

Spheria Emerging Companies Limited

ACN 621 402 588

Interim Financial Report

For the half-year ended 31 December 2025

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This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Company's annual report for the year ended 30 June 2025 and with any public announcements made by the Company during the interim reporting period.

Directors' report

The directors present their report together with the interim financial statements of Spheria Emerging Companies Limited (**Company**) for the half-year ended 31 December 2025.

The Company is a company limited by shares and is incorporated in Australia.

Directors

The following persons held office as directors during the half-year and up to the date of this report, unless otherwise stated:

Jonathan Trollip (Chairman)

Lorraine Berends AM

Marcus Burns (appointed 23 September 2025)

Matthew Booker (resigned 13 November 2025)

Chris Meyer (Alternate Director)

During the half-year, Terence Kwong was appointed Company Secretary on 13 October 2025 following the resignation of Calvin Kwok on the same date.

Principal activities

The principal activity of the Company is to provide shareholders the opportunity to invest in an actively managed equities portfolio that provides exposure to Australian and New Zealand Small Cap Securities. There have been no significant changes in the nature of these activities during the half-year.

Review of operations

The Company offers investors access to an actively managed portfolio, predominantly comprised of Australian Small Cap Securities, which aims to outperform its Benchmark S&P/ASX Small Ordinaries Accumulation Index over each full investment cycle (typically 3 to 5 years). The Company's appointed investment manager is Spheria Asset Management Pty Limited (**Manager**). The investment strategy aims to provide total returns in excess of the Benchmark, and capital growth.

Activities for the half-year ended 31 December 2025 resulted in an operating profit after tax of \$12,619,000, compared to a profit after tax of \$10,801,000 for the half-year ended 31 December 2024.

During the half-year, the Company paid a fully franked quarterly dividend of 3.6 cents per share for the June 2025 quarter on 15 August 2025, and 3.8 cents per share for the September 2025 quarter on 14 November 2025, which represented the highest quarterly dividend that the Company has paid. This is consistent with the aim to pay dividends on a quarterly basis, at a level of 1.5% of post-tax NTA at the end of each calendar quarter, subject to available profits, cash flow and franking credits.

Since period end the Company has paid a fully franked quarterly dividend for the December 2025 quarter of 3.8 cents per share on 13 February 2026, and as part of its transition from paying quarterly to monthly dividends has also resolved to pay two monthly dividends of 1.3 cents per share on 27 February 2026 and 31 March 2026.

Performance

We consider that it is useful to report performance from three different perspectives:

- 1) Firstly, to show how the investment portfolio has performed after deducting management fees and performance fees (if applicable) compared to the Benchmark. We refer to this as the **Manager Performance**. The Benchmark is also used to calculate any Manager performance fees;

- 2) Secondly, to show how the Company has performed which, in addition to the management and performance fees mentioned above, also accounts for all other Company expenses paid excluding taxes. We refer to this as the **Company Performance**. Company performance is adjusted for dividends paid by the Company and does not include the value of franking credits held by the Company; and
- 3) Finally, to show the **Total Shareholder Return or TSR Performance**, which measures the change in the share price adjusted for any dividends paid during the period. The TSR Performance does not include the value of any franking credits when they are paid to shareholders. The TSR Performance can be an important measure as often the share market can trade at a premium or discount to the NTA.

The results of each of these measures for the half-year are outlined below:

Manager Performance	+ 12.0%
Portfolio Benchmark	+ 17.4%
Difference	- 5.4%

Company Performance	+ 11.8%
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TSR Performance	+ 19.7%
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Conditional Proposal

Closing the discount of the Company's share price to NTA per share has been a focus of the Board, and we are pleased that the NTA discount has narrowed substantially since January 2024, when the initial conditional proposal was announced.

Shareholders will recall that under this conditional proposal the Company would pursue the conversion to a managed fund should the discount of share price to pre-tax NTA over the December quarter of 2024 exceed 5%. The discount to NTA during this period was less than 5% and thus the Company remained a LIC.

Following the success of the initial conditional proposal in contributing to the substantial reduction in the Company's discount to NTA during 2024¹, a reinstated and modified conditional proposal agreed between the Company and the Manager was announced in February 2025.

Under this conditional proposal should the average premium/discount of the Company's share price to pre-tax NTA during the period 1 April 2025 to 31 March 2026 be a discount of more than 5%, a meeting of shareholders will be convened to vote on whether the Company should remain a LIC or should convert to a managed fund.

We are presently within this measurement period, and from 1 April 2025 to 31 December 2025 the running average premium/discount was a 0.7% discount. Pleasingly, since early November 2025 the Company's share price has traded at a premium to its pre-tax NTA, and as at 31 December 2025 the premium was 8.2%².

¹ from 15.4% at the start of the 2024 calendar year to 4.5% at 31 December 2024. These values are based on pre-tax NTA per share of \$2.340 and share price of \$1.98 at 31 December 2023, and pre-tax NTA per share of \$2.409 and share price of \$2.30 at 31 December 2024.

² Based on pre-tax NTA per share of \$2.616 and share price of \$2.83 at 31 December 2025.

Matters subsequent to the end of the financial period

Other than as disclosed in note 6 of the interim financial statements, no matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Significant changes in the state of affairs

There were no significant changes to the state of affairs of the Company during the half-year.

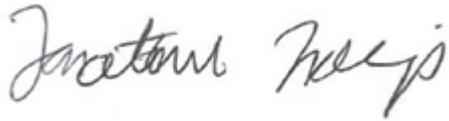
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

This report is made in accordance with a resolution of the directors.



Jonathan Trollip

Chairman

Sydney

18 February 2026

**Auditor's Independence Declaration
To the Directors of Spheria Emerging Companies Limited
ACN 621 402 588**

In relation to the independent auditor's review of Spheria Emerging Companies Limited for the half year ended 31 December 2025, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



C I Chandran
Partner

Pitcher Partners
Sydney

18 February 2026

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Interim financial statements

Statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2025

	Notes	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Investment income			
Interest income		50	34
Dividends received		2,255	2,467
Gains on financial instruments held at fair value through profit and loss		16,356	14,108
Net investment income		18,661	16,609
Expenses			
Management fees		(824)	(725)
Performance fees		-	(673)
Brokerage costs		(150)	(93)
ASX and share registry fees		(80)	(90)
Professional fees		(48)	(45)
Director fees		(45)	(40)
Other expenses		(91)	(89)
Total expenses		(1,238)	(1,755)
Profit before income tax		17,423	14,854
Income tax expense		(4,804)	(4,053)
Net profit after income tax for the period		12,619	10,801
Other comprehensive income net of tax		-	-
Total comprehensive income for the period attributable to shareholders		12,619	10,801

Earnings per share for profit attributable to ordinary equity holders of the Company	Notes	Cents	Cents
Basic and diluted earnings per share	5	21.1	18.1

The above statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the interim financial statements.

Statement of financial position

As at 31 December 2025

	Note	31 Dec 2025 \$'000	30 Jun 2025 \$'000
Assets			
Cash and cash equivalents		2,898	1,028
Trade and other receivables		396	463
Financial assets at fair value through profit or loss	2	154,274	145,260
Deferred tax assets		17	21
Total assets		157,585	146,772
Liabilities			
Trade and other payables		286	560
Current tax liabilities		581	1,941
Deferred tax liabilities		6,268	2,193
Total liabilities		7,135	4,694
Net assets		150,450	142,078
Shareholders' equity			
Issued capital	3	122,433	122,252
Profits reserve		85,918	74,159
Accumulated losses		(57,901)	(54,333)
Total equity		150,450	142,078

The above statement of financial position should be read in conjunction with the notes to the interim financial statements.

Statement of changes in equity

For the half-year ended 31 December 2025

	Note	Issued capital \$'000	Profits reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Half-year ended 31 December 2025					
Balance as at 1 July 2025		122,252	74,159	(54,333)	142,078
Total comprehensive income					
Profit for the period		-	-	12,619	12,619
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	12,619	12,619
Transfers between reserves					
Transfers to profit reserve		-	16,187	(16,187)	-
Total transfers between reserves		-	16,187	(16,187)	-
Transactions with owners in their capacity as owners					
Issue of shares under dividend reinvestment plan	3(b)	181	-	-	181
Dividend paid to shareholders	4(a)	-	(4,428)	-	(4,428)
Total transactions with owners in their capacity as owners		181	(4,428)	-	(4,247)
Balance as at 31 December 2025		122,433	85,918	(57,901)	150,450
Half-year ended 31 December 2024					
Balance as at 1 July 2024		122,166	64,467	(52,729)	133,904
Total comprehensive income					
Profit for the period		-	-	10,801	10,801
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	10,801	10,801
Transfers between reserves					
Transfers to profit reserve		-	10,801	(10,801)	-
Total transfers between reserves		-	10,801	(10,801)	-
Transactions with owners in their capacity as owners					
Dividend paid to shareholders	4(a)	-	(4,125)	-	(4,125)
Total transactions with owners in their capacity as owners		-	(4,125)	-	(4,125)
Balance as at 31 December 2024		122,166	71,143	(52,729)	140,580

The above statement of changes in equity should be read in conjunction with the notes to the interim financial statements.

Statement of cash flows

For the half-year ended 31 December 2025

	Note	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Cash flows from operating activities			
Proceeds from sale of investments		46,625	29,543
Payments for investments		(39,653)	(28,871)
Interest received		46	43
Dividends received		2,335	2,435
Payments to suppliers		(1,151)	(1,059)
Income taxes (paid) / refunded		(2,085)	530
Net cash provided by operating activities		6,117	2,621
Cash flows from financing activities			
Dividends paid to shareholders	4(a)	(4,247)	(4,125)
Net cash used in financing activities		(4,247)	(4,125)
Net increase / (decrease) in cash and cash equivalents		1,870	(1,504)
Cash assets at beginning of the financial period		1,028	2,962
Cash assets at the end of the financial period		2,898	1,458

The above statement of cash flows should be read in conjunction with the notes to the interim financial statements.

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Notes to the interim financial statements

For the half-year ended 31 December 2025

Note 1 Summary of material accounting policies

The interim financial statements were authorised for issue on 18 February 2026 by the Board.

Basis of preparation

These interim financial statements for the half-year ended 31 December 2025 have been prepared in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial statements have been prepared on an accrual basis, and are based on historical costs modified by the revaluation of financial assets for which the fair value basis of accounting has been applied.

These interim financial statements do not include all of the disclosures normally included in annual financial statements. It is recommended that this interim financial report be read in conjunction with the Company's annual report for the year ended 30 June 2025 and with any public announcements made by the Company during the interim reporting period.

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the interim financial report have been rounded to the nearest one thousand dollars, unless otherwise indicated.

Material accounting policies

The accounting policies adopted in these interim financial statements are consistent with those of the previous financial year, as disclosed in the 30 June 2025 annual report.

New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations that are expected to have a material impact on the interim financial statements.

Note 2 Fair value measurements

The Company measures and recognises its financial assets at fair value through profit or loss on a recurring basis.

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Note 2 Fair value measurements (continued)

Recognised fair value measurements

The following table presents the Company's assets measured and recognised at fair value:

	Level 1	Level 2	Level 3	Total
Financial Assets	\$'000	\$'000	\$'000	\$'000
31 December 2025				
<i>Financial assets at fair value through profit and loss</i>				
Australian listed equity securities	153,659	-	615	154,274
Total financial assets	153,659	-	615	154,274
30 June 2025				
<i>Financial assets at fair value through profit and loss</i>				
Australian listed equity securities	145,260	-	-	145,260
Total financial assets	145,260	-	-	145,260

Included within Level 1 of the hierarchy are actively traded listed investments. The fair value of these financial assets has been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Included within Level 3 of the hierarchy are listed investments that have not been actively traded for a period of time up to the end of the reporting period, so that there is no observable market data upon which to base a valuation at period end. The fair value of these investments is determined using valuation techniques, where inputs may require to be estimated based on assumptions to derive the fair value.

For these Level 3 listed investments, the valuation has been calculated based on latest reported net asset value per share, adjusted for information obtained from market announcements regarding the investments and latest market conditions.

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

Transfers between levels

The following table presents the transfers between levels for the half-year ended 31 December 2025.

	Level 1	Level 2	Level 3
Financial Assets	\$'000	\$'000	\$'000
31 December 2025			
<i>Transfers between Level 1 and Level 3</i>			
Australian listed equity securities	(615)	-	615

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels for recurring fair value measurements during the prior reporting period.

Note 2 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in Level 3 instruments for the half-year ended 31 December 2025:

	Financials assets at fair value \$'000
Opening balance – 1 July 2025	-
Additions	615
Closing balance – 31 December 2025	615

Note 3 Issued capital

(a) Share capital

	31 Dec 2025 Number	31 Dec 2025 \$'000	30 June 2025 Number	30 June 2025 \$'000
Fully paid ordinary shares	59,902,342	122,433	59,832,949	122,252
Total share capital	59,902,342	122,433	59,832,949	122,252

(b) Movements in ordinary share capital

Date	Details	Number of shares	Total \$'000
Half-year ended 31 December 2025			
1 July 2025	Balance	59,832,949	122,252
15 August 2025	Issue of shares under dividend reinvestment plan (refer (d) below)	34,784	89
14 November 2025	Issue of shares under dividend reinvestment plan (refer (d) below)	34,609	92
31 December 2025	Balance	59,902,342	122,433
Half-year ended 31 December 2024			
1 July 2024	Balance	59,796,502	122,166
July 2024 – Dec 2024	No movement	-	-
31 December 2024	Balance	59,796,502	122,166

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At a general meeting upon a poll each share is entitled to one vote.

(d) Dividend reinvestment plan

During the half year the Company issued a total of 69,393 shares under its dividend reinvestment plan (DRP) comprising:

- 34,784 shares in relation to the dividend for the June 2025 quarter paid on 15 August 2025, at an issue price of 2.5455 per share; and
- 34,609 shares in relation to the dividend for the September 2025 quarter paid on 14 November 2025, at an issue price of 2.6738 per share.

Note 4 Dividends

(a) Dividend paid

During the half-year, the following dividends were paid by the Company:

	31 Dec 2025	31 Dec 2024
	\$'000	\$'000
Quarterly dividend for period ended 30 June 2025 of \$0.036 per fully paid ordinary share paid on 15 August 2025 - fully franked at 30% (31 Dec 2024: 3.4 cents paid on 13 August 2024 – fully franked at 30%)	2,154	2,032
Quarterly dividend for period ended 30 September 2025 of \$0.038 per fully paid ordinary share paid on 14 November 2025 - fully franked at 30% (31 Dec 2024: 3.5 cents paid on 12 November 2024 – fully franked at 30%)	2,274	2,093
Total dividends paid	4,428	4,125

The Company activated its dividend reinvestment plan on 16 February 2022.

During the half-year, the quarterly dividend for the period ended 30 June 2025 was paid \$2,065,000 in cash and \$89,000 via shares issued under the DRP, and the quarterly dividend for the period ended 30 September 2025 was paid \$2,182,000 in cash and \$92,000 via shares under the DRP (refer note 3(d)).

(b) Dividends not recognised at the end of the period

Since period end the Board resolved to pay a fully franked quarterly dividend of 3.8 cents per share for the period ended 31 December 2025, which was paid on 13 February 2026 (31 Dec 2024: fully franked quarterly dividend of 3.5 cents per share paid on 12 February 2025).

Since period end, the Company has also resolved to pay two monthly fully franked dividends of 1.3 cents per share on 27 February 2026 and 31 March 2026.

The aggregate amount of dividends paid or payable but not recognised as a liability at period end was \$3,834,000 (31 Dec 2024: \$2,093,000).

(c) Dividend franking account

The balance of the Company's dividend franking account at 31 December 2025 was \$5,060,000 (31 Dec 2024: \$4,839,000). The balance of the franking account available for dividends paid in subsequent financial periods, when adjusted for franking debits / credits that may arise from the value of current tax receivables / payables, is \$5,641,000 (31 Dec 2024: \$4,467,000).

The franking debit arising from the payment of the dividends not recognised at the end of the reporting period is \$1,643,000 (31 Dec 2024: \$897,000).

Note 5 Earnings per share

(a) Earnings used in the calculation of basic and diluted earnings per share	31 Dec 2025 \$'000	31 Dec 2024 \$'000
Profit from continuing operations attributable to the owners of the Company	12,619	10,801
(b) Basic and diluted earnings per share	Cents	Cents
Profit from continuing operations attributable to the owners of the Company	21.1	18.1
(c) Weighted average number of ordinary shares used in the calculation of earnings per share	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	59,867,877	59,796,502
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	59,867,877	59,796,502

Note 6 Subsequent events

Except as referred to in note 4(b), no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Note 7 Segment Information

The Company has only one reportable segment. The Company is engaged solely in investment activities in Australia.

Note 8 Contingencies and commitments

The Company has no commitments at period end and no known contingent assets or liabilities.

Directors' declaration

The directors declare that the interim financial statements and notes as set out on pages 7 to 15 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with *Accounting Standard AASB134 Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Spheria Emerging Companies Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Jonathan Trollip

Chairman

Sydney

18 February 2026

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**Independent Auditor's Review Report
To the Members of Spheria Emerging Companies Limited
ACN 621 402 588**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Spheria Emerging Companies Limited ("the Company"), which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the half-year ended on that date, and notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Spheria Emerging Companies Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Company 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 annual 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 Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 the *Corporations Act 2001* and 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.

Auditor's Responsibilities for the Review of the 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 Company'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.



C I Chandran
Partner

18 February 2026



Pitcher Partners
Sydney

Corporate directory

Board of Directors

Jonathan Trollip (Chairman)
Lorraine Berends AM
Marcus Burns
Chris Meyer (Alternate Director)

Secretary

Terence Kwong

Manager

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SEC Ordinary Shares

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<https://spheria.com.au/funds/spheria-emerging-companies-limited-asx-sec>