

K2 ASSET MANAGEMENT HOLDINGS LTD
AND CONTROLLED ENTITIES
ABN: 59 124 636 782

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read
in conjunction with the financial report for
the year ended 30 June 2022

Appendix 4D

Half-Year Report for the six months to 31 December 2022

Name of entity: K2 Asset Management Holdings Ltd

ABN or equivalent company reference: 59 124 636 782

1. Reporting period

Report for the half-year ended: 31 December 2022

Previous corresponding periods: Financial year ended 30 June 2022
Half-year ended 31 December 2021

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	down	18.1%	to	1,000,623
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	down	126.4%	to	(979,214)
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	down	126.4%	to	(979,214)
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Half-year ended 31 December 2022				
Interim dividend – December 2022		0.00¢		0.00¢ (nil Conduit Foreign Income)
Final dividend – June 2022		0.00¢		0.00¢ (nil Conduit Foreign Income)
Previous corresponding periods				
Interim dividend – December 2021		0.00¢		0.00¢ (nil Conduit Foreign Income)
Final dividend – June 2021		0.00¢		0.00¢ (nil Conduit Foreign Income)
Record date for determining entitlements to the December 2022 interim dividend (<i>item 2.5</i>)		N/A		
Refer to the Directors' report and financial report for the half-year ended 31 December 2022 for further commentary.				

3. Net tangible assets per security (*item 3*)

Net tangible asset backing per ordinary security

Current period	Previous corresponding period
\$0.04	\$0.05

4. Details of entities over which control has been gained or lost during the period: (*item 4*)

N/A

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ending 30 June 2023	N/A	N/A
Final dividend year ending 30 June 2022	N/A	N/A
Interim dividend year ending 30 June 2022	N/A	N/A
Final dividend year ending 30 June 2021	N/A	N/A

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year (to June 2023)	0.00¢	100%	0.00¢
Previous year (to June 2022)	0.00¢	100%	0.00¢
Previous year (to June 2021)	0.00¢	100%	0.00¢

Total dividend on all securities

	Current period \$A	Previous corresponding period - \$A
Ordinary securities (each class separately)	0.00	0.00
Preference securities (each class separately)	0.00	0.00
Other equity instruments (each class separately)	0.00	0.00
Total	0.00	0.00

6. Details of dividend or distribution reinvestment plans in operation are described below (item 6):

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

7. Details of associates and joint venture entities (item 7)

N/A

8. The financial information provided in the Appendix 4D is based on the half-year condensed financial report.

Attached

9. Independent review of the financial report (item 9)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

10. Matters relating to a qualified independent review statement (item 9)

N/A

K2 ASSET MANAGEMENT HOLDINGS LTD

AND CONTROLLED ENTITIES

ABN 59 124 636 782

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

This half-year financial report is to be read
in conjunction with the financial report for
the year ended 30 June 2022

K2 Asset Management Holdings Ltd and Controlled Entities
ABN: 59 124 636 782

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

TABLE OF CONTENTS

	Page
Directors' Report	3
Auditor's Independence Declaration	5
Financial Report for the half-year ended 31 December 2022	
Condensed Consolidated Statement of Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Changes in Equity	8
Condensed Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report	15

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of the consolidated entity consisting of K2 Asset Management Holdings Ltd and the entities it controlled, K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd (Consolidated Entity), for the half-year ended 31 December 2022 and auditor's review report thereon. This financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting*.

DIRECTORS

The names of the directors in office at any time during or since the end of the half-year are:

Campbell Neal	Chief Executive Officer and Managing Director
George Boubouras	Executive Director
Hollie Wight	Chief Financial Officer and Executive Director

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

Revenue from management and performance fees was \$412,237 (2021: \$625,498) and \$43 (2021: \$314,823) respectively. Revenue received from responsible entity services and establishment of responsible entity services amounted to \$338,817 (2021: \$220,314) and \$124,425 (2021: \$25,000) respectively. Total revenue amounted to \$1,000,623 (2021: \$1,221,896). Revenue decreased from the prior comparative period due to a decrease in management fees and performance fee paid or payable by the K2 Funds to K2 Asset Management Ltd in its capacity as investment manager. Please refer to the Condensed Consolidated Statement of Comprehensive Income on page 6 for further details.

The loss of the Consolidated Entity for the half-year after providing for income tax was \$979,214 (2021: loss \$432,589).

The table below provides total Funds Under Management and Administration (FUMA) as at 31 December 2022 and comparative period:

	FUMA^ (\$million)	
	31 December 2021	31 December 2022
Funds Management*	92.3 AUD	73.3 AUD
Responsible Entity (RE) & Exchange Traded Funds (ETF) Services	1,483.9 AUD	1,941.6 AUD
Total	1,576.2 AUD	2,014.9 AUD

*The above information is unaudited. ^Funds under Management and Administration (FUMA) incorporates FUM of K2 Funds and FUA of the Private Mandate and Funds Under Advice. The underlying service fee charges for FUM and FUA are at different rates. *Funds Management consists of the K2 Australian Absolute Return Fund, K2 Select International Absolute Return Fund, K2 Asian Absolute Return Fund, K2 Global High Alpha Fund, K2 Australian Small Cap Fund (ASX: KSM) and FUA of Private Mandate.*

Further information on the investment returns of the K2 Funds can be found at www.k2am.com.au

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no other significant changes in the Consolidated Entity's state of affairs during the financial period.

DIRECTORS' REPORT (CONT'D)


ROUNDING OF AMOUNTS

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and the financial report have been rounded to 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* in relation to the review of the half-year is provided with this report.

Signed in accordance with a resolution of the directors.



Campbell Neal
Director



Hollie Wight
Director

Melbourne
28 February 2023

**K2 ASSET MANAGEMENT HOLDINGS LTD
ABN 59 124 636 782
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF K2 ASSET MANAGEMENT HOLDINGS LTD**

In relation to the independent auditor's review for the half-year ended 31 December 2022, 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)*.

This declaration is in respect of K2 Asset Management Holdings Ltd and the entities it controlled during the period.



K L BYRNE
Partner

28 February 2023



PITCHER PARTNERS
Melbourne

K2 Asset Management Holdings Ltd and Controlled Entities
ABN: 59 124 636 782

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	Half-year	
		31 December 2022 \$	31 December 2021 \$
Management fees		412,237	625,498
Performance fees		43	314,823
Responsible entity fees		338,817	220,314
Establishment income		124,425	25,000
Interest income	3	95,747	31,239
Other income		29,354	5,022
		1,000,623	1,221,896
Employee benefits expense	4	(1,451,797)	(1,393,176)
Depreciation and amortisation expenses	4	(108,347)	(116,029)
Marketing expenses	4	(168,950)	(106,108)
Occupancy expenses		(41,428)	(39,953)
Professional expenses		(102,655)	(102,791)
Technology expenses		(29,946)	(49,355)
Fund operating expenses		(9,701)	(1,413)
Finance costs		(10,293)	(7,329)
Doubtful debt expenses		(50,193)	-
Other expenses		(6,527)	(3,626)
		(1,979,837)	(1,819,780)
Loss before income tax		(979,214)	(597,884)
Income tax benefit	5	-	165,295
Total comprehensive loss for the half-year		(979,214)	(432,589)
Basic earnings per share (cents per share)		(0.41)	(0.18)
Diluted earnings per share (cents per share)		(0.41)	(0.18)

The above statement should be read in conjunction with the accompanying notes.

K2 Asset Management Holdings Ltd and Controlled Entities
ABN: 59 124 636 782

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	31 December 2022	30 June 2022
	\$	\$
Current Assets		
Cash and cash equivalents	9,782,231	10,755,666
Receivables	288,918	215,353
Lease receivable	-	35,314
Other current assets	80,762	112,919
Total Current Assets	10,151,911	11,119,252
Non-current Assets		
Plant and equipment	44,250	66,207
Lease assets	555,023	47,122
Intangible assets	5,879	6,318
Other non-current assets	603,090	605,630
Total Non-current Assets	1,208,242	725,277
Total Assets	11,360,153	11,844,529
Current Liabilities		
Trade and other payables	105,979	225,014
Contract liabilities	24,395	76,320
Provisions	944,743	806,446
Lease liabilities	-	71,197
Total Current Liabilities	1,075,117	1,178,977
Non-current Liabilities		
Provisions	1,716	5,011
Lease liabilities	601,993	-
Total Non-current Liabilities	603,709	5,011
Total Liabilities	1,678,826	1,183,988
Net Assets	9,681,327	10,660,541
Equity		
Share capital	4,601,987	4,601,987
Reserves	10,570,346	10,570,346
Accumulated losses	(5,491,006)	(4,511,792)
Total Equity	9,681,327	10,660,541

The above statement should be read in conjunction with the accompanying notes.

K2 Asset Management Holdings Ltd and Controlled Entities
ABN: 59 124 636 782

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

2022	Contributed equity \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2022	4,601,987	10,570,346	(4,511,792)	10,660,541
Loss for the period	-	-	(979,214)	(979,214)
Total comprehensive income for the half-year	-	-	(979,214)	(979,214)
Transactions with owners in their capacity as owners				
Transfer to profit reserve	-	-	-	-
Share based payments	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-
Balance as at 31 December 2022	4,601,987	10,570,346	(5,491,006)	9,681,327

2021	Contributed equity \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2021	4,601,987	10,566,188	(2,099,703)	13,068,472
Loss for the period	-	-	(432,589)	(432,589)
Total comprehensive income for the half-year	-	-	(432,589)	(432,589)
Transactions with owners in their capacity as owners				
Transfer to profit reserve	-	-	-	-
Share based payments	-	4,158	-	4,158
Total transactions with owners in their capacity as owners	-	4,158	-	4,158
Balance as at 31 December 2021	4,601,987	10,570,346	(2,532,292)	12,640,041

The above statement should be read in conjunction with the accompanying notes.

K2 Asset Management Holdings Ltd and Controlled Entities
ABN: 59 124 636 782

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year	
	31 December 2022	31 December 2021
	\$	\$
Cash flow from operating activities		
Receipts from customers	907,503	2,659,962
Payments to suppliers and employees	(1,882,347)	(2,314,705)
Interest received	39,721	32,585
Finance costs	(10,293)	(7,329)
Net cash provided by/(used in) used in operating activities	(945,416)	370,513
Cash flow from investing activities		
Payment for plant and equipment	(1,829)	(7,345)
Payment for trademarks and licenses	-	(1,700)
Principal portion of lease receipts	35,314	100,073
Net cash provided by investing activities	33,485	91,028
Cash flow from financing activities		
Proceeds of borrowings	(276)	-
Principal portion of lease payments	(61,228)	(204,482)
Net cash used in financing activities	(61,504)	(204,482)
Net increase/(decrease) in cash and cash equivalents held	(973,435)	257,059
Cash and cash equivalents at beginning of the half-year	10,755,666	10,883,552
Cash and cash equivalents at end of the half-year	9,782,231	11,140,611

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This condensed consolidated half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by K2 Asset Management Holdings Ltd during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

K2 Asset Management Holdings Ltd is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of preparation of the financial report

This condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Except as disclosed in Note 1(b), the accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2022.

(b) Summary of significant accounting policies

The Consolidated Entity has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2022, all of which have not had a material impact on the Financial Statements.

(c) Principles of consolidation

The condensed consolidated financial statements are those of the Consolidated Entity, comprising the financial statements of the parent entity and the entities which K2 Asset Management Holdings Ltd controlled, K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd, during the half-year and at balance date.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

(d) Fair values

The carrying amounts of financial assets and financial liabilities recognised in the Condensed Consolidated Statement of Financial Position and Notes to the Financial Statements approximate their fair value as at the reporting date.

(e) Comparatives

Where required, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 2: SUBSEQUENT EVENTS

Effective from 7 February 2023, the Consolidated Entity had ceased to be the Investment Manager of the K2 Select International Absolute Return Fund (Select Fund) while continuing its role as Responsible Entity for the Select Fund. To this end, the Consolidated Entity has commenced to charge a responsible entity fee to the Select Fund and also maintaining entitlement to a small portion of management fee and performance fee as agreed with the incoming Investment Manager.

Other than the above, there has been no other matter or circumstance, which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2022, of the Consolidated Entity
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2022, of the Consolidated Entity.

NOTE 3: INTEREST AND OTHER INCOME

	Half-year	
	31 December 2022	31 December 2021
	\$	\$
Interest income		
Other	95,587	27,618
Lease activities	160	3,621
	95,747	31,239

NOTE 4: SIGNIFICANT EXPENSE ITEMS

	Half-year	
	31 December 2022	31 December 2021
	\$	\$
Employee Benefits		
Short-term benefits	1,356,397	1,284,652
Long-term benefits	(3,295)	4,693
Superannuation contributions	98,695	103,831
	1,451,797	1,393,176
Depreciation and amortisation expense		
Depreciation of computer and office equipment	11,310	8,809
Depreciation of leasehold improvements	12,475	12,475
	23,785	21,284
Amortisation of trademarks and licences	439	501
Amortisation of lease assets	84,123	94,244
	108,347	116,029

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4: SIGNIFICANT EXPENSE ITEMS (CONT'D)

Marketing expenses

Advertising	133,213	80,426
Travel expenses	31,192	22,133
Printing and stationery	4,545	3,549
	<u>168,950</u>	<u>106,108</u>

NOTE 5: INCOME TAX

The prima facie tax, using tax rates applicable in the country of operation, on profit/(loss) before income tax is reconciled to the income tax expense as follows:

	Half-year	
	31 December 2022	31 December 2021
	\$	\$
Prima facie income tax payable on profit/(loss) before income tax at 25% (2021: 25%)	(244,803)	(149,471)
<i>Add tax effect of:</i>		
Non-deductible entertainment	723	977
Non-deductible fines	86	-
Non-deductible share based payments	-	1,039
	<u>(243,994)</u>	<u>(147,455)</u>
<i>Less tax effect of:</i>		
(Over) provision in prior year	-	(17,840)
Tax losses not brought to account	243,994	-
Income tax expense/(benefit) attributable to profit	<u>-</u>	<u>(165,295)</u>

NOTE 6: ISSUANCES OF EQUITY

There were no issuances of equity during the half-year periods ended 31 December 2022 and 31 December 2021.

During the half-year period ended 31 December 2022, nil (2021: nil) options over unissued shares in K2 Asset Management Holdings Ltd were issued to employees of the Consolidated Entity. Remuneration expense of nil (2021: \$4,158) was included in the condensed consolidated statement of comprehensive income in relation to the issue of options.

NOTE 7: SEGMENT INFORMATION

The Consolidated Entity operates solely within Australia within the funds management segment.

NOTE 8: DIVIDENDS ON ORDINARY SHARES

There have been no dividends paid or declared during the half-year periods ended 31 December 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 9: RELATED PARTIES

The condensed consolidated half-year financial statements include the financial statements of K2 Asset Management Holdings Ltd and its 100% (2021:100%) owned subsidiaries K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd. K2 Corporate Services Pty Ltd was registered on 25 May 2020, KII Pty Ltd was registered on 12 August 2015 and Trusuper Pty Ltd was registered on 19 August 2016. As of the date of this report, these entities have had no operations.

K2 Asset Management Ltd provides investment management services to related party unit trusts, the K2 Australian Absolute Return Fund, K2 Select International Absolute Return Fund, K2 Asian Absolute Return Fund, K2 Global High Alpha Fund, K2 Australian Small Cap Fund and Annapurna Microcap Fund (Funds). K2 Asset Management Ltd is entitled to receive payments from the Funds where it provides investment management services, including management fees, administration or responsible entity fees and in some instances a performance fee based upon the relevant fund's investment return over and above a specified benchmark. Total related party revenue of \$428,087 (2021: \$955,637) has been recognised in the Condensed Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2022.

As at 31 December 2022, K2 Asset Management has a current receivable of \$75,037 (2021: \$518,400) for investment management services provided to the Funds.

There have been no dividends declared or paid by K2 Asset Management Ltd to K2 Asset Management Holdings Ltd for the half-year periods ended 31 December 2022 or 31 December 2021.

As at 31 December 2022, K2 Asset Management Ltd has a current liability of \$361,007 (2021: \$304,876) payable to the parent entity for operational expenditure paid by the parent entity on behalf of its subsidiary and a non-current asset of \$948,171 (2021: \$699,451) receivable from the parent entity for tax related balances.

As at 31 December 2022, the Consolidated Entity has a current receivable of \$40,424 (2021: \$42,962) and a non-current receivable of \$576,090 (2021: \$645,241) for loans made to employees to purchase shares in K2 Asset Management Holdings Ltd. The loans have been made to employees under a formal loan agreement and are expected to be repaid over a period of time using the proceeds of performance bonuses, dividend payments and share sales relating to the shares purchased. Any outstanding balance must be repaid to the Consolidated Entity upon an employee ceasing to be employed by the Consolidated Entity. The loans are interest free and are unsecured.

Fund operating expenses of \$9,701 (2021: \$1,413) were paid on behalf of the Funds to cover ASX fees, custodian fees, administration fees, unit registry fees and other fees and expenses relating to the administration of the Funds and K2's role as responsible entity.

NOTE 10: CONTINGENT LIABILITIES

During the period, the Consolidated Entity acted as the responsible entity of the Cosmos Purpose Bitcoin Access ETF and the Cosmos Purpose Ethereum Access ETF (collectively "Cosmos"). Cosmos entered liquidation on 20 December 2022. The Consolidated Entity has recognised a provision in full against all amounts owing from Cosmos as at 31 December 2022. As at the date of this financial report, the liquidator has not yet issued their liquidators report and therefore the directors of the Consolidated Entity have no certainty around the amount that may be recovered by the liquidator or any claims that may arise to the Consolidated Entity in respect of the liquidation. No provision has been recognised at this time in respect of possible future claims in association with this matter. The directors will continue to monitor the matter closely and communicate any significant advancements to shareholders in line with continuous disclosure requirements should they arise.

There are no other contingent liabilities as at 31 December 2022.

NOTE 11: ECONOMIC ENTITY DETAILS

The registered office of the company is:
K2 Asset Management Holdings Ltd
Level 32, 101 Collins Street
Melbourne VIC 3000

Phone: 03 9691 6111

DIRECTORS' DECLARATION

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that K2 Asset Management Holdings Ltd 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.



Campbell Neal
Director



Hollie Wight
Director

Melbourne
28 February 2023

**K2 ASSET MANAGEMENT HOLDINGS LTD
ABN 59 124 636 782
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD**

Conclusion

We have reviewed the half-year financial report of K2 Asset Management Holdings Ltd, the 'Company' and its controlled entities "the Consolidated Entity", which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies 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 K2 Asset Management Holdings Ltd and controlled entities does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 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.

Responsibility 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.

K2 ASSET MANAGEMENT HOLDINGS LTD
ABN 59 124 636 782
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD

Auditor's Responsibility 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 Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with 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.



K L BYRNE
Partner



PITCHER PARTNERS
Melbourne

28 February 2023