Chairman's Address – Annual General Meeting

Wednesday 25 November 2026

Fellow Shareholders, Ladies and Gentlemen, may I present the Annual Chairman's Report of ECP Emerging Growth Limited.

THE YEAR IN REVIEW

As shared in our Annual Report, the ECP portfolio underperformed during the financial year and delivered a negative return of 20.4%, This was a disappointing result as it resulted in a large decline in Shareholder value even considering our continued dividend flow to Shareholders.

As a Board we have had multiple discussions with the Investment Manager on the performance of the portfolio and its future prospects. We are resolved in that the performance is not a reflection of poor execution or judgement and more directly linked to the macro themes prevailing over the last 12 months.

In particular the ECP portfolio was impacted by the volatility caused by the "SaaSpocolypse". The term coined representing the fear that AI agents can now autonomously perform the workflows that traditional SaaS products were built to manage, rendering many software subscriptions obsolete. While many of the ECP portfolio companies fell victim to this broad trend, we are yet to see a significant impact on the underlying businesses. These companies have been marked down from a valuation perspective without consideration of the quality of the business fundamentals and their underlying earnings. Specifically at year end, within the portfolio the price to earnings multiple decreased by 54%. However, the underlying earnings per share of investee companies increased by 70%.

It is indicative of the sentiment in the market that quality companies have been sold off indiscriminately. While our conviction in our philosophy remains steadfast where the underlying economics of a business drive long-term investment returns.

When you experience a year such as FY2026 there is a temptation to make drastic changes, to throw away a proven strategy on the assumption that everything has changed. This is when it's most important to look beyond the noise and analyse the fundamentals. Change needs to considered, and supported with evidence and clear thinking. Structure needs to override bias and emotive decisions. This is where we have great faith in our Manager, ECP Asset Management, their research and portfolio management process relies on detailed analysis and understanding of investee businesses and mitigates subjective judgements. The current year is a blip in an otherwise very strong track record that we expect will recover in the future.

SPECIAL DIVIDEND

Last year the Board announced its intention to pay a special dividend if the DRP participation reached 80%. As a Shareholder group you have made progress towards this target but we are not there yet. In our October NTA announcement we disclosed the current participation rate of 46.7%.

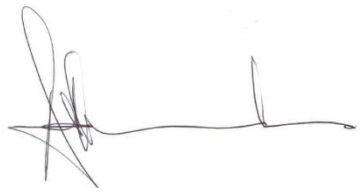
The Board thought that the special dividend was an excellent way of releasing value to ECP Shareholders last year and in the current environment there are additional reasons to actively distribute income to Shareholders:

- Cost of living increases and taxation changes, have focused investors on income over capital appreciation;
- ECP franking reserves remain sufficient for 3 years of fully franked dividends;
- The capital gains tax changes from 1 July 2027 make the future value of LIC capital gains less certain, and ECP holds 4 years' worth of attributable gains;

We understand that dividend reinvestment is not suitable for all investors and we appreciate that your financial advisor will make a recommendation suitable for your individual circumstances. However, I would encourage those who can see the benefit of reinvesting at this time to update their election in the Automic Investor portal.

THANK YOU

In conclusion, thank you to our investors for your long-term support and thank you to my fellow Board members for their input throughout the past year.



Murray d'Almeida

Chairman

25 November 2026