# LAKEHOUSE SMALL COMPANIES FUND

MONTHLY LETTER

31 August 2025

Dear Lakehouse Investor,

August was a busy month for the team as most of our portfolio companies reported. As per usual, we'll touch on results for the Funds largest holdings shortly but, big picture, earnings season was positive as we continue to see strong fundamental growth across most of the portfolio, even if this wasn't consistently reflected in market reactions.

| Fund Metrics | |
|---|---|
| Companies Held | 20 |
| Cash Allocation | 3.4% |
| Top 5 Portfolio Holdings | 41.5% |
| Fund Net Asset Value (NAV) | $291.8 million |
| NAV per Unit (mid) | $2.1387 |
| Benchmark | S&P/ASX Small Ordinaries Accumulation Index |

The Fund returned 3.3% (after fees and expenses) for the month compared to 8.4% for the benchmark. Since inception in mid-November 2016, the Fund has produced a net total return of 239.9% compared to 100.1% for the benchmark. On an annualised basis, the Fund has returned 14.9% per year (net of fees and expenses), compared to 8.2% per year for the benchmark.

| | 1 Month | 1 Year | 3 Year (p.a.) | 5 Year (p.a.) | Inception (p.a.) |
|---|---|---|---|---|---|
| Lakehouse Small Companies Fund* | 3.3% | 39.9% | 22.8% | 7.5% | 14.9% |
| Benchmark** | 8.4% | 23.4% | 9.8% | 7.9% | 8.2% |
| Excess Return | -5.1% | 16.5% | 13.0% | -0.4% | 6.7% |

** Performance calculations are based on exit price with distributions reinvested, after fees and expenses, since inception in mid-November 2016. Returns greater than one year are annualised. Past performance is not indicative of future returns.*

***Benchmark: S&P/ASX Small Ordinaries Accumulation Index.*

## Company News

At the portfolio level, the Fund's five largest holdings at month end accounted for 41.5% of the portfolio and are named in order of allocation: SiteMinder, Catapult, RPM Global, Objective Corporation and Fineos.

The Fund's most significant contributor to performance during the month was SiteMinder (+32.6%) and Audinate (-23.3%) was the biggest detractor.

SiteMinder delivered a strong result, with growth re-accelerating despite broader concerns about a softening travel market, particularly the U.S. Revenue grew 17.7% and annual recurring revenue (ARR) expanded 30.6%, with the faster ARR growth highlighting strong momentum exiting the period and a solid foundation for FY26. Growth was broad-based, with revenue increasing close to 20% across all regions in constant currency, underscoring the benefits of SiteMinder's diversified global footprint and its ability to redirect focus when individual markets face headwinds – like North America earlier this year.

A major driver of this performance has been the scaling of SiteMinder's newer Smart Platform products, which increase the platform's share of the value created across the travel ecosystem. The Smart Distribution Program is now contributing meaningfully to growth while also demonstrating the company's ability to work with and monetise other players in the ecosystem. Channels Plus has quickly become the most successful product launch in SiteMinder's history, gaining strong traction with 5,000 properties and 40 distribution partners, and is poised to scale further this year. Looking ahead, Dynamic Revenue Plus, which recently launched across seven key markets, provides another meaningful growth lever for the years ahead, particularly given it delivers a multiple uplift in customer lifetime value (LTV).

Equally important, the company delivered this acceleration while maintaining strong cost discipline. Unit economics improved, with LTV/CAC (customer acquisition cost) rising to 6.2x, supported by higher average revenue per user (ARPU) from transactional products, stable churn, and improved sales efficiency. Free cash flow margins expanded by more than five percentage points to 2.1% of revenue, marking a key profitability inflection point for the business. As discounting incentives from the prior half – offered to secure larger properties – cycle through, and Smart Platform revenues scale, SiteMinder is well positioned to sustain revenue growth in the mid-to-high 20% range while unlocking further margin expansion and rising profitability over time.

Turning to Audinate, which has navigated a softer year as OEM partners worked through excess inventory and a weaker market overall. Cycling overordering from prior periods contributed to revenue contracting 32% to $62 million, though a greater portion of higher-margin software installations reduced the impact, with gross profit down at a slower pace of 25% to $51 million. Anticipating the slower year, management kept costs to a modest 6% increase, resulting in a step down in underlying EBITDA but still modestly positive at US$0.7 million. Having secured reorders from 12 of their top 20 customers and with ordering behaviour settling, management anticipates growth returning, guiding to 13-15% gross profit growth in FY26 – two to three times faster than the industry.

While the core business is fundamentally heading in the right direction, the market was less forgiving of the projected increase in investment to support; the newly acquired Iris controller platform, further development of Dante Director, and new experienced hires to further the company's platform strategy. It is a case of short-term pain for long-term gain as Audinate pursues its landgrab to broaden the Dante ecosystem. Dante remains the industry standard in digital audio networking, extending its dominance over the nearest competitor with now 14 times the number of products, up from 12 times a year earlier.

The product ecosystem remains healthy, with 129 design wins during the year, and 427 new products launched by OEMs, taking the total number of Dante-enabled products in market to 4,603. Progress is also evident in Dante Video, albeit much earlier, with partners and OEMs licensing the technology increasing 19% to 64 and the number of video products rising 45% to 122. Despite volatility in its end market, we remain patient as the Dante ecosystem expands, particularly while the business trades on its lowest multiple since listing, with almost 20% of its market capitalisation in cash, greater scale and increased market penetration.

Next, RPM Global, which we touched on in last month's letter, highlighting the company's 24% lift in ARR. This was the first reporting period with clear visibility of RPM as a pure software business – and the results were strong, but we won't dwell there as it was short-lived. The company went into a trading halt just prior to month end, then on the 1st of September the company announced a $5 per share takeover offer from the world's largest mining and construction equipment manufacturer, Caterpillar. Although not reflected in the August returns, RPM was the Fund's third largest position prior to the bid, and second largest post-bid.

Moving on to Objective, which was also mentioned in last month's letter on account of its geographic information systems acquisition. The business delivered a strong FY25 result with ARR accelerating in the second half to finish the year up 15% at $120 million. With new contracts weighted to the latter part of the year, revenue and EBITDA both grew at a more modest 5% to $124 million and $46 million, respectively. Encouragingly, at the segment level all three delivered double-digit gains, led by Content Solutions where ARR grew 12% as early customer migrations to the new cloud platform lifted ACV on average by 2.3x. Successful transitions from early adopters are proving valuable reference cases that will help bring future sizeable customers across. The strength was even more evident in Planning & Building, which grew ARR by 31%, underpinned by Build — a platform already processing 50% of New Zealand's planning approvals and now on the cusp of rollout in Australia, a market roughly five times larger. With ample runway across the business, founder Tony Walls at the helm with a strong track record of patient capital allocation, and a cash balance of $99 million, we believe the best days for Objective still lie ahead.

Finally, Fineos, which has been a strong contributor to Fund performance and is now among our top five positions. The company delivered a solid result, with ARR growing 11.2% to €76.4m, an acceleration from the prior two halves and evidence of returns on years of product investment. New customer wins, expansion of system integrator relationships and deal pipeline momentum remain encouraging, including two North American carrier deals and an expanded relationship with a top 10 U.S. carrier. The company is also progressing well on the migration of Guardian off its legacy systems. These implementations will strengthen the base of reference clients, which we expect will be critical in driving further adoption across an industry known for its cautious approach to new technology.

EBITDA rose 80% in the half, underpinned by disciplined cost management. Looking ahead after years of heavy investment to build out the product suite, management's focus has shifted toward sustainable, profitable growth, with free cash flow expected to be positive across 2025. Shares currently trade at 3.7x forward enterprise value to revenue, offering attractive upside as ARR momentum builds and larger deal opportunities emerge. With an aligned founder and profitable financial outlook, we remain enthused by Fineos' future.

## Thank You

As always, thank you to our investors for your continued support and trust.

Best regards,

Donny, Erwin, Nick, and the Lakehouse Team.

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