K2 ASSET MANAGEMENT HOLDINGS LTD

AND CONTROLLED ENTITIES

ABN 59 124 636 782

FINANCIAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2026

PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

Rule 4.3A

Appendix 4E Preliminary Final Report

Name of entity

K2 Asset Management Holdings Ltd

ABN or equivalent company reference:	59 124 636 782

1. Reporting period *(item 1)*

Report for the financial year ended	30 June 2026
Previous corresponding period is the financial year ended	30 June 2025

2. Results for announcement to the market *(item 2)*

Revenues from ordinary activities *(item 2.1)*	Down	0.2%	to	6,143,003
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	Down	239.8%	to	(482,027)
Net profit (loss) for the period attributable to members *(item 2.3)*	Down	239.8%	to	(482,027)

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Final dividend – August 2025	0.50¢	0.50¢
Record date for determining entitlements to the dividend *(item 2.5)*	4 September 2025	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

The 2026 financial year (**FY26**) was a year of strategic progress and continued business growth for K2 Asset Management Holdings Ltd and its controlled entities (**K2**). K2 delivered total revenue of AUD $6,143,003 and net loss after tax of AUD $(482,027). K2 experienced strong growth throughout all pillars of the business and maintained Assets Under Management (AUM) at approximately $4.7 billion at the end of financial year.

The Board remains committed to building sustainable revenue growth and profitability across the service offering:

1. Responsible Entity (RE), Trustee & Administration Services;
2. Exchange Traded (ETF) & Listed Fund Services; and
3. Funds Management & Investment Advisory

The table below provides total AUM of 30 June 2026 and the relevant comparative periods.

	Asset Under Management (AUM) AUD $millions		
	30 June 2024	**30 June 2025**	**30 June 2026**
Responsible Entity (RE), Trustee & Administration Services	4,336.4	4,673.4	4,417.2
Exchange Traded (ETF) & Listed Fund Services	257.4	303.3	226.2
Funds Management & Investment Advisory	82.3	291.0	238.3
Total AUM	**4,369.7**	**4,966.3**	**4,668.4**

The above information is unaudited. Spot rates as at the reference dates have been used in converting non-Australian denominated investments. Please refer to Total AUM for aggregate non-duplicated AUM. *Funds Management & advisory consists of the K2 Opportunities Fund (formerly K2 Australian Absolute Return Fund), Select International Alpha Fund, Adamantos Fund (formerly K2 Global High Alpha Fund) and K2 Australian Small Cap Fund (ASX: KSM), SMAs and private mandates. The underlying service fee charged for the above listed 3 core pillars of service offerings are at different rates.

3. **Statement of Comprehensive Income** *(item 3)*

Refer to the attached statement.

4. **Statement of Financial Position** *(item 4)*

Refer to the attached statement.

5. **Statement of Cash Flows** *(item 5)*

Refer to the attached statement.

6. **Dividends** *(item 7)*

	Date of payment	**Total amount of dividend per security**	**Franked amount per security**	**Foreign Sourced Income**
Final dividend – year ended 30 June 2026[1]	NA	0.00¢	0.00¢	0.00¢
Interim dividend – year ended 30 June 2026	NA	0.00¢	0.00¢	0.00¢
Final dividend – year ended 30 June 2025[1]	30 September 2025	0.50¢	0.50¢	0.00¢
Interim dividend – year ended 30 June 2025	NA	0.00¢	0.00¢	0.00¢

[1] The final 2025 dividend is payable on 30 September 2025 and is not provided for as at 30 June 2025. This dividend was paid from K2's profit reserve.

7. **Details of dividend or distribution reinvestment plans in operation are described below:** *(item 8)*

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

8. **Statement of retained earnings/(accumulated losses)** *(item 6)*

	Consolidated Entity	
	2026	**2025**
	$	**$**
Balance at the beginning of year	(6,885,638)	(6,885,638)
Net profit/(loss) attributable to members of the parent entity	(482,027)	344,687
Total available for appropriation	(7,367,665)	(6,540,951)
Transfer to profit reserve	(561)	(344,687)
Transfer from employee share option reserve	-	-
Balance at end of year	(7,368,226)	(6,885,638)

9. **Net tangible assets per security** *(item 9)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$0.03	$0.03

10. Details of entities over which control has been gained or lost during the period: *(item 10)*

Control gained over entities

Name of entities *(item 10.1)*	NA
Date(s) of gain of control *(item 10.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 10.3)*	$
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$

Loss of control of entities

Name of entities *(item 10.1)*	NA
Date(s) of loss of control *(item 10.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 10.3).*	$
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$

11. Details of associates and joint venture entities *(item 11)*

Name of associate or joint venture entity *(item 11.1)*	**% Securities held** *(item 11.2)*
NA	

Aggregate share of profits (losses) of associates and joint venture entities *(item 11.3)*

Group's share of associates' and joint venture entities':	2026 $	2025 $
Profit (loss) from ordinary activities before tax	NA	NA
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax		
Adjustments		
Share of net profit (loss) of associates and joint venture entities		

12. **Any other significant information relating to the entity's financial performance and financial position.**

NA

13. **The financial information provided in the Appendix 4E is based on the annual financial report (attached), which has been prepared in accordance with Australian accounting standards** *(item 13)*

14. **Commentary on the results for the period** *(item 14)*

Refer to the attached financial report and Chair's report for additional information.

15. **Audit of the financial report** *(item 15)*

The financial report has been audited.

16. **The audit has been completed.**

The financial report is not subject to audit dispute or qualification.

K2 ASSET MANAGEMENT HOLDINGS LTD

AND CONTROLLED ENTITIES

ABN 59 124 636 782

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

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CHAIR'S REPORT

The 2026 financial year (**FY26**) was a year of strategic progress and continued business growth for K2 Asset Management Holdings Ltd and its controlled entities (**K2**). K2 continued to strengthen its diversified business model, expanding on key service offerings and positioning the business for long-term growth. We are pleased to report that revenue was $6.1 million and Assets Under Management (AUM) totalled $4.7 billion at financial year end.

K2 reported a net loss after tax of $0.5 million for the year ended 30 June 2026. While the result was negative, it reflects a number of strategic initiatives undertaken, most notably the decision to focus resources on our core Responsible Entity (RE), Trustee, Administration and Investment Advisory businesses. While these actions impacted the FY26 result, the business has been repositioned to scale more effectively in future periods.

Importantly, K2 continues to maintain a strong financial position with cash and term deposits of approximately $7.3 million at year end. K2's strong capital position provides the flexibility to continue investing in strategic growth initiatives while maintaining a disciplined approach to capital management.

RESPONSIBLE ENTITY, TRUSTEE & ADMINISTRATIVE SERVICES

The RE, Trustee and Administration Services division continues to be the cornerstone of K2's operations. Throughout FY26, K2 continued to support a growing number of investment managers and managed investment schemes through the provision of governance, compliance, trustee, administration and related services. Now spanning over 20 managers across a diverse range of asset classes, revenue from ongoing RE, trustee and licensing services grew by 5% during the year. The AUM of approximately $4.7 billion across the Consolidated Entity has been achieved alongside K2 distributing or returning over $289 million in unitholder funds during FY2026 and circa $1.2 billion in the past three years. This is a testament to our continued focus on our fiduciary duty while delivering meaningful growth and onboarding recurring, sustainable revenue.

K2 continues to see strong demand for experienced and independent fiduciary partners, particularly as regulatory expectations and operational requirements continue to increase across the industry. K2 is in discussions with a variety of managers establishing and transitioning funds or wishing to work with K2 in the future. The Board remains confident that this pillar of the business is well positioned to benefit from both regulatory changes as well as ongoing industry growth.

FUNDS MANAGEMENT & INVESTMENT ADVISORY

Following a strategic review undertaken during the year, the Board resolved to consolidate K2's broader in-house funds management activities. The investment management pillar will continue to drive growth in core products along with the CIO and investment advisory offerings.

While the financial benefit of this initiative was not reflected in the FY26 result, they are expected to deliver meaningful ongoing cost savings and improve the Consolidate Entity's operating leverage from FY27 onwards. This strategic repositioning has created a simpler, more focused business with a clearer pathway to sustainable profitability.

Pleasingly, K2 continued to expand its Investment Advisory offering throughout the year. Revenue from investment advisory services increased to $0.7 million, reflecting growing client demand for portfolio construction, asset allocation, fund selection and risk monitoring services. This remains an important strategic growth area and further diversifies the Consolidated Entity's earnings base. The Board remains committed to growing the CIO Office and Advisory Platform and believes there are meaningful opportunities to secure additional mandates from wealth management groups, family offices and institutional investors.

EXCHANGE TRADED & LISTED FUND SERVICES

Exchange traded and listed fund structures continue to represent an important area of growth for the Australian investment industry. K2's RE, Trustee and administration capabilities position the Consolidated Entity well to support managers seeking to launch and operate ETF and listed investment products.

Throughout FY26, the Consolidated Entity continued to engage with both existing and prospective issuers and believes the ongoing growth of the sector presents attractive opportunities to extend service offerings and deepen client relationships. As K2 continues to focus on scalable, recurring revenue activities, the Board sees this area as a complementary contributor to future growth.

CHAIR'S REPORT(CONT'D)

CORPORATE

FY26 was a significant year of change for K2, with the business maintaining a clear focus on revenue-generating and profitable business lines. The Board expects the full benefits of these initiatives to become increasingly evident throughout FY27.

The business will continue to monitor the changes in the Net Tangible Asset requirement for Responsible Entities announced by ASIC in July 2026. The current $5 million regulatory requirement is proposed to increase to approximately $7 million as of 1 July 2027 along with other initiatives supporting the industry. K2 is well positioned relative to its peers and will continue to have a strong balance sheet, importantly with no debt.

K2 welcomed Dr Andrew MacDonald as a Non-Executive Director in June 2026, with Andrew bringing considerable experience across financial services, governance and technology, further strengthening the Board's capabilities.

We are entering FY27 with great confidence. K2 now has a more streamlined business, a materially lower cost base and a clearer strategic direction. Supported by a strong balance sheet, recurring revenue streams and growing demand across our service offerings, K2 is well positioned to improve profitability and deliver long-term value for shareholders.

On behalf of the Board, I thank our employees for their dedication and professionalism throughout a period of significant change. I also thank our clients, business partners and shareholders for their ongoing support and confidence in K2.

Campbell Neal
Chair

Melbourne
27 August 2026

DIRECTORS' REPORT

The directors present their report together with the financial report of the Consolidated Entity consisting of K2 Asset Management Holdings Ltd (the Company) and the entities it controlled, K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd (together the "Consolidated Entity"), for the financial year ended 30 June 2026 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

DIRECTORS

The following persons were directors of the Consolidated Entity during the whole financial year and up to the date of this report unless otherwise noted:

Campbell Neal	(Managing Director and Chair)
Hollie Wight	(Managing Director, Head of RE & Trustee Services and Chief Executive Officer)
George Boubouras	(Managing Director and Head of Research, Investment & Advisory)
Andrew MacDonald	(Non-Executive Director) – Appointed on 15 June 2026
Neil Sheather	(Non-Executive Director) – Retired on 15 June 2026

Please refer to the information on directors and company secretary section in the Directors' Report on page 7 for further details on directorship of Neil Sheather in other listed entities.

No other directors are or have been directors of any other listed entity in the last 3 years.

PRINCIPAL ACTIVITIES

K2 Asset Management Holdings Ltd is the holding company of K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd. The principal activity of K2 Asset Management Ltd during the financial year was across the three core pillars of the business:

1. RE, Trustee & Administration Services;
2. ETF & Listed Fund Services; and
3. Funds Management & Investment Advisory

The principal activity of K2 Corporate Services Pty Ltd during the period was to provide Fund Investment Advisory Services which forms part of the Funds Management & Investment Advisory pillar of the business.

As of the date of this report, KII Pty Ltd and Trusuper Pty Ltd have had no operations.

RESULTS

The consolidated loss before tax attributable to the members of K2 Asset Management Holdings Ltd was $(482,027) (2025: Profit $344,687). The consolidated loss after tax attributable to members was $(482,027) (2025: Profit $344,687). Please refer to the Consolidated Statement of Comprehensive Income on page 24 for further information.

REVIEW OF OPERATIONS

The Consolidated Entity continued to engage in its principal activity noted above, the results of which are disclosed within the attached financial statements.

Revenue from RE, Trustee & Administration Services, Funds Management and Investment Advisory Services was $4,543,889 (2025: $4,322,570), $439,624 (2025: $801,908) and $720,795 (2025: $498,876) respectively. Total revenue amounted to $6,143,003 (2025: $6,152,771). Please refer to the Consolidated Statement of Comprehensive Income on page 24 for further information.

DIVIDENDS

Dividends paid or declared by K2 Asset Management Holdings Ltd for the financial year are as follows:

Paid or declared during the 2026 financial year	Cents per share	Total amount	Date of payment
Final dividend (100% franked) – August 2025	0.5	$1,205,427	September 2025

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

DIRECTORS' REPORT (CONT'D)

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

LIKELY DEVELOPMENTS

K2 Asset Management Holdings Ltd continues to pursue its business objectives, by continuing to be the holding company of the K2 Asset Management Ltd financial diversified services business. Operating strategies are detailed in the Chair's Report on page 3 and are not expected to change in the foreseeable future.

ROUNDING OF AMOUNTS

The parent entity and the Consolidated Entity have applied relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are not subject to any significant Commonwealth or State environmental regulations or laws.

AUDITOR

Pitcher Partners continues to act as Auditor of the Consolidated Entity since being appointed in May 2008.

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 audit for the financial year is provided with this report.

NON-AUDIT SERVICES

Non-audit services provided by the auditors of the Consolidated Entity during the year, Pitcher Partners, are approved by the Board and detailed below. The directors are satisfied, given the nature and scope of the non-audit services that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Amounts paid or payable to the auditors of the Consolidated Entity for non-audit services provided during the year:	**2026 $**	**2025 $**
Tax consulting services	-	4,250

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

During or since the end of the financial year, the Consolidated Entity has entered into a commercial agreement to indemnify and paid premiums to insure the directors and officers of the company and the key management of the company.

No indemnities have been given or insurance premiums have been paid for the auditors of the Consolidated Entity.

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the Consolidated Entity.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a director of K2 Asset Management Holdings Ltd at any time during or since the end of the financial year are provided below, together with details of the Company Secretary.

Campbell William Neal BSc/LLB
Campbell is the Managing Director and Chair of K2 Asset Management Holdings Ltd and K2 Asset Management Ltd. Before co-founding K2 Asset Management Ltd in 1999 Campbell worked at Bankers Trust Australia. He was appointed Executive Vice President in 1997 and was responsible for Australian institutional equity sales in Melbourne and later throughout Asia. Campbell has over 41 years' experience in both stockbroking and funds management.

DIRECTORS' REPORT (CONT'D)

Hollie Wight Bbus(Acc)(Hons), CPA
Hollie joined K2 in 2000 and is Managing Director, and Head of RE & Trustee Services. Prior to K2, Hollie worked at PricewaterhouseCoopers within their assurance and business advisory services division. Hollie held the additional responsibilities of Company Secretary between 5 September 2014 and 15 September 2018. Hollie was reappointed as Company Secretary from 27 February 2020. Effective from 28 January 2025, Hollie was also appointed as the Chief Executive Officer of the Consolidated Entity.

George Boubouras BEcon(Hons)
George is a Managing Director and Head of Research and Investment Advisory at K2. George has over 30 years' experience in the financial services industry with previous roles including CIO at Salter Brothers Asset Management (SBAM); Managing Director (MD) and CIO at Contango Asset Management; Director at Contango Income Generator; Executive Director (ED) and Head of Investment Strategy and Consulting at UBS; CIO and Head of Asset Management at Equity Trustees; Senior Investment Manager at HSBC Global Asset Management; Investment Strategist at Macquarie Group; Economist at Westpac, NSW Treasury and SBC (now UBS); Director Blues Foundation at The Carlton Football Club and Director at Women in Banking and Finance (WiBF).

Andrew MacDonald Ph.D, B.A(Hons)
Andrew was appointed as a Non-Executive Director in June 2026. Andrew is also the founder and CEO of Bionic Advisor and is an experienced company director and senior executive with over 25 years of board, advisory and operating experience across funds management, banking, wealth management and professional services. He has previously chaired an ASX-listed funds management company and currently holds chair and chief executive roles in privately held technology and advisory businesses focused on the financial services sector. His expertise spans portfolio governance, dividend and capital management policy, investment mandate oversight, AFSL regulated operations and the governance of artificial intelligence and data platforms used by financial institutions.

Neil Sheather MBA, GDipAppFin
Neil was appointed as a Non-Executive Director in July 2023. Neil is currently the Executive Chair of Finexia Financial Group Ltd (ASX: FNX) and has been on the FNX Board for over a decade. Neil has over 27 years of financial services experience in the Australian and Asian market. In June 2026, Neil retired from his Non-Executive Director role at K2.

Caroline Purtell LLM(Hons), Arts/LLB(Hons)
Caroline was appointed as Joint Company Secretary in July 2023. Caroline has over 27 years of experience in finance, banking and financial markets as a Board member and solicitor for listed and unlisted companies and funds such as Mallesons (now King & Wood Mallesons) in Sydney and Clifford Chance in London.

DIRECTORS' MEETINGS

The number of meetings held by the board of directors during the financial year and the numbers of meetings attended by each director during the financial year were:

Consolidated Entity	Eligible to attend [1]	Attended
Campbell Neal	8	7
Hollie Wight	8	8
George Boubouras	8	8
Neil Sheather	8	6
Andrew MacDonald	0	0

[1] In addition to the 8 meetings, the directors of the Consolidated Entity passed circular written resolutions on 66 occasions during the financial year. All eligible directors were signatories to these resolutions.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the 2026 financial year, 3,375,192 (2025: nil) options were issued to a limited number of employees over unissued share capital of K2 Asset Management Holdings Ltd. The options vest in three years on 15 May 2029 and expire on 15 November 2029 with an exercise price of $0.15 per option. Details of the options issued are disclosed in Note 24 to the financial statements.

AUDITED REMUNERATION REPORT

REMUNERATION POLICIES

K2 Asset Management aims to provide remuneration that is competitive in the market and linked to the Consolidated Entity's long-term growth and value. The Board seeks to ensure that the Consolidated Entity attracts and retains talented and motivated employees who can enhance business performance through their contributions and leadership. All staff are employed and remunerated by K2 Asset Management Ltd with all contracts for service being on a continuing basis.

The nature and extent of remuneration is reviewed and agreed upon annually by the board of directors as a whole. The Board has ensured that current and proposed fixed, short and long-term incentives are comparable with the market for similar roles and skill sets. No external consultants were engaged to review remuneration during the financial year.

Remuneration of employees is made up of the following components:

Fixed remuneration: includes base salary and employer superannuation contributions. All employees, including directors, have salary reviews on an annual basis. When making changes to an individual's base remuneration the Board as a whole considers the employee's responsibilities, historic performance and length of employment with the Consolidated Entity, as well as the applicable industry rate. When increasing directors' base remuneration external consultants may be engaged to ensure changes are consistent with internal policies and external market practices.

Performance bonuses

Bonuses are ultimately determined by the Board after appropriate consultation with senior managers and for investment managers the review of basis points and capital allocation on an individual fund manager level for the period in question. Bonuses can be paid semi-annually as at 31 December and 30 June. Varying portions of the bonus pool are allocated to different employee groups including executives, investment managers, legal, business development and administration. Bonuses are paid via the short-term and long-term incentive plans described below.

Short-term incentives: refers to performance-based cash bonuses. Along with the criteria mentioned above all employees (including executive directors) have specified key performance indicators they are required to meet depending on the position held. Key performance indicators are set on an annual basis and take into account individuals' skill sets, tasks required to be performed and projects and developments to be implemented in the year ahead. Key performance indicators include, but are not limited to, investment manager return on capital, successful implementation of internal projects, positive fund flows, enhancement of distribution channels, timely reporting to unitholders and shareholders and adherence to the K2 internal trademarks.

Short-term incentives paid or earned, relating to performance-based cash bonuses, to all employees including directors and key management personnel in relation to the 2026 financial year were nil (2025: nil).

Short-term incentives also include employee benefit expenses representing the interest foregone on interest-free employee share loans held during the year. Employee benefit expenses earned and paid to employees including directors and key management personnel in relation to the 2026 financial year were $37,241 (2025: $31,203).

Long-term incentives: are provided via a performance-based deferred cash bonus which represents 0% to 75% of the short-term incentive that is retained by the Company. This deferred component is payable over three tranches over a three year period. Deferred bonus payments are only paid if the employee remains at the Consolidated Entity and continues to meet specified key performance indicators. If either of these criteria are not met then the deferred bonus is forfeited. The deferred bonus can be revoked at the Board's discretion.

AUDITED REMUNERATION REPORT (CONT'D)

REMUNERATION SUMMARY

A summary of the remuneration for the directors of the Company for the financial year ended 30 June 2026 is as follows (the below information is summarised in Note 25):

	Campbell Neal	**George Boubouras**
Position held:	Managing Director and Chair	Head of Research & Investment Advisory and Managing Director
Appointment:	March 1999	March 2021
Base salary:	$458,984 (2025: $458,984)	$495,133 (2025: $352,601)
Superannuation:	$30,000 (2025: $29,932)	$30,000 (2025: $29,932)
Short-term incentives earned: *	nil (2025: nil)	$26,719 (2025: $24,816)
Long-term incentives paid or due: *	nil (2025: nil)	nil (2025: nil)
Long-term incentives payable:	There is no performance-based deferred cash bonus payable to Mr Neal as at June 2026 (2025: nil).	There is no performance-based deferred cash bonus payable to Mr Boubouras as at June 2026 (2025: nil).
Director's fee	-	-
Incentive based salary as a % of total salary:	0% (2025: 0%)	5% (2025: 6%)

	Hollie Wight	**Andrew MacDonald**
Position held:	Managing Director, Head of RE & Trustee Services and Chief Executive Officer	Non-Executive Director
Appointment:	April 2005	15 June 2026
Base salary:	$495,133 (2025: $352,601)	-
Superannuation:	$30,000 (2025: $29,932)	-
Short-term incentives earned: *	nil (2025: nil)	-
Long-term incentives paid or due: *	nil (2025: nil)	-
Long-term incentives payable:	There is no performance-based deferred cash bonus payable to Ms Wight as at June 2026 (2025: nil).	-
Director's fee	-	$2,055
Incentive based salary as a % of total salary:	0% (2025: 0%)	-

In addition to the remuneration outlined above is statutory changes in accrued leave entitlements amounting to Campbell Neal: $882 (2025: $3,507), George Boubouras: $82,998 (2025: $40,253) and Hollie Wight: $174,834 (2025: ($31,520))

* No short or long-term incentives payable to key management personnel were forfeited in the current financial year.

AUDITED REMUNERATION REPORT (CONT'D)

REMUNERATION SUMMARY (CONT'D)

	Neil Sheather
Position held:	Non-Executive Director
Appointment:	1 July 2023 to 15 June 2026
Base salary:	-
Superannuation:	-
Short-term incentives earned: *	-
Long-term incentives paid or due: *	-
Long-term incentives payable:	-
Director's fee	$47,945
Incentive based salary as a % of total salary:	-

* No short or long-term incentives payable to key management personnel were forfeited in the current financial year.

TERMS OF EMPLOYMENT OF KEY MANAGEMENT PERSONNEL

All key management personnel are employed via agreements which are considered to be standard in nature, with the exception of a 12 month non-compete clause in Campbell Neal's agreement.

RELATIONSHIP BETWEEN REMUNERATION AND COMPANY PERFORMANCE

The following compares financial results for the last five years to dividend and incentive payments to key management personnel:

	2026	**2025**	**2024**	**2023**	**2022**
Profit/(loss) before tax	(482,027)	344,687	(635,784)	(1,933,298)	(1,619,711)
Profit/(loss) after tax	(482,027)	344,687	(635,784)	(1,933,298)	(2,412,089)
Revenue	6,143,003	6,152,771	5,254,106	1,978,157	2,121,185
Basic earnings/(loss) per share (cents per share)	(0.20)	0.14	(0.26)	(0.80)	(1.00)
Cost to income ratio	107.8%	94.4%	112.10%	197.73%	176.36%
Total KMP short-term incentives as a percentage of revenue for the year	0.43%	0.40%	0.50%	1.34%	1.03%

The above highlights the impact that revenue and the cost to income ratio have in determining the total bonus pool available to all employees including key management personnel. For further detail on performance bonuses payable to all staff including key management personnel see page 8.

AUDITED REMUNERATION REPORT (CONT'D)

CONSEQUENCE OF CONSOLIDATED ENTITY'S PERFORMANCE ON SHAREHOLDER WEALTH

The following table summarises company performance and key performance indicators:

	2026	2025	2024	2023	2022
Revenue ($)	6,143,003	6,152,771	5,254,106	1,978,157	2,121,185
Change in revenue (%)	(0.16%)	17.10%	165.61%	(6.74%)	(52.53%)
Profit/(loss) before tax ($)	(482,027)	344,687	(635,784)	(1,933,298)	(1,619,711)
Increase/(Decrease) in profit/loss before tax (%)	(239.84%)	154.21%	67.11%	(19.36%)	(566.60%)
Change in share price (%)	(25.68%)	60.87%	(36.99%)	46.00%	(36.71%)
Dividends paid ($)	1,205,427	-	-	-	-
Total remuneration of KMP* ($)	1,615,969	1,328,798	1,308,867	1,101,756	996,850
Total performance-based remuneration of KMP ($)	-	-	-	-	-

*In addition to the total remuneration of KMP outlined above is statutory changes in accrued leave entitlements amounting to Campbell Neal: $882 (2025: $3,507), George Boubouras: $82,998 (2025: $40,253) and Hollie Wight: $174,834 (2025: ($31,520))

DIRECTORS' INTERESTS IN SHARES

Number of shares held by key management personnel, company secretary and related parties

	Balance 30 June 2025	Net change Other*	Balance 30 June 2026
Directors			
Campbell Neal	88,300,147	-	88,300,147
George Boubouras	12,025,642	1,000,000	13,025,642
Hollie Wight	5,248,089	-	5,248,089
Andrew MacDonald	-	-	-
Neil Sheather^	1,000,000	(1,000,000)	-
Total	106,573,878	-	106,573,878

* Net change refers to shares purchased or sold during the year

^Shareholder and Executive Chair of Finexia Financial Group Ltd (ASX: FNX) which holds shares in the Company. FNX continued to hold shares in the Company after Neil Sheather retired from his Non-Executive Director role at K2 on 15 June 2026.

The above shareholdings reflect shares held by companies and other entities related to the directors. For further details on relevant interests refer to page 14 of this report and the Company's ASX notices regarding substantial shareholdings.

AUDITED REMUNERATION REPORT (CONT'D)

LOANS TO KEY MANAGEMENT PERSONNEL

The following table sets out the details of the aggregate of loans made, guaranteed or secured, directly or indirectly, by the Consolidated Entity, in the financial year to a particular key management person, close members of the family of the key management person and entities related to them greater than $100,000:

<table>
<tr><th>2026</th><th>Balance
30 June 2025
($)</th><th>Interest paid and payable
($)</th><th>Interest that would have been charged had loan been at arm's length
($)</th><th>Balance
30 June 2026
($)</th><th>Number of KMP in balance
30 June 2026</th></tr>
<tr><td rowspan="2">Total KMP</td><td>498,200</td><td>-</td><td>26,719</td><td>448,200*</td><td>1</td></tr>
<tr><td colspan="5">The above loan is an interest free loan advanced to KMP for the sole purpose of purchasing K2 Asset Management Holdings Ltd's shares. Repayment of the loan is required upon KMP selling the Company shares that have been purchased using the loan, termination of employment, receipt of employee performance bonuses and dividends received from the Company.</td></tr>
<tr><td colspan="6">Directors</td></tr>
<tr><td>George Boubouras</td><td>498,200</td><td>-</td><td>26,719</td><td>448,200</td><td></td></tr>
</table>

*For the purposes of financial report disclosure, this KMP loan balance as of 30 June 2026 is referenced at Note 11 and 14 and disclosed as following:

- Net present value of loan receivable of $281,187
- Deferred employee benefits expense of $167,013

During the year ended 30 June 2026, $50,000 of the loan was repaid through an offset against dividends payable during the year.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2025 ANNUAL GENERAL MEETING

At the Company's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

End of audited remuneration report.

Signed in accordance with a resolution of the directors.

Campbell Neal
Director

Hollie Wight
Director

Melbourne
27 August 2026

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

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

In relation to the independent audit for the year ended 30 June 2026, 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 the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) in relation to the audit.

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

B POWERS
Partner

PITCHER PARTNERS
Melbourne

27 August 2026

SHAREHOLDER INFORMATION

TWENTY LARGEST SHAREHOLDERS

The names of the 20 largest holders of ordinary securities as at 20 August 2026 are as follows:

	Number of shares	%
CWN FT PTY LTD <CWN FAMILY A/C>	77,723,973	32.239
LAZARUS CAPITAL LIMITED	14,491,731	6.011
JEKL HOLDINGS PTY LTD <KITTEL PROPERTY A/C>	11,000,000	4.563
HENLEY HOLDINGS AUST PTY LTD <HENLEY HOLDINGS FAMILY A/C>	10,000,000	4.148
CITICORP NOMINEES PTY LIMITED	9,414,862	3.905
JAWATTE NOMINEES PTY LTD <JAWATTE FAMILY A/C>	8,890,762	3.688
CPAC HOLDINGS PTY LIMITED <CPAC INVESTMENT A/C>	7,750,000	3.215
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,535,022	3.125
CAS SUPER NOMINEES PTY LTD <CAS SUPER FUND A/C>	7,250,000	3.007
MR PETER RONEC <RONEC SUPER FUND A/C>	5,693,083	2.361
CWN SUPERANNUATION NOMINEES PTY LTD <CWN PERSONAL SUPER FUND A/C>	5,152,853	2.137
DHC INVESTMENTS PTY LTD <CLEVEN FAMILY A/C>	4,244,496	1.761
MR TERENCE JOHN STEPHENS & MRS DONNA MARIE STEPHENS <HOURGLASS JEWELLERS S/F A/C>	4,100,000	1.701
ALHAMBRA INVESTMENTS PTY LTD <ALHAMBRA INVESTMENTS A/C>	3,025,642	1.255
MR PETER RONEC & MS SUZANNE RUMBLE <RONEC SUPER FUND A/C>	2,843,250	1.179
BPCULTRA PTY LTD	2,735,284	1.135
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,500,000	1.037
GDT SUPERANNUATION PTY LTD <GDT SUPERANNUATION FUND A/C>	2,350,000	0.975
5P PROPERTIES PTY LTD	2,300,000	0.954
MR NICHOLAS LEITL <THE PYRMONT A/C>	2,290,479	0.950
Total held by top 20	**191,291,437**	**79.346**
Total ordinary securities on issue	**241,085,196**	

Under chapter 6 of the *Corporations Act 2001* a person has a relevant interest in securities if they have a power to control a right to vote attached to the securities, no matter how remote that interest is.

For details of the shareholdings held by companies and other related entities of the directors of the Consolidated Entity, please refer to the Remuneration Report on page 11.

DISTRIBUTION OF SECURITIES

Security Class: Fully Paid Ordinary Shares **Holdings Ranges as at 20 August 2026**	**Holders**
1-1,000	80
1,001-5,000	137
5,001-10,000	112
10,001-100,000	219
100,001-9,999,999,999	98
Total number of holders	**646**
Number of holders of less than a marketable parcel	**61**

SHAREHOLDER INFORMATION(CONT'D)

VOTING RIGHTS

At general meetings of shareholders, each shareholder in person or by proxy, attorney or representative has one vote on a show of hands and on a poll has one vote for each share held.

At any general meeting, resolutions are to be decided on a show of hands unless a poll is requested by at least five shareholders entitled to vote on the resolution, by shareholders entitled to cast at least 5% of the votes that may be cast on the resolution or by the chair.

2026 ANNUAL GENERAL MEETING

The 2026 Annual General Meeting is planned to be held at 9.00am on Tuesday 17 November 2026. Details of the meeting will be disclosed closer to the meeting date and all resolutions being put to shareholders will be distributed prior to the meeting.

If you would like to submit a question to be addressed at the AGM prior to the day, please email your question to invest@k2am.com.au.

CORPORATE GOVERNANCE STATEMENT

The directors and management of the Consolidated Entity are committed to good corporate governance practice. When adopting corporate governance policies, the Board has regard to, among other things, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), released in 2019 (**ASX Recommendations**). Unless the context otherwise requires, capitalised terms used in this Corporate Governance Statement have the meanings given to them in the ASX Recommendations.

The Company has a 30 June balance date and will be expected to measure its governance practices against the principles and recommendations in the fourth edition of the ASX Recommendations for the financial year ended 30 June 2026 (FY26). It is acknowledged that for the 12-month reporting period ending June 2026, the Company will have regard to and report in accordance with the Fourth Edition of the ASX Recommendations, released in 2019 and applicable to the Company in FY26 and subsequent reporting periods.

Detailed corporate governance policies, charters and codes referred to in this Corporate Governance Statement are available on the Company's website (*www.k2am.com.au*) under Shareholders, Corporate Governance. As part of its governance framework and to ensure the Company continues to enhance its governance standards, the Board and management routinely review the Company's policies and procedures. For completeness, the corporate governance policies, charters and codes available on the Company's website include the following:

- Board Charter
- Code of Conduct
- Continuous Disclosure Policy
- Diversity Policy
- Risk Management Policy
- Share Trading Policy, and
- Statement of Corporate Governance Principles.

This Corporate Governance Statement outlines the Company's compliance against the ASX Recommendations for the current Reporting Period ended 30 June 2026 and has been approved by the Board. To the extent that the Company has not followed an ASX Recommendation for any part of the Reporting Period, this Corporate Governance Statement separately identifies that ASX Recommendation and states the period it was not followed, the Company's reasons for not following that ASX Recommendation and what (if any) alternative governance practices it adopted in lieu of the ASX Recommendation during that period.

PRINCIPLE 1: LAY SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT

1.1 RESPECTIVE ROLES AND RESPONSIBILITIES OF BOARD AND MANAGEMENT

The Board has primary responsibility for the oversight, management and performance of the Company, which includes compliance with the Company's corporate governance objectives.

The specific duties, responsibilities and powers reserved to the Board are summarised in the Board Charter, which provides, among other things, that the Board is responsible for:

- oversight of strategic and financial objectives;
- nominating, appointing and monitoring Board members and management;
- monitoring risk, compliance and corporate governance and approving relevant policies and procedures;
- supervising secretarial and other matters such as convening Security Holder meetings, issuing shares, major litigation and continuous disclosure; and
- initiating plans or changes to business operations and delegating to senior management or committees where appropriate.

Consistent with ASX Recommendation 1.1, management is responsible for matters not expressly reserved to the Board, including implementing the strategic objectives set by the Board, operating within the Board's risk parameters and otherwise operating the business day to day. Management is also responsible for reporting to the Board with accurate, timely and clear information to support the Board in performing its responsibilities.

The Board meets formally at least four times a year and on other occasions as required but may otherwise pass written circular resolutions if it is more expedient than a meeting or there are additional matters to be addressed between meetings. The Board adopts the use of technology wherever possible to conduct Board meetings. On the invitation of the Board or a request made to the Board, a Senior Executive or external auditor of the Company may attend and make presentations to the Board.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1.2(a) APPOINTMENT, RETIREMENT AND RE-ELECTION

In accordance with ASX Recommendation 1.2(a), and consistent with the process the Company follows before employing any new employee, appropriate background and probity checks (relevant to the person's character, experience, education, criminal history and, for a director, bankruptcy history) are undertaken before appointing a candidate, or putting forward to Security Holders a candidate for election as a director.

The Constitution requires one third of the Board, excluding the Chief Executive Officer, to retire from office at each AGM. Directors who have been appointed to the Board are required to retire from office at the next AGM and are not taken into account in determining the number of directors to retire at that AGM. Directors cannot hold office for a period in excess of three years (or later than the third AGM following their appointment) without submitting themselves for re-election. Retiring directors are eligible for re-election by Security Holders.

1.2(b) PROVISION OF INFORMATION TO SECURITY HOLDERS

In accordance with ASX Recommendation 1.2(b), Security Holders are provided with all material information relevant to a decision on whether or not to re-elect a director ahead of, and at, an AGM. This information includes details of the director's biography, other material directorships (if applicable), term of office currently served and a statement by the Board (with the nominee director abstaining) as to whether it supports the re-election of the director.

1.3 WRITTEN AGREEMENTS WITH DIRECTORS

In accordance with the Board Charter and consistent with ASX Recommendation 1.3, each Director is engaged under the terms of a written agreement. Directors remain subject to the rotational requirements for re-election under paragraph 1.2(a) above.

1.4 COMPANY SECRETARY

The role and responsibilities of the company secretary are consistent with ASX Recommendation 1.4. The company secretary is directly accountable to the Board, through the Chair, on all matters relating to the proper functioning of the Board. The Constitution gives the Board power to appoint, on terms it considers appropriate, and remove the company secretary.

1.5 DIVERSITY

The Company respects people as individuals and values differences. It is committed to creating a working environment that is fair and flexible, promotes personal and professional growth and benefits from the capabilities of a diverse workforce.

Consistent with ASX Recommendation 1.5, the Company:

(a) has a Diversity Policy that contains requirements for the Board to set measurable objectives for achieving workplace diversity and to annually assess those objectives and the Company's progress in achieving them; and
(b) discloses it to Security Holders on its website.

A summary of the measurable objectives and steps taken towards achieving them during the Reporting Period include the following:

Objective 1: Valuing diversity in the selection and appointment of directors and employees, always ensuring that decisions are based on merit alone

The Company's diversity strategy includes:

- focusing on recruiting from a diverse pool of candidates for all positions, including for senior management and the Board; and
- identifying specific factors to consider in the recruitment and selection processes to encourage greater diversity in the Company's human talent.

Against objective 1 during the Reporting Period, the Company maintained employment practices encompassing diversity across gender, culture, technical background and professional experience.

Objective 2: Workplace culture – ongoing diversity

The Company maintains initiatives to help employees balance their work, life and family responsibilities, with the aim of improving staff loyalty and retention, and maintaining the diversity amongst its workforce. These initiatives include:

- promoting mental health and wellbeing at work;
- providing flexible work options where possible;

CORPORATE GOVERNANCE STATEMENT (CONT'D)

- "family days" which can be taken by full-time employees once every two months (in addition to standard annual leave), for any purpose including attending children's or family activities, a religious holiday or cultural event;
- a written Anti-Discrimination and Anti-Harassment Policy and relevant training for all staff; and
- a written Whistleblower Policy and procedures in place for the protection of whistleblowers.

The Board was satisfied with progress on objective 2 and considered that the above initiatives were utilised during the Reporting Period and contributed positively to workplace culture.

Objective 3: Diversity in Board membership

The mix of skills and diversity which the directors seek to achieve in the membership of the Board are set out in the Diversity Policy. No single director is expected to have all the listed skills and/or qualities set out in the Diversity Policy, and some may be contributed by the company secretary or other advisors and committees.

The Board has four members, one of which is female. Given the small size and stability of the Board and the longevity of service of its directors, there was no trend or pattern (diverse or otherwise) in Board appointments for the Reporting Period.

The Diversity Policy states that the Board and the Company's compliance department will consider and develop further diversity, retention and loyalty programmes which, in its view, are necessary or beneficial. The Board may set further objectives or targets as it sees fit from time to time, particularly if employee numbers begin to increase, and will take appropriate measures consistent with the size, nature and complexity of its operations. The Board has established objectives for gender diversity, but they are not as "measurable" as the kinds of objectives which are able to be set and monitored by larger companies. In this regard, the Company has adopted ASX Recommendation 1.5 as far as is reasonably practicable and applicable to the Company.

1.6 & 1.7 PERFORMANCE ASSESSMENT
In accordance with ASX Recommendations 1.6 and 1.7, the Board completes an annual performance evaluation of the Board, each director (who also represents the Company's senior executives) and senior executives against the requirements of the Board Charter, criteria determined by the Board from time to time and the requirements of the Constitution.

As part of the evaluation process, the Board:

- sets performance objectives and development plans (having regard to both the business goals set by the Board and individual performance criteria) for the forthcoming financial year;
- assesses individual performance against the prior year's performance objectives; and
- determines short term remuneration and long-term participation in the Company's incentive plan by reference to each individual's performance.

A performance evaluation for the current Reporting Period was conducted near the end of the Reporting Period.

The Board is responsible for undertaking and approving the annual performance review of the Chief Executive Officer. Generally, performance evaluations for all employees (including directors and senior executives) are undertaken at least once each year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 NOMINATION COMMITTEE
The Board maintained responsibility for the nomination and appointment of directors during the Reporting Period, including conducting evaluations of each director.

Given the Company's small size and Board composition, and consistent with Commentary in ASX Recommendations 2.1, the Company considers that the Board is able to deal efficiently and effectively with the relevant matters in this ASX Recommendation, without the need to establish a separate nomination committee. The Board believes that the efficiencies the Company currently enjoys may be lost by delegating those matters to a committee.

The Board reviews the performance of those directors who, at the AGM, stand for re-election.

2.2 BOARD SKILLS MATRIX
Directors are expected to bring independent views and judgment to all Board deliberations. The skills, experience and expertise relevant to the position held by each director in office at the end of the Reporting Period are described in the Company's annual report for the period ended 30 June 2026. In accordance with ASX Recommendation 2.2, the Board considers the mix of skills and diversity of each Board member when assessing the composition of the Board.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

2.3 DIRECTOR INDEPENDENCE

The structure of the Board throughout the Reporting Period was as follows:

Director	Title	Date of appointment to K2 Asset Management Ltd	Date of appointment to K2 Asset Management Holdings Ltd (KAM)	Date of retirement from KAM and K2 Asset Management Ltd
Campbell Neal	Executive Director and Chair	1 March 1999	27 March 2007	N/A
Hollie Wight	Executive Director	27 April 2005	27 March 2007	N/A
George Boubouras	Executive Director	29 March 2021	29 March 2021	N/A
Neil Sheather	Non-Executive Director	1 July 2023	1 July 2023	15 June 2026
Andrew MacDonald	Non-Executive Director	15 June 2026	15 June 2026	N/A

During the Reporting Period, no director had an interest, position, association or relationship that, in the Board's opinion, altered the independence status of that director. In making its determination, the Board had regard to the independence criteria in ASX Recommendation 2.3 and other information and circumstances the Board considered relevant, including reviewing each director's former and existing relationships.

The Board distinguishes the concept of independence, and the issues of conflicting or material personal interests, which may arise from time to time. Any conflict of interest or material personal interest of a director is managed in accordance with the Company's Conflicts of Interest and Management Policy and the applicable legal and regulatory requirements for managing these issues. The Conflicts of Interest and Management Policy sets out how the Company manages (i.e., controls, avoids and/or discloses (if necessary)) any conflicts of interest. The policy also addresses the Company's obligations under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and ASIC regulatory guidance and is reviewed annually to ensure it remains relevant and up to date. The Board maintains, and regularly reviews, a conflict register. The conflict register supports the Company's conflicts management procedures and ensures conflicts that do arise are recorded and appropriately managed.

Each director is entitled to obtain independent professional advice at the Company's expense for the purpose of assisting them in performing their duties. A director who wishes to obtain such advice must first obtain the approval of the Chair (and such approval must not be withheld unreasonably) and must provide the Chair with the reason for seeking such advice, the identity of the person from whom the advice will be sought and the likely cost of obtaining such advice. Except in certain circumstances detailed in the Board Charter, advice obtained in this manner is made available to the Board.

All directors have unrestricted access to employees of the Company and, subject to law, access to all Company records and information held by the Company, its employees and advisors.

2.4 & 2.5 MAJORITY OF INDEPENDENTS, SEPARATE CHAIR AND CEO

The Board reviewed the position and associations of each Board member throughout the Reporting Period. While considering ASX Recommendation 2.4 which states that the majority of the Board should be independent, the Company determined that the directors would be acting in the interests of the Company as a whole as opposed to the interests of an individual security holder or other party even with just the one independent director on the Board.

Given the small size and cohesion of the existing Board, the recommendation in ASX Recommendation 2.5 to have an independent Chair (distinct from the CEO) was determined by the Company to be unnecessary for the Reporting Period. The Company considers that the Board has the necessary industry expertise, and is appropriately structured, to perform its duties in a manner that is in the best interests of the Company and its Security Holders.

2.6 INDUCTION AND TRAINING

In accordance with ASX Recommendation 2.6, all directors and new employees receive induction training, covering the following (as appropriate):

- Company structure and operations;
- risk management, corporate governance and various employee-related and Company policies including the Code of Conduct;
- the rights, duties and responsibilities of directors, senior executives and employees as applicable;
- office procedures and administrative information; and
- legal and regulatory obligations specific to the Company as the holder of an Australian financial services licence.

All directors have access to, and do access, continuing education through various education providers to enhance their skills and knowledge where deemed appropriate.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

3.1 COMPANY VALUES
The ASX Recommendation 3.1 states that a listed entity should articulate and disclose its values. The Company ensures that the Company's Code of Conduct and Statement of Corporate Governance Principles reflect the Company's core values:

- Vigilance: We are watchful and ready to respond to any market condition
- Success: We strive for high achievement in everything we do
- Focus: We have clear focus on what we do
- Transparency: We keep stakeholders informed of our strategy, our commitment, our opinions and our performance.

The Company stand by these values and it underpins the behaviour of the Company and its employees.

3.2 CODE OF CONDUCT
As set out in ASX Recommendation 3.2, the Company has a Code of Conduct regulating the conduct of employees and directors. The Code of Conduct aims to establish the Company's values and maintain the highest level of ethical standards, corporate behaviour and accountability. In particular, the Code of Conduct addresses:

- compliance with laws, including taxation law;
- fair dealing;
- confidentiality and protection of Company assets;
- conflicts of interest;
- obligations to Security Holders and the financial community;
- trading in Company securities;
- equal opportunity;
- health, safety and environment;
- reporting non-compliance and grievances;
- bribes and financial inducements;
- political donations; and
- whistleblowers.

Several of the above matters are supported by their own separate and distinct Company policies and procedures.

For instance, under the Company's Share Trading Policy, employees (including directors) must not deal in the securities of the Company when they are in possession of price sensitive information relating to the Company which has not been made public. Subject to this and exceptional circumstances, trading can occur at all times, except:

- from 1 December, until one hour after the half-yearly financial reports are released to the market; and
- from 1 June, until one hour after the annual financial results are released to the market.

Outside of the above trading blackout periods, if employees (including directors) wish to trade in securities, they must obtain prior written approval from a director and present a signed declaration that they are not in possession of any material non-public information.

3.3 WHISTLEBLOWER POLICY
In accordance with ASX Recommendation 3.3, the Company has a Whistleblower Policy which is disclosed to all the employees as part of the induction training and annually for the compliance training. The policy may be accessed by the employees at any point in time via the Company's website (www.k2am.com.au). As part of this policy, the Board is required to be informed of any material incidents reported under this policy.

3.4 ANTI-BRIBERY & CORRUPTION POLICY
ASX Recommendation 3.4 recommends that the Company has either a standalone policy or include in its Code of Conduct a part to address anti-bribery and corruption. The Company has included its zero tolerance for bribery and other improper payments or benefits to public officials in its Code of Conduct. The Company's Anti-Bribery and Corruption Policy is available on the Company's website (www.k2am.com.au).

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 AUDIT COMMITTEE

ASX Recommendation 4.1 recommends that a Board establish an audit committee in respect of its financial statements. The Company delegates responsibility for the Company's financial statements to the Board, with support and input from the Company's CFO and external auditor. Specifically, the Board is responsible for carrying out the following functions, which would otherwise be recommended matters for an audit committee:

- reviewing and considering the financial statements;
- reviewing the effectiveness and performance of the Company's external auditors; and
- ensuring the independence and competence of the external auditor.

Given the Company's small size and Board composition, and consistent with the Commentary in ASX Recommendations 4.1, the Company considers that it is able to deal efficiently and effectively with the relevant matters in this ASX Recommendation without the need to establish a separate committee. The Board believes that the efficiencies the Company currently enjoys may be lost by delegating those matters to a committee. The Board receives a letter half-yearly from the Company's external auditor regarding their procedures and reporting that the financial records have been properly maintained and the financial statements comply with Australian accounting standards.

The Company's external auditor declares its independence to the Company through its representations to the Board and provision of its independence declaration, stating that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.

If it becomes necessary to replace the Company's external auditor for performance, independence or other reasons, the Board may formalise a procedure for the selection and appointment of new auditors. The external auditor maintains its own internal policies to ensure periodic rotation of its external audit engagement partners.

4.2 CEO/CFO DECLARATION

In accordance with ASX Recommendation 4.2 and the Corporations Act, before the Board approves the Company's financial statements for a financial period, the Board receives from the CEO and CFO a declaration that, in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which are operating effectively.

4.3 UNAUDITED PERIODIC CORPORATE REPORTS

Unaudited periodic corporate reports that the Company releases are reviewed internally by senior management who have carriage of the Company's investment management, operations, finance and compliance.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

5.1 CONTINUOUS DISCLOSURE POLICY

The Company has a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations under the Listing Rules and clear and timely communication to Security Holders and the market generally. The Continuous Disclosure Policy was designed having regard to ASX Guidance Note 8 *Continuous Disclosure: Listing Rule 3.1 – 3.1B* and the 10 principles set out in ASX Regulatory Guide 62 *Better disclosure for investors*.

Broadly, the Continuous Disclosure Policy:

- gives guidance as to the information that may require disclosure;
- gives guidance for dealing with market analysts and the media;
- requires directors and senior management to actively consider whether there is any price sensitive information which needs disclosure; and
- allocates responsibility for approving public disclosures and Security Holder communications.

As recommended in ASX Recommendation 5.1, the Continuous Disclosure Policy includes vetting and authorisations processes designed to ensure that announcements are factual, complete, balanced and expressed in a clear and objective manner that allows investors to assess the information when making investment decisions.

The company secretary is responsible for communications with the ASX, including responsibility for ensuring compliance with the continuous disclosure requirements in the Listing Rules and overseeing information going to the ASX, Security Holders and other interested parties.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

5.2 MATERIAL MARKET ANNOUNCEMENTS TO THE BOARD

The Company adheres to the ASX Recommendation 5.2 by ensuring that all the directors are provided all the information that is disclosed to the market as and when they are publicised.

5.3 RELEASE NEW & SUBSTANTIVE PRESENTATIONS TO THE MARKET

With the aim of ensuring equality of information among investors, ASX Recommendation 5.3 states that any presentations made which contain new or substantive information should be released ahead of the presentation. The Company ensures that this is the case for any presentations taking particular attention to any given at annual general meetings, investor days and broker conferences.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1 PROVISION OF INFORMATION TO INVESTORS

The Company provides information about itself and its governance to investors via its website (*www.k2am.com.au*). The website also includes an attachment or link (as the case may be) to the categories of information recommended in ASX Recommendation 6.1, as applicable.

6.2 & 6.3 INVESTOR RELATIONS PROGRAM, MEETING PARTICIPATION

The Company reports to Security Holders of the Company through its annual and half-yearly reports and also at the Company's AGM. The Board encourages Security Holders to attend and participate at the AGM or to appoint a proxy to vote on their behalf if they are unable to attend. The Company engages Boardroom Pty Ltd as its registry service provider to manage the share registry of the Company, as well as certain investor communications. The Continuous Disclosure Policy reinforces the Company's commitment to using general meetings of the Company to effectively communicate with Security Holders and to allow reasonable opportunity for informed Security Holder participation.

6.4 SUBSTANTIVE RESOLUTIONS BY POLL

In the event a substantive resolution is required, ASX Recommendation 6.4 recommends that a poll should be taken as opposed to a show of hands. The Chair will be instructed by the Company that a poll will be required on a resolution by resolution basis, noting the substantive nature of the resolution.

6.5 ELECTRONIC COMMUNICATION

Consistent with ASX Recommendation 6.5, Security Holders have the option to receive communications from, and send communications to, the Company and its share registry electronically, which includes dividend statements, annual reports and notices of general meetings etc.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 & 7.2 RISK MANAGEMENT COMMITEE AND RISK REVIEWS

The Board Charter gives the Board responsibility for approving and monitoring compliance with the Company's risk management strategy and internal controls. The Risk Management Policy establishes a Risk Management Committee to identify and monitor the risks faced by the Company and recommend mitigation strategies. The Board considers that the Risk Management Committee performs a role similar to that of a risk committee (as recommended in ASX Recommendation 7.1), without the need to formally establish one. The Board considers this appropriate given the Company's small size and composition, and also given its vigorous AFSL compliance program. The Risk Management Committee reports to the Board at regular intervals on any issues relating to compliance with risk measures i.e., insurance, occupational health and safety, protection of client funds and financial requirements.

The Company is committed to the identification, monitoring and management of risks associated with its business activities. As part of its existing management and reporting systems, the Risk Management Policy is founded on the detailed risk management procedures required under K2 Asset Management Ltd 's AFSL and is guided by AS/NZS ISO 31000:2018 *Risk management – Principles and guidelines*. In accordance with ASX Recommendation 7.2, the Risk Management Committee and the Board are responsible for monitoring, evaluating and improving the effectiveness of the Company's risk management and internal control processes and review the risk management framework at least annually. The Board, with input from the Risk Management Committee, reviewed the Company's risk management framework for this Reporting Period.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

7.3 INTERNAL AUDIT FUNCTION
Although the Company does not adopt a formal internal risk audit function, management and employees are ultimately responsible to the Board for the Company's system of internal control and risk management, and the Board considers this appropriate in the Company's circumstances. In addition, the Company's wholly owned operating entity is the holder of AFSL 244 393 and is subject to a significant number of statutory and external audit requirements. In particular, the external audits provide assurance on the robustness of the Company's compliance framework.

7.4 MATERIAL EXPOSURES
In accordance with ASX Recommendation 7.4, the Board does not consider that the Company has any material exposure to environmental or social risks that are significantly higher or unusual to any other company operating in the financial services industry in Australia.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 REMUNERATION COMMITEE
The Board considers that it was not necessary to establish a separate remuneration committee for the Reporting Period, as all matters capable of delegation to a remuneration committee were effectively dealt with by the Board.

Under the Company's Statement of Corporate Governace Principles, all employee and executive remuneration is assessed on an annual basis as part of the Company's annual performance reviews. The Board Charter makes the Board responsible for the remuneration of directors and senior management, and the Constitution provides further details regarding remuneration. The Constitution distinguishes the appropriate remuneration components for executive and non-executive directors.

Given the Company's small size and Board composition, and consistent with the Commentary in ASX Recommendations 8.1(b), the Company considers that it can deal efficiently and effectively with the relevant matters in this ASX Recommendation without the need to establish a separate committee.

8.2 REMUNERATION DISCLOSURE
The Board Charter summarises the Company's remuneration practices, and the Board believes that this, coupled with the required disclosures regarding directors and their remuneration in the Company's annual report for the current Reporting Period, are consistent with ASX Recommendation 8.2.

8.3 EQUITY-BASED REMUNERATION
The Company did not have a formal equity-based incentive scheme during the Reporting Period. From time to time, the Company may consider and offer equity in the Company to eligible employees and their related parties on a case by case basis. Awards of equity instruments to related parties of the Company are disclosed and approved in accordance with the Corporations Act and ASX Listing Rules and announced on ASX's announcements platform.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $	2025 $
Responsible entity, trustee & administration service fees	4	4,543,889	4,322,570
Funds management fees	4	439,624	801,908
Investment advisory service fees		720,795	498,876
Interest income	4	281,833	356,417
Other income		156,862	173,000
		6,143,003	6,152,771
Employee benefits expense	5	(4,940,776)	(4,409,568)
Depreciation and amortisation expenses	5	(179,729)	(188,430)
Marketing expenses	5	(226,805)	(230,507)
Occupancy expenses	5	(165,916)	(156,001)
Professional expenses		(635,038)	(363,907)
Technology expenses		(190,982)	(182,624)
Fund operating expenses		(78,628)	(157,293)
Finance costs		(77,262)	(94,272)
Expected credit loss expenses		(121,913)	(15,000)
Other expenses		(7,981)	(10,482)
		(6,625,030)	(5,808,084)
Profit/(Loss) before income tax		(482,027)	344,687
Income tax expense	6	-	-
Total comprehensive Income/(Loss) for the year		(482,027)	344,687
Basic profit/(loss) per share (cents per share)	23	(0.20)	0.14
Diluted profit/(loss) per share (cents per share)	23	(0.20)	0.14

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Notes	2026 $	2025 $
Current Assets			
Cash and cash equivalents	8	7,326,042	8,602,903
Receivables	9	687,265	1,167,335
Contract assets	10	235,695	131,229
Other current assets	11	165,882	183,130
Total Current Assets		8,414,884	10,084,597
Non-current Assets			
Plant and equipment	12	101,984	118,413
Lease assets	22	416,454	577,662
Intangible assets	13	5,679	5,269
Other non-current assets	14	436,921	579,037
Total Non-current Assets		961,038	1,280,381
Total Assets		9,375,922	11,364,978
Current Liabilities			
Trade and other payables	15	473,356	443,400
Contract liabilities	16	13,079	95,171
Provisions	17	1,333,580	1,376,642
Lease liabilities	22	263,574	210,222
Total Current Liabilities		2,083,589	2,125,435
Non-current Liabilities			
Provisions	17	11,151	31,634
Lease liabilities	22	508,189	771,763
Total Non-current Liabilities		519,340	803,397
Total Liabilities		2,602,929	2,928,832
Net Assets		6,772,993	8,436,146
Equity			
Share capital	18	4,601,987	4,601,987
Reserves	19	9,539,232	10,719,797
Accumulated losses	20	(7,368,226)	(6,885,638)
Total Equity		6,772,993	8,436,146

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

2026	Contributed equity $	Reserves $	Accumulated losses $	Total Equity $
Balance as at 1 July 2025	4,601,987	10,719,797	(6,885,638)	8,436,146
Loss for the year	-	-	(482,027)	(482,027)
Total comprehensive loss for the year	-	-	(482,027)	(482,027)
Transactions with owners in their capacity as owners				
Transfer to profit reserve	-	561	(561)	-
Share based payments	-	24,301	-	24,301
Dividends paid	-	(1,205,427)	-	(1,205,427)
Total transactions with owners in their capacity as owners	-	(1,180,565)	(561)	(1,181,126)
Balance as at 30 June 2026	4,601,987	9,539,232	(7,368,226)	6,772,993

2025	Contributed equity $	Reserves $	Accumulated losses $	Total Equity $
Balance as at 1 July 2024	4,601,987	10,375,110	(6,885,638)	8,091,459
Profit for the year	-	-	344,687	344,687
Total comprehensive income for the year	-	-	344,687	344,687
Transactions with owners in their capacity as owners				
Transfer to profit reserve	-	344,687	(344,687)	-
Share based payments	-	-	-	-
Dividends paid	-	-	-	-
Total transactions with owners in their capacity as owners	-	344,687	(344,687)	-
Balance as at 30 June 2025	4,601,987	10,719,797	(6,885,638)	8,436,146

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 $	2025 $
Cash flow from operating activities			
Receipts from customers		6,474,154	5,911,530
Payments to suppliers and employees		(6,494,090)	(5,978,891)
Interest received		183,018	358,027
Finance costs		(77,262)	(94,272)
Net cash provided from operating activities	21(b)	85,820	196,394
Cash flow from investing activities			
Payment for plant and equipment		(1,122)	(1,950)
Payment for trademarks and licenses		(1,380)	-
Net cash used in investing activities		(2,502)	(1,950)
Cash flow from financing activities			
Payments of dividends		(1,149,957)	-
Principal portion of lease payments		(210,222)	(183,490)
Net cash used in financing activities		(1,360,179)	(183,490)
Net increase/(decrease) in cash and cash equivalents		(1,276,861)	10,954
Cash at beginning of financial year		8,602,903	8,591,949
Cash and cash equivalents at end of the year	21(a)	7,326,042	8,602,903

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

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies adopted by the Consolidated Entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report includes financial statements for K2 Asset Management Holdings Ltd, K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd as a Consolidated Entity. K2 Asset Management Holdings Ltd is a company limited by shares, incorporated and domiciled in Australia. K2 Asset Management Holdings Ltd and K2 Corporate Services Pty Ltd are for profit entities for the purpose of preparing financial statements. As of the date of this report, KII Pty Ltd & Trusuper Pty Ltd have had no operations.

The financial report is presented in Australian dollars, which is the functional currency of the Consolidated Entity.

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

Compliance with IFRS
The consolidated financial statements of K2 Asset Management Holdings Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention
The 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.

Going concern
The financial report has been prepared on a going concern basis which assumes that the Consolidated Entity will remain in operations for the foreseeable future.

Critical accounting estimates and judgements
The preparation of the financial report requires the use of certain estimates and judgements in applying the Consolidated Entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

Fair value measurement
For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Revenue recognition

Management fees are calculated with the rates as disclosed in the relevant funds' Product Disclosure Statement, these fees are calculated against the fund's daily net asset value recognised over time and is receivable monthly in arrears.

Performance fees are based upon the relevant fund's investment return over and above a specified high water mark and is recognised at a point in time once the performance hurdle is achieved. As management and performance fees are variable, revenue from management and performance fees is recognised only when it is highly probable that there will not be a significant reversal in the amount calculated.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Revenue recognition (cont'd)

Establishment fees may be charged on the establishment of new funds and represent consideration for services provided by the Consolidated Entity in connection with the fund establishment process.

Revenue from establishment services is assessed on a contract-by-contract basis. Where the establishment services are determined to be a distinct performance obligation, the services are accounted for separately from other services within the customer contract. Establishment fees are recognised as services are performed.

Where establishment services are not distinct from the ongoing responsible entity or other services, the establishment fee is combined with those services and recognised over the minimum enforceable contract period. This period represents the period over which the parties have present enforceable rights and obligations under the contract. Revenue is recognised over time as the underlying responsible entity or other services are provided to the fund. The minimum enforceable contract period is generally considered to be the applicable notice period under the contract. Recognising revenue on this basis is considered an appropriate method of recognising revenue as it is consistent with the manner in which the services are provided to the fund.

Responsible entity fees are calculated at a fee rate, as set out in the Investment Management Agreement (IMA), of the relevant fund's net asset value or gross asset value with a minimum responsible entity fee charge per annum recognised over time and is receivable monthly in arrears.

The rate for the administration services is stipulated in the administration agreements for the relevant fund. The administration services income is calculated using the relevant fund's monthly gross asset value recognised over time and is receivable monthly in arrears.

Corporate authorised representative income are fixed charges as set out in the corporate authorised representative agreement is recognised over time and is receivable monthly in arrears.

Investment advisory service income is calculated at a fee rate, as set out in the service contract, of the relevant fund's net asset value recognised over time and is receivable monthly or bi-annually in arrears.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established and performance obligations have been satisfied.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of six months or less held at call with financial institutions.

(d) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation or amortisation.

Computer and office equipment
Computer and office equipment is measured on a cost basis.

Depreciation
The depreciable amounts of all other fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

	Depreciation rates	Depreciation basis
Class of fixed asset		
Computer and office equipment	10% - 30%	Straight line and diminishing value

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Intangibles

Patents, trademarks and licences are recognised at cost at acquisition. Patents and trademarks have a finite life and are carried at cost less accumulated amortisation and any impairment losses. They are amortised on a straight line basis over their estimated useful lives, which range from 10 to 15 years.

(f) Impairment of non-financial assets

Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(g) Taxes

Current income tax expense or benefit is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax asset or liability is recognised in relation to temporary differences arising from the initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax Consolidation
K2 Asset Management Holdings Ltd and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered a tax funding arrangement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group. KII Pty Ltd and Trusuper Pty Ltd have had no operations since their incorporation on 12 August 2015 and 19 August 2016 respectively. K2 Corporate Services Pty Ltd joined the tax consolidation group effective from 1 July 2024.

(h) Employee Benefits

Liabilities arising in respect of wages and salaries, performance bonuses, annual leave and any other employee benefits that are expected to be settled wholly within twelve months of the reporting date are measured at their undiscounted amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the Consolidated Entity to an employee superannuation fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in a future payment is available.

(i) Financial Instruments

Financial assets
Financial assets are measured at either amortised cost or fair value on the basis of the Consolidated Entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Trade and other receivables
Trade and other receivables arise from the Consolidated Entity's transactions with its customers and are normally settled within 30 days.

Consistent with the Consolidated Entity's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at Amortised cost.

Parent entity investment in subsidiary
K2 Asset Management Holdings Ltd has an equity investment in K2 Asset Management Ltd that has been on initial application of AASB 9 irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors believe that to otherwise recognise changes in the fair value of this investment in profit or loss would be inconsistent with the objective of holding the investment for the long term. Refer to Note 28 for a summarised presentation of the parent entity's financial statements.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial Instruments (cont'd)

Employee share loans
On a limited basis, interest free loans have been made to employees of the Consolidated Entity for which the proceeds have been utilised to purchase shares in the parent entity. These loans have been measured at net present value with interest income measured using the effective interest method. As the term of the loan is linked to the tenure of employment with the Consolidated Entity, any benefit derived by the employee is recognised over a timeframe consistent with that of the benefits obtained by the Consolidated Entity from employee's services.

Impairment of financial assets
The Consolidated Entity recognises an allowance for expected credit losses in respect of receivables from contracts with customers and lease receivables on the basis of the lifetime expected credit losses of the financial asset, reflecting credit losses that are expected to result from default events over the life of the financial asset.

The Consolidated Entity recognises an allowance for expected credit losses for all other financial assets subject to impairment testing on the basis of:

- the lifetime expected credit losses of the financial asset, for those other receivables for which a significant increase in credit risk has been identified, reflecting credit losses that are expected to result from default events over the life of the financial asset; and
- the 12-month expected credit losses of the financial asset, for those other receivables for which no significant increase in credit risk has been identified, reflecting the portion of lifetime expected credit losses that are expected to result from default events within twelve months after the end of the reporting period.

The Consolidated Entity determines expected credit losses based on the Consolidated Entity's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Consolidated Entity has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Consolidated Entity. Recoveries, if any, are recognised in profit or loss.

(j) Foreign Currencies

Foreign currency monetary items that are outstanding at the reporting date are restated to the spot rate at the reporting date. Any resulting foreign exchange gains or losses are recognised on the Consolidated Statement of Comprehensive Income.

(k) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Consolidated Entity recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets
Lease assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, on a basis that is consistent with the expected pattern of consumption of the economic benefits embodied in the underlying asset.

Lease liabilities
Lease liabilities are measured at the present value of the remaining lease payments. Interest expense on lease liabilities is recognised in profit or loss. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense in the period in which they are incurred.

Leases of 12-months or less and leases of low value assets
Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in finance leases.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Rounding amounts

The parent entity and the Consolidated Entity have applied relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and accordingly, the amounts in the consolidated financial statements and in the directors report have been rounded to the nearest dollar.

(m) Adoption of new and amended accounting standards that are first operative at 30 June 2026

There has been no new standards and interpretations, or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(n) Accounting standards and interpretations issued but not yet operative at 30 June 2026

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Consolidated Entity. The Consolidated Entity has decided not to adopt any of these new and amended pronouncements early. The Consolidated Entity's assessment of the new and amended pronouncements that are relevant to the Consolidated Entity but applicable in future reporting periods is set out below.

AASB 18: *Presentation and Disclosure in Financial Statements* replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a focus on information about financial performance in the profit or loss.

AASB 18 has also introduced changes to other accounting standards including AASB 108 *Basis of Preparation of Financial Statements* (previously titled *Accounting Policies, Changes in Accounting Estimates and Errors),* AASB 7 *Financial Instruments: Disclosures,* AASB 107 *Statement of Cash Flows,* AASB 133 *Earnings Per Share* and AASB 134 *Interim Financial Reporting.*

They key presentation and disclosure requirements are:

(a) the presentation of two newly defined subtotals in the statement or profit or loss, and the classification of income and expenses into operating, investing and financing categories – plus income taxes and discontinuing operations;
(b) the disclosure of management-defined performance measures; and
(c) enhanced requirements for grouping (aggregation and disaggregation) of information.

AASB 18 mandatorily applies to annual reporting periods commencing on or after 1 January 2027 for for-profit entities excluding superannuation entities apply AASB 1056 *Superannuation Entities.* It will be first applied by the Consolidated Entity in the financial year commencing 1 July 2027.

The standard is expected to affect the presentation of the statement of profit or loss and require additional disclosures regarding management-defined performance measures. The Consolidated Entity does not currently expect a material impact on the recognition or measurement of assets, liabilities, income or expenses.
No other standards and interpretations have been issued at the reporting date that are expected to have a material impact on the Consolidated Entity.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Consolidated Entity makes certain estimates and assumptions concerning the future which, by definition, will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Impairment of non-financial assets other than goodwill

The Consolidated Entity assesses impairment of all assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to a particular asset that may lead to impairment. These include business performance, technology, economic and political environments and future expectations. If an impairment trigger exists then the recoverable amount of the asset is to be evaluated.

(b) Employee benefits provisions

Employee benefits provisions consist of the provision for annual leave and long service leave entitlements and performance bonuses.

As discussed in note 1(h), the liabilities in respect of employee benefits expected to be settled wholly within twelve months of the reporting date are measured at undiscounted amounts. The provision for long service leave and performance bonuses not expected to be settled wholly within twelve months are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees at reporting date. Management includes estimates of their discount rates and employee retention in calculating bonus provisions.

Refer to the remuneration report on page 8 for further details on the Consolidated Entity's remuneration policies.

(c) Fair value measurements

The parent entity recognises its investments in subsidiaries at fair value. Fair values have been determined in accordance with fair value measurement hierarchy. Level 3 fair value measurements are applied through a discounted cashflow calculation, a method which has been consistently applied from year to year. Inherent to level 3 fair value measurements, there are significant unobservable inputs such as earnings forecasts, funds under management growth, expenditure assumptions, terminal growth rate assumptions and the selection of a risk-adjusted discount rate. This investment is eliminated on consolidation.

(d) Percentage completion of establishment services

Revenue from establishment services is recognised over time based on management's assessment of progress towards satisfaction of the related performance obligation. This requires judgement in determining the appropriate measure of progress and estimating the proportion of services performed at the reporting date, which directly impacts the amount of revenue recognised in the period.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Consolidated Entity is exposed to a variety of direct and indirect financial risks comprising:
(a) market risk;
(b) interest rate risk;
(c) credit risk;
(d) liquidity risk; and
(e) fair values.

The board of directors has overall responsibility for identifying and managing operational and financial risks via a number of management policies and procedures.

(a) Market Risk

The market risks in relation to the financial instruments of the Consolidated Entity are minimal, however, the Consolidated Entity is exposed to market risk through the impact of these risks on the investment funds for which K2 Asset Management Ltd acts as investment manager and/or responsible entity.

Unfavourable economic movements, both globally and within the markets in which the funds operate, can have a significant impact on the investment returns of the fund and the Assets Under Management (AUM). Examples of potential market events that could impact the performance of the funds and AUM include:

- currency fluctuations
- changes in official interest rates
- government policy including fiscal and monetary policies
- volatility and changes of sentiment in the stock market
- local and international economic instability
- inflation
- unemployment
- political change
- war and terrorism
- pandemic and health crises

AUM directly correlates to the level of management fees, responsible entity fees, administration service income and investment advisory service fee received by the Consolidated Entity as these fees are based on a percentage of AUM. AUM can be impacted by a large number of factors including the market events listed above. Performance risk of the investment funds, loss of key personnel, competition within the industry, as well as other unlisted possibilities, are also events that can impact AUM.

Performance fees are paid to K2 Asset Management Ltd if certain applicable investment funds meet certain performance criteria. A period of negative performance will significantly impact the level of performance fees paid and hence affect total profitability of the Consolidated Entity.

To illustrate the above, if global markets fell by 5% and in turn AUM fell by 5% then management fees would decrease by 5% and it would be unlikely that a performance fee would be received. Please note that this example assumes a uniform decline across all global markets, which is unlikely to occur in practice, and that no revenue contracts are subject to minimum fee arrangements that would be triggered as a result of the change.

Although market volatility is outside the direct control of K2 Asset Management Ltd, in its role as investment manager, K2 Asset Management Ltd aims to mitigate these risks by implementing macroeconomic analysis to ensure market influences are considered when making investment decisions, diversifying investments across sectors and geographic regions and following established investment guidelines.

NOTE 3: FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest Rate Risk

At 30 June 2026, financial assets held by the Consolidated Entity that are exposed to interest rate risk are cash held at call and in term deposits. The Consolidated Entity invests its free cash in term deposits in order to mitigate interest rate fluctuations. Lease liabilities is the only financial liability exposed to interest rate risk which other than circumstances such as a lease modification or new lease, is at the rate implicit upon initial recognition. The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	**Floating interest rate**		**Fixed interest rate maturing In 1 year or less**		**Fixed interest rate maturing In 1 to 5 years**		**Non-interest bearing**		**Total carrying amount as per Balance Sheet**		**Weighted average effective interest rate**	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
(i) Financial assets												
Cash	1,288,423	1,615,284	6,037,619*	6,987,619*	-	-	-	-	7,326,042	8,602,903	3.2%	3.9%
Current receivables	-	-	-	-	-	-	927,370	1,302,764	927,370	1,302,764	-	-
Prepayments	-	-	-	-	-	-	105,607	110,692	105,607	110,692	-	-
Third party receivables	-	-	-	-	-	-	3,761	3,761	3,761	3,761	-	-
Employee share loans	-	-	-	-	-	-	462,025	616,514	462,025	616,514	-	-
Total financial assets	**1,288,423**	**1,615,284**	**6,037,619**	**6,987,619**	**-**	**-**	**1,498,763**	**2,033,731**	**8,824,805**	**10,636,634**	**-**	**-**
(ii) Financial liabilities												
Trade creditors	-	-	-	-	-	-	154,123	121,676	154,123	121,676	-	-
Lease liabilities	-	-	263,574	210,222	508,189	771,763	-	-	771,763	981,985	8.7%	8.7%
Contract liabilities	-	-	-	-	-	-	13,079	95,171	13,079	95,171	-	-
Other creditors	-	-	-	-	-	-	319,233	321,724	319,233	321,724	-	-
Total financial liabilities	**-**	**-**	**263,574**	**210,222**	**508,189**	**771,763**	**486,435**	**538,571**	**1,258,198**	**1,520,556**	**-**	**-**

*Fixed interest rate cash maturing within 6 months from the reporting date.

NOTE 3: FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk exposures

Credit risk for financial instruments arises from the potential failure by counterparties to the contract in meeting their obligations.

(i) Trade receivables
The maximum exposure to credit risk is the carrying amount of assets, net of any allowance for expected credit loss of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

The Consolidated Entity has low credit risk exposure where the debtors are funds to which K2 Asset Management Ltd acts as both investment manager and Responsible Entity. As the manager, K2 Asset Management Ltd is able to exercise influence over the investment funds and ensure fees are paid by each fund on a timely basis. Accordingly, the directors consider these funds to be of high credit quality.

For debtors that are funds managed by external investment managers for which K2 Asset Management Ltd acts as Responsible Entity, the Consolidated Entity has full visibility over the funds' financial position and activities and is able to exercise its rights as Responsible Entity, where necessary, to facilitate the recovery of outstanding fees. Accordingly, the directors consider the associated credit risk to be low.

Establishment fee receivables carry a higher level of credit risk as they are due from external investment managers and are not supported by the assets of the underlying funds. The Consolidated Entity mitigates this risk through credit assessments of investment managers, ongoing monitoring of receivable balances, and regular engagement with counterparties regarding amounts outstanding.

(ii) Cash deposits
Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(d) Liquidity risk

Liquidity risk arises when there is an inability to meet both short - and medium-term financial obligations. This risk is mitigated via retaining a level of cash reserves that management deems appropriate, performing ongoing cash flow analysis and projecting and allowing for future potential liabilities. Free cash in excess of short-term obligations is invested at call and in term deposits for varying maturity dates. All trade creditors and sundry creditors are payable as at 30 June 2026 and are expected to be paid within 30 days of this date.

The following table analyses the Consolidated Entity's financial liabilities into relevant maturity groupings. The amounts presented in the table are contractual undiscounted contractual cash flows, allocated to time bands based on the earliest date on which the Consolidated Entity are required to pay.

	Less than 6 months $	6-12 months $	2-5 years $	Total contractual cash flows $	Carrying amount $
30 June 2026					
Trade creditors	154,123	-	-	154,123	154,123
Lease liabilities	155,225	165,483	546,270	866,978	771,763
Other creditors	319,233	-	-	319,233	319,233
Total financial liabilities	**628,581**	**165,483**	**546,270**	**1,340,334**	**1,245,119**
30 June 2025					
Trade creditors	121,676	-	-	121,676	121,676
Lease liabilities	142,516	144,967	866,978	1,154,461	981,985
Other creditors	321,724	-	-	321,724	321,724
Total financial liabilities	**585,916**	**144,967**	**866,978**	**1,597,861**	**1,425,385**

(e) Fair values

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

NOTE 4: REVENUE AND OTHER INCOME

	2026 $	2025 $
Responsible entity, trustee & administration service fees		
Administration service fees	2,141,073	2,390,299
Responsible entity fees	1,776,666	1,686,845
Establishment fees	447,171	83,419
Corporate authorised representative fees	178,979	162,007
	4,543,889	4,322,570
Funds management fees		
Management fees	338,943	504,018
Performance fees	100,681	297,890
	439,624	801,908
Interest Income		
Financial institutions	244,592	325,214
Employee share loans	37,241	31,203
	281,833	356,417

(a) Unrecognised income

The aggregate amount of unrecognised revenue allocated to remaining performance obligations, at the reporting date, is as follows:

	2026 $	2025 $
Establishment income	-	95,171
Responsible entity fees	13,079	-
	13,079	95,171

NOTE 5: PROFIT/(LOSS) FROM CONTINUING OPERATIONS

Profit/(loss) from continuing operations before income tax has been determined after the following specific expenses:

	2026 $	2025 $
Employee Benefits		
Short-term benefits	4,558,481	4,057,986
Share-based payments expense	24,301	-
Long-term benefits	3,818	19,507
Superannuation contributions	354,176	332,075
	4,940,776	4,409,568

NOTE 5: PROFIT/(LOSS) FROM CONTINUING OPERATIONS (CONT'D)

	2026 $	2025 $
Depreciation and amortisation expense		
Depreciation of computer and office equipment	17,551	26,334
	17,551	26,334
Amortisation of trademarks and licenses	970	888
Amortisation of lease assets	161,208	161,208
	162,178	162,096
	179,729	188,430
Marketing expenses		
Business development expenses	121,462	160,529
Travel expenses	98,640	59,973
Printing and stationery	6,703	10,005
	226,805	230,507
Occupancy expenses		
Rental and occupancy	144,156	132,636
Repairs and maintenance	21,760	23,365
	165,916	156,001

NOTE 6: INCOME TAX

	2026 $	2025 $
(a) The components of tax expense:		
Current tax	-	94,359
Deferred tax	(112,127)	(6,086)
Under/(over) provision in prior year	39,150	(17,130)
Utilisation of tax losses previously not brought to account	-	(77,229)
Net deferred tax assets not brought to account	72,977	6,086
Total income tax expense	-	-

(b) Deferred income tax expense included in income tax expense comprises:

	2026 $	2025 $
Increase/(decrease) in deferred tax assets	(72,977)	71,143
Utilisation of tax losses previously not brought to account	-	(77,229)
Net deferred tax assets not brought to account	72,977	6,086
	-	-

NOTE 6: INCOME TAX (CONT'D)

(c) 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:

	2026 $	2025 $
Prima facie income tax payable on profit/(loss) before income tax at 25% (2025: 25%)	(120,507)	86,171
Add tax effect of:		
Non-deductible entertainment	2,305	1,630
Non-deductible fines	-	472
Non-deductible share-based payments	6,075	-
	(112,127)	88,273
Less tax effect of:		
Net deferred tax assets not brought to account	72,977	6,086
Utilisation of tax losses not previously brought to account	-	(77,229)
Under/(over) provision in prior year	39,150	(17,130)
Income tax expense attributable to loss	-	-
The deferred tax balances comprise:		
Tax losses	1,513,842	1,374,125
Receivables	(76,602)	(35,091)
Accruals	30,766	31,598
Employee benefits	336,183	352,069
Prepayments	(726)	(595)
Tax depreciation	(24,979)	(28,853)
Lease assets	(100,756)	(141,058)
Lease liabilities	192,941	245,496
Net deferred tax assets not brought to account	(1,870,669)	(1,797,691)
Balance of deferred taxes	-	-

As at 30 June 2026, the Consolidated Entity holds carried-forward tax losses of $6,055,368 (2025: $5,496,499) or $1,513,842 (2025: $1,374,125) after tax affect. These tax losses can only be utilised by the Consolidated Entity in subsequent reporting periods if future taxable profits are derived in excess of the amount of losses carried-forward. The Consolidated Entity has also not brought to account $356,827 (2025: $423,566) of temporary differences as at 30 June 2026.

NOTE 7: DIVIDENDS ON ORDINARY SHARES

	2026 $	2025 $
(a) Dividends paid		
August 2025 final dividend paid at 0.5 cents per share 100% franked at the Australian tax rate of 25%	1,205,427	-
There were no dividends paid during the 2025 financial year		
(b) Dividends declared subsequent to year end		
Proposed dividends declared subsequent to year end at nil cent per share (2025: 0.5 cents per share) 100% franked at the Australian tax rate of 25%	-	1,205,427

NOTE 7: DIVIDENDS ON ORDINARY SHARES (CONT'D)

	2026 $	2025 $
(c) Franking credit balance		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and after deducting franking credits to be used in payment of dividends payable at reporting date.	5,250,441	5,652,250

NOTE 8: CASH

	2026 $	2025 $
Cash at bank	1,288,423	1,615,284
Cash on deposit	6,037,619	6,987,619
	7,326,042	8,602,903

NOTE 9: RECEIVABLES

	2026 $	2025 $
Trade receivables	600,603	1,057,445
Other receivables	86,662	109,890
	687,265	1,167,335

(a) Allowance for expected credit loss
Trade receivables are non-interest bearing with 30 days terms. No allowance for expected credit loss has been recognised in the current or prior year. All trade receivables are expected to be received within trading terms.

NOTE 10: CONTRACT ASSETS

	2026 $	2025 $
Responsible entity fees	18,627	12,741
Administration service fees	62,068	89,941
Establishment income	155,000	-
Investment advisory service fees	-	28,547
	235,695	131,229

Contract assets represent the Consolidated Entity's right to consideration (not being an unconditional right recognised as a receivable) in exchange for services transferred to customers. Contract assets are measured at the amount of consideration that the Consolidated Entity expects to be entitled in exchange for services transferred to the customer.

NOTE 11: OTHER CURRENT ASSETS

	Note	2026 $	2025 $
Prepayments		105,607	110,692
Rental deposit		4,410	4,200
Employee share loans	(a)	52,104	64,477
Third party receivables		3,761	3,761
		165,882	183,130
(a) Employee share loans consist of:			
Net present value of loan receivable		21,527	27,036
Deferred employee benefits expense		30,577	37,441
		52,104	64,477

NOTE 12: PLANT AND EQUIPMENT

	2026 $	2025 $
Computer and office equipment		
At cost	255,683	254,561
Accumulated depreciation	(153,699)	(136,148)
	101,984	118,413
Balance at the beginning of the year	118,413	142,797
Additions	1,122	1,950
Disposals	-	-
Depreciation expense	(17,551)	(26,334)
Carrying amount at 30 June 2026	101,984	118,413

NOTE 13: INTANGIBLE ASSETS

	2026 $	2025 $
Trademarks and licenses at costs	16,146	14,766
Accumulated amortisation	(10,467)	(9,497)
	5,679	5,269
Balance at the beginning of the year	5,269	6,157
Additions	1,380	-
Amortisation expense	(970)	(888)
Balance at the end of the year	5,679	5,269

NOTE 14: OTHER NON-CURRENT ASSETS

	Note	2026 $	2025 $
Other financial assets		27,000	27,000
Employee share loans	(a)	409,921	552,037
		436,921	579,037

	2026 $	2025 $
(a) Employee share loans consist of:		
Net present value of loan receivable	269,492	365,410
Deferred employee benefits expense	140,429	186,627
	409,921	552,037

NOTE 15: PAYABLES

	2026 $	2025 $
Current payables		
Trade creditors	154,123	121,676
Sundry creditors and accruals	319,233	321,724
	473,356	443,400

NOTE 16: CONTRACT LIABILITIES

	2026 $	2025 $
Establishment income	-	95,171
Responsible entity fees	13,079	-
	13,079	95,171

The above contract liabilities represents the Consolidated Entity's obligation to provide services for which consideration has been received, and performance obligations have not yet been satisfied. Refer to Note 1(b) for revenue recognition accounting policies.

NOTE 17: PROVISIONS

	2026 $	2025 $
Current employee benefits	1,333,580	1,376,642
Non-current employee benefits	11,151	31,634
Aggregate employee benefits liability	1,344,731	1,408,276

NOTE 18: CONTRIBUTED EQUITY

	2026 $	2025 $
(a) Issued and paid up capital		
Ordinary shares fully paid	4,601,987	4,601,987
	4,601,987	4,601,987

(b) Movements in shares on issue

	2026 No. of Shares	2026 $	2025 No. of Shares	2025 $
Beginning of the year	241,085,196	4,601,987	241,085,196	4,601,987
Issued during the year				
Share based payments	-	-	-	-
Share issue	-	-	-	-
Costs relating to share issue (net of tax)	-	-	-	-
End of the year	241,085,196	4,601,987	241,085,196	4,601,987

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(c) Capital management

When managing capital, the directors' objective is to ensure the Consolidated Entity continues as a going concern as well as maintaining optimal returns to shareholders and benefits for other stakeholders. Consideration is also given to the Australian Financial Services Licence requirements of its subsidiary, K2 Asset Management Ltd. This is achieved through the monitoring of historical and forecast performance and cash flows.

NOTE 19: RESERVES

		2026 $	2025 $
Profits reserve*	(a)	9,514,931	10,719,797
Share-based payments reserve		24,301	-
		9,539,232	10,719,797
(a) Movement in profits reserve			
Balance at the beginning of the year		10,719,797	10,375,110
Transfer to profits reserve		561	344,687
Dividend paid		(1,205,427)	-
Balance at the end of the year		9,514,931	10,719,797

*The profits reserve is made up of amounts transferred from current year profits to be preserved for future dividend payments.

NOTE 20: ACCUMULATED LOSSES

	2026 $	2025 $
Accumulated losses at the beginning of the year	(6,885,638)	(6,885,638)
Net profit/(loss) attributable to members of the Consolidated Entity	(482,027)	344,687
Transfer to profits reserve	(561)	(344,687)
Accumulated losses at the end of the financial year	(7,368,226)	(6,885,638)

NOTE 21: CASH FLOW INFORMATION

	2026 $	2025 $

(a) Reconciliation of cash
For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than six months and net of bank overdrafts.

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items as follows:

	2026	2025
Cash at bank	1,288,423	1,615,284
Deposits with financial institutions	6,037,619	6,987,619
	7,326,042	8,602,903

(b) Reconciliation of cash flow from operations with profit/(loss) from ordinary activities after income tax

	2026	2025
Profit/(Loss) from ordinary activities after income tax	(482,027)	344,687
Non-cash flows in loss from ordinary activities		
Amortisation	162,178	162,096
Depreciation	17,551	26,334
Share Base Payments	24,301	-
Changes in assets and liabilities		
(Increase)/ decrease in receivables	375,604	(662,490)
Decrease in other assets	103,894	29,991
Increase in payables	29,956	21,570
Increase/(decrease) in other liabilities	(82,092)	91,581
Increase/(decrease) in provisions	(63,545)	182,625
Net cash flow provided by operating activities	85,820	196,394

(c) Restriction over cash
The Consolidated Entity has a term deposit of $187,619 (2025: $187,619) as a guarantee over the office rental at Level 44, 101 Collins Street, Melbourne, Victoria.

NOTE 22: LEASE ACTIVITES

Head-lease arrangements as of 30 June 2026

Lease arrangements (non-cancellable):
The Consolidated Entity leases office facilities at Level 44, 101 Collins Street Melbourne. The lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. For the period from the lease commencement date to 30 September 2026, the lease agreement requires minimum lease payments to be increased by 3.5% per annum. Following this date, rental payments are revised to a fixed rate per square meter, increasing by 4% per annum through to expiry on 31 January 2029.

	2026 $	2025 $
Lease assets		
Carrying amount of lease assets, by class of underlying asset:		
Buildings under lease arrangements		
At cost	846,342	846,342
Accumulated depreciation	(429,888)	(268,680)
Total carrying amount of lease assets	416,454	577,662

Movements in carrying amounts
Movement in the carrying amounts for lease assets between beginning and end of the year.

2026	**Buildings** **$**
Carrying amount at 1 July 2025	577,662
Additions	-
Amortisation	(161,208)
Carrying amount at 30 June 2026	416,454

2025	**Buildings** **$**
Carrying amount at 1 July 2024	738,870
Additions	-
Amortisation	(161,208)
Carrying amount at 30 June 2025	577,662

	2026 $	2025 $
Lease Liabilities		
Current lease liabilities	263,574	210,222
Non-current lease liabilities	508,189	771,763
Total carrying amount of lease liabilities	771,763	981,985

	2026 $	2025 $
Lease items		
Interest expense on lease liabilities	(77,262)	(94,272)
Amortisation expense on lease assets	(161,208)	(161,208)
Total cash outflow in relation to leases	(287,454)	(277,762)

NOTE 23: EARNINGS PER SHARE

	2026 $	2025 $
(a) The following reflects the income and share data used in the calculations of basic and diluted earnings/(loss) per share:		
Net earnings/(loss)	(482,027)	344,687
Earnings/(loss) used in calculating basic and diluted loss per share	(482,027)	344,687

	2026 No. of Shares	2025 No. of Shares
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share	241,085,196	241,085,196
Effect of dilutive securities:		
Employee options and share based payments*	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	241,085,196	241,085,196

* Options on issue are not included at 30 June 2026 as the Consolidated Entity recorded a loss after tax. There were no options on issue as at 30 June 2025.

(b) Based on the income and share data from Note 23(a), basic and diluted earnings/(loss) per share are calculated as following:

	2026	2025
Basic earnings/(loss) per share (cents per share)	(0.20)	0.14
Diluted earnings/(loss) per share (cents per share)	(0.20)	0.14

NOTE 24: SHARE BASED PAYMENTS

(a) Employee option plan
The K2 employee option plan offers employees the opportunity to take up one fully paid ordinary share in K2 Asset Management Holdings Ltd ranking equally with all other ordinary shares on issue for each option validly exercised after the Vesting date. A selective number of staff employed by the Consolidated Entity at the option grant date were eligible to participate in the scheme to receive the options. These options were issued for nil consideration, and the exercise price is detailed in the table below.

Financial year ended 30 June 2026

Grant date	Vesting date	Expiry date	Exercise price $	Balance at beginning of the year	Granted during the year	Expired during the year	Balance at the end of the year	Exercisable at the end of the year
15/05/2026	15/05/2029	15/11/2029	0.15	-	3,375,192	-	3,375,192	-

The weighted average share price for share options exercised during the 2026 financial year was nil.

The weighted average remaining contractual life for share options outstanding at 30 June 2026 was 3.38 years.

Financial year ended 30 June 2025

There were no options issued during the 2025 financial year and there are no options on issue as at 30 June 2025.

NOTE 24: SHARE BASED PAYMENTS (CONT'D)

Fair value of options granted:

There were 3,375,192 options (2025: nil) issued to employees over unissued share capital of K2 Asset Management Holdings Ltd during the 2026 financial year. The Consolidated Entity uses the Black Scholes option valuation model to determine the fair value of options issued. The following inputs were utilised:

Exercise price: $0.15

Grant date: 15 May 2026

Expiry date: 15 November 2029

Share price at grant date: $0.065

Expected price volatility of the company's shares: 46.07%

Expected dividend yield: 2.78%

Risk-free interest rate: 4.74%

(b) Expenses recognised from share-based payment transactions

The expense recognised in relation to the share-based payment transactions was recognised within employee benefits expense within profit or loss were as follows:

	2026 $	2025 $
Options issued under employee option plan	24,301	-
Total expenses recognised from share-based payment transactions	24,301	-

NOTE 25: KEY MANAGEMENT PERSONNEL DISCLOSURE

	2026 $	2025 $
Summary of key management personnel compensation as disclosed in the remuneration report.		
Short-term benefits	1,691,116	1,225,588
Long-term benefits	93,568	25,654
Superannuation	90,000	89,796
	1,874,684	1,341,038

NOTE 26: AUDITORS REMUNERATION

	2026 $	2025 $
Amounts received or due and receivable by Pitcher Partners for:		
An audit or review of the financial report of the Company and any other entity of the Consolidated Entity	136,951	132,820
Tax consulting services	-	4,250
	136,951	137,070

NOTE 27: RELATED PARTY DISCLOSURES

(a) The consolidated financial statements include the financial statements of K2 Asset Management Holdings Ltd and its controlled entities K2 Asset Management Ltd, K2 Corporate Services Pty Ltd, KII Pty Ltd and Trusuper Pty Ltd. Please refer to the Consolidated Entity Disclosure Statement on page 52 for further details.

(b) The following lists the transactions entered into with related parties for the relevant financial year:

Consolidated Entity transactions were as follows:

- Loan provided to parent by K2 Asset Management Ltd and K2 Corporate Services Pty Ltd for tax related balances. The total balance as at 30 June 2026 was $947,748 (2025: $947,748).
- Loan provided by parent to K2 Asset Management Ltd during the year for operational expenditure paid by the parent on behalf of its subsidiary. The balance as at 30 June 2026 was $493,834 (2025: $367,164).
- Loan provided by K2 Asset Management Ltd to K2 Corporate Services Pty Ltd during the year for operational expenditure. The balance as at 30 June 2026 was $823 (2025: $10,881).
- All loans are at call, are non-interest bearing and are measured at amortised cost using the effective interest rate method.
- Details of all remuneration paid to directors are disclosed in the audited remuneration report on page 9 and 10.
- K2 Asset Management Ltd provides investment management services to related party unit trusts – the K2 Opportunities Fund, the Adamantos Fund (formerly K2 Global High Alpha Fund) and the K2 Australian Small Cap Fund. 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 high water mark and, if applicable, a performance hurdle. Total related party revenue from investment management services of $449,783 (2025: $814,781) has been recognised in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2026. Of this revenue, $338,943 (2025: $504,018) related to management fees, $100,681 (2025: $297,890) to performance fees and $10,159 (2025: $12,873) to responsible entity fees. Please refer to the Consolidated Statement of Comprehensive Income on page 24 for further details.
- As at 30 June 2026, K2 Asset Management has a current receivable of $15,649 (2025: $328,202) for investment management services provided to the K2 Funds.
- K2 Asset Management Ltd is also the responsible entity of unit trusts that are managed by external investment managers – the Adamantos Fund (formerly K2 Global High Alpha Fund), the Airwallex Yield Liquidity Fund, the Apostle Carbon Credit Fund, the Apostle Dundas Global Equity Fund, the Apostle Diversified Global Credit Fund, the Apostle Alternative Multi-Asset Fund, the Aria International Advantage Fund, the CCM Systematic Macro Plus Fund, the DigitalX Bitcoin ETF, the Select International Alpha Fund, the Storehouse Residential Trust, the S64 Hg Fusion Private Capital Access Fund AUD, the Savana US Small Caps Active ETF, the Stake Accumulate Fund, the Goehring & Rozencwajg Global Resources Trust, the Balmoral Investors Micro-Cap Fund, the Hamilton12 Australian Shares Income Fund, the Minotaur Global Opportunities Fund, the Lion Active ETF, the CD Private Equity Fund I, the CD Private Equity Fund II, the CD Private Equity Fund III, the CD Private Equity Fund IV, the CD III Australian Wholesale Fund and the Venture Capital Opportunities Fund. K2 Asset Management Ltd is entitled to receive payments from the funds where it provides responsible entity services including responsible entity and/or fund administration fees. Total related party revenue from responsible entity services of $3,688,487(2025: $3,740,501) has been recognised in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2026. Of this revenue, $1,766,507 (2025: $1,673,972) related to responsible entity fees, $1,703,696 (2025: $1,859,189) to fund administration fee. Please refer to the Consolidated Statement of Comprehensive Income on page 24 for further details.
- As at 30 June 2026, K2 Asset Management has a current receivable of $453,224 (2025: $353,059) for responsible entity services provided to the Funds.

  As at 30 June 2026, the Consolidated Entity has a current receivable of $52,104 (2025: $64,478) and a non-current receivable of $409,921 (2025: $552,036) 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 the employees ceasing to be employed by the K2 Asset Management Ltd. The loans are interest free and are unsecured.

NOTE 27: RELATED PARTY DISCLOSURES (CONT'D)

- The above-mentioned employee interest-free loan receivable also incorporates a balance of $448,200 as at 30 June 2026 (2025: $498,200) provided by the Consolidated Entity to a key management personnel, George Boubouras. During the year ended 30 June 2026, $50,000 of the loan was repaid through an offset against dividends payable during the year and interest of $26,719 was charged. Please refer to the Audited Remuneration Report on page 12.

- Fund operating expenses incurred during the 2026 financial year was $78,628 (2025: $157,293). These expenses include audit fees, custodian fees, administration fees, unit registry fees and other fees relating to the administration of the Funds and K2's role as responsible entity make up for the remaining fund operating expenses that were paid on behalf of the Funds.

- K2 Asset Management Ltd provides investment advisory services on behalf of K2 Corporate Services Pty Ltd. Total inter-company fee charged by K2 Asset Management Ltd for the services provided during the 2026 financial year amounts to $288,000 (2025: $283,000).

- No other key management personnel or their related entities were party to any transactions with the Consolidated Entity during the year other than those disclosed in this report.

- There were no transactions with other related parties during the year.

NOTE 28: PARENT ENTITY DETAILS

	Notes	2026 $	2025 $

Summarised presentation of the parent entity, K2 Asset Management Holdings Ltd, financial statements are as follows:

(a) Summarised Statement of Financial Position

	Notes	2026 $	2025 $
Assets			
Current assets		726,160	1,794,523
Non-current assets	(c)	12,220,021	12,362,137
Total assets		12,946,181	14,156,660
Liabilities			
Current liabilities		947,748	947,748
Total liabilities		947,748	947,748
Net Assets		11,998,433	13,208,912
Equity			
Share capital^		116,012,903	116,012,903
Reserves		(102,946,780)	(101,765,655)
Retained earnings/(losses)		(1,067,690)	(1,038,336)
Total Equity		11,998,433	13,208,912

^Upon restructuring the Consolidated Entity prior to listing on the ASX, adjustments were made to consolidated share capital resulting in the differential reported in share capital in the parent entity versus share capital on consolidation.

NOTE 28: PARENT ENTITY DETAILS (CONT'D)

(b) Summarised Statement of Comprehensive Income		2026 $	2025 $
Profit/ (loss) for the year		(29,354)	16,418
Other comprehensive profit/(loss)	(c)	-	-
Total comprehensive profit/(loss) for the year		(29,354)	16,418

(c) Investment in K2 Asset Management ltd
Included within non-current assets balance above includes $11,810,000 (2025: $11,810,000) for the parent entity's investment in subsidiary K2 Asset Management Ltd.

The carrying value of K2 Asset Management Holdings Ltd's investment in K2 Asset Management Ltd is reviewed on an ongoing basis by the directors of the Consolidated Entity. As a result of this continued analysis, nil value (2025: nil) has been recognised as at 30 June 2026 as a change in the fair value of this asset. The investment's value has been measured using the income method and is considered a level 3 asset under the fair value hierarchy as it has been valued using inputs that are not based on observable market data. The value of the parent company's investment in its subsidiary does not impact the results of the Consolidated Entity as all amounts are eliminated on consolidation.

NOTE 29: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2026 which has significantly affected or which may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2026, of the Consolidated Entity or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2026, of the Consolidated Entity.

NOTE 30: SEGMENT INFORMATION

The Consolidated Entity operates solely within Australia within the funds management and responsible entity services business segment.

In 2026, the amount of revenue derived from each of the funds where the revenue is greater than 10% of the Consolidated Entity's total revenue were:

	$
CD Private Equity Fund IV	742,414
Apostle Dundas Global Equities Fund	729,074
Total	1,471,488

In 2025, the amount of revenue derived from each of the funds where the revenue is greater than 10% of the Consolidated Entity's total revenue were:

	$
CD Private Equity Fund IV	757,244
Apostle Dundas Global Equities Fund	723,553
Total	1,480,797

NOTE 31: CONTINGENT LIABILITIES

The Consolidated Entity has a term deposit of $187,619 (2025: $187,619) as a guarantee over the office rental at Level 44, 101 Collins Street, Melbourne, Victoria.

NOTE 32: REGISTERED OFFICE

The registered office of the Company is:
K2 Asset Management Holdings Ltd
Level 44, 101 Collins Street
Melbourne VIC 3000

Phone: 03 9691 6111

NOTE 33: REGISTER OF SECURITIES

The register of securities is kept at:
Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Phone: 1300 737 760

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2026

K2 Asset Management Holdings Ltd is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (the Consolidated Entity).

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this Consolidated Entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

	Type of entity	Country of Incorporation	Percentage Owned 2026 %	Australian Tax Resident?	Foreign jurisdictions in which the entity is a resident for tax purposes
Parent Entity					
K2 Asset Management Holdings Ltd	Body Corporate	Australia	n/a	Yes	n/a
Subsidiaries					
K2 Asset Management Ltd	Body Corporate	Australia	100%	Yes	n/a
KII Pty Ltd	Body Corporate	Australia	100%	Yes	n/a
Trusuper Pty Ltd	Body Corporate	Australia	100%	Yes	n/a
K2 Corporate Services Pty Ltd	Body Corporate	Australia	100%	Yes	n/a

In the directors' opinion, the consolidated entity disclosure is true and correct.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 24 to 51 in accordance with the *Corporations Act 2001*:

(a) Comply with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
(b) Give a true and fair view of the financial position of the Consolidated Entity as at 30 June 2026 and of its performance for the year ended on that date; and
(c) As stated in Note 1(a), the consolidated financial statements also comply with International Financial Reporting Standards.

In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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

This declaration has been made after receiving the declarations required to be made by the managing director and chief financial officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 30 June 2026.

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

Campbell Neal	**Hollie Wight**
Director	**Director**

Melbourne
27 August 2026

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of K2 Asset Management Holdings Ltd ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board ("the Code") that are relevant to audits of the financial report of public interest entities 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD AND ITS CONTROLLED ENTITIES

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition	
Refer to the consolidated statement of comprehensive income and Note 4 (Revenue and other income) The Consolidated Entity's revenue is primarily derived from: • Administration service income • Responsible entity fees • Management fees • Advisory services income • Establishment income • Performance fees These are earned by K2 Asset Management Ltd (K2) and K2 Corporate Services Pty Ltd, consolidated subsidiaries, through the Investment Management and Other Agreements in place with third parties and K2 Funds. All revenue streams are earned and calculated in accordance with the Investment Management Agreements and Constitutions of the funds or other agreements. Performance fees, however, are dependent on the portfolio outperforming certain hurdles and are only recognised in the consolidated statement of comprehensive income when K2's entitlement to the fee is highly probable, which is at the end of the relevant performance period. Management applies judgement in determining whether establishment services represent a distinct performance obligation. Revenue is recognised either over the period the establishment services are performed, where the services are distinct and meet the criteria for over-time recognition, or over the minimum enforceable contract period where the establishment services are not distinct from ongoing responsible entity or other services. Accounting policies relating to revenue are presented in Note 1b of the financial statements.	Our procedures included: • Understanding and evaluating the design and implementation of the Consolidated Entity's controls and processes for recognising and recording revenue transactions. • Testing revenue by agreeing a sample of revenue transactions for each stream to supporting documentation. • Reviewing and testing the general journals impacting revenue. • Recalculating management fees and responsible entity fees, on a sample basis, in accordance with contractual arrangements. • Evaluating management's assessment of whether establishment services were distinct from other services and agreeing evidence of completion of those services to supporting documentation. • Assessing the adequacy and accuracy of disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD AND ITS CONTROLLED ENTITIES

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD AND ITS CONTROLLED ENTITIES**

Auditor's Responsibilities for the Audit of the Financial Report (Cont.)

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2026. In our opinion, the Remuneration Report of K2 Asset Management Holdings Ltd, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
K2 ASSET MANAGEMENT HOLDINGS LTD AND ITS CONTROLLED ENTITIES**

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

B POWERS
Partner

27 August 2026

PITCHER PARTNERS
Melbourne