

20 February 2025

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 2024 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 (formerly named Hygrovest Limited)
 ABN: 91 601 236 417

Reporting period: For the half-year ended 31 December 2024 (the Current Financial Period) and the half-year ended 31 December 2023 (Previous Reporting Period).

2. Results for announcement to the market

			31-Dec-24	31-Dec-23
			\$'000	\$'000
Revenues from ordinary activities	up	870%	1,289	(167)
Income/(Loss) from ordinary activities after tax attributable to the owners of UWC	up	177%	601	(779)
Income/(Loss) for the half-year attributable to the owners of UWC	up	177%	601	(779)

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 \$0.6m (compared to the prior corresponding period (pcp) to 31 December 2023: loss of \$0.8m). The profit for the Financial Period included the following gains and losses from the following investments¹:

	Gains & Income/ (Losses)	Book value
	Financial Period Ended	
	31-Dec-24	31-Dec-23
	\$000	\$000
Investment in Weed Me Inc	515	9,531
Investment in Delivra Health Brands	(911)	0
Listed ASX securities	1,695	9,288

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 \$0.4m down from \$0.6m in the previous corresponding Financial Period.

During the Financial Period, the net tangible asset backing per share increased from 9.1 cents as at 30 June 2024 to 9.4 cents as at 31 December 2024 on which day UWC's share price closed at 5.1 cents. The net tangible assets of the consolidated entity increased primarily as a result of unrealised gains on the Company's investment portfolio during the period.

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

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

4. Net tangible assets

The net tangible assets per share are as follows:

	Reporting period	Reporting period	Reporting period
	31-Dec-24	30-Jun-24	31-Dec-23
	Cents	Cents	Cents
Net tangible assets per ordinary security	9.38	9.10	8.79

5. Control over entities

There was no 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 2024 is attached.

Date: 20 February 2025
Jim Hallam
Company Secretary

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Underwood Capital Limited

ABN 91 601 236 417

Half-Year Financial Report - 31 December 2024

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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 11, 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

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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 2024 ("the Financial Period").

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.

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:

- a) Revenue and other income – including realised and unrealised gains/losses 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 and non-controlling interest, amounted to \$0.6m (compared to the prior corresponding period (pcp) to 31 December 2023: loss of \$0.8m). The profit for the Financial Period included the following gains and losses from the following investments²:

	Gains & Income/ (Losses) Financial Period Ended	Book value
	31-Dec-24	31-Dec-24
	\$000	\$000
Investment in Weed Me Inc	515	9,531
Investment in Delivra Health Brands	(911)	0
Listed ASX securities	1,695	9,288

UWC has funds available to deploy into new investments and will seek to realise existing investments to recycle capital into opportunities that UWC considers will increase diversification, and which UWC considers have better potential for capital growth.

To the extent that divestments in aggregate generate a profit, available funds are also impacted by income tax and UWC's dividend policy.

² Includes unrealised and realised gains and losses, interest and dividend income as applicable.

Operating overheads for the Financial Period were \$0.4m down from \$0.6m in the previous corresponding Financial Period.

During the Financial Period, the net tangible asset backing per share increased from 9.1 cents as at 30 June 2024 to 9.4 cents as at 31 December 2024 on which day UWC's share price closed at 5.1 cents. The net tangible assets of the consolidated entity increased primarily as a result of unrealised gains on the Company's investment portfolio during the period.

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 the 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 and/or illiquid markets may result in financial loss to the Group and its shareholders.

Whilst the Group has limited direct exposure to climate change related risks due to the limited nature of its operations as a listed investment company, the Group's portfolio of investments may be exposed to significant climate change related risks in their respective businesses.

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 30 June 2023³ 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 30 June 2023 book value.

³ HD's appointment was effective from 1 July 2023

b) Revised 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 \$9.3M has now been deployed into this new strategy, with those investments, as at 31 December 2024, returning ~57%⁴ per annum since HD was appointed effective 1 July 2023.

c) Reduce operating costs:

During FY24, UWC announced a number of measures to materially reduce its operating overheads. These measures were realised during FY24 with FY25 operating expenses⁵ forecast at \$0.7m (compared to \$1.3m in FY23).

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

Financial position

The net tangible assets of the consolidated entity increased by \$0.6m during the Financial Period primarily as a result of unrealised gains on investments.

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.

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.

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

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

Matters subsequent to the end of the Financial Period

No matter or circumstance has arisen since 31 December 2024 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

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 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.

⁴ Calculation was made on time weighted basis

⁵ Excluding base management fees

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
20 February 2025

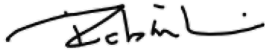
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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Underwood Capital Limited for the half-year ended 31 December 2024, 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 20 February 2025

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

	Note	31-Dec-24 \$000	31-Dec-23 \$000
Investment Income			
Interest and dividend income from financial assets at fair value through profit or loss		303	75
Net gains/(losses) on financial instruments at fair value through profit or loss	4	1,909	(111)
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss		(1,007)	(225)
Total investment income/(loss)		<u>1,204</u>	<u>(261)</u>
Other Income/(Loss)			
Other operating income/(loss)		85	94
Total income/(loss)		<u>1,289</u>	<u>(167)</u>
Expenses			
Administration expenses		(147)	(288)
Asset management expenses		(116)	(52)
Employee and director related expenses		(178)	(241)
Operating expenses		(441)	(582)
Equity based payments reversal/(expense)		0	(0)
Total expenses		<u>(441)</u>	<u>(582)</u>
Profit/(Loss) before income tax		848	(749)
Income tax (expense)/benefit		(247)	(30)
Profit/(Loss) after income tax for the Financial Period		<u>601</u>	<u>(779)</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>601</u>	<u>(779)</u>
Profit/(Loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		601	(779)
		<u>601</u>	<u>(779)</u>
Total comprehensive income/(loss) for the Financial Period is attributable to:			
Owners of Underwood Capital Limited		601	(779)
		<u>601</u>	<u>(779)</u>
		Cents	Cents
Basic earnings/(loss) per share	10	0.29	(0.37)
Diluted earnings/(loss) per share	10	0.29	(0.37)

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 31 December 2024

	31-Dec-24	30-Jun-24
Note	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	1,677	189
Trade and other receivables	404	89
Financial assets at fair value through profit or loss	4 20,512	21,543
Total Current Assets	22,593	21,821
NON-CURRENT ASSETS		
Deferred tax assets	100	75
Total Non-Current Assets	100	75
TOTAL ASSETS	22,693	21,896
CURRENT LIABILITIES		
Trade and other payables	115	161
Tax payable	625	0
Total Current Liabilities	740	161
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,166	2,520
Total Non-Current Liabilities	2,166	2,520
TOTAL LIABILITIES	2,906	2,681
NET ASSETS	19,787	19,215
EQUITY		
Contributed equity	50,682	50,711
Reserves	0	35
Retained Earnings/(Accumulated Losses)	(30,895)	(31,531)
TOTAL EQUITY	19,787	19,215
Net Tangible Assets per share (\$)	0.0938	0.0910

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

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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-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
Share-based payment		0	0	0	0
		(29)	(35)	35	(29)
Balance at	31-Dec-24	50,682	0	(30,895)	19,787
				(Accumulated Loss)/ Retained Earnings \$'000	Total Equity \$'000
Balance at	1-Jul-23	50,746	82	(31,447)	19,381
Loss after income tax expense for Financial Period		0	0	(779)	(779)
Total comprehensive income for the Financial Period		0	0	(779)	(779)
Transactions with owners in their capacity as owners:					
Share buyback		(35)	0	0	(35)
Lapse of performance rights		0	(47)	47	0
		(35)	(47)	47	(35)
Balance at	31-Dec-23	50,711	35	(32,179)	18,566

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

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Underwood Capital Limited
Consolidated statement of cash flows
For the Financial Period

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

	31-Dec-24	31-Dec-23
	\$'000	\$'000
Cash flows from operating activities		
Payments to employees & suppliers	(383)	(670)
Interest received	75	0
Dividends received	227	0
Other income received	85	0
Payments for financial assets at FVPL	(5,055)	(4,826)
Proceeds from disposal of financial assets at FVPL	6,567	1,473
Company tax refund	0	627
Net cash/(used in) from operating activities	1,516	(3,350)
Cash flows from investing activities		
	0	0
Net cash used in investing activities	0	
Cash flows from financing activities		
Sharebuy back	(29)	(35)
Net cash/(used in) from financing activities	(29)	(35)
Net increase/(decrease) in cash & cash equivalents	1,488	(3,386)
Cash at the beginning of the Financial Period	189	3,715
Effects of exchange rate changes on cash and cash equivalents	0	(1)
Cash & cash equivalents at end of Financial Period	1,677	328

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Underwood Capital Limited
Notes to the financial statements
31 December 2024

Notes to financial statements

1. General information

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 20 February 2025. 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 2024 (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 2024 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 year and corresponding interim reporting period, except for the policies stated below.

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-24 \$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 other listed securities	10,731	4,647
	<u>10,731</u>	<u>6,778</u>
Unlisted		
Investment in Weed Me Inc	9,531	9,171
Investment in Emerging Therapeutics Group	0	3,993
Investment in other unlisted securities	250	754
	<u>9,781</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>20,512</u>	<u>21,543</u>
Financial assets at fair value through profit or loss - total	<u>20,512</u>	<u>21,543</u>

Note: Investment in other listed securities included an investment of \$1.4m 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 corresponding Financial Period is set out below:

	31-Dec-24 \$000	31-Dec-23 \$000
Opening fair value	21,543	17,478
Additions - financial assets at fair value through profit and loss	5,055	4,826
Changes in the fair value of equity investments at fair value through profit and loss	1,909	(111)
Realised gains/(losses) on disposal of equity investments at fair value through profit and loss	(1,007)	(224)
Accrued interest	0	(15)
Disposal of financial assets at fair value through profit and loss	(6,867)	(1,473)
Other movements	(121)	(8)
Closing fair value	<u>20,512</u>	<u>20,473</u>

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-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		45	6	51
Net gains/(losses) on financial instruments at fair value through profit or loss		360	0	360
Other movements		(193)	(8)	(200)
Closing balance	31-Dec-24	<u>9,531</u>	<u>(0)</u>	<u>9,531</u>

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 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 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$000
Financial assets held at fair value through profit and loss				
Listed investments	10,731	0	0	10,731
Unlisted investments	0	250	9,531	9,781
Convertible debenture receivable	0	0	0	0
Total assets	31-Dec-24	250	9,531	20,512

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$000
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	30-Jun-24	754	14,010	21,543

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 raisings 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.

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.

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 1.6x which has been determined from a peer list of Canadian companies	9,531	Revenue	10%	1,422
				(10%)	358
Total:		9,531			

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.

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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.

5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous corresponding Financial Period (30 June 2024: Nil).

6. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2024 (30 June 2024: Nil).

7. Commitments for expenditure

There have been no material changes in expenditure commitments as at 31 December 2024 since 30 June 2024.

8. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Principal place of business / Country of incorporation	31-Dec-24 %	30-Jun-24 %
PhytoTech Medical (UK) Pty Ltd	United Kingdom	100	100

9. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 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.

10. Earnings per share

	31-Dec-2024 \$'000	31-Dec-23 \$'000
Profit/(loss) after income tax	601	(779)
Profit/(loss) after income tax attributable to the owners of Underwood Capital Limited	601	(779)
	Number	Number
Weighted average number of ordinary Shares used in calculating basic earnings per share	210,270,556	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	210,270,556	210,310,602
	Cents	Cents
Basic earnings per share	0.29	(0.37)
Diluted earnings per share	0.29	(0.37)

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 Period, adjusted for bonus elements in Ordinary Shares issued during the Financial Period.

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.

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**Underwood Capital Limited
Directors' Declaration
31 December 2024**

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 2024 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

20 February 2025

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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 "consolidated 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 consolidated entity's financial position as at 31 December 2024 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 2024;
- 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 10 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 consolidated 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.

Other Matter

The interim financial report for the half-year ended 31 December 2023 was audited by another auditor ("Predecessor"). The predecessor provided an unmodified opinion on those financial statements on 26 February 2024.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Consolidated 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.

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 2024 intended to be included on Underwood Capital Limited's website. The consolidated 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.

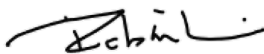
Auditor's responsibility for the review of the Half-year Financial Report

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 consolidated entity's financial position as at 31 December 2024 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

CONNECT NATIONAL AUDIT PTY LIMITED
Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA
DIRECTOR
20 February 2025