(131)</u>
Other comprehensive income		0	0
Other comprehensive income for the Financial Period, net of tax		0	0
Total comprehensive profit/(loss) for the Financial Period		<u>243</u>	<u>(131)</u>
Profit/(Loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		243	(131)
		<u>243</u>	<u>(131)</u>
Total comprehensive income/(loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		243	(131)
		<u>243</u>	<u>(131)</u>
		Cents	Cents
Basic earnings/(loss) per share	9	0.12	(0.06)
Diluted earnings/(loss) per share	9	0.12	(0.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Underwood Capital Limited

Consolidated Statement of Financial Position

As at the end of the Financial Year

	30-Jun-25	30-Jun-24
Note	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	534	189
Trade and other receivables	10 342	89
Financial assets at fair value through profit or loss	6 20,733	21,543
Total Current Assets	21,609	21,821
NON-CURRENT ASSETS		
Deferred tax assets	4 99	75
Total Non-Current Assets	99	75
TOTAL ASSETS	21,708	21,896
CURRENT LIABILITIES		
Trade and other payables	132	161
Tax payable	398	0
Total Current Liabilities	530	161
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4 1,949	2,520
Total Non-Current Liabilities	1,949	2,520
TOTAL LIABILITIES	2,478	2,681
NET ASSETS	19,230	19,215
EQUITY		
Contributed equity	7 50,482	50,711
Reserves	8 0	35
Retained Earnings/(Accumulated Losses)	(31,253)	(31,531)
TOTAL EQUITY	19,230	19,215
Net Tangible Assets per share (\$)	0.0930	0.0910

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Underwood Capital Limited

Consolidated Statement of Changes in Equity

For the Financial Year ending 30 June 2025

		Contributed Equity \$'000	Other Reserves \$'000	(Accumulated Loss)/ Retained Earnings \$'000	Total Equity \$'000
Balance at	1-Jul-24	50,711	35	(31,531)	19,215
Profit after income tax expense for Financial Period		0	0	243	243
Total comprehensive income for the Financial Period		0	0	243	243
Transactions with owners in their capacity as owners:					
Share buyback	Note 7	(228)	0	0	(228)
Lapse of options		0	(35)	35	0
Share-based payment		0	0	0	0
		<u>(228)</u>	<u>(35)</u>	<u>35</u>	<u>(228)</u>
Balance at	30-Jun-25	50,482	0	(31,253)	19,230

		Contributed Equity \$'000	Other Reserves \$'000	(Accumulated Loss)/ Retained Earnings \$'000	Total Equity \$'000
Balance at	1-Jul-23	50,746	82	(31,447)	19,380
Loss after income tax expense for Financial Period		0	0	(131)	(131)
Total comprehensive income for the Financial Period		0	0	(131)	(131)
Transactions with owners in their capacity as owners:					
Share buyback		(35)	0	0	(35)
Lapse of performance rights		0	(47)	47	0
Share-based payment		0	0	0	0
		<u>(35)</u>	<u>(47)</u>	<u>47</u>	<u>(35)</u>
Balance at	30-Jun-24	50,711	35	(31,531)	19,215

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Underwood Capital Limited

Consolidated Statement of Cash Flows

For the Financial Year ending 30 June 2025

	Note	30-Jun-25	30-Jun-24
		\$'000	\$'000
Cash flows from operating activities			
Payments to employees & suppliers		(911)	(1,168)
Interest received		119	155
Dividends received		421	67
Other income received		83	260
Payments for financial assets at FVPL	6	(13,958)	(5,026)
Proceeds from disposal of financial assets at FVPL	6	14,819	1,597
Company tax refund		0	627
Net cash/(used in) from operating activities	5	574	(3,489)
Cash flows from financing activities			
Sharebuy back	7	(228)	(35)
Net cash/(used in) from financing activities		(228)	(35)
Net increase/(decrease) in cash & cash equivalents		346	(3,524)
Cash at the beginning of the Financial Period		189	3,715
Effects of exchange rate changes on cash and cash equivalents		(1)	(1)
Cash & cash equivalents at end of Financial Period		534	189

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Underwood Capital Limited

Notes to the Consolidated Financial Statements

Financial Year Ended 30 June 2025

1. General information

The financial statements cover Underwood Capital Limited as a consolidated entity consisting of Underwood Capital Limited and the entity it controlled at the end of, or during, the year ended 30 June 2025 (the "Financial Year"). The financial statements are presented in Australian dollars, which is Underwood Capital Limited's functional and presentation currency.

Underwood Capital Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 57, MLC Centre
25 Martin Place
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report, which is not part of the financial statements.

In accordance with a Resolution of Directors, the financial statements were authorised for issue, on 25 August 2025. The Directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

The material accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through the profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 18.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Phytotech Medical (UK) Pty Ltd as at 30 June 2025, and its results for the Financial Year then ended. Underwood Capital Limited and its subsidiary together are referred to in these financial statements as the "consolidated entity".

Investment Entity

The Company has determined that it is an investment entity under the definition in AASB 10 Consolidated Financial Statements as it meets the following criteria:

- (i) The Company has obtained funds from shareholders for the purpose of providing them with investment management services;
- (ii) The Company's business purpose, which it communicated directly to shareholders, is investing solely for returns from capital appreciation and investment income; and
- (iii) The performance of investments made by the Company is measured and evaluated on a fair value basis.

The Company also holds all of the typical characteristics of an investment entity. As an investment entity the consolidated entity accounts for its investments at fair value through profit and loss and it is disclosed in the consolidated statement of financial position as 'Financial Asset Held at Fair Value through Profit or Loss'.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Underwood's functional and presentation currency.

New or amended Accounting Standards and Interpretations adopted

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

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. 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 the next Financial Year are discussed below.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgements and estimations, considering factors specific to the asset or liability.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

4. Income tax

	30-Jun-25 \$000	30-Jun-24 \$000
a) Income tax Expense/(Benefit)		
Major components of income tax expense are:		
Current tax	(398)	(29)
Deferred tax	596	(197)
Income tax (expense)/benefit reported in the income statement	<u>198</u>	<u>(226)</u>

b) Numerical reconciliation

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 25% (2024: 25%)	(11)	(24)
- asset revaluations	661	19
- non-assessable income	0	425
- Accounting gain/(loss) on investment	(98)	(525)
- Net trading stock adjustment	(719)	183
- prior period tax losses recognised/(not recognised)	425	(381)
- Other permanent adjustments	0	106
- Prior period adjustments	(60)	(29)
	<u>198</u>	<u>(226)</u>

c) Deferred tax asset balances

Temporary differences - Australia	99	75
	<u>99</u>	<u>75</u>

d) Deferred tax liabilities balances

Revaluation on investments	1,949	2,520
Other timing differences	0	0
	<u>1,949</u>	<u>2,520</u>

The potential future income tax benefit will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit.

The franking account balance at the end of the Financial Year was \$82,319 (2024: \$28,709).

The Company had unrecorded trading tax losses of \$0 at the end of the Financial Year (2024:\$1.5m) and capital losses of \$0.1m.

5. Reconciliation of profit after income tax to net cash used in operating activities

	2025 \$'000	2024 \$'000
Profit/(loss) after income tax expense for the year	243	(131)
Adjustments for:		
Interest income receivable	0	15
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	1,216	29
Changes in the fair value of equity investments at fair value through profit and loss	(1,529)	(762)
Proceeds from disposal of financial assets at fair value through profit or loss	14,819	1,597
Payments for financial assets at fair value through profit or loss	(13,958)	(5,026)
Change in operating assets and liabilities:		
Increase in other assets	24	0
Decrease/(increase) in trade and other receivable	(253)	602
Increase/(decrease) in trade and other payables	(29)	(94)
Increase in other liabilities	42	281
Net cash used in operating activities	<u>574</u>	<u>(3,489)</u>

6. Financial assets held at Fair Value through Profit or Loss

Financial assets held at Fair Value through Profit or Loss

	30-Jun-25 \$000	30-Jun-24 \$000
Financial assets at fair value through profit or loss		
Equity financial assets - current		
Listed		
Investment in Delivra Health Brands	0	2,131
Investment in ETF AAA ((i) below)	990	859
Investment in other listed securities	10,880	3,787
	<u>11,870</u>	<u>6,778</u>
Unlisted		
Investment in Weed Me Inc	8,863	9,171
Investment in Emerging Therapeutics Group	0	3,993
Investment in other unlisted securities	0	754
	<u>8,863</u>	<u>13,918</u>
Convertible and loan financial assets - current		
Unlisted		
Investment in Sequoya Cannabis	0	247
Investment in Valo	0	600
	<u>0</u>	<u>847</u>
Financial assets at fair value through profit or loss - current	<u>20,733</u>	<u>21,543</u>
Financial assets at fair value through profit or loss - total	<u>20,733</u>	<u>21,543</u>

Note: (i) Investment in other listed securities included an investment in higher yielding cash on call deposits via an investment in ASX:AAA.

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous Financial Year are set out below:

	30-Jun-25 \$000	30-Jun-24 \$000
Opening fair value	21,543	17,478
Additions - financial assets at fair value through profit and loss	13,958	5,026
Changes in the fair value of equity investments at fair value through profit and loss	1,529	762
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	(1,216)	(29)
Accrued interest	0	(15)
Disposal of financial assets at fair value through profit and loss	(14,819)	(1,597)
Other movements	(263)	(82)
Closing fair value	<u>20,733</u>	<u>21,543</u>

The following table presents the changes in level 3 instruments for the Financial Year:

		Unlisted equity securities \$000	Convertible debenture receivable \$000	Total \$000
Opening balance	1-Jul-24	13,164	847	14,010
Transfers to level one		0	0	0
Disposals		(3,845)	(845)	(4,690)
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss		(300)	(10)	(310)
Net gains/(losses) on financial instruments at fair value through profit or loss		(166)	0	(166)
Other movements		10	9	19
Closing balance	30-Jun-25	<u>8,863</u>	<u>0</u>	<u>8,863</u>

There were no material changes made during the Financial Year to any of the valuation techniques applied as of 30 June 2024.

Fair Value Measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$000
Financial assets held at fair value through profit and loss				
Listed investments	11,870	0	0	11,870
Unlisted investments	0	0	8,863	8,863
Convertible debenture receivable	0	0	0	0
Total assets	<u>11,870</u>	<u>0</u>	<u>8,863</u>	<u>20,733</u>
Financial assets held at fair value through profit and loss				
Listed investments	6,778	0	0	6,778
Unlisted investments	0	754	13,164	13,918
Convertible debenture receivable	0	0	847	847
Total assets	<u>6,778</u>	<u>754</u>	<u>14,010</u>	<u>21,543</u>

Level 3 financial assets' unobservable inputs and sensitivity are as follows:

Description	Valuation Methodology	Fair Value of Instruments	Input	Sensitivity	Sensitivity
		(\$'000)			Impact (\$'000)
Unlisted shares/stock	EV/Rev multiple: For the Financial Year, when utilising the Enterprise Value to Revenue Multiple, revenue for the last twelve months has been used with a multiple of 1.2 which has been determined from a peer list of Canadian companies	8,863	Revenue	10%	1,130
	and/or			(10%)	174
Total:		8,863			

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair value in active market (Level 1)

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in note 2 of the financial statements.

In valuing the majority of its investments, the Company relies on information provided by independent pricing services.

The quoted market price used for financial assets held by the Company is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses midmarket prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of a recent share price from capital raising and option pricing models that provides a reliable estimate of prices obtained in actual market transactions.

For option pricing models, inputs are based on available market data other than the underlying share price of unlisted equity investments, such as expected volatility and risk-free rates. Fair values for unquoted equity investments are estimated, using the latest share price from capital raising or arm's length transactions, or in the absence of a recent transaction, an enterprise value to revenue multiple or benchmarked to market movements indicated by relevant market indices.

7. Equity – contributed equity

<i>Movements in ordinary share capital</i>	30-Jun-25 Shares	30-Jun-24 Shares	30-Jun-25 \$'000	30-Jun-24 \$'000
Ordinary Shares - fully paid	205,741,905	210,310,602	50,482	50,711
Details	Date	Shares	\$'000	
Balance	30-Jun-23	210,310,602	50,746	
Unmarketable parcel share buyback			(35)	
Balance	30-Jun-24	210,310,602	50,711	
On market share buyback		(4,568,697)	(228)	
Balance	30-Jun-25	205,741,905	50,482	

Issue of new performance rights or options issued to Key Management Personnel

There were no new Performance Rights or Options issued to Directors and other Key Management Personnel during the Financial Year. The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised for the period. No cumulative expense is recognised for awards that ultimately do not vest (in respect of non-market vesting conditions).

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for Shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new Shares or sell assets to reduce debt.

The consolidated entity would look to raise capital only if an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

Share buy-back

23 September 2024, the Company announced its intention to commence, with effect from 10 October 2024, an on-market share buy-back program for shares up to a maximum of approximately 21m ordinary shares. As at 30 June 2025, the Company had acquired 4,568,697 shares for a total consideration of \$0.23m which was settled and the shares cancelled.

The shares acquired by the Company as part of on-market share buy-back programs are cancelled and removed from the shares register.

8. Equity – reserves

	30-Jun-25 \$'000	30-Jun-24 \$'000
Options reserve	-	35
Performance rights reserve	-	0
	-	35

Options and performance rights reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous Financial Year are set out below:

	Options reserve	Performance rights reserve	Total
	\$'000	\$'000	\$'000
30-Jun-23	35	47	82
Lapse of performance rights	0	(47)	(47)
30-Jun-24	35	0	35
Lapse of options	(35)		(35)
30-Jun-25	0	0	0

9. Earnings per share

	30-Jun-2025 \$'000	30-Jun-24 \$'000
Profit/(loss) after income tax	243	(131)
Profit/(loss) after income tax attributable to the owners of Underwood Capital Limited	243	(131)
	Number	Number
Weighted average number of ordinary Shares used in calculating basic earnings per share	209,197,206	210,310,602
Adjustments for calculation of diluted earnings per share:		
Options over ordinary Shares	0	0
Performance rights over ordinary Shares	0	0
Weighted average number of ordinary Shares used in calculating diluted earnings per share	209,197,206	210,310,602
	Cents	Cents
Basic earnings per share	0.12	(0.06)
Diluted earnings per share	0.12	(0.06)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Underwood Capital Limited, excluding any costs of servicing equity other than Ordinary Shares, by the weighted average number of Ordinary Shares outstanding during the Financial Year, adjusted for bonus elements in Ordinary Shares issued during the Financial Year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential Ordinary Shares and the weighted average number of Shares assumed to have been issued for no consideration in relation to dilutive potential Ordinary Shares.

10. Trade and other receivables

	30-Jun-25 \$'000	30-Jun-24 \$'000
Receivable from sale of Emerging Therapeutics Group Pty Ltd	300	0
Prepayments	42	89
	342	89

11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous Financial Year.

12. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. Risk management is carried out by senior finance executives ("finance") under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a quarterly basis.

Market risk

	30-Jun-25 \$'000	30-Jun-24 \$'000
Financial Assets		
Cash and cash equivalents	534	189
Trade and other receivables	342	89
Financial assets at fair value through profit or loss	20,733	21,543
Total financial assets	<u>21,609</u>	<u>21,821</u>
Financial Liabilities		
Trade and other payables	132	161
Total financial liabilities	<u>132</u>	<u>161</u>

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency (and is exposed to foreign currency risk through foreign exchange rate fluctuations).

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity maintains a bank account and certain financial assets at fair value through profit or loss denominated in Canadian dollars (CAD), thus the consolidated entity is exposed to diminution of cash balances and investments through currency exchange risk.

The consolidated entity does not hedge its CAD exposure. The following table shows the foreign currency risk on the financial assets and liabilities of the consolidated entity's operations denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

Sensitivity analysis

The following table illustrates sensitivities of the consolidated entity's exposures to changes in exchange rates in relation to its cash held in foreign currency and investments held in foreign currency. The table indicates how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

2025	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
AUD / CAD	(10%)	<u>(1,974)</u>	<u>(1,481)</u>	10%	<u>1,974</u>	<u>1,481</u>
2024	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax \$'000	Effect on equity \$'000		Effect on profit before tax \$'000	Effect on equity \$'000
AUD / CAD	(10%)	(1,595)	(1,196)	10%	1,595	1,196

Price risk

For investments held by the consolidated entity at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result of a reasonably possible change in the risk variable. The sensitivity assumes all other variables remain constant.

A 10% (30 June 2024:10%) movement in the fair value of each of the investments within the investment portfolio would have the following impact:

2025	fair value change	Share price increase		Share price decrease	Share price decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000			Effect on profit before tax \$'000
Fair value of investments	10%	<u>1,974</u>	<u>1,481</u>	10%	<u>(1,974)</u>	<u>(1,481)</u>
2024	fair value change	Share price increase		Share price decrease	Share price decrease	
		Effect on profit before tax \$'000	Effect on equity \$'000			Effect on profit before tax \$'000
Fair value of investments	10%	2,054	1,541	10%	(2,054)	(1,541)

Interest rate risk

The consolidated entity's major cash and financial loan assets are cash deposits which are held in fixed or variable interest rate deposits and fixed interest rate convertible notes and loans. The consolidated entity's income and operating cash flows are materially exposed to changes in market interest rates. The consolidated entity manages this risk by only investing cash in minimum Standard & Poor's credit rating of AA- (or equivalent) rated institutions and maintaining an appropriate mix between different terms.

At the reporting date, the Group had the following exposure to variable interest rate risk:

	30-Jun-25 \$'000	30-Jun-24 \$'000
Financial assets		
<i>Cash and cash equivalents</i>		
AUD	534	187
CAD	<u>534</u>	<u>2</u>
<i>Convertible notes:</i>	0	847
Net exposure to cash flow interest rate risk	<u>534</u>	<u>1,036</u>

The consolidated entity's exposures to changes in interest rates are immaterial.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. Credit risk arises from cash and cash equivalents, trade and other receivables, and investments in debt securities.

As of 30 June 2025, the consolidated entity does not have any material trade and other receivables. While cash and cash equivalents are also subject to impairment requirements of AASB 9, the unidentified impairment loss was immaterial as only independently rated parties with a minimum Standard & Poor's credit rating of AA- (or equivalent) are accepted. With respect to credit risk arising from the financial assets of the consolidated entity, the consolidated entity's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. Debt investments at fair value through profit or loss include listed and unlisted debt securities.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management is managed through:

- maintaining sufficient cash;
- prudent oversight of future funding requirements;
- maintaining ongoing contact to facilitators of further funding; and
- only investing surplus cash with major financial institutions.

It is the consolidated entity's policy to regularly review the Group's liquidity position including cash flow forecasts; actual cash flows and variation reports to determine the forecast liquidity position and maintain appropriate liquidity levels.

The consolidated entity funds its activities through capital raising in order to limit its liquidity risk. The consolidated entity does not have any unused credit facilities.

13. Key Management Personnel disclosures

Directors

The following persons were Directors of Underwood Capital during the Financial Year:

Mr. Warwick Sauer (Non-Executive Chair)

Mr. David Prescott (Non-Executive Director)

Mr. Jason Byrne (Non-Executive Director)

Other Key Management Personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the Financial Year:

Mr James Hallam Chief Financial Officer of the Group

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the consolidated entity is set out below:

	2025 \$	2024 \$
Short-term employee benefits	326,420	390,815
Post employment benefits	35,996	34,070
Long-term employee benefits	(14,972)	(7,383)
Share-based payments	0	143
	<u>347,444</u>	<u>417,645</u>

14. Remuneration of Auditors

During the Financial Year the following fees were paid or payable for services provided by Connect National Audit Pty Ltd, the incumbent auditor of the Company and its network firms:

	2025 \$	2024 \$
Audit services - BDO Audit (WA) Pty Ltd Audit or review of the financial statements	0	36,367
Other services - BDO Corporate Tax Pty Ltd taxation services	0	16,954
	<u>0</u>	<u>53,321</u>
Audit services - Connect National Audit Pty Ltd Audit or review of the financial statements	<u>52,158</u>	<u>40,000</u>
	<u>52,158</u>	<u>40,000</u>
Total	<u>52,158</u>	<u>93,321</u>

Note: BDO Audit (WA) Pty Ltd resigned as auditor on 21 March 2024 – the fee incurred for the prior Financial Year relates to the review for six months ended 31 December 2023.

Connect National Audit Pty Ltd was appointed on 21 March 2024 – the fee incurred for the prior Financial Year relates to the audit for year ended 30 June 2024. The audit fees for the Financial Year include the review for six months ended 31 December 2024 and the audit for the year ended 30 June 2025.

15. Contingent assets and liabilities

The entity had no contingent assets and liabilities as at 30 June 2025 (2024:Nil).

16. Commitments

The Group has no commitments for expenditure at 30 June 2025 (2024:Nil).

17. Related party transactions

(a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in note 13 and the Remuneration Report included in the Directors' Report.

(b) Transactions with related parties

There were no transactions with related parties.

(c) Other transactions with Key Management Personnel and their related parties

During the Financial Year, the consolidated entity did not engage the services with related parties. There were no loans made to Directors and other Key Management Personnel of the consolidated entity during the Financial Year. No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

18. Parent entity information

Set out below is the supplementary information about the parent entity.

<i>Statement of profit or loss and other comprehensive income</i>	2025 \$'000	2024 \$'000
Profit/(loss) after income tax	243	(131)
Total comprehensive profit/(loss)	<u>243</u>	<u>(131)</u>
<i>Statement of financial position</i>	30-Jun-25 \$'000	2024 \$'000
Total current assets	<u>21,609</u>	<u>19,666</u>
Total assets	<u>21,708</u>	<u>21,896</u>
Total current liabilities	<u>530</u>	<u>161</u>
Total liabilities	<u>2,478</u>	<u>2,681</u>
Equity		
Contributed equity	50,482	50,711
Options reserve	-	35
Performance rights reserve	-	0
Retained Earnings	<u>(31,253)</u>	<u>(31,531)</u>
Total equity	<u>19,230</u>	<u>19,215</u>

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except as follows.

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be indicator of an impairment of the investment.

19. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	30-Jun-25 %	30-Jun-24 %
PhytoTech Medical (UK) Pty Ltd	United Kingdom	100	100

The subsidiary is dormant and did not trade during the current and previous financial year.

21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future Financial Years.

22. Share-based payments

a) Performance Rights

There were no performance rights on issue during the Financial Year under the plan.

Vesting of performance rights granted in prior periods

There were no performance rights vested that were granted in prior periods.

b) Reconciliation of Options on Issue

1-Jul-23	Opening balance	1,000,000
30-Jun-24	Closing balance	1,000,000
1-Jul-24	Opening balance	1,000,000
	Lapse of options unexercised	(1,000,000)
30-Jun-25	Closing balance	0

23. Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Underwood Capital Limited	Body corporate	Australia	n/a	Australia *
PhytoTech Medical (UK) Pty Ltd	Body corporate	United Kingdom	100%	United Kingdom

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax ruling TR2018/5.

b) Foreign tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable tax legislation has been complied with.

Underwood Capital Limited

Directors' Declaration

30 June 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the Financial Period that ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement on page 35 is true and correct.

The Directors have been given the Declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a Resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Warwick Sauer
Non-Executive Chair

25 August 2025

**Independent Auditor's Report
To the Members of Underwood Capital Limited (Formerly Hygrovest Limited)
Report on the Audit of the Financial Report**

Opinion

We have audited the accompanying financial report of Underwood Capital Limited as a consolidated entity consisting of Underwood Capital Limited ('the company') and the entity it controlled at the end of, or during the year ended 30 June 2025 ('the group'), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, the consolidated entity disclosure statement and the directors' declaration of the consolidated entity as set out on page 36.

In our opinion the financial report of Underwood Capital Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group 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 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 group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Financial Assets at fair value through profit and loss</p> <p>As disclosed in Note 6, as at 30 June 2025, the carrying value of financial assets of \$20,733 recognised at fair value through profit or loss represents a significant asset of the Group.</p>	<p>Our procedures included, but not limited to the following:</p> <ul style="list-style-type: none"> • Selecting a sample of financial assets held at balance date and agreeing to ownership documents and market valuation of listed investments as on balance date;

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<p>The financial assets held include listed securities and unlisted securities.</p> <p>This is a key audit matter due to the material balance of the asset and the estimates, assumptions and judgments applied by the group in determining the fair value of these assets.</p> <p>[All amounts in '000]</p>	<ul style="list-style-type: none"> • Reviewing the assessment of fair value against the requirements of AASB 13 and other relevant accounting standards; • Checking the accuracy of movement of the fair value of investments and reconciling the movements inputted in the calculation of deferred tax obligation arising from those movements ; • Assessing the accuracy of the inputs used and recalculating the fair value of unlisted investments and comparing the results against valuation arrived at by the group; • Agreeing the acquisition costs and divestment amounts for a sample of investments purchased or disposed during the year; • Assessing the calculations of movements in fair value on its financial asset held at fair value through profit or loss; • Assessing that disclosure in Note 6 is adequate to the requirements of relevant accounting standards.
<p>Income Tax and Deferred Taxes</p> <p>Refer to Note 4 on page 24</p>	<p>Our procedures included, but not limited to the following:</p>
<p>The Group recognises deferred tax liabilities and deferred tax assets. As at 30 June 2025 the deferred tax assets and deferred tax liabilities included in the statement of financial position amounted to \$99 and \$1,949, respectively (2024: deferred tax asset \$75; deferred tax liabilities \$2,520).</p> <p>Current tax benefit as at 30 June 2025 included in the consolidated statement of profit or loss and other comprehensive income amounted to \$198 (2024: \$226 expense).</p> <p>[All amounts in '000]</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<ul style="list-style-type: none"> • Reviewing the Group's taxation calculations for accuracy, completeness and compliance with AASB 112. • Reviewing of the appropriateness of the Group's disclosures in the financial report in accordance with AASB 112.

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Underwood Capital Limited for the year ended 30 June 2025, intended to be included on the Consolidated entity's or other websites. The Consolidated entity's Directors are responsible for the integrity of the Consolidated entity's or other websites. We have not been engaged to report on the integrity of the Consolidated entity's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on websites.

Responsibilities of the directors for the financial report

The directors of the consolidated entity are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and, the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In the basis of preparation, the directors also state, that the financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to

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liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

<http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the financial year ended 30 June 2025.

In our opinion the Remuneration Report of Underwood Capital Limited for the financial year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the consolidated entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD

ASIC Authorised Audit Company No.: 521888



Robin King Heng Li RCA CA

Director

Date: 25 August 2025

Additional Information Required by ASX Listing Rules

The additional information set out below as required by the ASX Listing Rules was applicable as at 9 August 2025.

1. Quotation

Listed securities in Underwood Capital Limited are quoted on the Australian Securities Exchange under ASX code "UWC" (fully paid Ordinary Shares).

2. Voting rights

The voting rights attached to the fully paid Ordinary Shares of the Company are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) on a show of hands every member present at a meeting (including virtual meetings through an online meeting platform) in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no voting rights attached to any options or performance rights on issue.

3. Twenty largest shareholders

The twenty largest Shareholders of the Company's quoted fully paid ordinary shares as at 9 August 2025 are as follows:

Position	Holder Name	Holding	% IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	31,999,171	15.55%
2	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	12,085,259	5.87%
3	PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	7,694,213	3.74%
4	MR GEORGE CHIEN-HSUN LU	6,817,707	3.31%
5	MR BENJAMIN YOUNGMAN GRAHAM <GRAHAM FAMILY A/C>	4,843,076	2.35%
6	MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	4,500,000	2.19%
7	JAINDI INVESTMENTS PTY LTD	3,850,000	1.87%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,691,736	1.79%
9	MRS LILY MAH <MJ A/C>	3,398,240	1.65%
10	MR CARL GIANATTI & MRS MARGARET R GIANATTI <THE GIANATTI SUPER FUND A/C>	2,999,731	1.46%
11	CITICORP NOMINEES PTY LIMITED	2,748,467	1.34%
12	WHILEY CLOSE INVESTMENTS PTY LTD <SIMS FAMILY SUPER A/C>	2,500,000	1.22%
13	MAXLEK PTY LTD <JIMS AND JOELS S/F A/C>	2,344,666	1.14%
14	CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C>	2,236,313	1.09%
15	MAXLEK PTY LTD <JIMS AND JOELS SUPER FUND>	2,080,334	1.01%
16	MRS KATHRYN MARGARET EVANS	2,000,000	0.97%
17	BAAUER PTY LTD <THE BAAUER FAMILY A/C>	1,838,277	0.89%
18	WHILEY CLOSE INVESTMENTS PTY LTD <SIMS FAMILY SUPER FUND A/C>	1,500,000	0.73%
19	HILL & HONE PTY LTD	1,431,534	0.70%
20	GREEN ACTIVIST RETIREMENT FUND PTY LTD <GREEN ACTIVIST RET FUND A/C>	1,366,000	0.66%
	Total	101,924,724	49.54%
	Total issued capital - selected security class(es)	205,741,905	100.00%

4. Distribution of shareholders

a) Fully paid Ordinary Shares

The distribution of shareholders of the Company's quoted fully paid ordinary shares as at 9 August 2025 are as follows:

Holding Ranges	Holders	Total Units	Issued Capital
above 0 up to and including 1,000	110	53,553	0.03%
above 1,000 up to and including 5,000	344	961,420	0.47%
above 5,000 up to and including 10,000	573	5,392,678	2.62%
above 10,000 up to and including 100,000	1,756	52,288,181	25.41%
above 100,000	172	147,046,073	71.47%
Totals	2,955	205,741,905	100.00%

Based on the price per security, number of holders with an unmarketable holding: 1080, with total 6,954,529, amounting to 3.38% of Issued Capital

5. Substantial shareholders

In a Substantial Holding Notice dated 28 June 2024, HD Capital Partners Pty Ltd had an interest in 29,790,293 ordinary shares as of 26 June 2024, which represented 14% of UWC's ordinary shares at the time.

In a Substantial Holding Notice dated 18 July 2024, Bavaria Industries Group Ag had an interest in 11,499,947 ordinary shares as of 23 June 2024, which represented 5.5% of UWC's ordinary shares at the time.

6. Restricted securities

There are no restricted securities listed on the Company's register.

7. Current on market share buy-back

On 23 September 2024, the Company announced its intention to commence, with effect from 10 October 2023, an on-market share buy-back program for shares up to a maximum of 21,031,060 ordinary shares. During the Financial Year the Company acquired 4,588,697 of shares for average price of \$0.0492 per share.

8. Additional information required by LR 4.10.20 Investment transactions

a) Investment transactions

The total number of contract notes issued for transactions in securities during the Financial Year was 222 (2024: 58). Each contract note could involve multiple transactions. The total amount of brokerage paid on these contract notes was \$39,240 (2024: \$20,197).

b) List of all investments held by UWC and its subsidiary

Individual investments for UWC as at the end of the Financial Year are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates and Individual holdings in the portfolios may change during the course of the year.

Listed	
AAA ETF	AAA
Airtasker Limited	ART
Forte Group Holdings Inc	FGH
Carnarvon Energy Ltd	CVN
Cuscal Limited	CCL
Fiducian Group Limited	FID
Gullewa Limited	GUL
Laserbond Limited	LBL
Praemium Limited	PPS
Reckon Limited	RKN

Unlisted	
Reclaim Ltd	
GM Health Group Pty Ltd	
Weed Me Inc.	

c) Management Fees

The Company has an Investment Management Agreement (“IMA”) with HD Capital Partners Pty Ltd (the “Manager”) to manage the investment portfolio of the Company signed on 23 August 2023 for a term of five year commencing on 1 July 2023.

The management fees paid or payable to HD Capital Partners during the Financial Year were:

	\$
Base fees	210,772
Performance fees	Nil

d) Summary of Investment Management Agreement

Underwood Capital executed an Investment Management Agreement (“IMA” or “Agreement”) appointing HD Capital Partners Pty Ltd (“HD”) to act as Investment Manager of UWC’s investment portfolio. The appointment is for a term of five years from 1 July 2023. The Company will pay HD a fee of 1% per annum (plus GST) of the Company’s Pre-tax Net Asset Value, at the end of each calendar month (Base fee). The Pre-tax Net Asset Value is the total assets of the Company less all liabilities (excluding tax liabilities), which amounts have been prepared in accordance with the requirements of the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (Net Asset Value) (Management Fees).

In addition, HD is to be paid, annually in arrears, a performance fee being 20% (plus GST) of any positive amount resulting from the following calculation:

- i. the Pre-tax Net Asset value as at the end of the Financial Year (after deducting the Base fees payable in respect of the Financial Year); less
- ii. the High Watermark at the start of the Financial Year multiplied by 6% per annum (the Hurdle rate) plus adjusted for equity issues less distributions to equity holders.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

Glossary

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