DMX Capital Partners Limited
August 2025 – Investor Update

An investment company managed by:
DMX Asset Management Limited
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Opening NAV (31 July 2025) [1,2]	**$2.7542**
Closing NAV (31 August 2025) [1,2]	**$2.8447**
Fund size (gross assets)	$32m
% Cash held - month end	4%
Number of positions	47
Gearing	Nil

1-month return	3.3%
3-month return	10.8%
12-month return	18.9%
3-year return (CAGR p.a.)	10.8%
5-year return (CAGR p.a.)	14.0%
Since inception (*10 years, 5 months*) (CAGR p.a.)	15.8%
Since inception (*10 years, 5 months*) (cumulative)	361.2%

Returns include dividends reinvested and franking credits paid.
Inception date of 1 April 2015 (Inception NAV: $1.00). Since inception, $1.31 of dividends & franking credits have been paid.

Dear Shareholder,

DMXCP's NAV increased 3.3% (after all accrued fees and expenses) for August 2025. The NAV as at 31 August 2025 was **$2.8447**, compared to **$2.7542** as at 31 July 2025. Markets during August were very strong, with the All Ordinaries finishing August up 3.0%, the Small Ordinaries increased 8.1%, and the Emerging Companies Index was up 9.8%.

During the month we saw strong uplifts in several key positions including EDU Australia (ASX:**EDU**) which increased 18%, Count (ASX:**CUP**) which rose 12%, while Prime Financial (ASX:**PFG**) was up 15%. Among our smaller positions, Income Asset Management (ASX:**IAM**) increased 17% and Asset Vision (ASX:**ASV**) was up 24%.

The largest detractors to the portfolio during the month were two stocks that we thought reported strong FY25 results: Pure Profile (ASX:**PPL**) which fell 13% after it reported a significant improvement in its NPAT; and Raiz (ASX:**RZI**), which reported its first NPAT positive half, and provided encouraging guidance, fell 12%. Notwithstanding the negative market reactions here, we remain bullish on both these names.

<u>August Reporting Season</u>

We felt we had a very solid reporting season for our portfolio – in relation to the number of results meeting or exceeding our expectations, we considered it to be one of the more positive in several years. There were no significant disappointments or results that were materially below our expectations, and we experienced no major drawdowns – although we note that the market has been in a quite forgiving mood of late. Whilst we failed to keep pace with a very strong emerging companies market, we are pleased that the full year reporting highlighted the progress across our portfolio, as well as the inherent upside that should be realised over time. Many smaller companies have focussed in recent times on improving their cash generation and on becoming more efficient better businesses – the results of this focus on financial discipline were apparent this reporting season, with a number of milestone results across the portfolio. Notable results from our larger positions included:

- Our largest holding, EDU Australia (ASX:**EDU**) reported a 114% increase in revenue with EBITDA of $10.9m (up from $2.3m) while NPAT for the half was $6.3m (up from $28k). EDU also declared its maiden dividend. With EDU's second half NPAT expected to be similarly strong, suggesting a full year NPAT of >$12m, and a strong net cash position, EDU remains very attractively priced given its $75m market cap. Our concern with EDU has been what its growth profile looks like post its current strong student intake levels. In that regard, there was encouraging progress reported on several of its organic growth initiatives: domestic students were up 15% year on year, new courses commencing this year are now attracting meaningful new enrolments, and EDU has significantly extended its offshore recruitment footprint into a number of new markets. We also note that EDU continues to screen very favourably against its key ASX comparable (and previous market darling), NextEd (ASX:**NXD**). NXD, with an EV of $30m, reported a 12-month EBIT loss, whereas EDU with its $50m EV has an expected 12-month EBIT of ~$17m.

- Another company that announced the payment of a dividend (after a 12-year gap) was Verbrec (ASX:**VBC**). After many years carrying significant debt, following a strong second half, VBC ended the year in a net cash position. VBC's new leadership team has reset its overhead cost base and significantly improved gross margins and cash flow. Strong tailwinds in VBC's core focus areas of gas, defence and renewables we expect to drive a 10%+ increase in revenue in FY26. In addition, VBC's high margin digital twin software product, StacksOn, which counts BHP as a major customer, has the potential to expand globally in FY26. Despite all this good news, the market's response to the VBC report was muted with its share price relative flat for the month. VBC finished the month on an annualised PE of 4x, a net cash balance sheet, and with no value being attributed to its software product. With VBC back now paying dividends, we believe it represents a very attractive set-up heading into FY26. We see no reason why VBC should not at least double its multiple from here, with additional upside if VBC was to further monetise or even sell its StacksOn business.

- Count (ASX:**CUP**) is a top three portfolio position and has successfully grown post its merger with Diverger into one of Australia's largest advice firms (with ~$40bn FUA) and a top 20 accounting firm. CUP also provides a range of high margin education, compliance and IT services to these accountants and advisers. FY25 was a very successful year for CUP with its revenue growing 28%, its EBITA 67% and its NPATA 84%. CUP's revenue in FY26 is likely to exceed $150m, from which it should generate >10% NPATA margins, or >$16m NPATA – which represents a modest ~10x PE multiple on CUP's ~$170m market cap. Given the size of the business, and CUP's ability to continue to grow its adviser and accounting footprint and provide more services to that network, we think CUP continues to represent very good bang for your buck.

- Fintech investment platform Raiz (ASX:**RZI**), in our view, reported a particularly impressive result highlighting an inflection point in the business: its maiden free cash result, and an NPAT positive second half and a strong FY26 guidance. Somewhat surprisingly, despite this positive news, the market sold it down 12% for the month. Three years ago, RZI reported an EBITDA loss of $8m. Following the divestment of its loss-making Asian business, and on the back of some strong fiscal discipline, the business is now profitable and for FY26, has guided to ~$5m EBITDA – the progress here in its profit profile has been very pleasing. This fast-growing market leading fintech – a valuable strategic asset with 330,000 active customers and close to $2bn in FUM – is now for the first time cash flow positive. We feel that the upside here from its current $50m enterprise value as it grows its ARPU through fee increases and product cross-selling is substantial.

<u>Other Milestone Profit Results</u>

Amongst our smaller positions, it was also pleasing to see a number of milestone profit results achieved. Whilst none of the below names contributed to the performance of the portfolio during the month, and they currently represent small positions in the portfolio, we believe it is encouraging evidence that our portfolio companies are maturing and becoming more valuable. Each of the businesses below are now making profits, after many years of generating losses - the continued progress and profit growth of these names will add value to the portfolio over time.

- Structural Monitoring Systems (ASX:**SMN**) recorded its maiden NPAT of $0.2m (2024: loss after tax $1.0m). Its first half loss was $2.7m, highlighting the impressive second half momentum here.

- Careteq (ASX:**CTQ**) reported its maiden NPAT from continuing operations of $0.1m, compared to its last year loss of $1.8m. Its operating subsidiary EHS increased its underlying EBITDA 13% to $1.7m, highlighting the value of this business, though CTQ still needs to resolve its outstanding ATO claim.

- 8Common (ASX:**8CO**) generated its maiden EBITDA in 2H25 delivering a $326k EBITDA profit, compared to a $345k EBITDA loss in 1H25 – a material turnaround from its $1.8m EBITDA loss in FY24. With margin expansion, AI-driven efficiencies, and growing SaaS revenue, 8CO noted that it enters FY26 well positioned to deliver a full year positive cashflow. The market cap here is $5m.

- Beonic (ASX:**BEO**) delivered a $4.6m turnaround in EBITDA under its new management team. After recording an EBITDA loss of $2.0m last year, BEO reported a $2.6m EBITDA this year, with guidance that its EBITDA margin will further improve to between 15%-20% in FY26 (up from 12%) which should mean BEO is self-funding.

Many of these names have caused us problems over the past couple of years as that journey to profit has taken much longer than initially expected, so this fundamental progress is pleasing to see.

We come out of reporting season enthused and positive – our portfolio of small companies are growing their profits, their cash flows and therefore are becoming more valuable. We have very strong conviction that the portfolio is undervalued by the market relative to the fundamentals. Over time we are confident that the market will recognise this progress and improving value.

We thank you for your continued support and look forward to updating you again next month.

Kind regards

Steven, Michael, Chris & Roger
DMX Asset Management

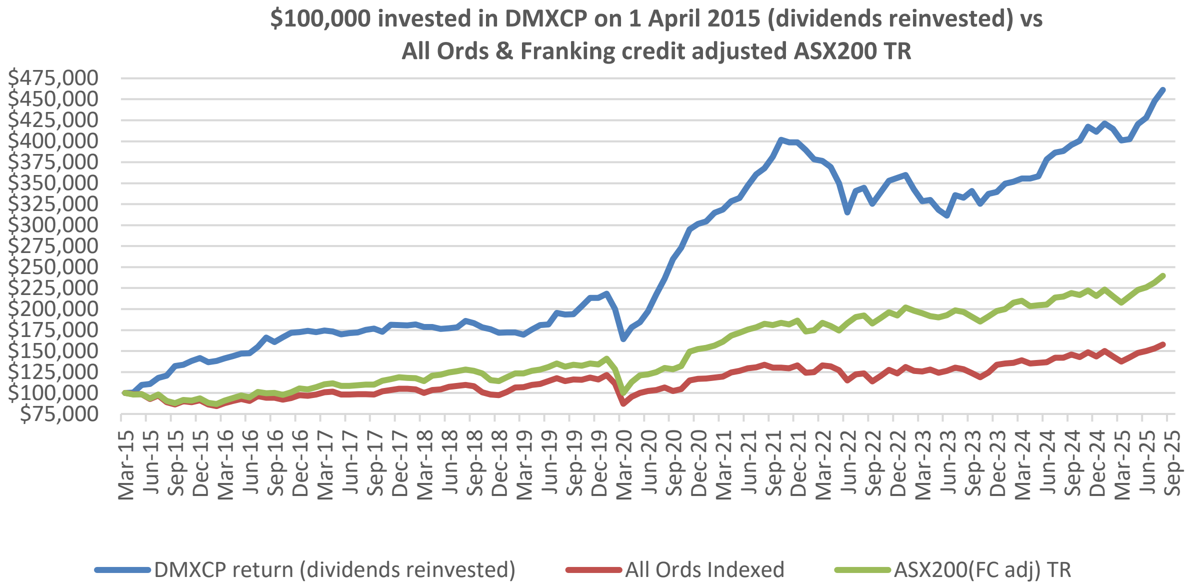
Note 1: Net asset value (NAV) is after income tax payable but includes an estimate of franking credits available. Refer note 4, unaudited
Note 2: Unaudited result
Note 3: All DMXCP disclosed returns include the payment of dividends and franking credits

Appendix 1: Performance

Monthly DMXCP Net asset value (share-price) returns (after fees) since inception (April 2015) (3) (%)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	All Ords
2015	n/a	n/a	n/a	+0.201	+9.448	+1.104	+6.524	+1.971	+9.711	+0.958	+3.568	+2.470	**+41.62**	**-8.83**
2016	-3.590	+1.323	+2.049	+2.045	+2.143	+0.020	+5.389	+7.056	+2.156	+1.058	+1.520	+0.321	**+23.10**	**+7.01**
2017	+0.885	-0.816	+1.790	-0.741	-1.990	+0.210	+1.071	+1.208	+0.822	+3.494	-0.267	-0.055	**+5.54**	**+7.83**
2018	+0.445	-1.625	+0.008	-1.173	+0.310	-0.211	+1.017	+4.112	+1.604	-3.438	-2.827	-2.257	**-3.66**	**-7.24**
2019	+0.122	-0.010	-1.624	+3.754	+3.014	+0.418	+7.482	-0.889	+3.279	+4.567	+2.997	+0.140	**+25.10**	**+19.02**
2020	+2.33	-8.42	-17.91	+8.521	+4.525	+6.213	+10.09	+8.669	+6.518	+11.10	+7.86	+2.24	**+42.47**	**+0.72**
2021	+1.02	+3.31	+1.17	+3.20	+1.10	+0.70	+3.96	+2.12	+3.80	+5.51	-0.84	+0.04	**+28.06**	**+13.55**
2022	-2.48	-2.93	-0.51	-2.04	-5.50	-10.64	+8.72	+1.20	-5.90	+4.52	+4.50	+0.96	**-11.4**	**-7.2**
2023	+1.12	-5.17	-4.52	+0.47	-3.94	-2.30	+8.55	-0.91	+2.56	-4.86	+4.06	+0.74	**-5.07**	**+8.4**
2024	+3.27	+0.77	+1.00	+0.06	+0.78	+6.18	+2.35	+0.52	+2.05	+1.59	+4.49	**-1.71**	**+22.7**	**+7.6**
2025	+2.72	-1.73	-3.70	+0.46	+5.06	+2.00	+5.19	**+3.30**					**+13.7**	**+9.7**

The following chart illustrates the return from investing $100,000 in the fund (including dividends and attached franking credits) since inception (1 April 2015). DMXCP is an absolute return fund, focused on generating positive absolute returns over the medium to long term.



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