

26 February 2026

UWC Appendix 4D and financial statements

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

UWC Appendix 4D and financial statements

Attached is the Company's Appendix 4D and financial statements in respect of the half year ended 31 December 2025 lodged in accordance with ASX LR4.2B.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
Jim Hallam
Chief Financial Officer and Company Secretary
E: Compsec@uwcl.com.au

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About UWC

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

Important Notice

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

Underwood Capital Limited
Appendix 4D
Half-Year Report

1. Company details

Name of entity: Underwood Capital Limited
 ABN: 91 601 236 417

Reporting period: For the half-year ended 31 December 2025 (the Current Financial Period) and the half-year ended 31 December 2024 (the Previous Financial Period).

2. Results for announcement to the market

			31-Dec-25	31-Dec-24
			\$'000	\$'000
Revenues from ordinary activities	up	356%	5,882	1,289
Income/(Loss) from ordinary activities after tax attributable to the owners of UWC	up	460%	3,363	601
Income/(Loss) for the half-year attributable to the owners of UWC	up	460%	3,363	601

The information in Appendix 4D is lodged in compliance with ASX Listing Rule 4.2B.

3. Commentary on results for the period

The profit for the consolidated entity, after providing for income tax and non-controlling interest, amounted to \$3.4m (compared to the prior corresponding period (pcp) to 31 December 2024: \$0.6m). The profit for the Financial Period included the following gains from the following investments¹:

	Gains & Income/ (Losses) Financial Period Ended
	31-Dec-25
	\$000
Investment in Weed Me Inc	1,542
Listed ASX securities	4,227

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

Operating overheads for the Financial Period were \$1.2m. This increase from \$0.4m in the previous corresponding Financial Period was due to higher asset management expenses (base fees, and accrued performance fees²) as a result of improved investment performance during the Financial Period.

The information should be read in conjunction with the most recent Annual Financial Report.

4. Net tangible assets

The net tangible assets per share are as follows:

	Reporting period	Reporting period	Reporting period
	31-Dec-25	30-Jun-25	31-Dec-24
	Cents	Cents	Cents
Net tangible assets per ordinary security	10.89	9.30	9.38

During the Financial Period, the net tangible asset backing per share (NTA/share) increased from 9.3 cents as at 30 June 2025 to 10.9 cents as at 31 December 2025. The increase in NTA/share was due to profit after tax of \$3.4m for the Financial Period.

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

² There is a \$0.773m performance fee accrued as at 31 December 2025. The final amount of the performance fee (if any) payable for the year ending 30 June 2026 will depend on UWC's net assets (before accrued taxation liabilities) as at 30 June 2026.

5. Control over entities

During the Financial Period UWC voluntarily wound up a non-operating subsidiary, Phytotech Medical (UK) Pty Ltd. Apart from this event, there was no other gain or loss of control over any entities during the current Financial Period.

6. Dividends

a) Current period

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

b) Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Not applicable.

10. Audit qualification or review

The financial statements were subject to a review by our auditors, Connect National Audit Pty Ltd . Their Report forms part of the Half-Year Financial Report.

11. Attachments

The Half-Year Financial Report of Underwood Capital Limited for the half year ended 31 December 2025 is attached.

Date: 26 February 2026
Jim Hallam
Company Secretary

Underwood Capital Limited

ABN 91 601 236 417

Half-Year Financial Report - 31 December 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 60 Toorak Road South Yarra, VIC 3141
Stock exchange listing	Underwood Capital Limited securities are listed on the Australian Securities Exchange (ASX code: UWC)
Website	www.uwcl.com.au

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 UWC, the 'Company' or 'parent entity') and the entities it controlled (the 'Group') at the end of, or during, the half-year ended 31 December 2025 ("the Financial Period").

Effective 23 December 2025, the Company's sole subsidiary was deregistered and thereafter the Company is reporting as a single entity.

Directors

The following persons were Directors of UWC during the Financial Period 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.

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:

- a) Revenue and other income – including realised and unrealised gains/losses, dividends and interest income from investments.
- b) 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 corresponding Financial Period.

Review of operations

The profit for the consolidated entity, after providing for income tax, amounted to \$3.4m (compared to the prior corresponding period (pcp) to 31 December 2024: \$0.6m). The profit for the Financial Period arose mainly due to the following gains in the consolidated entity's investments³:

	Gains & Income/ (Losses) Financial Period Ended
	31-Dec-25
	\$000
Investment in Weed Me Inc	1,542
Listed ASX securities	4,227

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

³ Includes unrealised and realised gains and losses, interest and dividend income as applicable.

Operating overheads for the Financial Period were \$1.2m. This increase from \$0.4m in the previous corresponding Financial Period was due to higher asset management expenses (base fees, and accrued performance fees⁴) as a result of improved investment performance during the Financial Period.

The Group's primary investment strategy is to provide investors with exposure to a portfolio that 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. A few examples of the risks relating to the Group's investment portfolio include:

- The risk of reliance upon the Canadian equities market to provide the opportunity for UWC'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 UWC'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. For example, it does not identify and manage risks within businesses in which UWC holds a minority stake. 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) maintaining the more value focused investment approach that UWC adopted concurrently with its appointment of HD Capital Partners as its investment manager; and
- c) minimising UWC's fixed costs.

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. \$16m has now been deployed into this new strategy, with those investments returning ~88%⁵ per annum for the Financial Period.

Financial position

During the Financial Period, the net tangible asset backing per share (NTA/share) increased from 9.3 cents as at 30 June 2025 to 10.9 cents as at 31 December 2025. The increase in NTA/share was due to profit after tax of \$3.4m for the Financial Period.

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 2025 UWC announced the extension of its on-market buyback of up to a maximum of 20.5m ordinary shares (being approximately 10% of UWC's ordinary shares) during the twelve months ending October 2026 ('buyback') as part of its active approach to capital management.

Given both the discount at which UWC's shares are 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.

Effective 23 December 2025, the Company's sole subsidiary was deregistered and thereafter the Company is reporting as a single entity.

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

⁴ There is a \$0.773m performance fee accrued as at 31 December 2025. The final amount of the performance fee (if any) payable for the year ending 30 June 2026 will depend on UWC's net assets (before accrued taxation liabilities) as at 30 June 2026.

⁵ Calculation was made on time weighted basis

Matters subsequent to the end of the Financial Period

No matter or circumstance has arisen since 31 December 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 Periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this Report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

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.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) 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.

This Report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

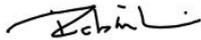
Warwick Sauer
Non-executive Chair
26 February 2026

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

As lead auditor for the review of Underwood Capital Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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
Date: 26 February 2026

Underwood Capital Limited
Consolidated statement of profit or loss and other comprehensive income
For the Financial Period

	Note	31-Dec-25 \$000	31-Dec-24 \$000
Investment Income			
Interest and dividend income from financial assets at fair value through profit or loss		296	303
Net gains/(losses) on financial instruments at fair value through profit or loss	4	5,217	1,909
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	4	369	(1,007)
Total investment income/(loss)		<u>5,882</u>	<u>1,204</u>
Other Income/(Loss)			
Other operating income/(loss)		0	85
Total income/(loss)		<u>5,882</u>	<u>1,289</u>
Expenses			
Administration expenses		(140)	(147)
Asset management expenses		(912)	(116)
Employee and director related expenses		(152)	(178)
Total Operating expenses		<u>(1,203)</u>	<u>(441)</u>
Equity based payments reversal/(expense)		0	0
Total expenses		<u>(1,203)</u>	<u>(441)</u>
Profit/(Loss) before income tax		4,679	848
Income tax (expense)/benefit		(1,315)	(247)
Profit/(Loss) after income tax for the Financial Period		<u>3,363</u>	<u>601</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>3,363</u>	<u>601</u>
Profit/(Loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		3,363	601
		<u>3,363</u>	<u>601</u>
Total comprehensive income/(loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		3,363	601
		<u>3,363</u>	<u>601</u>
		Cents	Cents
Basic and diluted earnings/(loss) per share	9	1.64	0.29

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 end of Financial Period

		31-Dec-25	30-Jun-25
	Note	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents		274	534
Trade and other receivables		369	342
Financial assets at fair value through profit or loss	4	<u>26,353</u>	<u>20,733</u>
Total Current Assets		<u>26,995</u>	<u>21,609</u>
NON-CURRENT ASSETS			
Deferred tax assets		<u>215</u>	<u>99</u>
Total Non-Current Assets		<u>215</u>	<u>99</u>
TOTAL ASSETS		<u>27,211</u>	<u>21,708</u>
CURRENT LIABILITIES			
Trade and other payables		863	132
Current tax payable		<u>545</u>	<u>398</u>
Total Current Liabilities		<u>1,408</u>	<u>530</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>3,232</u>	<u>1,949</u>
Total Non-Current Liabilities		<u>3,232</u>	<u>1,949</u>
TOTAL LIABILITIES		<u>4,640</u>	<u>2,478</u>
NET ASSETS		<u>22,571</u>	<u>19,230</u>
EQUITY			
Contributed equity		50,461	50,482
Reserves		0	-
Retained Earnings/(Accumulated Losses)		<u>(27,890)</u>	<u>(31,253)</u>
TOTAL EQUITY		<u>22,571</u>	<u>19,230</u>
Net Tangible Assets per share (\$)		0.1089	0.0930

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 Period

		Contributed Equity \$'000	Other Reserves \$'000	(Accumulated Loss)/ Retained Earnings \$'000	Total Equity \$'000
Balance at	1-Jul-25	50,482	0	(31,253)	19,230
Profit after income tax expense for Financial Period		0	0	3,363	3,363
Total comprehensive income for the Financial Period		0	0	3,363	3,363
Transactions with owners in their capacity as owners:					
Share buyback		(22)	0	0	(22)
Lapse of options		0	0	0	0
		(22)	0	0	(22)
Balance at	31-Dec-25	50,461	0	(27,890)	22,571
Balance at	1-Jul-24	50,711	35	(31,531)	19,215
Profit after income tax expense for Financial Period		0	0	601	601
Total comprehensive income for the Financial Period		0	0	601	601
Transactions with owners in their capacity as owners:					
Share buyback		(29)	0	0	(29)
Lapse of options		0	(35)	35	0
		(29)	(35)	35	(29)
Balance at	31-Dec-24	50,682	0	(30,895)	19,787

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 Period

	31-Dec-25 \$'000	31-Dec-24 \$'000
Cash flows from operating activities		
Payments to employees & suppliers	(574)	(383)
Interest received	20	75
Dividends received	276	227
Other income received	0	85
Payments for financial assets at FVPL	(3,472)	(5,055)
Proceeds from disposal of financial assets at FVPL	3,512	6,567
Net cash/(used in) from operating activities	(238)	1,516
Cash flows from financing activities		
Sharebuy back	(22)	(29)
Net cash/(used in) from financing activities	(22)	(29)
Net increase/(decrease) in cash & cash equivalents	(260)	1,487
Cash at the beginning of the Financial Period	534	189
Effects of exchange rate changes on cash and cash equivalents	0	0
Cash & cash equivalents at end of Financial Period	274	1,677

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

Underwood Capital Limited
Notes to the financial statements
31 December 2025

Notes to financial statements

1. General information

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2026. The Directors have the power to amend and reissue the financial statements.

2. Basis of preparation of Half Year Report

The Interim Financial Report for the half-year ended 31 December 2025 (the Financial Period) has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The Interim Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, this Report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The material accounting policies adopted are consistent with those of the previous Financial Period and corresponding interim reporting period, except for the policies stated below.

Underwood Capital Limited, a public company, has no controlled entities at the half year end and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the Financial Period. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

3. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Underwood Capital Limited. The Group has determined that it has one operating segment, being the investing operations, and results are analysed as a whole by the CODM, being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this Interim Financial Report.

Accounting policy for operating segments

Operating segments are presented using the "management approach", where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

4. Financial assets held at Fair Value through Profit and Loss

	31-Dec-25 \$000	30-Jun-25 \$000
Financial assets at fair value through profit or loss		
Equity financial assets - current		
Listed		
Investment in ETF AAA	0	990
Investment in other listed securities	16,027	10,880
	16,027	11,870
Unlisted		
Investment in Weed Me Inc	10,326	8,863
	10,326	8,863
Financial assets at fair value through profit or loss - current	26,353	20,733
Financial assets at fair value through profit or loss - total	26,353	20,733

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous corresponding Financial Period is set out below:

	31-Dec-25 \$000	31-Dec-24 \$000
Opening fair value	20,733	21,543
Additions - financial assets at fair value through profit and loss	3,472	5,055
Changes in the fair value of equity investments at fair value through profit and loss	5,217	1,909
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	369	(1,007)
Proceeds from Disposal of financial assets at fair value through profit and loss	(3,512)	(6,867)
Other movements	75	(121)
Closing fair value	26,353	20,512

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

		Unlisted equity securities \$000	Convertible debenture receivable \$000	Total \$000
Opening balance	1-Jul-25	8,863	0	8,863
Disposals		0	0	0
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss		0	0	0
Net gains/(losses) on financial instruments at fair value through profit or loss		1,462	0	1,462
Other movements		0	0	0
Closing balance	31-Dec-25	10,326	0	10,326

There were no transfers between the levels of the fair value hierarchy in the Financial Period. There were also no material changes made during the Financial Period to any of the valuation techniques applied as of 30 June 2025.

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.

Fair Value Measurement

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$000
Financial assets held at fair value through profit and loss				
Listed investments	16,027	0	0	16,027
Unlisted investments	0	0	10,326	10,326
Convertible debenture receivable	0	0	0	0
Total assets	16,027	0	10,326	26,353
31-Dec-25				
	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	11,870	0	8,863	20,733
30-Jun-25				

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 a capital raising, and option pricing models that provide 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 a 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.

There were no transfers between the levels of the fair value hierarchy in the Financial Period. Level 3 financial assets' unobservable inputs and sensitivity are as follows:

Description	Valuation Methodology	Fair Value of Instruments (\$'000)	Input	Sensitivity	Sensitivity Impact (\$'000)
Unlisted shares/stock	EV/Rev multiple: For the Financial Period, when utilising the Enterprise Value to Revenue Multiple, revenue for the last twelve months has been used with a multiple of 1.3 which has been determined from a peer list of Canadian companies	10,326	Revenue	10%	1,377
Total:		10,326			

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 closing market price; the quoted market price for financial liabilities is the closing market 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.

5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous corresponding Financial Period (30 June 2025: Nil).

6. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2025 (30 June 2025: Nil).

7. Commitments for expenditure

The Company has no commitments for expenditure at 31 December 2025 (30 June 2025:Nil).

8. Events after the reporting period

No matter or circumstance has arisen since 31 December 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 Periods.

9. Earnings per share

	31-Dec-2025 \$'000	31-Dec-24 \$'000
Profit/(loss) after income tax	3,363	601
Profit/(loss) after income tax attributable to the owners of Underwood Capital Limited	3,363	601
	Number	Number
Weighted average number of ordinary Shares used in calculating basic earnings per share	205,451,603	210,270,556
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	205,451,603	210,270,556
	Cents	Cents
Basic and diluted earnings per share	1.64	0.29

**Underwood Capital Limited
Directors' Declaration
31 December 2025**

In the Directors' opinion:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Warwick Sauer
Non-executive Chair

26 February 2026

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Independent Auditor's Review Report

To the members of Underwood Capital Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of Underwood Capital Limited (the "entity"), Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Underwood Capital Limited is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the entity's financial position as at 31 December 2025 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of financial position as at 31 December 2025;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

Basis for Conclusion

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

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Entity are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

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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 review report relates to the financial report of Underwood Capital Limited for the half year ended 31 December 2025 intended to be included on Underwood Capital Limited's website. The entity's directors are responsible for the integrity of the Underwood Capital Limited website. We have not been engaged to report on the integrity of the Underwood Capital Limited website. The review report refers only to the statements named below. 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 reviewed financial report to confirm the information included in the reviewed financial report presented on this website.

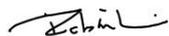
Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

CONNECT NATIONAL AUDIT PTY LIMITED

Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA
DIRECTOR

Date 26 February 2026

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