

Pengana Capital Group Limited
Appendix 4E
Preliminary final report



1. Company details

Name of entity:	Pengana Capital Group Limited
ABN:	43 059 300 426
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

	2025 \$'000	2024 \$'000	Change \$'000	Change %
Revenue from ordinary activities	60,503	42,608	17,895	42.0%
Profit/(loss) from ordinary activities after tax attributable to the owners of Pengana Capital Group Limited	2,610	(4,347)	6,957	160.0%
Profit/(loss) for the year attributable to the owners of Pengana Capital Group Limited	2,610	(4,347)	6,957	160.0%
			2025 Cents	2024 Cents
Basic earnings per share			2.88	(5.22)
Diluted earnings per share			2.80	(5.22)
<i>Dividends</i>				
			Amount per security Cents	Franked amount per security Cents
On 27 February 2025, an interim dividend was declared for the year ended 30 June 2025 and paid on 19 March 2025 to shareholders registered on 5 March 2025.			2.0	2.0
On 28 August 2025, a final dividend was declared for the year ended 30 June 2025 to be paid on 30 September 2025 to shareholders registered on 16 September 2025.			2.0	2.0
<i>Comments</i>				
Please refer to the Letter from the Chairman and Letter from the Chief Executive Officer within the accompanying Annual Report for a comprehensive review of operations.				

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>38.96</u>	<u>28.19</u>

The net tangible assets per ordinary security for the reporting period is calculated based on 93,964,847 (2024: 83,468,875) ordinary shares on issue. This number does not include 4,780,103 (2024: 26,377,669) treasury shares. Net tangible assets exclude intangible assets, right-of-use assets, deferred tax liabilities and lease liabilities.

The net tangible assets per ordinary security are negatively impacted by the accounting treatment of the company's loan share plan whereby shares issued under the plan (treasury shares) are not recognised in equity and the associated loans are not recorded as an asset until the associated loans are repaid. Repayment is due on or before September 2030. The underlying net tangible assets per ordinary security recognising the treasury shares in equity and associated loans as assets is 45.93 cents (2024: 50.23 cents).

4. Dividend reinvestment plans ('DRP')

The company has a dividend reinvestment plan ('DRP'). The DRP will not be operative for the dividend declared on 28 August 2025.

5. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
High Conviction Property Securities Fund (Associate)	-	-	-	48
Pengana Private Equity Trust (Associate)	0.89%	0.84%	(80)	(100)
Pengana Diversified Private Credit Fund (Associate)	-	0.01%	-	-
Pengana International Equities Limited (Associate)	2.69%	-	976	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			896	(52)

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

7. Attachments

Details of attachments (if any):

The Annual Report of Pengana Capital Group Limited for the year ended 30 June 2025 is attached.

8. Signed

As authorised by the Board of Directors

Signed 

Date: 28 August 2025

David Groves
Non-Executive Independent Chairman
Sydney

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PENGANA

CAPITAL GROUP

PENGANA CAPITAL GROUP LIMITED

30 JUNE
2025

ANNUAL REPORT

PENGANA CAPITAL GROUP LIMITED

ABN 43 059 300 426

HEAD OFFICE

Suite 1, Level 27
Governor Phillip Tower,
1 Farrer Place
Sydney NSW 2000
Australia

Ph.: +61 2 8524 9900

Fax: +61 2 8524 9901

PENGANA.COM



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CORPORATE DIRECTORY

Directors	David Groves - Non-Executive Independent Chairman Russel Pillemer - Managing Director and Chief Executive Officer Jeremy Dunkel - Non-Executive Independent Director Kevin Eley - Non-Executive Independent Director Brendan O'Dea - Non-Executive Director
Company secretary	Paula Ferrao
Registered office	Suite 27.1, Level 27 Governor Phillip Tower 1 Farrer Place Tel: +61 2 8524 9900
Share register	Computershare Investor Services Pty Limited Level 4 44 Martin Place, Sydney, NSW 2000 Tel: 1300 787 272
Auditor	Ernst & Young 200 George Street Sydney, NSW 2000
Stock exchange listing	Pengana Capital Group Limited shares are listed on the Australian Securities Exchange (ASX code: PCG)
Website	www.pengana.com
Corporate Governance Statement	The directors and management are committed to conducting the business of Pengana Capital Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Pengana Capital Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found on the company's website at www.pengana.com.



LETTER FROM THE CHAIR

Dear fellow Pengana shareholders,

Pengana Capital Group Limited (“Pengana” or “the Company”) has continued its strategic transformation throughout the financial year ended 30 June 2025. While the headline financial results reflect the transitional nature of this period, they also underscore the foundational work undertaken to position the Company for long-term success.

For the year, Pengana delivered an underlying profit before tax of \$12.1 million and a statutory profit after tax of \$2.6 million. These figures reflect the costs associated with the continued build-out of our Private Credit division and the incubation of new strategies. Importantly, the year saw a significant increase in performance fee income, a welcome development that we expect to build upon in future periods.

Our balance sheet remains robust, with Statutory Net Tangible Assets of 38.96 cents per share and no debt. This financial strength provides us with the flexibility to pursue growth initiatives, maintain our dividend policy, and support our ongoing share buyback program.

Today, the Board declared a final dividend of 2 cents per share, fully franked. Together with the interim dividend of 2 cents per share, this brings the total dividends declared for the 2025 financial year to 4 cents per share. Since June 2017, Pengana has paid over 70 cents per share in dividends, largely fully franked, and at 30 June 2025, the Company’s franking credit account was equivalent to dividends of 11.8 cents per share, fully franked at a 30% tax rate.

During the year, the Company invested \$682,000 to buy back 798,588 shares through minimum holding and on-market buyback facilities. While the Board intends to renew the on-market buyback facility for a further twelve months, our primary focus remains on expanding our business and delivering long-term value to shareholders.

Equity continues to be a cornerstone of Pengana’s remuneration and incentive structure, aligning the interests of employees, investors, and shareholders.



In October 2024, Managing Director and Chief Executive Officer Russel Pillemer repaid Employee Share Plan loans on 10,722,732 shares generating a \$10.7 million cash inflow to the Company. In December 2024, loans over a further 10,874,834 shares were extinguished, with those shares bought back and cancelled, with no cash impact to the Company. Although this Employee Loan Share Plan has been superseded, \$8.8 million off-balance sheet loans remain outstanding as of 30 June 2025, with repayment dates extending to September 2030.

A new Long Term Variable Remuneration Plan ("LTVR Plan") was introduced for the year ending 30 June 2025, with vesting conditions aligned to shareholder returns. The LTVR Plan, along with several grants made under it, received approval from shareholders at the November 2024 Annual General Meeting ("AGM"). During the financial year, 5,857,734 rights and 3,143,770 options over Pengana shares were allocated; while 302,470 rights granted in September 2022 vested and are now exercisable.

Our Non-executive Directors ("NEDs") again elected to salary sacrifice their directors' fees into Pengana shares, with 571,828 shares issued during the year. The NED Equity Plan operates on a fee-sacrifice basis, incurs no additional cost to Pengana, and enhances alignment between our NEDs and shareholders.

At the upcoming AGM, we will again seek your approval to continue these initiatives.

The Private Credit division continues to be a key strategic focus. In the final month of the 2024 financial year, we launched two products from our master portfolio of global private credit investments, the Pengana Global Private Credit Trust (ASX: PCX) and TermPlus. During the 2025 financial year, we secured our inaugural Separately Managed Accounts ("SMA") client and established our first strategic partnership, being selected as the preferred Global Private Credit partner for a major group. These initiatives are positively impacting the Company's top line revenue, and we anticipate they will significantly contribute to Pengana's long-term profitability.

The structure of our master portfolio allows us to offer bespoke credit solutions across a wide range of market segments. We believe this strategic repositioning will yield positive bottom-line impacts in the 2026 financial year and beyond.

As we look ahead, the groundwork laid in the last four years positions Pengana to capitalise on high-margin opportunities and diversify our income streams. We thank our shareholders and investors for their continued support and our staff for their unwavering commitment.

I look forward to seeing you at our AGM, which will be held in our Sydney offices on 5 November 2025.

David Groves
Chair, Pengana Capital Group Limited
28 August 2025

LETTER FROM THE CEO



THE YEAR IN REVIEW

As we reflect on the 2025 financial year, I am pleased to report that Pengana Capital Group Limited (PCG, Pengana) has made significant strides in both financial performance and strategic execution. The year was marked by improved profitability, strong investment performance, and continued momentum in our private markets initiatives.

In recent years, the company has allocated significant resources toward developing a multi-faceted Private Credit business. This year, the results of that investment have become evident. Our Global Private Credit (GPC) offerings, spanning a listed vehicle, a wholesale fund, and direct-to-consumer products, are now fully operational and positioned to become a force in the non-institutional market. Our listed equity strategies also showed resilience, with a number of them generating performance fees in the year.

OPERATING RESULTS FOR 2025 FINANCIAL YEAR

FUNDS UNDER MANAGEMENT (FUM)

FUM at 30 June 2025 stood at \$3.6 billion, reflecting a 9% increase year-on-year. This growth was driven by net inflows of \$35 million and performance gains of \$400 million, partially offset by distributions of \$142 million. July 2025 FUM at \$3.7 billion was steady, as the payment of distributions of \$206 million in the month was offset by performance gains and net inflows.

FINANCIAL PERFORMANCE

Pengana generated underlying profit before tax of \$12.1 million, equating to 8.17 cents per share after normalised tax, a strong improvement from the previous year. Base fee revenue was up 12.9% to \$40.5 million, while gross performance fees contributed \$16 million.

Operating expenses increased to \$27 million, reflecting continued investment in personnel and technology to support our expansion into GPC. Product development costs of \$1.1 million were primarily associated with the launch of GPC vehicles.

Pengana Capital Group	June 2025	June 2024
Operating EBITDA and underlying profit	\$'000	\$'000
Base fees	40,512	35,870
Team profit share on base fees	(10,392)	(10,210)
Performance fees	15,982	3,136
Team profit share on performance fees	(8,048)	(1,469)
Operating expenses	(27,019)	(24,188)
Product development costs	(1,134)	(4,549)
Operating EBITDA¹	9,901	(1,410)
Net investment income and other non-recurring	807	1,266
Interest on loan funded share plan	1,396	2,539
Underlying profit before tax²	12,104	2,395
Basic EPS on underlying profit after normalised tax³	8.17 cps	1.63 cps

¹ Source: Pengana Management Accounts

² Underlying profit before tax attributable to Pengana Shareholders

³ Calculated on 103,715,115 weighted average number of shares (i.e. including treasury shares) (2024: 110,350,803), applying normalised 30% tax rate (2024: 25%)



BALANCE SHEET

Our balance sheet has strengthened, supported by recurring revenues and a cash inflow of \$11 million from the repayment of our Employee Loan Share Plan ('ELSP') loans. As of 30 June 2025, our Cash increased to \$15.7 million, and Statutory Net Tangible Assets of \$45.4 million represented 39.0 cents per share.

During the 2025 financial year we paid \$3.6 million or 4 cents per share in dividends and our Board today declared a 2 cent per share dividend, fully franked at 30% tax rate. This brings the total dividends declared for the 2025 financial year to 4 cents per share.

We continue to manage our balance sheet conservatively, ensuring we are well-positioned to seize strategic opportunities as they arise.

STRATEGIC REPOSITIONING TOWARD PRIVATE MARKETS

Pengana has successfully repositioned its business toward private markets, which now represent a growing share of our FUM. Since 2019, private market FUM has grown from \$0.2 billion to \$1.0 billion, reflecting our commitment to delivering higher-margin, scalable investment solutions.

One of the most compelling aspects of Pengana's financial performance this year has been the acceleration of growth in net revenue, i.e. revenue after payments to investment teams and joint venture partners. This growth has been underpinned by three key metrics:

- Growth in FUM
- Improvement in Gross Margin
- Increase in the proportion of gross revenue retained by Pengana after payments to investment teams and joint venture partners

	FY 2025	FY 2024	FY 2023	FY 2022
FUM subject to base fees (million) ⁴	\$3,517.0	\$3,223.5	\$3,050.4	\$3,036.4
Growth in FUM	9.1%	5.7%	0.5%	(13.0%)
Gross Revenue (million) ⁵	\$43.81	\$39.06	\$36.35	\$36.12
Gross Revenue Margin	1.25%	1.21%	1.19%	1.19%
Growth in Gross Revenue Margin	2.8%	1.7%	0.2%	0.5%
Net Revenue (million) ⁶	\$31.91	\$28.25	\$26.22	\$25.61
Net Revenue Margin	0.91%	0.88%	0.86%	0.84%
Growth in Net Revenue Margin	3.5%	2.0%	1.9%	3.3%
Growth in Net Revenue	12.9%	7.7%	2.4%	(10.2%)

⁴ Source: Pengana Management Accounts

⁵ As at each 30 June, excludes discontinued operations

⁶ Using net base fee rate by product



The strategic shift towards private market assets has been instrumental in enhancing all three metrics with growth in FUM, higher margins, and joint venture structures that enable Pengana to retain a larger share of gross revenue. As a result, net revenue is growing at a rate that materially exceeds both FUM growth and gross revenue growth. This dynamic it is expected to continue as we deepen our presence in private markets and refine our product mix.

OUTLOOK AND GROWTH OPPORTUNITIES

Looking ahead, we see continued growth in global private credit and multiple opportunities to raise FUM across both private and listed equity segments. Our product design, performance track record, and distribution capabilities position us well to attract new investors and expand our reach.

The strategic shift toward private markets is driving net revenue growth at a rate materially above FUM growth, supported by higher margins and favourable joint venture terms. We expect this trend to continue, enhancing shareholder value over the medium term.

Pengana is uniquely positioned at the intersection of three powerful tailwinds: superannuation-driven market growth, the high-margin non-institutional segment, and the expanding private markets opportunity. The scalability of our infrastructure, our team, and strategic partnerships position us to capitalise on this momentum and deliver sustained value to shareholders.

As always, I thank our shareholders for your continued trust and support. I look forward to meeting many of you at our Annual General Meeting in November at our Sydney offices.

Russel Pillemer
Managing Director and Chief Executive Officer
Pengana Capital Group Limited
28 August 2025

Pengana Capital Group Limited

Directors' report

30 June 2025



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Pengana Capital Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were directors of Pengana Capital Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Groves - Non-Executive Independent Chairman
 Russel Pillemer - Managing Director and Chief Executive Officer
 Jeremy Dunkel - Non-Executive Independent Director
 Kevin Eley - Non-Executive Independent Director
 Brendan O'Dea - Non-Executive Director

Principal activities

The principal activity of the group is funds management with the objective of increasing investor wealth by developing, offering and managing investment funds in Australia and globally as opportunities arise.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
On 29 August 2024, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2024 and paid on 18 September 2024 to the shareholders registered on 4 September 2024 (2024: fully franked final dividend of 1.0 cent per ordinary share for the year ended 30 June 2023)	1,669	833
On 27 February 2025, a fully franked interim dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2025 and paid on 19 March 2025 to the shareholders registered on 5 March 2025 (2024: fully franked interim dividend of 1.0 cent per ordinary share for the year ended 30 June 2024)	1,891	835
	<u>3,560</u>	<u>1,668</u>

On 28 August 2025, the directors declared a fully franked final dividend for the year ended 30 June 2025 of 2.0 cents per ordinary share. The dividend will be paid on 30 September 2025 to eligible shareholders on the register on 16 September 2025.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial year.

Review of operations

The profit for the group after providing for income tax amounted to \$2,610,000 (30 June 2024: loss of \$4,347,000).

Please refer to the Letter from the Chairman and Letter from the Chief Executive Officer for further information on the results and future outlook.

Matters subsequent to the end of the financial year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

Refer to the Chief Executive Officer's Report for information on likely developments and future outlook.

Material business risks

Material business risks that could adversely affect the group's future financial performance are listed below.

Market risk

The group's funds under management and associated fee income are exposed to movements in market volatility. Whilst the impact of market fluctuations can be both positive and negative, diversification strategies are used to reduce the magnitude of the effects associated with market volatility.

Environmental and social sustainability risks

The group may have material indirect exposure to environmental and social sustainability risks through the investment portfolios of the various investment strategies it manages that could lead to loss of reputation and funds under management. To mitigate this risk the group has adopted a Sustainability and Responsible Investment Policy covering its product offerings.

Cyber security risk

The risk of cyber-attacks that could result in a loss of data, networks, money, reputation, or the inability to operate are managed in accordance with the group's cyber security strategy which includes an internal framework, outsourced components and regular monitoring and testing.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth, Territory or State law.

Information on directors

Name:	David Groves
Title:	Non-Executive Independent Chairman (appointed on 5 April 2016)
Experience and expertise:	David has over 25 years' experience as a company director. He is a non-executive director of Pengana International Equities Limited and MA Redcape Hotel Fund RE Ltd as responsible entity of the MA Redcape Hotel Fund. He is a former director of EQT Holdings Ltd, Tassal Group Ltd and GrainCorp Ltd and a former executive with Macquarie Bank Limited and its antecedent, Hill Samuel Australia. David is a member of the Council of Wollongong University. He is a member of Chartered Accountants Australia and New Zealand.
Other current directorships:	Pengana International Equities Limited (ASX: PIA)
Former directorships (last 3 years):	H&G High Conviction Limited (ASX: HCF) - resigned in April 2025.
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	1,530,501 ordinary shares
Name:	Russel Pillemer
Title:	Managing Director and Chief Executive Officer (appointed on 1 June 2017)
Experience and expertise:	Russel co-founded Pengana in 2003 and has been its Chief Executive Officer since its inception. Prior to founding Pengana, Russel worked in the Investment Banking Division of Goldman Sachs in New York where he specialised in providing advice to funds management businesses. Before moving to New York, he was responsible for leading Goldman Sachs' Australian Financial Institutions Group. He was previously Chairman of Centric Wealth Group and a Principal of Turnbull Pillemer Capital. Russel is a member of Chartered Accountants Australia and New Zealand and has a Bachelor of Commerce (Hons) from the University of New South Wales.
Other current directorships:	Pengana International Equities Limited (ASX: PIA)
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	20,846,249 ordinary shares and 971,000 ordinary shares (treasury shares held under the loan share plan)
Interests in options:	3,143,770 premium exercise priced options
Interests in rights:	892,774 performance rights

Name: Jeremy Dunkel
Title: Non-Executive Independent Director (appointed on 1 June 2017)
Experience and expertise: Jeremy is a director of Taurus Capital, a family office investment consultancy specialising in philanthropy. His accounting and finance experience includes working for Chemical Bank, Chase Manhattan and Price Waterhouse. He is a director of Education Heritage Foundation as well as being the Chair of Y2i.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
Interests in shares: 2,204,128 ordinary shares

Name: Kevin Eley
Title: Non-Executive Independent Director (appointed on 23 September 2015)
Experience and expertise: Kevin has over 30 years' experience in management in a broad range of industries including manufacturing, mining, retail, finance and funds management. He has worked for a major international accounting firm, two investment banks and was CEO of HGL Limited.
Other current directorships: Hancock & Gore Ltd (ASX: HNG)
Former directorships (last 3 years): EQT Holdings Ltd (ASX: EQT) retired in October 2024
Special responsibilities: Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee
Interests in shares: 803,637 ordinary shares

Name: Brendan O'Dea
Title: Non-Executive Director (appointed on 1 April 2023)
Experience and expertise: Brendan is currently the Chief Investment Officer of Washington H Soul Pattinson and Company (ASX: SOL) and was appointed to the role in October 2021 having previously been the Managing Director and CEO of Milton Corporation for 3 years. Brendan is an experienced global equity markets executive with extensive business management and investing experience having spent 22 years with Citigroup in Sydney, Hong Kong, New York and Tokyo as a Managing Director. Brendan holds a Bachelor of Economics from the University of Sydney and a Master's Degree in Business Finance from the University of Technology, Sydney. Brendan is Member of Chartered Accountants Australia and New Zealand and a Member of the Institute of Company Directors.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Member of the Nomination and Remuneration Committee
Interests in shares: 184,918 ordinary shares

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Ms Paula Ferrao has held the role of Company Secretary since 4 January 2017. Paula is also an executive of the group, Company Secretary of Pengana International Equities Limited, and member of the Finance Council of the Trustees of the Sisters of the Good Samaritan. Before joining Pengana, Paula was interim Chief Executive Officer of Hunter Hall International Limited, having previously held the position of Chief Financial Officer since 2010. Paula has over 25 years' experience in the funds management industry with strong expertise in financial reporting and tax for listed corporate entities, listed investment companies, managed investment schemes and public offer superannuation funds, and in all aspects of fund operations.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
David Groves	13	13	-	-	4	5
Russel Pillemer	12	13	-	-	-	-
Jeremy Dunkel	13	13	4	4	5	5
Kevin Eley	13	13	4	4	5	5
Brendan O'Dea	12	13	4	4	-	-

Held: represents the number of meetings held during the time the director held office and was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Principles used to determine the nature and amount of remuneration

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee ('NRC') is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate.

Non-executive directors' remuneration

Non-executive directors each have a letter of appointment with the company. Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

On 6 April 2020, the company announced the implementation of a Non-Executive director equity plan ('NED Plan') that operates on a fee sacrifice basis. Under the plan Non-Executive directors are annually given the opportunity to sacrifice up to 100% of fees (excluding compulsory superannuation contribution) in return for a grant of Restricted Rights to acquire shares in the company at an equivalent market value. Restricted Rights are exercisable following the elapsing of 60 days after the grant date. Shares acquired as a result of the exercise of Restricted Rights are subject to a disposal restriction such that they may not be disposed of until the earlier of the elapse of 15 years from the grant date or the participant ceases to hold the office of a Non-Executive director. Effective from 1 July 2020, annual shareholder approval is sought to grant these rights.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 28 November 2017, where the shareholders approved a maximum annual aggregate remuneration of \$750,000.

Executive remuneration

The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has the following components:

- fixed remuneration, including superannuation and long service leave;
- Short term incentives ('STI') in the form of a discretionary cash bonus; and
- Long term incentives ('LTI') in the form of share-based payments.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and long service leave, will be reviewed annually by the NRC based on individual and business unit performance, the overall performance of the group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the group and provides additional value to the executive.

Short-term incentives

Short-term incentives ('STI's) are payable to KMP to recognise and reward annual performance. During the year, and as part of a comprehensive remuneration and incentive framework review, a new STI plan called the Short-Term Variable Remuneration ('STVR') Plan was introduced. Under the STVR Plan KMP have an opportunity to earn an annual STI award which is delivered in cash after the end of the financial year following an assessment of annual performance and the announcement of the company's annual financial results. If a KMP or executive resigns before the end of the financial year, no STI is awarded for that year.

For the year ended 30 June 2025, the STVR was subject to two financial measures with equal weighting and one non-financial measure, being a discretionary component linked to individual performance. The first financial measure was linked to profitability of the group excluding performance fees and the second financial measure was linked to profitability of the group including performance fees.

For the year ended 30 June 2025, KMP had a target STI award opportunity of 30% of fixed remuneration and a stretch STI award opportunity of 45% of fixed remuneration, noting the Board retains discretion to increase or decrease the STI outcome.

For the year ended 30 June 2025, the first financial measure came in at 84% of target with no STI awarded to KMP and the second financial measure came in at 120% of target with KMP being awarded a cash bonus.

For the year ended 30 June 2024, short-term incentives payable to KMP, whilst not directly linked to performance, were at the discretion of the Board having reference to both the performance of the group and the individual.

Long-term incentives

The long-term incentives include equity settled share-based payments.

During the year, the group conducted a comprehensive review of its remuneration and incentive framework resulting in the adoption of a new long-term incentive ('LTI') plan called the Pengana Capital Group Limited Rights Plan ('Pengana Rights Plan'). Effective 1 July 2024, the group's Loan Funded Share Plan ('LSP') is no longer operational for new LTI grants however remains on foot for existing loans and associated shares.

Under the Pengana Rights Plan and at the discretion of the Board KMP are eligible to receive incentive securities in the form of premium exercise priced options (PEPOs) and/or performance rights.

Under the Pengana Rights Plan for the year ended 30 June 2025, the CEO was awarded a combination of PEPOs and performance rights, and KMP were awarded performance rights.

For the year ended 30 June 2025, the CEO has a maximum award opportunity of 120% of fixed remuneration and KMP have a maximum award opportunity of 90% of fixed remuneration.

Details of incentive securities granted to KMP under the Pengana Rights Plan and existing grants of shares to KMP under the LSP are outlined below in the section 'Share-based compensation'.

Use of remuneration consultants

During the year, the group conducted a comprehensive review of its remuneration and incentive framework resulting in the adoption of the STVR Plan for short-term incentives and the Pengana Rights Plan for long-term incentives. Godfrey Remuneration Group Pty Ltd ('GRG') were engaged as external remuneration consultants to provide advice on the remuneration framework design, development and implementation including benchmarking and market insights. GRG was paid \$77,000 (excluding GST) for these services

Voting and comments made at the company's 2024 Annual General Meeting ('AGM')

At the 2024 AGM, shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2024. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of KMP of the group are set out in this section.

The KMP of the group consisted of the directors of Pengana Capital Group Limited and the following persons:

• Katrina Glendinning - Chief Financial Officer - retired on 31 December 2024

• Adam Myers - Executive Director, Strategy and Distribution

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Termination payments	Total
2025	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
David Groves	-	-	-	16,391	-	142,534	-	158,925
Jeremy Dunkel	-	-	-	10,534	-	91,603	-	102,137
Kevin Eley	-	-	-	11,714	-	101,863	-	113,577
Brendan O'Dea	-	-	-	9,365	-	81,434	-	90,799
<i>Executive Directors:</i>								
Russel Pillemer	647,249	129,839	46,934	29,932	17,687	657,241	-	1,528,882
<i>Other KMP:</i>								
Katrina Glendinning *	195,378	-	-	21,966	-	6,792	33,769	257,905
Adam Myers	404,756	85,000	-	29,932	8,907	182,988	-	711,583
	<u>1,247,383</u>	<u>214,839</u>	<u>46,934</u>	<u>129,834</u>	<u>26,594</u>	<u>1,264,455</u>	<u>33,769</u>	<u>2,963,808</u>

* Represents remuneration as Chief Financial Officer (until 31 December 2024).

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Termination payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$		
2024								
<i>Non-Executive Directors:</i>								
David Groves	-	-	-	15,679	-	142,534	-	158,213
Jeremy Dunkel	-	-	-	10,076	-	91,603	-	101,679
Kevin Eley	-	-	-	11,205	-	101,864	-	113,069
Brendan O'Dea	-	-	-	8,958	-	81,435	-	90,393
<i>Executive Directors:</i>								
Russel Pillemer	648,676	-	23,553	27,399	18,545	118,034	-	836,207
<i>Other KMP:</i>								
Katrina Glendinning	392,488	35,000	-	27,500	9,517	16,858	-	481,363
Adam Myers	392,589	70,000	-	27,399	9,116	64,022	-	563,126
	<u>1,433,753</u>	<u>105,000</u>	<u>23,553</u>	<u>128,216</u>	<u>37,178</u>	<u>616,350</u>	<u>-</u>	<u>2,344,050</u>

The share-based payments represent amortisation of the incentive securities granted under the Pengana Rights Plan and notional options arising from the accounting treatment of the LSP, as described below under 'Share-based compensation' for executive directors and other KMP, and fees sacrificed into the NED Plan for non-executive directors.

Non-executive directors' remuneration is 100% fixed. The fixed proportion and the proportion of remuneration linked to the performance of Executive Directors and KMP are as follows:

Name	Fixed remuneration		STI		LTI	
	2025	2024	2025	2024	2025	2024
<i>Executive Directors:</i>						
Russel Pillemer	49%	86%	8%	-	43%	14%
<i>Other KMP:</i>						
Katrina Glendinning	97%	89%	-	7%	3%	4%
Adam Myers	62%	77%	12%	12%	26%	11%

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2025	2024	2025	2024
<i>Executive Directors:</i>				
Russel Pillemer	40%	-	60%	-
<i>Other Key Management Personnel:</i>				
Katrina Glendinning	-	-	100%	-
Adam Myers	43%	-	57%	-

Service agreements

Remuneration and other terms of employment for group executives are formalised in employment agreements. Details of the employment agreements with KMP are as follows:

Name: Russel Pillemer
 Title: Managing Director and Chief Executive Officer
 Term of agreement: Ongoing - no fixed minimum term
 Details: A total fixed salary of \$724,183 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Russel participates in the loan share plan. Either party may terminate the employment agreement by providing six months' notice.

Name: Adam Myers
 Title: Executive Director, Strategy and Distribution
 Term of agreement: Ongoing - no fixed minimum term
 Details: A total fixed salary of \$434,756 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Adam participates in the loan share plan. Either party may terminate the employment agreement by providing one months' notice.

In addition to the fixed salary, KMP are entitled to any discretionary bonus and long-term incentives ('LTI') approved by NRC. KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

(i) Performance rights

Performance rights have a 15-year term, are subject to a three-year measurement period and subsequently vest subject to annualised Absolute Total Shareholder Return (ATRS) and index Total Shareholder Return (iTSR) vesting conditions, both with equal weighting and on the assumption the company's annualised Total Shareholder return (TSR) is positive for the measurement period. The percentage vesting is based on the measurement metric for ATRS and iTSR whereby at threshold 0% of granted performance rights vest, at target 50% of granted performance rights vest and at stretch 100% of granted performance rights vest with pro-rata allocations between. The exercise price is nil and on exercise vested performance rights can be settled in the form of cash and/or shares at the Board's sole discretion. Dividend equivalent payments are made in respect of vested performance rights for so long as the participant remains an employee.

The performance rights are subject to a measurement period from 1 July 2024 to 30 June 2027 (3 years). A share-based payments expense of \$222,395 was recognised in the statement of profit or loss for the year ended 30 June 2025 for performance rights granted to KMP.

The details of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise Price	Fair value per right at grant date
Russel Pillemer	446,372	19/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.407
Russel Pillemer	446,372	19/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.527
Adam Myers	267,958	19/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.407
Adam Myers	267,958	19/12/2024	30/06/2027	18/12/2039	\$0.00	\$0.527

(ii) Premium exercise priced options ('PEPO')

PEPOs have an exercise price set at a premium to the market value of shares, vest at grant, are subject to a three-year exercise restriction period and may only be settled in shares. PEPOs have no entitlement to dividend equivalent payments.

On 19 November 2024, the group issued 3,143,770 premium exercise priced options to Russel Pillemer. The issue date fair value of the option was \$0.13 per option. The PEPOs were fully vested on issue date. PEPOs have an expiry date of 30 June 2029, an exercise price of \$1.46 payable per option and may be exercised any time between the elapsing of the exercise restriction period on 30 June 2027 and before the expiry date on 30 June 2029. A share-based payments expense of \$416,550 (2024: \$Nil) was recognised in the statement of profit or loss for the year ended 30 June 2025 for PEPOs.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Value of options granted/vested during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Russel Pillemer	416,550	-	-	27%

(iii) Issue of shares under the Loan Share Plan ('LSP')

Effective 1 July 2024, the groups LSP is not operational for new LTI grants however remains on foot for existing loans and associated shares. In prior periods limited recourse loans were provided to employees and fund managers to acquire shares in the company. As the share acquisitions were funded by limited recourse loans, and whilst those loans remain outstanding, the shares are referred to as treasury shares and not recognised in equity nor are the associated loans recognised as a receivable. As at 30 June 2025, loans outstanding under the LSP totalled \$8,752,739 (2024: \$31,643,317) and represent the value of both receivables and contributed equity not recognised on the statement of financial position.

Treasury shares for accounting purposes are treated similar to a grant of options and accounted for as equity-settled share-based payments. Treasury shares are fair valued using an option pricing model on the date they are granted and amortised as an expense in profit or loss over the vesting period. A share-based payment expense of \$368,429, related to treasury shares, has been recognised in the statement of profit or loss for the year ended 30 June 2025 (2024: \$472,000).

The loans are interest bearing and have a maximum term of up to seven years. Recourse on the loans (including associated interest) is limited to the associated shares and any dividend amounts applied to the loan balance. The shares granted under the LSP are subject to a vesting condition, that the employees must remain continuously employed for a period of three to five years from the grant date.

Outstanding loan payable under LSP by each KMP is provided below:

Russel Pillemer \$2,048,721 (2024: \$18,522,772)
- Katrina Glendinning (2024: \$758,966)
Adam Myers \$1,376,222 (2024: \$2,692,121).

The terms and conditions of each grant of shares under the LSP affecting remuneration of KMP in this financial year or future reporting years are as follows:

Grant date	Expiry date	Name	Number of loan shares	Exercise price	Fair value per loan share at grant date
14/09/2021	12/09/2028	Russel Pillemer	400,000	\$1.58	\$0.455
30/06/2021	28/06/2028	Katrina Glendinning	76,103	\$1.31	\$0.382
20/12/2019	18/12/2026	Adam Myers	250,000	\$1.50	\$0.372
30/06/2021	28/06/2028	Adam Myers	127,995	\$1.31	\$0.382
14/09/2021	12/09/2028	Adam Myers	72,005	\$1.58	\$0.455
08/09/2022	06/09/2029	Katrina Glendinning	75,000	\$1.35	\$0.472
08/09/2022	06/09/2029	Adam Myers	200,000	\$1.35	\$0.472
08/09/2022	06/09/2029	Russel Pillemer	571,000	\$1.35	\$0.472
07/09/2023	05/09/2030	Adam Myers	160,000	\$0.90	\$0.239

Additional information

The earnings of the group for the five years to 30 June 2025 are summarised below:

	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Revenue and other income	60,503	42,608	39,079	76,631	73,022
Profit/(loss) after income tax	2,610	(4,347)	(489)	18,652	8,718

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	0.81	0.82	1.20	1.67	1.60
Total dividends declared (cents per share)	4.00	2.00	10.00	20.00	9.00

Additional disclosures relating to KMP

Shareholding

The number of shares in the company, excluding shares under the LSP, held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Additions via NED plan	Held at resignation date	Balance at the end of the year
<i>Ordinary shares</i>						
David Groves	1,335,249	-	-	195,252	-	1,530,501
Jeremy Dunkel	2,078,645	-	-	125,483	-	2,204,128
Kevin Eley	664,098	-	-	139,539	-	803,637
Brendan O'Dea	73,364	-	-	111,554	-	184,918
Russel Pillemer	10,123,517	-	10,722,732	-	-	20,846,249
Katrina Glendinning*	2,159,530	-	-	-	(2,159,530)	-
Adam Myers	166,250	-	-	-	-	166,250
	<u>16,600,653</u>	<u>-</u>	<u>10,722,732</u>	<u>571,828</u>	<u>(2,159,530)</u>	<u>25,735,683</u>

* On resignation Katrina Glendinning retains treasury shares and liability for associated loans.

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year*
<i>Performance rights over ordinary shares</i>					
Russel Pillemer	-	892,744	-	-	892,744
Adam Myers	-	535,916	-	-	535,916
	<u>-</u>	<u>1,428,660</u>	<u>-</u>	<u>-</u>	<u>1,428,660</u>

* Performance rights are unvested at 30 June 2025.

Premium exercise priced options

3,143,770 premium exercise priced options granted to Russel Pillemer are vested and exercisable at \$1.46 per share as at 30 June 2025.

Shares under the loan share plan

The number of shares under the LSP in the company held during the financial year by each director and other members of KMP of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Exercised	Expired/ forfeited/ other	Held at resignation date	Balance at the end of the year
<i>Shares under the loan share plan (vested and unvested)</i>					
Russel Pillemer	16,843,528	(10,722,732)	(5,149,796)	-	971,000
Katrina Glendinning	574,002	-	-	(574,002)	-
Adam Myers	1,985,654	-	(1,175,654)	-	810,000
	<u>19,403,184</u>	<u>(10,722,732)</u>	<u>(6,325,450)</u>	<u>(574,002)</u>	<u>1,781,000</u>

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Shares under the loan share plan (vested)</i>			
Russel Pillemer	133,333	-	133,333
Adam Myers	359,332	-	359,332
	<u>492,665</u>	<u>-</u>	<u>492,665</u>

This concludes the remuneration report, which has been audited.

Shares under performance or service rights

Unissued ordinary shares of Pengana Capital Group Limited under performance rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number under rights
19/12/2024	30/06/2027	\$0.00	4,501,634

Unissued ordinary shares of Pengana Capital Group Limited under service rights at the date of this report are as follows:

Grant date	Vesting date	Exercise price	Number under rights
27/09/2022	30/06/2024	\$0.00	185,184
27/09/2022	30/06/2025	\$0.00	259,260
27/09/2022	30/06/2027	\$0.00	296,297
19/12/2024	22/11/2025	\$0.00	285,333
19/12/2024	11/11/2026	\$0.00	285,333
19/12/2024	11/11/2027	\$0.00	285,334
19/05/2025	30/06/2027	\$0.00	500,100
			<u>2,096,841</u>

No person entitled to exercise the service/performance rights had or has any right by virtue of the service/performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the vesting of performance or service rights

There were no ordinary shares of Pengana Capital Group Limited issued on the vesting of performance or service rights during the year ended 30 June 2025 and up to the date of this report.

Shares under options and loan share plan

There were 3,143,770 unissued ordinary shares of Pengana Capital Group Limited under Premium exercise priced options (PEPO) outstanding at the date of this report. The exercise price of \$1.46 is payable per PEPO.

Shares under the LSP in Pengana Capital Group Limited and reported as treasury shares at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number of loan shares
20/12/2019	18/12/2026	\$1.50	758,000
30/06/2021	28/06/2028	\$1.31	651,998
14/09/2021	12/09/2028	\$1.58	999,105
08/09/2022	06/09/2029	\$1.35	1,691,000
07/09/2023	05/09/2030	\$0.90	680,000
			<u>4,780,103</u>

The value of loans issued under the LSP total \$7,802,000 (2024: \$33,569,000). Due to the limited recourse nature of the loans and whilst the loans remain outstanding the value of the loans is not recognised as a receivable and issued capital is reduced by both the value of the initial loans and the number of associated treasury shares. Refer to note 19 and note 32 of the notes to the financial statements for further details.

Shares issued on the exercise of options

There were no ordinary shares of Pengana Capital Group Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where the indemnity is not permitted by law.

During the financial year, the group paid premiums in respect of contracts to insure the directors and executives of the company and group. The contract of insurance prohibits disclosure of the nature of the risks insured and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



David Groves
Non-Executive Independent Chairman



Russel Pillemer
Chief Executive Officer

28 August 2025
Sydney

For personal use only



**Shape the future
with confidence**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Pengana Capital Group Limited

As lead auditor for the audit of the financial report of Pengana Capital Group Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pengana Capital Group Limited and the entities it controlled during the financial year.

Ernst & Young

Rita Da Silva
Partner
28 August 2025

Pengana Capital Group Limited
Statement of profit or loss
For the year ended 30 June 2025



		Consolidated	
	Note	2025 \$'000	2024 \$'000
Revenue			
Management fees		39,535	36,352
Performance fees		16,218	3,336
Other fee revenue		-	11
Interest revenue		2,416	372
Total revenue	2	58,169	40,071
Share of profits/(losses) of associates accounted for using the equity method		896	(52)
Other income and gains	3	1,438	2,589
Total revenue and income		60,503	42,608
Expenses			
Human resources expenses	4	(17,701)	(15,786)
Fund manager profit share expenses		(18,440)	(11,678)
Fund operating expenses		(4,878)	(3,942)
Distribution expense to unitholders		(1,505)	(124)
Loss on revaluation of financial asset at fair value through profit or loss		(969)	(380)
Occupancy expenses		(332)	(318)
Product development expenses		(1,133)	(6,048)
Technology and telecommunications expenses		(1,530)	(1,422)
Marketing and investment research expenses		(2,157)	(1,328)
Insurance expenses		(1,067)	(1,151)
Professional, registry and listing related expenses		(1,128)	(747)
Depreciation and amortisation expenses	4	(3,212)	(3,460)
Finance costs	4	(114)	(148)
Other operating expenses		(687)	(1,201)
Total expenses		(54,853)	(47,733)
Profit/(loss) before income tax (expense)/benefit		5,650	(5,125)
Income tax (expense)/benefit	5	(3,040)	778
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Pengana Capital Group Limited		2,610	(4,347)
		Cents	Cents
Earnings per share for profit/(loss) attributable to the owners of Pengana Capital Group Limited			
Basic earnings per share	33	2.88	(5.22)
Diluted earnings per share	33	2.80	(5.22)

The above statement of profit or loss should be read in conjunction with the accompanying notes

Pengana Capital Group Limited
Statement of other comprehensive income
For the year ended 30 June 2025



	Consolidated	
	2025	2024
	\$'000	\$'000
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Pengana Capital Group Limited	2,610	(4,347)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
(Loss)/gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	(37)	544
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	-	5
Other comprehensive income for the year, net of tax	(37)	549
Total comprehensive income for the year attributable to the owners of Pengana Capital Group Limited	2,573	(3,798)

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

Pengana Capital Group Limited
Statement of financial position
As at 30 June 2025



	Note	Consolidated 2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	20,373	9,111
Trade and other receivables	7	6,930	7,566
Prepayments and deposits	9	757	687
Income tax refund due	5	-	940
Financial assets at fair value through profit or loss	8	29,680	-
Total current assets		<u>57,740</u>	<u>18,304</u>
Non-current assets			
Trade and other receivables	7	332	345
Financial assets at fair value through profit or loss	8	13,580	7,486
Investments accounted using the equity method	10	11,531	11,051
Property, plant and equipment	11	747	882
Intangibles	12	49,238	51,261
Right-of-use assets	13	1,930	2,785
Prepayments and deposits	9	773	771
Total non-current assets		<u>78,131</u>	<u>74,581</u>
Total assets		<u>135,871</u>	<u>92,885</u>
Liabilities			
Current liabilities			
Trade and other payables	14	9,678	6,657
Employee benefits	15	1,627	1,784
Lease liabilities	16	826	751
Liability to unitholders	18	21,779	6,255
Income tax liability	5	2,394	-
Total current liabilities		<u>36,304</u>	<u>15,447</u>
Non-current liabilities			
Trade and other payables	14	23	23
Employee benefits	15	216	203
Provisions	17	186	186
Lease liabilities	16	1,237	2,139
Deferred tax	5	1,096	1,455
Liability to unitholders	18	12,195	204
Total non-current liabilities		<u>14,953</u>	<u>4,210</u>
Total liabilities		<u>51,257</u>	<u>19,657</u>
Net assets		<u>84,614</u>	<u>73,228</u>
Equity			
Contributed equity	19	109,534	99,085
Reserves	20	48,554	50,227
Accumulated losses		<u>(73,474)</u>	<u>(76,084)</u>
Total equity		<u>84,614</u>	<u>73,228</u>

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

Pengana Capital Group Limited
Statement of changes in equity
For the year ended 30 June 2025



Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	98,969	26,169	(47,425)	77,713
Loss after income tax benefit for the year	-	-	(4,347)	(4,347)
Other comprehensive income for the year, net of tax	-	549	-	549
Total comprehensive income for the year	-	549	(4,347)	(3,798)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	1,169	-	-	1,169
Share buy-back (note 19)	(1,160)	-	-	(1,160)
Share-based payments (note 32)	-	865	-	865
Transfer from accumulated losses to profits reserve (note 20)	-	24,312	(24,312)	-
Net derecognition of treasury shares	107	-	-	107
Dividends paid (note 21)	-	(1,668)	-	(1,668)
Balance at 30 June 2024	99,085	50,227	(76,084)	73,228
Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	99,085	50,227	(76,084)	73,228
Profit after income tax expense for the year	-	-	2,610	2,610
Other comprehensive loss for the year, net of tax	-	(37)	-	(37)
Total comprehensive income for the year	-	(37)	2,610	2,573
<i>Transactions with owners in their capacity as owners:</i>				
Loan repayment on treasury shares (note 19)	10,715	-	-	10,715
Shares issued to NED Trust on exercise of restricted rights	417	-	-	417
Share buy-back (note 19)	(683)	-	-	(683)
Share-based payments (note 32)	-	1,924	-	1,924
Dividends paid (note 21)	-	(3,560)	-	(3,560)
Balance at 30 June 2025	109,534	48,554	(73,474)	84,614

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

Pengana Capital Group Limited
Statement of cash flows
For the year ended 30 June 2025



		Consolidated	
	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		60,625	40,403
Payments to suppliers, customers and employees (inclusive of GST)		(49,603)	(42,531)
Dividends received		1,005	510
Interest received		499	233
Other revenue		223	174
Finance costs		-	(2)
Income taxes refunded		-	551
Income taxes paid		(60)	-
Net cash (used in)/from operating activities	31	12,689	(662)
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired		-	103
Proceeds from return of capital on investments in subsidiaries		-	58
Proceeds from shareholder loan repayments		13	7
Payments for property, plant and equipment		(44)	(54)
Payments for intangibles		(158)	(260)
Payments for equity accounted investments		(169)	(1,386)
Proceeds from disposal of equity accounted investments		-	324
Payments for purchase of financial assets held at fair value through profit or loss*		(36,770)	(55,384)
Payments for security deposits		5	(2)
Payments for loan to Pengana Private Credit Master Fund		1,109	(1,109)
Net cash used in investing activities		(36,014)	(57,703)
Cash flows from financing activities			
Proceeds from issue of shares	19	417	417
Payments for share buy-backs		(683)	(302)
Repayment of lease liabilities	31	(944)	(903)
Proceeds from loan repayment on treasury shares		10,715	-
Dividends paid	21	(3,560)	(1,668)
Proceeds from applications by unitholders		30,276	55,752
Payments for redemptions by unitholders		(1,002)	-
Distributions to unitholders		(632)	-
Net cash from financing activities		34,587	53,296
Net (decrease)/increase in cash and cash equivalents		11,262	(5,069)
Cash and cash equivalents at the beginning of the financial year		9,111	14,180
Cash and cash equivalents at the end of the financial year	6	20,373	9,111

* The comparative balance of \$55,384,000 has been reclassified from operating activities to investing activities to align with the current year's presentation.

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

Note 1. Operating segments

Identification of reportable operating segments

The main business activities of the group are the provision of funds management services. The Board of Directors and the Chief Executive Officer are identified as the Chief Operating Decision Makers ('CODM'), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Other activities undertaken by the group, including investing activities, are incidental to the main business activities.

Based on the internal reports that are used by the CODM, the group has one operating segment being development, offering of, and management of investment funds. The operating segment information is the same information as provided throughout the financial statements and is therefore not duplicated.

The information reported to the CODM is on a regular basis.

Major customers

During the year ended 30 June 2025, approximately 48% (2024: 70%) of the group's external revenue was derived from two (2024: four) Funds.

Note 2. Disaggregation of revenue

Revenue is substantially generated in Australia and is recognised over time. Revenue is categorised as either management or performance fees in the statement of profit or loss. Refer to note 34 for accounting policies associated with each category.

Note 3. Other income and gains

	Consolidated	
	2025	2024
	\$'000	\$'000
Dividends and distributions	-	373
Rental income	124	91
Net gain on assets at fair value through profit or loss	1,215	-
Gain on bargain purchase in business combinations	-	1,500
Debt forgiveness income	-	541
Other income	99	84
	<u>1,438</u>	<u>2,589</u>

Note 4. Expenses

	Consolidated	
	2025	2024
	\$'000	\$'000
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	17	18
Furniture and fittings	64	64
Plant and equipment	92	106
Right-of-use assets	858	859
Total depreciation	1,031	1,047
<i>Amortisation</i>		
Acquired relationships	2,066	2,409
Software	115	4
Total amortisation	2,181	2,413
Total depreciation and amortisation	3,212	3,460
<i>Human resources expenses</i>		
Salary and wages	11,804	10,765
Share-based payments expense	1,924	865
Contractors	1,922	1,638
Defined contribution superannuation expense	991	965
Other	1,060	1,553
Total human resources expenses	17,701	15,786
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	114	148
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	-	541

Note 5. Income tax

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Income tax expense/(benefit)</i>		
Current tax	3,411	(334)
Deferred tax - origination and reversal of temporary differences	(371)	(444)
	<u>3,040</u>	<u>(778)</u>
Aggregate income tax expense/(benefit)		
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease in deferred tax liabilities	(371)	(444)
	<u>(371)</u>	<u>(444)</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	5,650	(5,125)
Tax at the statutory tax rate of 30% (2024: 25%)	1,695	(1,281)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	(123)	(500)
Non-deductible expenses	925	393
Assessable income not in profit or loss	419	635
Sundry items	(4)	(2)
	<u>2,912</u>	<u>(755)</u>
Adjustment to tax balances as a result of change in statutory tax rate	163	-
Prior period adjustments	-	(10)
(Recognition)/derecognition of tax asset related to capital losses	(35)	(13)
	<u>(35)</u>	<u>(13)</u>
Income tax expense/(benefit)	<u>3,040</u>	<u>(778)</u>
	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Amounts charged/(credited) directly to equity</i>		
Deferred tax liabilities	12	(181)
	<u>12</u>	<u>(181)</u>
<i>Tax losses not recognised</i>		
Capital tax losses for which no deferred tax asset has been recognised	1,986	2,523
	<u>1,986</u>	<u>2,523</u>
Potential tax benefit at statutory tax rates	596	631
	<u>596</u>	<u>631</u>

Note 5. Income tax (continued)

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Deferred tax liability/(asset)</i>		
Deferred tax liability/(asset) comprises temporary differences attributable to:		
Amounts recognised:		
Identifiable intangibles	2,401	2,518
Unrealised gains/losses	237	(61)
Provisions	(1,446)	(929)
Right-of-use assets and lease liabilities	(96)	(73)
Deferred tax liability	<u>1,096</u>	<u>1,455</u>
Movements:		
Opening balance	1,455	2,080
Credited to profit or loss	(371)	(444)
Charged/(credited) to equity	12	(181)
Closing balance	<u>1,096</u>	<u>1,455</u>
	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Income tax refund due</i>		
Income tax refund due	<u>-</u>	<u>940</u>
	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Provision for income tax</i>		
Provision for income tax	<u>2,394</u>	<u>-</u>

Note 6. Cash and cash equivalents

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Cash on hand and at bank	20,305	8,963
Cash on deposit	68	148
	<u>20,373</u>	<u>9,111</u>

Note 7. Trade and other receivables

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Management fees receivable	3,519	2,998
Performance fees receivable	3,279	3,163
	<u>6,798</u>	<u>6,161</u>
Other receivables	132	1,405
	<u>6,930</u>	<u>7,566</u>
<i>Non-current assets</i>		
Other loans	332	345
	<u>7,262</u>	<u>7,911</u>

During the year, management and performance fees receivable previously treated as contract assets have been reclassified to receivables.

Allowance for expected credit losses

The group has recognised a loss of \$nil (2024: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025.

The allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025	2024	2025	2024	2025	2024
Consolidated	%	%	\$'000	\$'000	\$'000	\$'000
Not overdue	-	-	6,798	6,161	-	-

Note 8. Financial assets at fair value through profit or loss

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Profit participating notes	29,680	-
<i>Non-current assets</i>		
Financial instrument	-	1,050
Profit participating notes	12,195	6,436
Financial assets at fair value through profit or loss	<u>1,385</u>	<u>-</u>
	<u>13,580</u>	<u>7,486</u>
	<u>43,260</u>	<u>7,486</u>

Refer to note 23 for further information on fair value measurement.

Note 9. Prepayments and deposits

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current assets</i>		
Prepayments	757	682
Security deposits	-	5
	<u>757</u>	<u>687</u>
<i>Non-current assets</i>		
Prepayments	2	-
Security deposits	771	771
	<u>773</u>	<u>771</u>
	<u><u>1,530</u></u>	<u><u>1,458</u></u>

Note 10. Investments accounted using the equity method

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Investments in associates	11,531	11,051

Interests in associates

The following interests in associates are accounted for using the equity method of accounting:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025	2024
		%	%
Pengana Private Equity Trust	Australia	0.89%	0.84%
Pengana Diversified Private Credit Fund	Australia	-	0.01%
Pengana International Equities Limited*	Australia	2.69%	-

* During the year, the group's investment in Pengana International Equities Limited has been reclassified to Investments accounted using the equity method (previously classified as Financial asset as fair value through other comprehensive income).

Note 10. Investments accounted using the equity method (continued)

Summarised financial information relating to associates that are material to the group are set out below:

	Pengana Private Equity Trust		Pengana International Equities Limited
	2025	2024	2025
	\$'000	\$'000	\$'000
<i>Summarised statement of financial position</i>			
Current assets	490,699	460,613	365,882
Non-current assets	-	-	49
Total assets	490,699	460,613	365,931
Current liabilities	40,700	31,786	2,096
Non-current liabilities	-	-	11,036
Total liabilities	40,700	31,786	13,132
Net assets	449,999	428,827	352,799
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue and other income	47,613	7,583	49,687
Expenses	(7,396)	(7,717)	(5,428)
Profit/(loss) before income tax	40,217	(134)	44,259
Other comprehensive income	-	-	-
Total comprehensive income	40,217	(134)	44,259
<i>Reconciliation of the group's carrying amount</i>			
Opening carrying amount	3,241	2,549	-
Reclassification of investments	-	-	7,808
Addition	168	1,014	-
Disposal	-	(78)	-
Share of profit/(loss) after income tax	(80)	(97)	976
Share of other comprehensive loss	-	-	(50)
Distributions declared	(161)	(147)	(373)
Closing carrying amount	3,168	3,241	8,361

Note 11. Property, plant and equipment

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - at cost	299	298
Less: Accumulated depreciation	(72)	(54)
	<u>227</u>	<u>244</u>
Furniture and fittings - at cost	517	514
Less: Accumulated depreciation	(182)	(118)
	<u>335</u>	<u>396</u>
Plant and equipment - at cost	518	562
Less: Accumulated depreciation	(333)	(320)
	<u>185</u>	<u>242</u>
	<u><u>747</u></u>	<u><u>882</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements	Furniture and fittings	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	262	452	378	1,092
Additions	-	8	46	54
Write-off of assets	-	-	(1)	(1)
Reclassification of software to identifiable intangibles	-	-	(75)	(75)
Depreciation expense	(18)	(64)	(106)	(188)
Balance at 30 June 2024	244	396	242	882
Additions	-	3	41	44
Write-off of assets	-	-	(6)	(6)
Depreciation expense	(17)	(64)	(92)	(173)
Balance at 30 June 2025	<u><u>227</u></u>	<u><u>335</u></u>	<u><u>185</u></u>	<u><u>747</u></u>

Note 12. Intangibles

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	40,860	40,860
Acquired relationships - at cost	27,220	27,220
Less: Accumulated amortisation	(19,216)	(17,150)
	8,004	10,070
Software - at cost	493	335
Less: Accumulated amortisation	(119)	(4)
	374	331
	49,238	51,261

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill	Acquired relationships	Software	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	40,860	12,479	-	53,339
Additions	-	-	335	335
Amortisation expense	-	(2,409)	(4)	(2,413)
Balance at 30 June 2024	40,860	10,070	331	51,261
Additions	-	-	158	158
Amortisation expense	-	(2,066)	(115)	(2,181)
Balance at 30 June 2025	40,860	8,004	374	49,238

The group identifies a single cash-generating unit ('CGU') and, therefore, the recoverable amount has been determined at the group level.

The recoverable amount of the group's goodwill has been determined by value-in-use ('VIU') calculations. The calculations use cash flow projections based on the business plan approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below.

The following key assumptions were used in the VIU model:

- Pre-tax discount rate of 17.1% (2024: 16.30%);
- Projected growth rate of 2.25% (2024: 2.25%) beyond five year period for the CGU; and
- Increase in operating costs and overheads based on current expenditure levels adjusted for inflationary increases.
- Performance fees are included in the forecast assumptions.

Sensitivity analysis:

Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of goodwill that would require the assets to be impaired.

The remaining amortisation period for the acquired relationships is between 1 and 15 years.

Note 13. Right-of-use assets

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current assets</i>		
Right-of-use assets	5,946	5,943
Less: Accumulated depreciation	(4,016)	(3,158)
	<u>1,930</u>	<u>2,785</u>

The group leases office premises and office equipment (e.g. photocopier) under agreements expiring between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated and a new lease entered into.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office premises \$'000	Others \$'000	Total \$'000
Balance at 1 July 2023	3,605	3	3,608
Additions	8	31	39
Write-off on early termination	-	(3)	(3)
Depreciation expense	(853)	(6)	(859)
Balance at 30 June 2024	2,760	25	2,785
Additions	-	3	3
Depreciation expense	(851)	(7)	(858)
Balance at 30 June 2025	<u>1,909</u>	<u>21</u>	<u>1,930</u>

For other AASB 16 lease-related disclosures:

- Refer note 4 for details of interest on lease liabilities;
- Refer note 16 and note 31 for details of lease liabilities at the beginning and end of the reporting period;
- Refer note 22 for the maturity analysis of lease liabilities; and
- Refer statement of cash flows for repayment of lease liabilities.

Note 14. Trade and other payables

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables	-	59
Accrued expenses	4,927	2,742
Fund manager profit share	4,518	3,802
Other payables	233	54
	<u>9,678</u>	<u>6,657</u>
<i>Non-current liabilities</i>		
Other payables	23	23
	<u>9,701</u>	<u>6,680</u>

Note 15. Employee benefits

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Annual leave	723	864
Long service leave	904	920
	<u>1,627</u>	<u>1,784</u>
<i>Non-current liabilities</i>		
Long service leave	216	203
	<u>1,843</u>	<u>1,987</u>

Note 16. Lease liabilities

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	826	751
<i>Non-current liabilities</i>		
Lease liability	1,237	2,139
	<u>2,063</u>	<u>2,890</u>

Refer to note 22 for maturity analysis of lease liabilities.

Note 17. Provisions

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Non-current liabilities</i>		
Lease make good	186	186

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the group at the end of the respective lease terms.

Note 18. Liability to unitholders

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Current liabilities</i>		
Net assets attributable to unitholders	21,779	6,255
<i>Non-current liabilities</i>		
Net assets attributable to unitholders	12,195	204
	<u>33,974</u>	<u>6,459</u>

Note 18. Liability to unitholders (continued)

Units issued by TermPlus are classified as a liability under AASB 132 Financial Instruments Presentation due to differing entitlements to income and capital.

Net assets attributable to unitholders represents a liability to investors in the group's investment vehicle product, TermPlus, a consolidated entity within the group. Current net assets attributable to unitholders are liabilities for investor terms expiring within 12 months and non-current net assets attributable to unitholders are liabilities for investor terms expiring after 12 months.

Note 19. Contributed equity

	2025 Shares	Consolidated 2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	98,744,950	109,846,544	117,336	132,654
Less: Treasury shares	(4,780,103)	(26,377,669)	(7,802)	(33,569)
	<u>93,964,847</u>	<u>83,468,875</u>	<u>109,534</u>	<u>99,085</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2023	110,076,680	132,994
Issue of shares under non-executive directors plan ('NED Plan')	29 February 2024	376,066	418
Share buy-back	26 April 2024	(997,645)	(858)
Share buy-back	July 2023	(58,354)	(70)
Issue of shares under the Pengana Capital Group Loan Share Plan	7 September 2023	680,000	751
Share buy-back	September 2023	(84,713)	(86)
Recognise loss on compulsory divestiture of treasury shares	26 April 2024	-	(349)
Share buy-back	October 2023	(120,594)	(122)
Share buy-back	November 2023	(24,896)	(24)
Balance	30 June 2024	109,846,544	132,654
Loan adjustment recognised on loan repayment on treasury shares	30 October 2024	-	(2,255)
Share buy-back (treasury shares)	6 December 2024	(10,874,834)	(12,797)
Minimum holding buy-back	5 February 2025	(202,814)	(176)
Share buy-back	March 2025	(213,001)	(196)
Issue of shares under non-executive directors plan ('NED Plan')	4 March 2025	571,828	417
Share buy-back	April 2025	(5,163)	(4)
Share buy-back	May 2025	(167,199)	(138)
Share buy-back	June 2025	(210,411)	(169)
Balance	30 June 2025	<u>98,744,950</u>	<u>117,336</u>

Note 19. Contributed equity (continued)

Movements in treasury shares

Details	Date	Shares	\$'000
Balance	1 July 2023	(26,695,314)	(34,025)
Issue of shares under the Pengana Capital Group Loan Share Plan	7 September 2023	(680,000)	(751)
Derecognise treasury shares on compulsory divestiture	26 April 2024	997,645	1,207
Balance	30 June 2024	(26,377,669)	(33,569)
Derecognise treasury shares	30 October 2024	10,722,732	12,772
Derecognise treasury shares	6 December 2024	10,874,834	12,995
Balance	30 June 2025	<u>(4,780,103)</u>	<u>(7,802)</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Treasury shares

The group operates a loan share plan ('LSP') pursuant to which in prior periods limited recourse loans were granted to certain employees and fund managers to fully fund the acquisition of shares in the company. LSP shares, also known as treasury shares, are subject to vesting conditions and transfer is restricted until the associated loans have been fully repaid. Due to the limited recourse nature of the loans and whilst the loans remain outstanding, the issued capital is reduced by both the value of the initial loans and the number of associated treasury shares. When the loans are repaid, issued capital will be increased by both the amount of the loan repayment and the number of associated treasury shares. Refer to note 32 for further details.

Loan adjustment recognised on loan repayment on treasury shares

Loan adjustment recognised on loan repayment on treasury shares represents the difference between loan repayments received from employees via cash or buy-back proceeds and the original loan made to employees.

During the year Employee Share Plan loans totalling \$23,532,000 were due for repayment, of these \$10,715,000 were repaid and \$12,817,000 were forfeited and the associated shares bought-back.

Share buy-back

At the 29 November 2024 Annual General Meeting, shareholders approved a buy-back of up to 22,005,064 shares via an employee share scheme buy-back in accordance with the terms of the Employee Loan Share Plan (Employee Share Scheme Buy-Back) and/or an on-market buy-back under any proposed on-market buy-back program in the 12 month period following the close of the Meeting (On-Market Buy-Back). During the year, the company bought back 10,874,834 shares (treasury shares) via an Employee Share Scheme Buy-Back and 798,588 shares via minimum holding and Off-Market Buy-Back.

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Two wholly-owned subsidiaries of the group, Pengana Capital Limited ('PCL') and Pengana Investment Management Ltd ('PIML'), hold an Australian Financial Services Licence and are subject to regulatory financial requirements that include maintaining a minimum level of net tangible assets. As at 30 June 2025, PCL and PIML were required to maintain \$5,000,000 and \$3,124,000 (2024: \$5,000,000 and \$2,967,000) respectively in liquid assets, of which 50% (2024: 50%) is held in cash or cash equivalents.

Note 19. Contributed equity (continued)

The directors believe the group has adequate capital at 30 June 2025 to maintain the groups existing business activities and facilitate growth.

The capital risk management policy remains unchanged from the 2024 Annual Report.

Note 20. Reserves

	Consolidated	
	2025	2024
	\$'000	\$'000
Profits reserve	37,503	41,063
Foreign currency reserve	91	91
Share-based payments reserve	10,960	9,036
Financial assets at fair value through other comprehensive income (OCI) reserve	-	37
	<u>48,554</u>	<u>50,227</u>

Profits reserve

The reserve records profits not offset against accumulated losses and is available to fund dividend payments.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and fund managers as part of their remuneration, and other parties as part of their compensation for services.

Financial assets at fair value through other comprehensive income ('OCI') reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Profits reserve \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Financial assets at fair value through OCI reserve \$'000	Total \$'000
Balance at 1 July 2023	18,419	86	8,171	(507)	26,169
Revaluation, net of tax	-	-	-	544	544
Foreign currency translation	-	5	-	-	5
Share-based payments	-	-	865	-	865
Dividend paid	(1,668)	-	-	-	(1,668)
Transfer from profit	24,312	-	-	-	24,312
Balance at 30 June 2024	41,063	91	9,036	37	50,227
Revaluation, net of tax	-	-	-	(37)	(37)
Share-based payments	-	-	1,924	-	1,924
Dividend paid	(3,560)	-	-	-	(3,560)
Balance at 30 June 2025	<u>37,503</u>	<u>91</u>	<u>10,960</u>	<u>-</u>	<u>48,554</u>

Note 21. Dividends

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
On 29 August 2024, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2024 and paid on 18 September 2024 to the shareholders registered on 4 September 2024 (2024: fully franked final dividend of 1.0 cent per ordinary share for the year ended 30 June 2023)	1,669	833
On 27 February 2025, a fully franked interim dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2025 and paid on 19 March 2025 to the shareholders registered on 5 March 2025 (2024: fully franked interim dividend of 1.0 cent per ordinary share for the year ended 30 June 2024)	1,891	835
	<u>3,560</u>	<u>1,668</u>

On 28 August 2025, the directors declared a fully franked final dividend for the year ended 30 June 2025 of 2.0 cents per ordinary share. The dividend will be paid on 30 September 2025 to eligible shareholders on the register on 16 September 2025.

Franking credits

	Consolidated	
	2025	2024
	\$'000	\$'000
Franking credits available for subsequent financial years	<u>5,007</u>	<u>2,851</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 22. Financial instruments

Financial risk management objectives

The group's activities expose it to a variety of financial risks: market risk (including foreign currency, interest rate and price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis.

In particular, the group manages the investments of certain funds and clients where it is entitled to receive management fees and fees contingent upon performance of the portfolio managed, on an annual basis or longer. All fees are exposed to significant risk associated with the funds' performance, including market risks and liquidity risk as detailed below.

Risk management is carried out by the Board of Directors and discussed at board meetings. Management identifies and evaluates financial risks.

Market risk

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The group is not exposed to any significant foreign currency risk, except for translation of financial assets and liabilities of foreign subsidiaries into presentation currency.

Note 22. Financial instruments (continued)

Price risk

Price risk arises from the group's investment in Profit Participating Notes (PPNs), whose valuation is based upon the underlying holdings of private credit investments. The group (through the TermPlus entity) invests in such financial assets through PPNs in order to take advantage of their long-term returns.

Interest rate risk

The group's main interest rate risk arises from its cash at bank. Cash at bank issued at variable rates exposes the group to interest rate risk.

As at the reporting date, the group had the following variable rate bank accounts and borrowings:

	2025		2024	
	Weighted average interest rate	Balance \$'000	Weighted average interest rate	Balance \$'000
Consolidated				
Cash at bank	2.19%	20,305	1.71%	8,963
Cash on deposit	4.54%	68	4.52%	148
Net exposure to cash flow interest rate risk		<u>20,373</u>		<u>9,111</u>

The table below summarises the impact of a 50 basis point movement in interest rates:

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit/loss before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit/loss before tax \$'000	Effect on equity \$'000
Consolidated - 2025						
Net exposure to cash flow interest rate risk	50	<u>102</u>	<u>71</u>	(50)	<u>(102)</u>	<u>(71)</u>
	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit/loss before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit/loss before tax \$'000	Effect on equity \$'000
Consolidated - 2024						
Net exposure to cash flow interest rate risk	50	<u>46</u>	<u>35</u>	(50)	<u>(46)</u>	<u>(35)</u>

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any expected credit loss allowance of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

The group has a credit risk exposure with the cash at bank, loans to shareholders and funds under management. The funds under management as at 30 June 2025 owed the group 100% (2024: 100%) of management fees and performance fees

Note 22. Financial instruments (continued)

receivable. The balance was within its terms of trade and no expected credit loss allowance was made as at the reporting date. These receivables represent management fees that are accrued daily and paid monthly by the Funds.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Other loans receivables amount to \$332,000 as at 30 June 2025 (2024: \$345,000). The loans were made to shareholders and used to fund the purchase of shares in Pengana Capital Group Limited. The loans are interest-free and secured against the purchased shares in Pengana Capital Group Limited. The timing of these amounts due under these agreements are at the discretion of the group.

Liquidity risk

Managing liquidity risk requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents and listed investments) to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves by monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2025					
Liabilities					
<i>Non-interest bearing</i>					
Other payables	233	-	-	-	233
Fund manager profit share	4,518	-	-	-	4,518
Security deposits payable	-	-	23	-	23
Liability to unitholders	21,779	10,697	1,498	-	33,974
<i>Interest-bearing - fixed rate</i>					
Lease liability	980	1,022	251	-	2,253
Total non-derivatives	27,510	11,719	1,772	-	41,001

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2024					
Liabilities					
<i>Non-interest bearing</i>					
Trade payables	59	-	-	-	59
Other payables	54	-	-	-	54
Fund manager profit share	3,802	-	-	-	3,802
Security deposits payable	-	-	23	-	23
Liability to unitholders	6,255	194	10	-	6,459
<i>Interest-bearing - fixed rate</i>					
Lease liability	940	980	1,271	-	3,191
Total non-derivatives	11,110	1,174	1,304	-	13,588

Note 22. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Observable market data used in valuation techniques to determine the fair value. Level 2 instruments are not traded in an active market

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 2025				
Assets				
Profit participating notes	-	-	41,875	41,875
Financial assets at fair value through profit or loss	-	-	1,385	1,385
Total assets	-	-	43,260	43,260
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 2024				
Assets				
Profit participating notes	-	-	6,436	6,436
Financial instrument at fair value through profit or loss	-	-	1,050	1,050
Total assets	-	-	7,486	7,486

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Profit participating notes (level 3)

The group holds profit participating notes issued by Pengana Private Credit Feeder Fund. A profit participating note is a debt security which provides economic exposure to the underlying investments of Pengana Private Credit Feeder Fund. Profit participating notes are valued using the latest available valuations for underlying funds. Valuations for underlying funds are typically issued on a quarterly basis and as much as (and in some cases in excess of) 90 days after each calendar quarter end. The group seeks to ensure that it receives unaudited Underlying Fund financial statements typically on a quarterly basis (and more frequently where available) and, to the extent practicable, financial statements that have been audited by a third-party accounting firm annually. Whilst the valuations are generally obtained quarterly, given the nature of the investments, the process of completing the valuations can take up to three months, or longer in some cases.

Financial asset at fair value through profit or loss (level 3)

Investments are recorded at fair value determined on the basis of the latest traded price. On 29 January 2025, the group invested an amount of \$1,200,000 in SH2 Holdings Pty Ltd, a private entity, with fair value approximating \$1,385,000 at 30 June 2025.

Note 23. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Financial assets at fair value through profit or loss \$'000	Profit participating notes \$'000	Total \$'000
Balance at 1 July 2023	1,583	-	1,583
Benefit received	(153)	-	(153)
Loss on revaluation of financial assets at fair value through profit or loss	(380)	-	(380)
Distribution received	-	136	136
Profit participating notes from acquisition of controlling interest in TermPlus	-	70,554	70,554
Acquisition of profit participating notes	-	55,384	55,384
Sale of profit participating notes	-	(119,638)	(119,638)
Balance at 30 June 2024	1,050	6,436	7,486
Additions	1,200	-	1,200
Acquisition of profit participating notes	-	37,481	37,481
Sale of profit participating notes	-	(3,072)	(3,072)
Benefit received	(81)	-	(81)
Loss on revaluation of financial assets at fair value through profit or loss	(969)	-	(969)
Gain on revaluation	185	1,030	1,215
Balance at 30 June 2025	<u>1,385</u>	<u>41,875</u>	<u>43,260</u>

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Sensitivity 2025	2024
Profit participation note (PPN) The sensitivity of the group's profit and net assets to price risk associated with a 4% movement in the value of PPNs	\$503,000 (increase/decrease)	\$16,000 (increase/decrease)
Financial assets at fair value through profit or loss The sensitivity of the group's profit and net assets to price risk associated with a 5% movement in the value of private entities	\$69,000 (increase/decrease)	NA

Note 24. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,509,156	1,562,306
Post-employment benefits	129,834	128,216
Long-term benefits	26,594	37,178
Termination benefits	33,769	-
Share-based payments	1,264,455	616,350
	<u>2,963,808</u>	<u>2,344,050</u>

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services - Ernst & Young</i>		
Audit or review of the financial statements	264,800	-
<i>Other services - Ernst & Young</i>		
Tax compliance	23,980	-
Tax compliance for funds	149,904	-
Other services for funds	5,000	-
	<u>178,884</u>	<u>-</u>
	<u>443,684</u>	<u>-</u>
<i>The following assurance services for funds audited by Ernst & Young</i>		
Fund audits	380,360	-
Compliance plan audit	60,200	-
Fund GS007 audit	42,300	-
	<u>482,860</u>	<u>-</u>
<i>Audit services - former auditor Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	50,488	207,735

Fees disclosed above include audit of Australian Financial Services Licences amounting to \$12,000 (2024: \$ 11,500).

Note 26. Contingent liabilities

The group had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Note 27. Commitments

The group had no capital commitments as at 30 June 2025 and 30 June 2024.

Note 28. Related party transactions

Parent entity

Pengana Capital Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Associates

Interests in associates are set out in note 10.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties:

The following transactions occurred in Funds where the group is a responsible entity or trustee:

	Consolidated	
	2025	2024
	\$	\$
Sale of goods and services:		
Management fees	40,734,175	36,526,128
Performance fees	16,338,677	3,363,810
Other transactions:		
Pengana Credit Pty Ltd settled borrowings from Washington H Soul Pattinson and Company Limited via a in specie sale of financial assets at fair value through profit or loss	-	119,638,000

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2025	2024
	\$	\$
Current receivables:		
Management fees and performance fees from Funds	6,797,915	6,175,171

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2025	2024
	\$	\$
Current receivables:		
Loan to related parties	-	1,109,574
Non-current receivables:		
Loan to related parties	331,594	344,751

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 \$'000	2024 \$'000
Loss after income tax	(1,145)	(3,920)
Total comprehensive loss	(1,145)	(3,920)

Statement of financial position

	Parent	
	2025 \$'000	2024 \$'000
Total current assets	19,844	23,150
Total assets	239,904	229,851
Total current liabilities	2,394	9
Total liabilities	2,394	9
Equity		
Contributed equity	233,717	223,268
Profits reserve	37,503	41,063
Share-based payments reserve	10,960	9,036
Accumulated losses	(44,670)	(43,525)
Total equity	237,510	229,842

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 34, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates and joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 34:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Pengana Holdings Pty Ltd	Australia	100%	100%
Pengana Capital Ltd	Australia	100%	100%
Pengana Investment Management Ltd	Australia	100%	100%
Pengana USA Holdings Inc.	United States of America	100%	100%
Pengana Capital Markets Pty Ltd	Australia	100%	100%
TermPlus Pty Ltd	Australia	100%	100%
Pengana Credit Pty Ltd	Australia	100%	100%
TermPlus	Australia	25%	6%

Principal activities of the subsidiaries listed above are provision of Investment Management Services and facilitating investor exposure to an underlying portfolio of institutional grade global private credit investments.

Note 31. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash (used in)/from operating activities

	Consolidated	
	2025 \$'000	2024 \$'000
Profit/(loss) after income tax (expense)/benefit for the year	2,610	(4,347)
Adjustments for:		
Depreciation and amortisation	3,212	3,460
Share of loss/(profit) - associates	(896)	52
Share-based payments	1,924	865
Impairment loss	-	380
Other non-cash items	(936)	106
Loan to Cayman (included in other receivables)	-	1,109
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	636	(218)
Increase in contract assets	-	(3,141)
Decrease in income tax refund due	940	574
Increase in prepayments	(72)	(189)
Increase in trade and other payables	3,021	900
Increase in provision for income tax	2,394	-
Decrease in deferred tax liabilities	-	(620)
(Decrease)/increase in employee benefits	(144)	407
Net cash (used in)/from operating activities	12,689	(662)

Note 31. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated	
	2025	2024
	\$'000	\$'000
Additions to the right-of-use assets and lease liabilities	-	39
Shares issued under loan share plan	-	751
Loans granted under loan share plan	-	(751)
In specie sale of financial assets at fair value through profit or loss	-	(119,638)
In specie settlement of borrowings	-	119,638
In-specie transfer of securities from unitholders to fund applications	3,072	-
Dividends withheld from company shareholders with outstanding loans under loan share plan	(623)	(541)
Dividends applied on outstanding loans under loan share plan	623	541
Dividends withheld from company shareholders with outstanding other loans	(19)	(9)
Dividends applied on outstanding other loans	19	9
Share buy-back of treasury shares	(10,875)	(858)
	<u>(7,803)</u>	<u>(819)</u>

Changes in liabilities arising from financing activities

	Lease liabilities
	\$'000
Consolidated	
Balance at 1 July 2023	3,610
Net cash used in financing activities	(903)
Acquisition of leases (excluding lease make good)	36
Other changes	147
Balance at 30 June 2024	2,890
Net cash from financing activities	(943)
Acquisition of leases (excluding lease make good)	3
Other changes	113
Balance at 30 June 2025	<u>2,063</u>

Note 32. Share-based payments

During the year, the group conducted a comprehensive review of its remuneration and incentive framework resulting in the adoption of a new long-term incentive ('LTI') plan called the Pengana Capital Group Limited Rights Plan (Pengana Rights Plan) for share-based compensation benefits provided to employees. The adoption of the Pengana Rights Plan and the grant of securities under the plan was approved by shareholders at the 29 November 2024 Annual General Meeting.

The Pengana Rights Plan is designed to assist in the reward, retention and motivation of employees by providing an opportunity to receive an equity interest in the company through the grant of 'Rights' in the form of incentive securities.

Effective 1 July 2024 the group's Loan Funded Share Plan (LSP), as detailed below, is no longer operational for new LTI grants however remains on foot for existing loans and associated shares. The group's Pengana Capital Group Rights Plan (Rights Plan) has been rolled up into the new Pengana Rights Plan.

Incentive securities granted under the Pengana Rights Plan are outlined below, noting the Board retains discretion to modify vesting outcomes if it deems appropriate to do so.

Note 32. Share-based payments (continued)

(i) Performance rights

Performance rights have a 15-year term, are subject to a three-year measurement period and subsequently vest subject to annualised Absolute Total Shareholder Return (ATRS) and index Total Shareholder Return (iTSR) vesting conditions, both with equal weighting and on the assumption the company's annualised Total Shareholder return (TSR) is positive for the measurement period. The percentage vesting is based on the measurement metric for ATRS and iTSR whereby at threshold 0% of granted performance rights vest, at target 50% of granted performance rights vest and at stretch 100% of granted performance rights vest with pro-rata allocations between. The exercise price is nil and on exercise vested performance rights can be settled in the form of cash and/or shares at the Board's sole discretion. Dividend equivalent payments are made in respect of vested performance rights for so long as the participant remains an employee.

On 19 December 2024 the group granted 4,501,634 performance rights with a measurement period from 1 July 2024 to 30 June 2027 (3 years) to employees (including 892,744 granted to Russel Pillemer and/or his nominee). A share-based payments expense of \$701,000 (2024: \$Nil) was recognised in the statement of profit or loss for the year ended 30 June 2025 for performance rights.

Set out below are summaries of performance rights granted by the group:

	Number of performance rights 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	-	\$0.00
Granted	4,501,634	\$0.00
Exercised	-	\$0.00
Expired/forfeited	-	\$0.00
Outstanding at the end of the financial year	<u>4,501,634</u>	\$0.00
Exercisable at the end of the financial year	<u>-</u>	\$0.00

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Estimated volatility*	Dividend yield	Risk-free interest rate	Fair value at grant date
19/12/2024	30/06/2027	\$0.88	\$0.00	42.79%	5.56%	3.94%	\$0.407
19/12/2024	30/06/2027	\$0.88	\$0.00	42.79%	5.56%	3.94%	\$0.527

(ii) Service rights

Service rights have a 15-year term, a service vesting condition of between two to five years and an exercise price of nil. On exercise vested service rights can be settled in the form of cash and/or shares at the Board's sole discretion. Dividend equivalent payments are made in respect of vested service rights for so long as the participant remains an employee.

During the year ended 30 June 2025, the group granted 1,356,100 service rights to employees (2024: Nil). A share-based payments expense of \$438,000 (2024: \$393,000) was recognised in the statement of profit or loss for the year ended 30 June 2025 for service rights.

Note 32. Share-based payments (continued)

Set out below are summaries of service rights granted by the group:

	Number of service rights 2025	Weighted average exercise price 2025	Number of service rights 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	864,198	\$0.00	864,198	\$0.00
Granted	1,356,100	\$0.00	-	\$0.00
Exercised	(30,864)	\$0.00	-	\$0.00
Forfeited/expired	(92,593)	\$0.00	-	\$0.00
Outstanding at the end of the financial year	<u>2,096,841</u>	\$0.00	<u>864,198</u>	\$0.00
Exercisable at the end of the financial year	<u>475,308</u>	\$0.00	<u>216,048</u>	\$0.00

For the service rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
19/12/2024	22/11/2025	\$0.88	\$0.00	42.79%	5.56%	3.94%	\$0.762
19/12/2024	11/11/2026	\$0.88	\$0.00	42.79%	5.56%	4.04%	\$0.721
19/12/2024	11/11/2027	\$0.88	\$0.00	42.79%	5.56%	4.04%	\$0.682
19/05/2025	30/06/2027	\$0.81	\$0.00	43.77%	6.17%	3.64%	\$0.673

(iii) Premium exercise priced options ('PEPOs')

PEPOs have an exercise price set at a premium to the market value of shares, vest at grant, are subject to a three-year exercise restriction period and may only be settled in shares. PEPOs have no entitlement to dividend equivalent payments.

On 19 November 2024, the group issued 3,143,770 premium exercise priced options to Russel Pillemer. The issue date fair value of the option was \$0.13 per option. The PEPOs were fully vested on issue date. PEPOs have an expiry date of 30 June 2029, an exercise price of \$1.46 payable per option and may be exercised any time between the elapsing of the exercise restriction period on 30 June 2027 and before the expiry date on 30 June 2029. A share-based payments expense of \$417,000 (2024: \$Nil) was recognised in the statement of profit or loss for the year ended 30 June 2025 for PEPOs.

(iv) Loan Funded Share Plan ('LSP')

Effective 1 July 2024, the group's LSP is no longer operational for new LTI grants however remains on foot for existing loans and associated shares. In prior periods limited recourse loans totalling \$7,802,000 (2024: \$33,569,000) were provided to employees and fund managers to acquire shares in the company. Under the plan the CEO has 971,000 (2024: 16,843,528) shares, employees and fund managers have 3,809,103 (2024: 9,534,141) shares.

The loans are interest bearing and have a maximum term of up to seven years. Recourse on the loans (including associated interest) is limited to the associated shares and any dividend amounts applied to the loan balance. The shares granted under the LSP are subject to a vesting condition, that the employees and fund managers must remain continuously employed for a period of three to five years from the grant date.

As the share purchases are funded by limited recourse loans, they are treated for accounting purposes as grants of share options and accounted for as equity-settled share-based payments. The share options deemed to be issued under the LSP are fair valued on the date they are granted and amortised as an expense in profit or loss over the vesting period.

As the loans and associated shares issued are not recorded on the statement of financial position on the grant date, there are no transactions in the statement of financial position relating to the issue of shares under the LSP other than a share-based payment expense of \$368,000 which has been recognised in profit or loss for the year ended 30 June 2025 (2024: \$472,000).

Note 32. Share-based payments (continued)

Interest accruing on the loans and dividends applied to the loans are not recorded in the financial statements but do impact the outstanding loan balance. As at 30 June 2025, total outstanding loans related to treasury shares were \$8,753,000 (2024: \$31,643,000).

Set out below are summaries of shares granted under the LSP:

	Number of LSP 2025	Weighted average exercise price 2025	Number of LSP 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	26,377,669	\$1.35	26,695,314	\$1.36
Granted	-	\$0.00	680,000	\$0.90
Exercised	(10,722,732)	\$1.20	-	\$0.00
Expired/forfeited	(10,874,834)	\$1.49	(997,645)	\$1.49
Outstanding at the end of the financial year	<u>4,780,103</u>		<u>26,377,669</u>	
Exercisable at the end of the financial year	1,237,027	\$1.35	21,527,556	\$1.35

1,237,027 shares granted under the LSP are vested and exercisable at 30 June 2025 (2024: 21,527,556).

The weighted average share price during the financial year was \$0.83 (2024: \$0.97) per ordinary share.

The weighted average remaining contractual life of shares granted under the LSP outstanding at the end of the financial year was 3.53 years (2024: 1.11 years).

Note 33. Earnings per share

	Consolidated	
	2025	2024
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners of Pengana Capital Group Limited	<u>2,610</u>	<u>(4,347)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	90,613,719	83,280,863
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of performance and service rights	<u>2,661,552</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>93,275,271</u>	<u>83,280,863</u>
	Cents	Cents
Basic earnings per share	2.88	(5.22)
Diluted earnings per share	2.80	(5.22)

The weighted average number of ordinary shares to calculate basic earnings per share excludes 4,780,103 (30 June 2024: 26,377,669) treasury shares.

Note 34. Material accounting policy information

The accounting policies that are material to the group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 35.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pengana Capital Group Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Pengana Capital Group Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 34. Material accounting policy information (continued)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Pengana Capital Group Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's 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 translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The group recognises revenue as follows:

Revenue from contracts with customers

Revenues are derived from the provision of investment management services to customers and are measured based on the amounts to which the group expects to be entitled based on the services delivered. This revenue is variable in nature and is measured by reference to management fees and performance fees. Revenue is recognised over-time, by reference to the ongoing delivery of investment management services. The delivery of performance obligations (investment management services) is best represented by the passage of time as an ongoing service.

Management fees

Management fees are based on a percentage of the portfolio value of the fund and are calculated in accordance with the Investment Management Agreement or Constitution. Management fees are invoiced monthly in arrears and received within the following month.

Performance fees

Performance fees may be earned from funds. The group's entitlement to a performance fee for any given performance period is dependent on outperforming certain benchmarks.

Performance fee arrangements give risk to the element of variable consideration for the investment management services. Revenue from performance fees is not recognised while constrained. An estimate of the variable consideration is recorded when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved (that is, the constraint is removed). The performance fee revenue is recognised to the extent the revenue is no longer constrained. Performance fees are invoiced in arrears at the end of a performance period and received within the following month.

Dividends and distributions

Dividends and distributions are recognised when received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 34. Material accounting policy information (continued)

Other revenue

Other fee revenue is recognised over time.

Fund manager profit share expense

Fund manager profit share expense represents a 'shadow equity' program for fund managers under which the fund managers receive an agreed percentage of the profits of their respective fund and/or strategy ensuring alignment of interests between shareholders, fund managers and fund investors.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxable authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis or to realise the asset and settle the liabilities simultaneously in future periods.

Tax consolidated group

Pengana Capital Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime.

The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the

Note 34. Material accounting policy information (continued)

end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. These receivables represent management fees that are accrued daily and paid monthly by the funds. They are usually recoverable within 20 business days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investment in associates

Associates are entities over which the group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Note 34. Material accounting policy information (continued)

Impairment of financial assets at amortised cost

The group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income, other than equity investments measured at fair value through other comprehensive income. The measurement of the loss allowance depends upon the group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income (other than equity investments), the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	over lease term
Furniture and fittings	5-10 years
Plant and equipment	2-4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of

Note 34. Material accounting policy information (continued)

the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Acquired relationships

Relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of between 2 and 20 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 34. Material accounting policy information (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave, long service leave and other long term employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. The group operates a loan share plan that is accounted for as equity-settled share-based payments similar to options.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option/share under the loan share plan, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option/share under the loan share plan, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 34. Material accounting policy information (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Pengana Capital Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

All other receivables and payables are stated exclusive of GST recoverable or payable.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives

Comparatives have been reclassified where necessary, to align with the current year presentation. There has been no effect on the operating results or net equity for the comparative year.

Note 34. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2025. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss.

Note 35. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Refer to note 23 for details of key assumptions and sensitivity information.

Goodwill

The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 34. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Control of entities where less than half of voting rights held

Management has determined that the group controls the subsidiary TermPlus, even though it holds 25% (2024: 6%) of the voting rights of this entity. The group's subsidiary Pengana Capital Limited is the responsible entity of TermPlus. The group's interest in TermPlus exposes the group to variable returns which are of such significance that it indicates that they are a principal, which combined with the group's ability to direct the activities of TermPlus as the responsible entity satisfies the criteria outlined in AASB 10 'Consolidated Financial Statements' to support the consolidation of TermPlus as a subsidiary.

Note 36. Events after the reporting period

Apart from the dividend declared as disclosed in note 21, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 37. General information

Pengana Capital Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 27.01
Level 27, Governor Phillip Tower
1 Farrer Place
Sydney, NSW, 2000

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2025. The directors have the power to amend and reissue the financial statements.

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Pengana Capital Group Limited
Consolidated entity disclosure statement
As at 30 June 2025



Entity name	Entity type	Place formed / Country of incorporation	Ownership interest	Tax residency
			%	
Pengana Capital Group Limited	Body Corporate	Australia (parent entity)		Australia
Pengana Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Pengana Capital Ltd	Body Corporate	Australia	100%	Australia
Pengana Investment Management Ltd	Body Corporate	Australia	100%	Australia
Pengana USA Holdings Inc.	Body Corporate	United States of America	100%	Dual (Australia and USA)
Pengana Capital Markets Pty Ltd	Body Corporate	Australia	100%	Australia
TermPlus Pty Ltd	Body Corporate	Australia	100%	Australia
Pengana Credit Pty Ltd	Body Corporate	Australia	100%	Australia
TermPlus	Unit Trust	Australia	25%	Australia

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Pengana Capital Group Limited
Directors' declaration
30 June 2025



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 34 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'David Groves', written over a horizontal line.

David Groves
Non-Executive Independent Chairman

A handwritten signature in black ink, appearing to read 'Russel Pillemer', written over a horizontal line.

Russel Pillemer
Chief Executive Officer

28 August 2025
Sydney

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Pengana Capital Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Pengana Capital Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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 Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Valuation of financial assets at fair value through profit or loss

Why significant	How our audit addressed the key audit matter
The Group has a significant portfolio of financial assets at fair value through profit or loss, held through Termplus, a consolidated entity. As at 30 June 2025, these assets equate to 31% of the total assets held by the Group. As disclosed in Note 8, \$41.8m of the Group's fair value investments are classified as financial assets at fair value through profit or loss, relating to Profit Participation Notes (PPNs) held through investment vehicles consolidated by the Group. The fair value measurement of the PPNs is based on unobservable inputs and has a high level of complexity. Significant judgement and high level of uncertainty is involved in developing unobservable inputs, including forecasted future cash flows, terminal growth rates, and discount rates. This was considered a key audit matter due to its subjective nature and the quantitative impact on the Group's financial statements.	Our audit procedures included: - Agreeing investment holdings to third party confirmations from the Administrator of the PPN Issuer at 30 June 2025; - Assessing the movements in value of the PPN, including management's analysis and NAV statements provided by the Administrator of the underlying Fund (as of 31 March 2025 or 30 June 2025, as available); and - Assessing the adequacy of the disclosures included in Note 23 of the financial report.

Revenue recognition of management and performance fees

Why significant	How our audit addressed the key audit matter
The Group's key revenue streams are management and performance fees earned from investment management services to investment schemes managed by the Group. For the year ended 30 June 2025, management fees were \$39.5m and performance fees were \$16.2m. Due to the quantum of these revenue streams and the impact that the variability of market-based returns can have on the recognition and earning of performance fees, this was considered a key audit matter.	Our audit procedures included: - Recalculating management fees, on a sample basis, in accordance with contractual arrangements; - Assessing the performance fees revenue recognition methodology applied in accordance with contractual arrangements and the requirements of AASB 15 <i>Revenue from Contracts with Customers</i>; and - Assessing the adequacy of the disclosures included in Note 3 to the financial report.

Impairment of Goodwill

Why significant	How our audit addressed the key audit matter
As at 30 June 2025, the Group has goodwill of \$40.8m as disclosed in Note 12. Goodwill has been recognised as a result of the Group's historical acquisitions, representing the excess of the purchase consideration over the fair value of assets and liabilities acquired. On acquisition date, the goodwill has been allocated to the applicable Cash Generating Units ("CGUs"). Goodwill is required to be tested for impairment annually. The determination of recoverable amount requires significant judgement in both identifying and then calculating the value of the relevant CGUs. Recoverable amounts are based on the Group's view of the key inputs and assumptions applied in measuring the recoverable amount of assets, including future cash flows, terminal growth rates, and discount rates. Accordingly, it was considered a key audit matter.	Our audit procedures included: - Assessing the Group's determination of the CGU's to which goodwill is allocated; - Assessing the methodology used by management in the impairment model to calculate the recoverable amount of the CGU in accordance with the requirements of Australian Accounting Standards; - Testing the mathematical accuracy of the impairment model; - Assessing the assumptions applied in calculating the recoverable amount, including future cash flows, discount rates and terminal growth rates, in conjunction with our internal valuation specialist; and - Assessing the adequacy and appropriateness of the disclosures in Note 12 to the financial report.



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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2025 annual report, 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, with the exception of the Remuneration Report and our related assurance opinion.

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:

- ▶ 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
- ▶ 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:

- ▶ 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
- ▶ 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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 judgment and maintain professional scepticism throughout the audit. We also:

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- ▶ 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 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 Group'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 Group'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 Group 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.

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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 11 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Pengana Capital Group Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.



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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.

Ernst & Young

Rita Da Silva
Partner
Sydney
28 August 2025

Jaddus Manga
Partner
Sydney
28 August 2025

Pengana Capital Group Limited
Shareholder information
30 June 2025



The shareholder information set out below was applicable as at 14 August 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	373	0.24
1,001 to 5,000	555	1.38
5,001 to 10,000	205	1.57
10,001 to 100,000	253	7.80
100,001 and over	57	89.01
	1,443	100.00
Holding less than a marketable parcel	160	

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	40,249,904	40.76
GLENEAGLE SECURITIES NOMINEES PTY LIMITED	20,681,250	20.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,341,459	2.37
PRETAGE PTY LTD	2,130,051	2.16
ROXTRUS PTY LIMITED (ROXANNE DUNKEL NO. 2 A/C)	1,803,150	1.83
DJG SERVICES PTY LIMITED (DKI ACCOUNT)	1,657,095	1.68
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,503,769	1.52
FARNWORTH HOUSE PTY LTD	1,228,256	1.24
ED PRENDERGAST	973,701	0.99
PILLEMER FAMILY HOLDINGS PTY LTD (THE CRAJER A/C)	971,000	0.98
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	898,187	0.91
RADD HOLDINGS PTY LIMITED (MYERS FAMILY A/C)	810,000	0.82
DBR CORPORATION PTY LTD	685,906	0.69
MR ANDREW STANLEY HALL	550,000	0.56
MR STEVE BLACK + MRS SARAH BLACK (BLACK SUPER FUND A/C)	540,000	0.55
PENGANA HOLDINGS PTY LTD (PENGANA CAP GR L EMP SH A/C)	533,577	0.54
MR FREDERICK BRUCE WAREHAM	520,000	0.53
MRS CANDYCE WEINBREN	505,000	0.51
KATRINA ELIZABETH GLENDINNING	502,435	0.51
PADD0 PTY LIMITED (PADDINGTON ASSOCIATES A/C)	470,000	0.48
	79,554,740	80.57

Unquoted equity securities

	Number on issue	Number of holders
Service rights	2,096,841	12
Performance rights	4,501,634	27
Premium exercise priced options	3,143,770	1

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held	% of total shares issued
Washington H Soul Pattinson and Company, WHSP Hunter Hall Pty Ltd and WHSP	40,249,904	40.76
Russel Craig Pillemer *	25,748,576	26.08

* The substantial notice lodged for Russel Pillemer discloses that he has a relevant interest in 25,748,576 ordinary shares in the company. These relevant interests are as follows:

- 1,285,642 shares held by Gleneagle Securities Nominees Pty Limited as custodian for Russel Pillemer
- 8,672,876 shares held by Gleneagle Securities Nominees Pty Limited as custodian for RC Pillemer Pty Limited (which Russel Pillemer controls)
- 10,722,732 shares held by Gleneagle Securities Nominees Pty Limited as custodian for Pillemer Family Holdings Pty Limited (which Russel Pillemer controls)
- 971,000 shares held by Pillemer Family Holdings Pty Limited (which Russel Pillemer controls)
- 165,000 shares held by MRJ Capital Pty Limited (which Russel Pillemer controls)

25,748,576 shares are held by Pengana staff or their related parties (including the 21,817,250 shares referred to above held by Russel Pillemer, RC Pillemer Pty Ltd and MRJ Capital Pty Limited). As Russel Pillemer has voting power in the company above 20% pursuant to section 608(3)(a) of the Corporations Act 2001 he is deemed to have a relevant interest in these shares as the company has the power to prevent the disposal of each of these shares pursuant to a voluntary escrow agreement between the company and the relevant holder.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Each ordinary share has one vote.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary Shares	8 September 2025	563,666
Ordinary Shares	14 September 2025	333,035
Ordinary Shares	30 June 2026	217,330
Ordinary Shares	7 September 2026	226,667
Ordinary Shares	8 September 2026	563,666
Ordinary Shares	14 September 2026	333,035
Ordinary Shares	7 September 2027	226,667
Ordinary Shares	8 September 2027	563,668
Ordinary Shares	7 September 2028	226,666
Ordinary Shares	22 June 2035	75,479
Ordinary Shares	1 December 2035	204,519
Ordinary Shares	9 November 2036	132,168
Ordinary Shares	31 October 2037	154,533
Ordinary Shares	9 November 2038	376,066
Ordinary Shares	29 November 2039	571,828
		4,768,993

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PENGANA

CAPITAL GROUP

PENGANA CAPITAL GROUP LIMITED

ABN 43 059 300 426

HEAD OFFICE

Suite 1, Level 27
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Ph.: +61 2 8524 9900

Fax: +61 2 8524 9901

PENGANA.COM