

Digital X Bitcoin ETF

ARSN 650 945 216

Annual report For the year ended 30 June 2025

Digital X Bitcoin ETF

ARSN 650 945 216

Annual report For the year ended 30 June 2025

| Contents | Page |
|---|------|
| Directors' report | 2 |
| Auditor's independence declaration | 4 |
| Statement of comprehensive income | 5 |
| Statement of financial position | 6 |
| Statement of changes in equity | 7 |
| Statement of cash flows | 8 |
| Notes to the financial statements | 9 |
| Directors' declaration | 19 |
| Independent auditor's report to the unit holders of Digital X Bitcoin ETF | 20 |

This annual report covers Digital X Bitcoin ETF as an individual entity.

The Responsible Entity of Digital X Bitcoin ETF is K2 Asset Management Ltd (ABN 95 085 445 094) (AFSL 244393).

The Responsible Entity's registered office is:
Level 44, 101 Collins Street,
Melbourne, VIC, 3000.

Directors' report

The directors of K2 Asset Management Ltd (ABN 95 085 445 094), the Responsible Entity of Digital X Bitcoin ETF (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2025 and the auditor's report thereon.

Principal activities

The Fund is an Australian registered managed investment scheme which was constituted on 10 June 2021, registered with the Australian Securities and Investments Commission on 18 June 2021 and commenced trading on the Australian Securities Exchange (ASX) on 12 July 2024. The Fund is available to investors on the Australian Securities Exchange (ASX) as an active Exchange Traded Managed Fund (ASX Code: BTXX). The Fund is domiciled in Australia.

The Fund aims to deliver a return that tracks the performance of the price of Bitcoin (before fees and expenses). The return of the Fund will be calculated by reference to the CME CF Bitcoin Reference Rate (BRR). As the BRR is denominated in USD, and the Fund is denominated in AUD, investors will be subject to fluctuations in the AUD/USD exchange rate as well as fluctuations in the price of Bitcoin.

The Fund holds substantially all of its assets in long-term holdings of Bitcoin to achieve the investment objective. The Fund is intended to be a passive holder of Bitcoin and will not buy and sell Bitcoin other than to facilitate redemptions and creations of Bitcoin Interests in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

| Service | Provider |
|----------------------------------|--|
| Responsible Entity | K2 Asset Management Ltd |
| Investment Manager | Digital X Asset Management Pty Ltd |
| Administrator and cash custodian | Apex Fund Services Pty Ltd (an Apex Group Company) |
| Custody | Coinbase Custody Trust Company LLC |
| Unit Registry | Automic Pty Ltd |
| Statutory Auditor | KPMG |

Directors

The following persons held office as directors of Digital X Bitcoin ETF during or since the end of the year and up to the date of this report:

Campbell W Neal
Hollie A Wight
George Boubouras
Neil Sheather

Review and results of operations

During the year, the Fund invested its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

| | Year ended 30 June 2025 | Year ended 30 June 2024 |
|--|-------------------------------|-------------------------------|
| Operating loss before finance costs for the year (\$'000s) | (177) | - |
| Total other comprehensive income for the year (\$'000s) | 6,097 | - |
| Distributions paid and payable (\$'000) | 881 | - |
| Distributions (cents per unit) | 59.86 | - |

Significant changes in state of affairs

The Fund commenced trading on the Australian Securities Exchange (ASX) on 12 July 2024 as an active Exchange Traded Managed Fund (ASX Code: BTXX).

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

Directors' report (continued)

Likely developments and expected results of operations (continued)

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regard to insurance cover provided to the officers of K2 Asset Management Ltd. So long as the officers of K2 Asset Management Ltd act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 12 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the year are disclosed in Note 12 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or material environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of K2 Asset Management Ltd.



Hollie Wight
Director

Melbourne
24 September 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of K2 Asset Management Ltd (the Responsible Entity) of Digital X Bitcoin ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of Digital X Bitcoin ETF for the financial year ended 30 June 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Wooden
Partner
Melbourne

24 September 2025

Statement of comprehensive income

| | | Year ended 30 June 2025 \$'000 | Year ended 30 June 2024 \$'000 |
|---|-------------|---|---|
| | Note | | |
| Investment income | | | |
| Interest Income | | - | - |
| Net loss on disposal of digital assets | | (233) | - |
| Net gain on foreign exchange transactions | | 212 | - |
| Total investment income | | <u>(21)</u> | <u>-</u> |
| Expenses | | | |
| Management fees | 12 | 144 | - |
| Transaction costs | | 12 | - |
| Total expenses | | <u>156</u> | <u>-</u> |
| Loss before finance costs for the year | | <u>(177)</u> | <u>-</u> |
| Finance cost | | | |
| Distributions to unitholders | 7 | (881) | - |
| Increase to net assets attributable to unitholders | 6 | (5,039) | - |
| Transfer to net assets attributable to unitholders | | <u>5,920</u> | <u>-</u> |
| Other comprehensive income | | | |
| Revaluation gain on Digital Assets at fair value | 5 | 6,097 | - |
| Total other comprehensive income that will not be reclassified to profit or loss | | <u>6,097</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>-</u> | <u>-</u> |

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

Statement of financial position

| | | As at 30 June 2025 \$'000 | As at 30 June 2024 \$'000 |
|--|-------------|------------------------------------|------------------------------------|
| | Note | | |
| Assets | | | |
| Cash and cash equivalents | 8 | 3 | - |
| Digital Assets at fair value | 5 | 53,636 | - |
| Receivables | | 12 | - |
| Total assets | | 53,651 | - |
| Liabilities | | | |
| Payables | 10 | 21 | - |
| Distributions payable | 7 | 881 | - |
| Total liabilities (excluding net assets attributable to unit holders) | | 902 | - |
| Net assets attributable to unit holders – liability | 6 | 52,749 | - |
| Total Net assets | | - | - |
| Equity | | | |
| Unit holder reserve | | (6,097) | - |
| Revaluation reserve | | 6,097 | - |
| Total Equity | | - | - |

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

Statement of changes in equity

| | Unit holder Reserve \$'000 | Revaluation Reserve \$'000 | Total Equity \$'000 |
|--|-------------------------------|-------------------------------|------------------------|
| Opening balance as at 1 July 2024 | - | - | - |
| Other comprehensive income | - | 6,097 | 6,097 |
| Transfer to net assets attributable to unitholders | (5,920) | - | (5,920) |
| Loss for the year | (177) | - | (177) |
| Closing balance as at 30 June 2025 | (6,097) | 6,097 | - |
| | Unit holder Reserve \$'000 | Revaluation Reserve \$'000 | Total Equity \$'000 |
| Opening balance as at 1 July 2023 | - | - | - |
| Other comprehensive income | - | - | - |
| Transfer to net assets attributable to unitholders | - | - | - |
| Loss for the year | - | - | - |
| Closing balance as at 30 June 2024 | - | - | - |

The Fund's net assets attributable to unit holders are classified as a liability under *AASB 132 Financial Instruments: Presentation*. As such, the Fund has not presented any items with respect to net assets attributable to unit holders in the changes in equity for the current or comparative year.

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

Statement of cash flows

| | Note | Year ended 30 June 2025 \$'000 | Year ended 30 June 2024 \$'000 |
|---|----------|---|---|
| Cash flows from operating activities | | | |
| Payments for purchase of Digital Assets at fair value | | (50,575) | - |
| Proceeds from sales of Digital Assets at fair value | | 2,791 | - |
| Management fees paid | | (123) | |
| Transaction costs paid | | (12) | - |
| Payments for foreign exchange movements | | 212 | |
| Net cash (outflow)/inflow from operating activities | | (47,707) | - |
| Cash flows from financing activities | | | |
| Proceeds from applications by unit holders | | 50,526 | - |
| Payments for redemptions by unit holders | | (2,816) | - |
| Net cash (outflow)/inflow from financing activities | | 47,710 | - |
| Net increase/(decrease) in cash and cash equivalents | | 3 | - |
| Cash and cash equivalents at the beginning of the year | | - | - |
| Cash and cash equivalents at the end of the year | 8 | 3 | - |

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

Notes to the financial statements

Contents

| | |
|----|--|
| 1 | General information |
| 2 | Summary of material accounting policies |
| 3 | Financial risk management |
| 4 | Fair value measurement |
| 5 | Digital Assets at fair value |
| 6 | Net assets attributable to unit holders |
| 7 | Distributions to unit holders |
| 8 | Cash and cash equivalents |
| 9 | Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities |
| 10 | Payables |
| 11 | Remuneration of auditors |
| 12 | Related party transactions |
| 13 | Events occurring after the reporting period |
| 14 | Contingent assets and liabilities and commitments |

1 General information

These financial statements cover Digital X Bitcoin ETF (the "Fund") as an individual entity which is a registered managed investment scheme under the *Corporations Act 2001* and was admitted to trading status on the ASX under the AQUA Rules on 12 July 2024 (ASX code: BTXX). The Fund was constituted on 10 June 2021, registered with the Australian Securities and Investments Commission on 18 June 2021 and commenced operations on 12 July 2024. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is K2 Asset Management Ltd (ABN 95 085 445 094) (AFSL 244393) (the "Responsible Entity"). The Responsible Entity's registered office is Level 44, 101 Collins Street, Melbourne, VIC, 3000. These financial statements are presented in Australian dollars.

The Fund holds substantially all of its assets in long-term holdings of Bitcoin to achieve the investment objective. The Fund is intended to be a passive holder of Bitcoin and will not buy and sell Bitcoin other than to facilitate redemptions and creations of units in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in Digital Assets.

The Fund manages its Digital Assets based on the applications and redemptions in the Fund at any given point in time. The Investment Manager does not engage in active trading in Digital Assets beyond what is required for unit creation and redemption processes. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards and interpretations not yet adopted

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual years beginning on or after 1 January 2027 and will apply to the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. The Fund is in the process of assessing the impact of the new standard.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2025 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting years and on foreseeable future transactions.

(b) Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

The following are the critical judgements that the directors have made in the process of applying the Fund's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

2 Summary of material accounting policies (continued)

(b) Use of estimates and judgements (continued)

Determination of measurement basis for Digital Assets

The directors note that the topic of Digital Assets and the accounting for Digital Assets continues to be considered by the International Accounting Standards Board (IASB) and continue to monitor new comments and interpretations released by the Board and other standard setters from around the world.

Following a review of the facts and circumstances, the directors have considered their position for the year ended 30 June 2025 and have determined that the Digital Assets fall within the scope of IAS 38 Intangible Assets. In accordance with IAS 38, the Fund recognises and measures Digital Assets, specifically its Bitcoin, as intangible assets using the revaluation model.

For more information refer to Note 2(c) to the financial statements.

Determination of fair value for Fund assets

A number of the Fund's accounting policies require the measurement of fair values, for both financial and non-financial assets. For the majority of the assets held by the Fund, quoted market prices are readily available. However, certain assets are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

The directors do not consider that any significant estimates have been applied in the preparation of these financial statements.

(c) Digital Assets at fair value

The Fund holds substantially all of its assets in long-term holdings of Bitcoin to achieve its investment objective. The Fund is intended to be a passive holder of Bitcoin and will not buy and sell Bitcoin other than to facilitate redemptions and creations of units in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

Whilst the IFRS Interpretation Committee issued an agenda decision on the accounting for cryptocurrencies in June 2019, there is no one standard under IFRS which details how digital currencies are to be accounted for. Following a review of the facts and circumstances, the directors have determined that the Digital Assets fall within the scope of IAS 38 Intangible Assets. Furthermore, the directors have determined to account for Digital Assets under the IAS 38 revaluation model being its fair value on the basis there is an active market for the transfer and sale of the Digital Assets that the Fund holds. The Digital Assets are held to provide the unit holders with the exposure to changes in the fair value of Digital Assets and therefore the Directors consider that carrying the Digital Assets at fair value reflects the objectives and the purpose of holding the asset.

Initial recognition

Digital Assets are initially recorded at their fair value at the date of acquisition. This fair value is typically based on the transaction price at the time of purchase.

Subsequent Measurement

Following initial recognition, Digital Assets are revalued at each reporting date to reflect their current fair value. Any increase in fair value is recognised as a revaluation gain within other comprehensive income, increasing equity. However, if there are any previous impairment charges that were recognised through Profit or Loss, fair value gains will be first recorded through Profit or Loss in respect of any previous impairment recognised being reversed.

Conversely, if the fair value decreases, the decline is first offset against any existing revaluation surplus for the asset. If there is no surplus, or if the decrease exceeds the surplus, the excess loss is recognised as an impairment through the Profit or Loss.

Frequency of Revaluation

To ensure that carrying amounts reflect fair value, revaluations are conducted regularly, with adjustments made as necessary to address the high volatility associated with cryptocurrencies.

Derecognition

The Fund derecognises Digital Assets when either of the following conditions is met:

- (i) Disposal: Upon redemption of units and the sale of Digital Assets, the attributable cost shall be calculated in accordance with the average cost methodology, and the overall cost reduced accordingly to represent the de-recognition of the Digital Assets. Any previously recognised gains on the Digital Assets de-recognised as a result of the sale are reclassified to unitholder reserves.
- (ii) No Future Economic Benefits: If no future economic benefits are expected to arise from the use or disposal of the Digital Asset, it is derecognised. This may occur due to obsolescence, changes in market conditions, or other factors rendering the asset economically unviable.

(d) Reserves

A revaluation reserve and unitholder reserves are maintained within equity. All profits or losses are taken to unit holder reserves at the end of each year. Gains and reversals of previously recognised gains arising on the movement in the fair value of Digital Assets, above cost, are taken to the revaluation reserve at the end of each accounting period.

(e) Net assets attributable to unit holders - liability

Units are redeemable at the holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of unit holders.

The units are classified as financial liabilities as the unit holders are absolutely entitled to the Fund's distributable income in accordance with the Fund's Constitution.

2 Summary of material accounting policies (continued)

(e) Net assets attributable to unit holders - liability (continued)

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

(g) Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(h) Management Fees

Management Fees are calculated by applying a fixed percentage of the net asset value of the Fund and is accrued daily.

All other expenses are recognised in the statement of comprehensive income on an accruals basis.

(i) Income tax

Under current legislation, the Fund is not subject to income tax as its unitholders are absolutely entitled to the entirety of its taxable income.

(j) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment.

(k) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for Funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of gains or losses on Digital Assets at fair value which is due to changes in foreign exchange rates. Such fluctuations are included in any gains or losses on Digital Assets at fair value.

(l) Due from/to brokers

Amounts due from/to brokers represent receivables for Bitcoin sold and payables for Bitcoin purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

(m) Receivables

Receivables may include amounts for interest. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(g) above. Amounts are generally received within 30 days of being recorded as receivables.

(n) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of Financial Position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

2 Summary of material accounting policies (continued)

(o) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(p) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

Given that the Fund holds offshore investments only, investment management services provided to the Fund is deemed to be all GST-free supply, therefore, RITC rate on investment management fee is 100%.

(q) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), risks relating to Digital Assets, credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

(a) Market risk

Market risk is the risk that changes in market prices (such as price risk, foreign exchange rates and interest rates) will affect the Fund's income or the value of its assets held or issued.

(i) Price risk

Price risk arises from investments held by the Fund for which prices in the future are uncertain. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

As the Fund is a spot Bitcoin fund, it is difficult to mitigate any price risk as the value of the Fund is sensitive to the market sentiment towards Bitcoin and large swings in the pricing is actually expected. The only factor that is taken into consideration are the different prices that Bitcoin trading platforms charge but there are also risks associated with trading on platforms based on cost as these platforms are not as regulated as they are in traditional equity and money markets.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the equities in which the Fund invests moves by +/-25%.

(ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

As Bitcoin generally trades in US dollars there is the risk of foreign exchange losses when converting assets into Australian Dollar. Bitcoin held by the Fund will be valued in US dollars, however the Fund itself will be valued in Australian dollars. While the Investment Manager quantifies the risk of each individual Bitcoin, the Investment Manager does not actively manage or hedge currencies in aggregate for the Fund. Therefore, the Fund will be affected by currency movements, which may have an adverse effect on the value of the Fund.

The table below summarises the fair value of the Fund's assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

| | US Dollars \$'000 |
|------------------------------|-------------------------|
| As at 30 June 2025 | |
| Digital Assets at fair value | 53,636 |
| Net exposure | 53,636 |

As at 30 June 2024, the Fund did not hold assets or financial liabilities, so there was no foreign exchange risk exposure.

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% against the significant foreign currencies to which the Fund is exposed.

(iii) Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Fund's interest bearing financial instruments expose them to risks associated with the effects of fluctuation in the prevailing market interest rate on its financial positions and cash flows.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.

As at 30 June 2025 and 30 June 2024, the impact of interest rate risk on the profit and net assets attributable to unit holders is considered immaterial to the Fund.

(iv) Market making risk

The Responsible Entity, on behalf of the Fund, provides liquidity to investors by acting as a buyer and seller of the Fund's units on the ASX. Market making risk is the risk of an error in the execution or settlement of the underlying Fund units. The Responsible Entity, on behalf of the Fund, mitigates this risk by having the power to increase the spread at which it makes a market and the right to cease making a market (subject to its obligations under AQUA Rules and ASX Operating Rules). The Responsible Entity has appointed an independent market participant to act as its agent to transact and facilitate settlement on its behalf.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

| | Impact on net assets attributable to unit holders | | | |
|--------------------|---|----------------|-----------------------|-----------------------|
| | Price risk | Price risk | Foreign exchange risk | Foreign exchange risk |
| | -25% \$'000 | +25% \$'000 | -10% \$'000 | +10% \$'000 |
| As at 30 June 2025 | (13,409) | 13,409 | (5,364) | 5,364 |
| As at 30 June 2024 | - | - | - | - |

(c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund. The Fund's principal financial assets are cash and cash equivalents which represents the Fund's maximum exposure to credit risk.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics.

Settlement of transactions

All transactions in Bitcoins are settled/paid for upon delivery using approved trading platforms. The risk of default is considered low, as delivery of Bitcoin sold is only made once the broker has received payment. Payment is made once the Bitcoin purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily redemption requests or to fund foreign exchange related cash flow requirements. When units are redeemed, the Fund returns the corresponding amount of Digital Assets determined by the Entitlement of those units, therefore the redemption of units would not impact the liquidity of the Fund.

In certain circumstances, for example, in the event of volatility in the relevant markets, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during the years ended 30 June 2025 and 30 June 2024.

(i) Maturities of non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| | Less than 1 month \$'000 | 1 to 6 months \$'000 | 6 to 12 months \$'000 | Over 12 months \$'000 | Total \$'000 |
|------------------------------------|--------------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|
| As at 30 June 2025 | | | | | |
| Payables | 21 | - | - | - | 21 |
| Total financial liabilities | 21 | - | - | - | 21 |
| As at 30 June 2024 | | | | | |
| Payables | - | - | - | - | - |
| Total financial liabilities | - | - | - | - | - |

3 Financial risk management (continued)

(e) Risks relating to Digital Assets

(i) Custodial risk

The Fund has established a custody relationship with Coinbase Custody Trust Company LLC ("Coinbase"). In this arrangement, all the Fund's Digital Assets are held in wallets operated by Coinbase. Coinbase operates a "cold" (offline) storage solution for the Crypto Asset Collateral. The main risk of such solutions has been the potential damage or loss of the infrastructure on which such storage relies. The private key required to access bitcoin may be lost, destroyed or stolen resulting in the Fund being unable to liquidate the digital currency, which would adversely affect investment in the Fund. The Fund aims to hold at least 80% of its digital currency in cold storage.

Custodial risk is managed by the Responsible Entity by subjecting each Custodian to a detailed due diligence review prior to their appointment, as well as undertaking regular due diligence updates and undertaking ongoing monitoring of their service.

All transactions of the Fund's Digital Assets with Coinbase including movements between the hot and cold storage wallets are subject to the Responsible Entity's prior approval.

(ii) Forked Assets

A fork is a change of the blockchain caused by a change in the protocol which is distinct from the main one. It can cause several risks such as the trading may be temporarily or indefinitely suspended and the prices can be negatively impacted. A hard fork may result in the Digital Asset becoming a new forked digital asset. If this were to happen then it could reduce the value of Digital Assets with the Custodian, the Entitlement, and the value of the unit.

If the Custodian does not support the Forked Asset, the Fund may be unable to claim such assets, and the relevant Forked Asset may be assumed to have a value of zero for the purposes of computing the Fund's Net Asset Value. If the Custodian does support a previously unsupported Forked Asset and a viable market for these Forked Assets has been developed, these Forked Assets will be disposed of at that time at the prevailing market rate.

Newly-Forked Assets may be less liquid than more established assets, and as such may be difficult for the Fund to dispose of in a timely manner. It is not possible to predict the impact that any Fork could have on the Fund or for how long any resulting disruption may exist.

It may be necessary for the Fund's quotation on the ASX and creations and redemptions of its Digital Asset interests be suspended for a year because of a fork.

(iii) Airdrops

An airdrop occurs when the issuer of a new digital asset declares to the holder of another specific digital asset that they will be entitled to claim for free a quantity of the new digital asset because they are holding this specific other digital asset. If an airdrop occurs intended to benefit holders of a Digital Asset, then the ability of a holder of Bitcoin interest relating to such Digital Asset to participate in the airdrop will depend on the support of the Custodian. There is no obligation on the Custodian to support any airdrop or hold the airdropped digital asset and so there is no certainty that holders of Bitcoin interests will be able to obtain any airdropped digital currencies or realise any value from them.

The Investment Manager has no intention to participate in an airdrop and should they be of consideration, comprehensive due diligence and consent from the Responsible Entity will be required prior to participating in an airdrop on behalf of the Fund.

4 Fair value measurement

The Fund measures and recognises assets and liabilities at fair value on a recurring basis. The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(a) Fair value in an active market (level 1)

The fair value of assets and liabilities traded in active markets (such as Bitcoins) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for assets held by the Fund is the current last traded price; the quoted market price for liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

4 Fair value measurement (continued)

(b) Recognised fair value measurements

The table below presents the Fund's assets and liabilities measured and recognised at fair value as at 30 June 2025 and 30 June 2024.

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|------------------------------|-------------------|-------------------|-------------------|-----------------|
| As at 30 June 2025 | | | | |
| Assets | | | | |
| Digital Assets at fair value | 53,636 | - | - | 53,636 |
| Total assets | 53,636 | - | - | 53,636 |

As at 30 June 2024, the Fund did not hold any investments.

(c) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

5 Digital Assets at fair value

| | As at 30 June 2025 \$'000 | As at 30 June 2024 \$'000 |
|---|------------------------------------|------------------------------------|
| Digital Assets at fair value | | |
| Bitcoin | 53,636 | - |
| Total Digital Assets at fair value | 53,636 | - |

6 Net assets attributable to unit holders - liability

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

| | Year ended 30 June 2025 | | Year ended 30 June 2024 | |
|---|----------------------------|---------------|----------------------------|----------|
| | Units '000 | \$'000 | Units '000 | \$'000 |
| Opening balance | - | - | - | - |
| Applications | 1,572 | 50,526 | - | - |
| Redemptions | (100) | (2,816) | - | - |
| Increase in net assets attributable to unit holders | - | 5,039 | - | - |
| Closing balance | 1,472 | 52,749 | - | - |

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund, which entitles a unitholder to an interest in the underlying Digital Assets held by the Fund.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

7 Distributions to unit holders

The distributions declared during the year were as follows:

| | Year ended 30 June 2025 \$'000 | | Year ended 30 June 2024 CPU | |
|----------------------------|---|------------------------|--------------------------------------|------------------------|
| | 30 June 2025 \$'000 | 30 June 2025 CPU | 30 June 2024 \$'000 | 30 June 2024 CPU |
| Distributions | | | | |
| June (payable) | 881 | 59.86 | - | - |
| Total distributions | 881 | 59.86 | - | - |

8 Cash and cash equivalents

| | As at 30 June 2025 \$'000 | As at 30 June 2024 \$'000 |
|--|------------------------------------|------------------------------------|
| Cash at bank | 3 | - |
| Total cash and cash equivalents | 3 | - |

9 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

| | Year ended 30 June 2025 \$'000 | Year ended 30 June 2024 \$'000 |
|--|--------------------------------------|--------------------------------------|
| Increase in net assets attributable to unit holders | 5,039 | - |
| Distributions to unitholders | 881 | - |
| Payments for purchase of Digital Assets at fair value | (50,575) | - |
| Proceeds from sales of Digital Assets at fair value | 2,790 | - |
| Net change in Digital Assets at fair value | (5,851) | - |
| Net change in payables | 21 | - |
| Net change in receivables | (12) | - |
| Net cash inflow/(outflow) from operating activities | (47,707) | - |

10 Payables

| | As at 30 June 2025 \$'000 | As at 30 June 2024 \$'000 |
|-----------------------|------------------------------------|------------------------------------|
| Management fees | 21 | - |
| Total payables | 21 | - |

11 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

| | Year ended 30 June 2025 \$ | Year ended 30 June 2024 \$ |
|--|----------------------------------|----------------------------------|
| KPMG | | |
| <i>Audit and other assurance services</i> | | |
| Audit and review of financial statements | 39,035 | - |
| Compliance plan audit | 10,550 | - |
| Total auditor remuneration and other assurance services | 49,585 | - |

The auditors' remuneration is borne by the Investment Manager. Fees are stated exclusive of GST.

12 Related party transactions

The Responsible Entity of Digital X Bitcoin ETF is K2 Asset Management Ltd (ABN 95 085 445 094) (AFSL 244393). Accordingly, transactions with entities related to K2 Asset Management Ltd are disclosed below.

The Responsible Entity has contracted services to Digital X Asset Management Pty Ltd to act as Investment Manager for the Fund and Apex Fund Services Pty Ltd to act as Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include persons who were directors of K2 Asset Management Ltd at any time during or since the end of the year and up to the date of this report.

Campbell W Neal
Hollie A Wight
George Boubouras
Neil Sheather

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the year.

(b) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

12 Related party transactions (continued)

(c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2025 (30 June 2024: nil).

(d) Key management personnel compensation

No key management personnel received any remuneration from the Fund. Payments made from the Fund to K2 Asset Management Ltd do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a significant contract with the Fund during the financial year and there were no significant contracts involving management personnel's interests existing at year end.

(g) Responsible Entity fees, Investment Manager's fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

| | Year ended 30 June 2025 \$ | Year ended 30 June 2024 \$ |
|-------------------------------------|----------------------------------|----------------------------------|
| Management fees for the year | 143,653 | - |
| Management fees payable at year end | 21,374 | - |

The management fees borne by the Fund are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective services providers. Service provider fees include Responsible Entity fees, Custodian and Administrator fees and other expenses.

(h) Related party unit holdings

Parties related to the Responsible Entity held no units in the Fund as at 30 June 2025 (30 June 2024: nil).

(i) Investments

The Fund did not hold any investments in K2 Asset Management Ltd or its related parties during the year.

13 Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2025 or on the results and cash flows of the Fund for the year ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its performance for the financial year ended on that date.
- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of K2 Asset Management Ltd through a delegated authority given by K2 Asset Management Ltd's Board.



Hollie Wight
Director

Melbourne
24 September 2025



Independent Auditor's Report

To the unitholders of DigitalX Bitcoin ETF

Opinion

We have audited the **Financial Report** of DigitalX Bitcoin ETF (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2025
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Digital assets

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.

| Digital Assets (\$53,636,314) | |
|--|--|
| Refer to Note 2(c), Note 4 and Note 5 in the Financial Report | |
| The key audit matter | How the matter was addressed in our audit |
| <p>Digital assets comprise of Bitcoin held by the Scheme. The Scheme is intended to be a passive holder of Bitcoin and will not buy and sell Bitcoin other than to facilitate redemptions and creations of Bitcoin Interests.</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> Recording and valuing Bitcoin to the Fund Administrator. Maintaining custody and underlying records of Bitcoin to the Custodians. Initiating and executing the purchase and sale of Bitcoin to the Investment Manager. <p>Valuation and existence of Bitcoin is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of Bitcoin holdings, representing 99% of the Scheme's total assets at year end. The complexity in valuation arising from Bitcoin's price volatility, liquidity constraints, and the use of multiple exchanges. Challenges in verifying existence of Bitcoin holdings due to the cryptographic and decentralised nature of blockchain technology. The evolving accounting and regulatory landscape, which may affect recognition, measurement, and disclosure. <p>This area had the greatest impact on our audit approach and the allocation of resources in planning and performing our audit.</p> | <p>Our procedures included:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of Bitcoin, against the requirements of the accounting standards. We obtained the Scheme's Service Provider's GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance reports to understand the processes and controls relevant to the: <ul style="list-style-type: none"> Fund administrator - to record and value the Scheme's Bitcoin holdings; and Custodian - to maintain custody and underlying records of the Scheme's Bitcoin holdings. We checked the ownership and existence of Bitcoin held by the Scheme to the external custody reports and publicly available blockchain records (block explorer sources) as at 30 June 2025. We used KPMG Specialists to value the Bitcoins as at 30 June 2025. KPMG Specialists checked the valuation of Bitcoin, as recorded in the general ledger, to exchanges with highest market activity as at 30 June 2025. We evaluated the Scheme's disclosures using our understanding obtained from our testing, against the requirements of the accounting standards. |

Other Information

Other Information is financial and non-financial information in DigitalX Bitcoin ETF's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of K2 Asset Management Ltd (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of K2 Asset Management Ltd (the Responsible Entity) are responsible for:

- Preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- Implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme and that is free from material misstatement, whether due to fraud or error
- Assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Chris Wooden
Partner
Melbourne
24 September 2025