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 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

	2026 $'000	2025 $'000	Change $'000	Change %
Revenue from ordinary activities	64,044	60,503	3,541	5.9%
(Loss)/profit from ordinary activities after tax attributable to the owners of Pengana Capital Group Limited	(5,598)	2,610	(8,208)	(314.5%)
(Loss)/profit for the year attributable to the owners of Pengana Capital Group Limited	(5,598)	2,610	(8,208)	(314.5%)

	2026 Cents	2025 Cents
Basic earnings per share	(5.97)	2.88
Diluted earnings per share	(5.97)	2.80

Dividends

	Amount per security Cents	Franked amount per security Cents
On 26 February 2026, an interim dividend was declared for the year ended 30 June 2026 and paid on 31 March 2026 to shareholders registered on 17 March 2026.	2.5	2.5

Comments
Please refer to the letter from the Chairman and the letter from the Chief Executive Officer with 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	30.69	38.96

The net tangible assets per ordinary security for the reporting period is calculated based on 93,180,506 (2025: 93,964,847) ordinary shares on issue. This number does not include 4,655,103 (2025: 4,780,103) treasury shares. Net tangible assets exclude intangible assets, right-of-use assets, deferred tax assets/liabilities and lease liabilities.

4. 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
Pengana Private Equity Trust (Associate)*	-	0.89%	1,486	(80)
Pengana International Equities Limited (Associate)**	-	2.69%	438	976
AI Private Opportunities Trust (Associate)	0.75%	-	(2)	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			1,922	896

* The investment was disposed of during the year.

** Pengana International Equities Limited was an associate until 21 October 2025, after which date the group no longer had significant influence and is now accounted for at fair value through profit or loss.

5. 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.

6. Attachments

Details of attachments (if any):

The Annual Report of Pengana Capital Group Limited for the year ended 30 June 2026 is attached.

7. Signed

As authorised by the Board of Directors

Signed ______________________ Date: 26 August 2026

David Groves
Non-Executive Independent Chairman
Sydney

PENGANA CAPITAL GROUP LIMITED

30 JUNE
2026

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

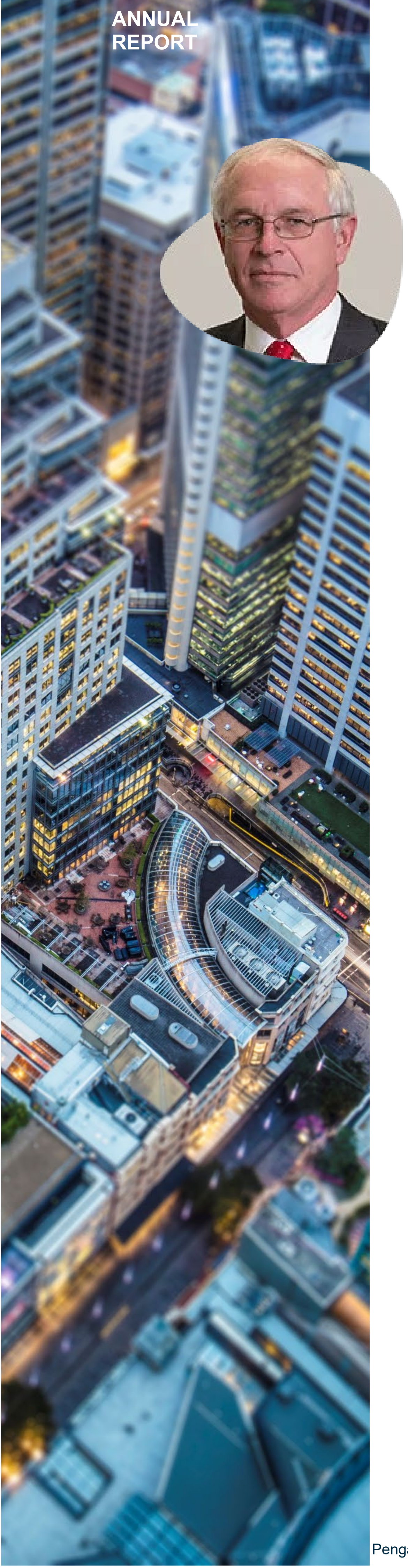
Ph.: +61 2 8524 9900
Fax: +61 2 8524 9901

PENGANA.COM

TABLE OF **CONTENTS**

CORPORATE **DIRECTORY**

Directors	David Groves - Non-Executive Independent Chairman Russel Pillemer - Managing Director and Chief Executive Officer Jeremy Duy Dunkel OAM - Non-Executive Independent Director Kevin Eley - Non-Executive Independent Director Brendan O'Dea - Non-Executive Director
Company secretary	Paula Ferrao
Registered office	Suite 1, Level 27 Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 Australia 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 to execute against its strategic plan during the financial year ended 30 June 2026. The headline statutory result reflects a year of substantial investment in growth initiatives, particularly the launch of a new listed investment vehicle (AI Private Opportunities Trust, ASX: AIX) and the continued development of our global private credit and global private markets platforms. Importantly, the Board believes these investments have strengthened the foundations of the business and improved the Company’s longer-term earnings potential.

For the year, Pengana reported consolidated revenue from ordinary activities of $64.0 million, an increase of 5.9% on the prior year, and a statutory loss after tax of $5.6 million. Excluding the impact of consolidating the three private credit investment vehicles, the Company delivered an underlying loss before tax of $2.0 million. These results were materially impacted by upfront costs associated with listed capital raisings and the continued scale-first investment in TermPlus.

The Board regards the FY26 result as transitional rather than reflective of the underlying direction of the business. While FY26 net base revenue was broadly unchanged from the FY25 result, the business ended the year with a materially stronger run-rate revenue profile. Funds under management increased to $4.1 billion at 30 June 2026, up from $3.6 billion at 30 June 2025, supported by $591 million of net inflows, including the successful launch of AIX, and $135 million of investment performance, partly offset by distributions.

At 30 June 2026, statutory net tangible assets were $28.6 million, or 30.69 cents per share. The balance sheet now includes a greater allocation to investments held for regulatory and support account purposes, reflecting the growth of the global private credit platform and, in particular, the support mechanisms associated with TermPlus.

During the year, shareholders received dividends totalling 4.5 cents per share, comprising the final dividend for the 2025 financial year and the interim dividend for the 2026 financial year.

Despite confidence in the Company's long-term prospects, the Board has determined that no final dividend will be paid for FY2026. The global private credit platform is experiencing a period of strong growth, requiring continued investment in product development, distribution capability, operating infrastructure and support capital. In the Board's view, retaining capital within the business at this stage is prudent given the strong growth trajectory of the private credit platform and its associated capital requirements. This approach ensures the Company remains well positioned to support future growth while maintaining balance sheet flexibility.

The Company’s on-market buy-back program continued during the year and remains an important capital management tool. During the year to 30 June 2026, Pengana repurchased 1,335,376 ordinary shares at an average price of approximately $0.70 per share.

Equity alignment continues to be a central feature of Pengana’s remuneration and incentive framework. During the year, Non-Executive Directors again participated in the NED Equity Plan, with shares issued on a fee-sacrifice basis, and equity-based incentives were granted to executives and staff under the Pengana Rights Plan. The remuneration framework is intended to align directors, executives and employees with long-term shareholder outcomes, while balancing retention, performance and governance considerations.

The most significant strategic development during the year was the continued growth of Pengana’s private markets platform. The launch of the listed AI Private Opportunities Trust, AIX, was a major achievement. Strong demand from cornerstone, adviser and broker channels resulted in an IPO raising approximately $267 million, with the Trust commencing trading on the ASX on 2 July 2026. AIX extends Pengana’s existing partnership model in private markets and provides unitholders with exposure to a scalable platform in a differentiated area of investor demand.

Private credit also remains a key strategic priority. Across the private credit business, funds under management continued to grow, with TermPlus maintaining strong momentum as a retail-oriented offering. At 30 June 2026, the credit business comprised $833 million of Pengana’s total FUM, with TermPlus contributing $125 million of growth over the financial year. The Board continues to monitor the operational, regulatory and capital requirements associated with this growing part of the business.

During the year, the Board also focused on the governance and risk oversight framework required to support Pengana’s evolving operating model. This included review of capital and income support mechanisms in private credit products, enhanced oversight arrangements for technology and cyber risk, and further refinement of Board reporting and risk escalation. These changes are designed to ensure that the Board continues to receive clear, timely and decision-useful information as the business becomes more diverse and operationally complex.

Kevin Eley will retire as a Non-Executive Director of the Company effective close of business 26 August 2026. He has made a long and valuable contribution to Pengana, including through his service as Chair of the Audit Committee. On behalf of the Board, I thank Kevin for his considered judgement, governance experience and commitment to shareholders over many years. Following his retirement, Brendan O'Dea will assume the role of Chair of the Audit Committee.

Looking ahead, Pengana enters FY27 with a clear strategic focus and a stronger run-rate revenue profile. Private credit, TermPlus, AIX and private markets more broadly are expected to be important contributors to future growth. At the same time, the Board remains focused on cost discipline, capital management, regulatory expectations, and ensuring that the Company’s governance framework remains appropriate for the scale and complexity of the business.

The past year has required significant commitment from management and staff as the Company has invested in new products, strengthened its operating platform and navigated a complex market environment. On behalf of the Board, I thank our shareholders and investors for their continued support, and our people for their focus and commitment during a year of important strategic progress.

I look forward to seeing you at our upcoming Annual General Meeting.

David Groves
Chair, Pengana Capital Group Limited
26 August 2026

LETTER FROM THE CEO

THE YEAR IN REVIEW

During the 2026 financial year, Pengana Capital Group Limited (Pengana) continued to make important progress in repositioning the business. The year was marked by strong momentum across our private markets platform, driven by significant growth in our Global Private Credit (GPC) business, the successful launch of AI Private Opportunities Trust (AIX), and increased evidence that Pengana's investment in scalable infrastructure, specialist investment capabilities and direct distribution is reshaping the earnings profile of the Group.

The reported financial result for FY26 reflects a deliberate investment program. Pengana incurred a statutory loss after tax of $5.6 million and an underlying loss before tax of $2.0 million, compared with an underlying profit before tax of $12.1 million in FY25. While the result was impacted by a lower contribution from performance fees, the key driver was higher market development costs and significant upfront product development and capital raising costs, including costs associated with the launch of AIX.

Importantly however, these costs were incurred in a year in which the underlying revenue base of the business strengthened materially. As at 30 June 2026, annualised run-rate FUM subject to base fees was $4.0 billion, up 14.0% from the prior year end. This translates to annualised net base revenue of $41.1 million, an increase of $9.3 million, or 29.2%, from 30 June 2025. The improvement in run-rate net base revenue was driven principally by strong FUM growth in the Global Private Credit platform, where revenue margins are materially higher than elsewhere in the Group.

The continued shift toward private markets remains central to Pengana's strategy. Reflecting the continued shift toward private markets, Global Private Credit and Global Private Equity represented approximately 51% of the Group's annualised run-rate net base revenue as at 30 June 2026, achieving Pengana's objective of having the majority of net revenues generated from this segment.

Annualised Run Rate[1]	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26	Change from 30 Jun 25	% change from 30 Jun 25
FUM subject to base fees	3,050	3,224	3,517	4,009	492	14.0%
Gross base revenue $m	36.3	38.3	42.7	52.9	10.1	23.8%
Profit share on gross base revenue $m	(10.0)	(10.2)	(10.9)	(11.7)	(0.9)	7.8%
Net base revenue $m	**26.2**	**28.1**	**31.8**	**41.1**	**9.3**	**29.2%**
Gross base revenue margin %	1.19%	1.19%	1.21%	1.32%	0.10%	8.6%
Net base revenue margin %	**0.86%**	**0.87%**	**0.91%**	**1.03%**	**0.12%**	**13.3%**

OPERATING RESULTS FOR 2026 FINANCIAL YEAR

FUNDS UNDER MANAGEMENT (FUM)

FUM subject to base fees at 30 June 2026 was $4.0 billion, compared with $3.5 billion at 30 June 2025, representing growth of 14.0%. This growth was driven by strong net inflows into Global Private Credit of $395 million and Global Private Equity of $329 million, partly offset by net outflows from Listed Equities of $232 million.

The composition of FUM continues to evolve. While Listed Equities remains a substantial and important

[1] Source: Pengana Management Accounts. Figures are presented in $ millions unless otherwise stated. Totals and percentage calculations may not reconcile precisely due to rounding.

contributor to the Group, the most significant growth in the year came from private markets, where Pengana has invested in product structures, distribution capability and operating infrastructure designed to capture long-term demand from retail, high-net-worth, family offices and institutional investors, including through advised, platform and direct-to-consumer channels.

FINANCIAL PERFORMANCE

The reported twelve-month result only partially reflects the benefit of inflows received throughout FY26, as the earnings power of the business at 30 June 2026 was substantially stronger than at the beginning of the year. Net base revenue increased 4.0% to $31.3 million during FY26, while base operating expenses increased by 2.1%. This translates into a 12.9%, or $5.7 million, increase in the Base Operating EBITDA, demonstrating the operating leverage inherent in Pengana's platform, with revenue growth increasingly translating into earnings growth as the business scales.

Net performance fees were $2.8 million, compared with $7.9 million in FY25. Performance fees remain a valuable but inherently variable component of Pengana’s earnings, particularly within the Listed Equities business.

Operating EBITDA was a loss of $5.5 million for FY26, reflecting higher market development expenses and product development expenses, including upfront capital raising costs associated with listed vehicles. The Group’s FY26 product development expenses were $9.8 million, compared with $0.8 million in FY25, and market development expenses were $4.3 million, compared with $2.3 million in FY25. These expenditures are incurred because the expected long-term value of the FUM significantly exceeds the initial investment required to secure it.

In particular, the Group made significant investments in the generation of FUM inflows across both the Global Private Credit platform and listed investment vehicles. For TermPlus, this included increased marketing and customer acquisition expenditure to establish brand awareness, build scale and leverage the technology platform developed over recent years. For listed products, product development costs included capital raising and launch costs that are incurred upfront, while the associated management fee revenues are earned over many years.

While these expenditures reduced reported earnings in FY26, they contributed to substantial growth in FUM and net base revenue run-rate by year end and are expected to support future earnings growth as those assets mature and operating leverage is realised across the Group's largely fixed-cost platform.

Operating Profit & Loss Summary[2]	June 2025 $’000	June 2026 $’000	Change %
Gross base revenue	40.5	41.9	
Profit share on base revenue	(10.4)	(10.6)	
Net base revenue (NBR)	**30.1**	**31.3**	**4.0%**
Base operating expenses	(25.0)	(25.6)	
Base operating EBITDA	**5.1**	**5.7**	**12.9%**
Gross performance fees	16.0	5.7	
Profit share on gross performance fees	(8.0)	(2.8)	
Net performance fees	*7.9*	*2.8*	
Market development expenses	(2.3)	(4.3)	
Product development expenses	(0.8)	(9.8)	
Operating EBITDA	**9.9**	**(5.5)**	

[2] Source: Pengana Management Accounts, excludes consolidation impacts from fund investments consolidated under Australian Accounting Standards. For the year ending each 30 June. Figures are presented in $ millions unless otherwise stated. Totals and percentage calculations may not reconcile precisely due to rounding.

After net investment income of $2.8 million, other non-operating items, Loan Share Plan interest and tax, the Group recorded a statutory loss after tax of $5.6 million for FY26.

BALANCE SHEET

Pengana continued to maintain a meaningful asset base, while also deploying capital to support strategic growth initiatives. At 30 June 2026, cash was $10.6 million, compared with $15.7 million at 30 June 2025. Investments increased from $25.5 million to $27.6 million, while the Group recorded borrowings of $6.2 million relating to a loan from AIX to fund launch costs.

Net tangible underlying assets attributable to Pengana shareholders were $37.6 million at 30 June 2026, compared with $45.4 million at 30 June 2025. Net statutory assets were $76.3 million at 30 June 2026, compared with $84.6 million at 30 June 2025.

The reduction in net statutory assets primarily reflects the loan provided by AIX to fund the upfront capital raising and launch costs of the AIX vehicle. The loan will be repaid over the coming years from management fees earned by Pengana from the vehicle. Cash was reduced by the significant upfront expenditure associated with product and market development initiatives. Conversely, the net increase in investments reflected, among other things, additional capital allocated to support the continued growth of the TermPlus platform.

During the 2026 financial year we paid $4.2 million or 4.5 cents per share in dividends. We appreciate that dividends are an important component of shareholder returns. However, given the growth underway in the Global Private Credit platform and the capital required to support that opportunity, the Board has determined not to declare a final dividend for FY26. In management’s view, retaining capital within the business at this stage is the right decision to support continued investment in the platform, preserve balance sheet flexibility and position Pengana for stronger long-term growth in recurring, higher-margin earnings.

STRATEGIC REPOSITIONING TOWARD PRIVATE MARKETS

The Group’s private markets capabilities span Global Private Credit and Global Private Equity, supported by shared infrastructure, established distribution capability and strategic partnerships.

Pengana has built a leading GPC platform in the Australian market, with exposure to more than 4,500 underlying corporate loans across three distinct portfolios. The platform enables the efficient launch of pooled funds and tailored solutions and supports a range of uses including TermPlus and other products in development. The platform is supported by a strategic relationship with Mercer, a leading investment consultant that assists with manager sourcing, due diligence, portfolio construction and access to specialist private credit managers.

The GPC platform was a key driver of FY26 progress, generating net inflows of $395 million during the year These inflows carried an average net base revenue margin of approximately 2.1%, contributing approximately $8.1 million of additional annualised run-rate net base revenue. Beyond the increase in revenue, the addition of these higher-margin assets improved the platform's overall average net base revenue margin to 1.6% as at 30 June 2026, further enhancing the earnings profile of the business. While future revenue margins will depend on the mix of assets and mandates across the platform, this illustrates the attractive earnings characteristics and importance of GPC to the Group's future earnings capacity.

TermPlus is an increasingly important part of the GPC business. TermPlus offers 1, 2 and 5 year high-yield fixed-term accounts to direct consumers and through financial advisers, supported by technology infrastructure developed in-house over the last three years. The product is designed to leverage the GPC platform and is one of the major drivers of Pengana’s recent revenue growth.

Global Private Equity also contributed to the year's strategic progress. Despite continued challenging market conditions, Pengana successfully launched AI Private Opportunities Trust, leveraging its established private markets platform and strategic relationship with Chicago based Grosvenor Capital Management, L.P., one of the world's longest-standing and most diversified independent alternative asset managers. This launch enhanced Pengana's credibility in Global Private Equity and created further opportunities to broaden its private markets offering.

OUTLOOK AND GROWTH OPPORTUNITIES

Looking ahead, Pengana is well positioned to benefit from the growth drivers established over recent years.

The Global Private Credit platform remains a key area of focus. The platform's breadth, scalability and exposure to diversified underlying credit portfolios provide Pengana with a differentiated position in a market segment where investor demand remains strong.

In Global Private Equity, we will seek to capitalise on Pengana's market positioning, brand profile and strategic relationships. While broader private equity market conditions have remained challenging, the successful launch of AIX demonstrates Pengana's ability to identify and execute opportunities when they arise.

In Listed Equities, we expect more modest growth, with a continued focus on selective opportunities and the potential for performance fees to contribute over time, albeit sporadically and with inherent variability.

The Group's cost base remains an important strategic advantage. Pengana has invested in infrastructure, people, product development and marketing capability, and a significant proportion of the operating cost base is now in place. As net base revenue grows, particularly from higher-margin private markets products, this creates the potential for significant operating leverage and stronger profitability over time.

As always, I thank our shareholders for your continued trust and support. The investments made in FY26 were significant, but they were made with the clear purpose to position Pengana for the next phase of growth, with an increasingly diversified business, stronger exposure to private markets and a growing base of high-margin recurring revenue.

Russel Pillemer
Managing Director and Chief Executive Officer
Pengana Capital Group Limited
26 August 2026

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 2026.

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 OAM - 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	
	2026 $'000	**2025 $'000**
On 28 August 2025, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2025 and paid on 30 September 2025 to the shareholders registered on 16 September 2025 (2025: fully franked final dividend of 2.0 cents per ordinary share for the year ended 30 June 2024)	1,880	1,669
On 26 February 2026, a fully franked interim dividend of 2.5 cents per ordinary share was declared for the year ended 30 June 2026 and paid on 31 March 2026 to the shareholders registered on 17 March 2026 (2025: fully franked interim dividend of 2.0 cents per ordinary share for the year ended 30 June 2025)	2,359	1,891
	4,239	3,560

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 loss for the group after providing for income tax amounted to $5,598,000 (30 June 2025: Profit after income tax of $2,610,000).

Please refer to the Letter from the Chairman and Letter from the Chief Executive Officer for a comprehensive review of operations and future outlook.

Australian Accounting Standards require consolidation of certain Pengana investment vehicles and recognition of performance fees as revenue. The company provides additional disclosures which exclude the impact of consolidation and clearly isolate performance fees in a separate investor presentation lodged with the ASX to assist shareholders in better understanding the group's results.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2026 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.

Credit business strategy risk

The group's credit business strategy is exposed to credit, counterparty, funding and regulatory risks that may adversely affect investment performance, capital raising activity, profitability and growth in funds under management. To mitigate these risks, the group employs a diversified investment approach, partners with experienced specialist managers, and maintains ongoing oversight of portfolio, market and regulatory developments.

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 MA Redcape Hotel Fund RE Ltd as responsible entity of the MA Redcape Hotel Fund. He is a former director of Pengana International Equities Limited, 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 former member of the Council of Wollongong University. He is a member of Chartered Accountants Australia and New Zealand.
Other current directorships:	None
Former directorships (last 3 years):	H&G High Conviction Limited (ASX: HCF) - resigned in April 2025 and Pengana International Equities Limited (ASX: PIA) - ceased on 21 October 2025
Special responsibilities:	Member of the Audit and Risk Committee
Interests in shares:	1,718,653 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:	None
Former directorships (last 3 years):	Pengana International Equities Limited (ASX: PIA) - ceased on 21 October 2025
Special responsibilities:	None
Interests in shares:	22,040,444 ordinary shares (including 971,000 treasury shares held under the loan share plan)
Interests in options:	5,554,601 premium exercise priced options
Interests in rights:	1,754,759 performance rights

Name:	Jeremy Dunkel OAM
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 and a director of the Dor 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:	2,325,048 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:	Schoolblazer Limited (ASX: SBZ)
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:	938,102 ordinary shares

Name:	Brendan O'Dea
Title:	Non-Executive Director (appointed on 1 April 2023)
Experience and expertise:	Brendan was formerly the Chief Investment Officer of Washington H Soul Pattinson and Company (ASX: SOL) 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 a 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:	292,416 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 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 2026, 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	4
Russel Pillemer	13	13	-	-	-	-
Jeremy Dunkel	13	13	4	4	4	4
Kevin Eley	13	13	4	4	4	4
Brendan O'Dea	13	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 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.

In 2020, the company implemented its 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. Under the group's STI plan, called the Short-Term Variable Remuneration (‘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 2026, the STVR was assessed against two financial measures. The first financial measure was linked to growth in Earnings calculated by reference to Net Base Revenue Run Rate and excluding STVR bonuses and costs of raising capital for listed investment funds, with threshold awards payable at 10% growth, target awards payable at 15% growth and stretch awards payable at 25% growth. The second financial measure was linked to the group’s operating profitability, including performance fees and excluding costs of raising capital for listed investment funds ('Adjusted Operating Profit'). The board retained discretion to adjust outcomes where appropriate.

For the year ended 30 June 2026, for the first financial measure KMP had a target STI award opportunity of 15.0% of fixed remuneration and a stretch STI award opportunity of 22.5% of fixed remuneration, and for the second financial measure group Adjusted Operating Profit needed to exceed a threshold of $5,000,000 for KMP to be entitled to a proportionate share of a resultant bonus pool to be shared among all eligible employees and which, depending on the level of profitability, is effectively capped at 10% of Adjusted Operating Profit.

For the year ended 30 June 2026, the first financial measure came in at 751% of target, with KMP being awarded a cash bonus, and for the second financial measure, Adjusted Operating Profit came in at 73% of threshold, with no STI awarded to KMP.

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

In 2025, the group adopted 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 2026, the CEO was awarded a combination of PEPOs and performance rights, and KMP were awarded performance rights.

PEPOs awarded during the year vest at grant. Performance rights awarded during the year are divided into two equal tranches. The vesting of performance rights tranche 1 will be determined by the increase in the Annualised Total Shareholder Return (ATSR) over the measurement period. If the company's ATSR is negative, then nil vesting will apply to Tranche 1, otherwise at stretch an increase in ATSR of 25.2% results in 100% vesting, at target an increase in ATSR of 16.8% results in 50% vesting and at threshold an increase of 11.2% results in nil vesting, with pro-rata allocations between threshold and target, and target and stretch.

The vesting of Tranche 2 performance rights will be determined by comparing the company's ATSR over the measurement period with the movement in the ASX Small Industrials over the measurement period. If the company's ATSR is negative, then nil vesting will apply to Tranche 2, otherwise at stretch a relative ATSR of index + 5% results in 100% vesting, at target a relative ATSR equal to the index results in 50% vesting and at threshold relative ATSR of index - 2.5% results in nil vesting, with pro-rata allocations between threshold and target, and target and stretch.

For the year ended 30 June 2026, 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 financial year ended 30 June 2026, the group did not engage any remuneration consultants.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM')
At the 2025 AGM, shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2025. 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:
- Adam Myers - Executive Director, Strategy and Distribution

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2026	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Termination payments $	Total $
Non-Executive Directors:								
David Groves	-	-	-	17,385	-	144,878	-	162,263
Jeremy Dunkel	-	-	-	11,173	-	93,109	-	104,282
Kevin Eley	-	-	-	12,425	-	103,539	-	115,964
Brendan O'Dea	-	-	-	9,933	-	82,774	-	92,707
Executive Directors:								
Russel Pillemer	663,450	166,347	45,872	30,000	16,293	490,747	-	1,412,709
Other KMP:								
Adam Myers	450,000	108,000	-	30,000	16,292	145,172	-	749,464
	1,113,450	274,347	45,872	110,916	32,585	1,060,219	-	2,637,389

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2025	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Termination payments $	Total $
Non-Executive Directors:								
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
Executive Directors:								
Russel Pillemer	647,249	129,839	46,934	29,932	17,687	657,241	-	1,528,882
Other KMP:								
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
	1,247,383	214,839	46,934	129,834	26,594	1,264,455	33,769	2,963,808

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

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:

	Fixed remuneration		STI		LTI	
Name	2026	2025	2026	2025	2026	2025
Executive Directors:						
Russel Pillemer	53%	49%	12%	8%	35%	43%
Other KMP:						
Katrina Glendinning	-	97%	-	-	-	3%
Adam Myers	67%	62%	14%	12%	19%	26%

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

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2026	2025	2026	2025
Executive Directors:				
Russel Pillemer - Financial measure 1	100%	-	-	100%
Russel Pillemer - Financial measure 2	-	78%	100%	22%
Other Key Management Personnel:				
Adam Myers - Financial measure 1	100%	-	-	100%
Adam Myers - Financial measure 2	-	79%	100%	21%
Katrina Glendinning - Financial measure 1	-	-	-	100%
Katrina Glendinning - Financial measure 2	-	-	-	100%

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 $757,804 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Russel participates in the loan share plan and share rights 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 $492,000 per annum, which includes statutory superannuation contributions and any salary sacrifice arrangements. Adam participates in the loan share plan and share rights 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 ATSR 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.

Performance rights granted during the year are subject to a measurement period from 1 July 2025 to 30 June 2028 (3 years). A share-based payments expense of $379,260 was recognised in the statement of profit or loss for the year ended 30 June 2026 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
Russel Pillemer	431,008	15/12/2025	30/06/2028	14/12/2040	$0.00	$0.278
Russel Pillemer	431,007	15/12/2025	30/06/2028	14/12/2040	$0.00	$0.385
Adam Myers	279,829	15/12/2025	30/06/2028	14/12/2040	$0.00	$0.278
Adam Myers	279,829	15/12/2025	30/06/2028	14/12/2040	$0.00	$0.385

(ii) Premium exercise priced options ('PEPO')
PEPOs have an exercise price set at a premium to the market value of shares, vest at grant date, 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 15 December 2025, the group issued 2,410,831 premium exercise priced options to Russel Pillemer. The issue date fair value of the option was $0.106 per option. The PEPOs were fully vested on issue date. PEPOs have an expiry date of 30 June 2030, an exercise price of $1.54 payable per option and may be exercised any time between the elapsing of the exercise restriction period on 30 June 2028 and before the expiry date on 30 June 2030. A share-based payments expense of $256,659 was recognised in the statement of profit or loss for the year ended 30 June 2026 for PEPOs.

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 $0.133 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 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 2026 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	256,659	-	-	18%

(iii) Issue of shares under the Loan Share Plan ('LSP')
Effective 1 July 2024, the group's LSP is not operational for new LTI grants however it 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 2026, loans outstanding under the LSP totalled $9,010,786 (2025: $8,752,739) 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 $93,494, related to treasury shares, has been recognised in the statement of profit or loss for the year ended 30 June 2026 (2025: $368,429).

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 $2,179,050 (2025: $2,048,721)
- Adam Myers $1,456,238 (2025: $1,376,222).

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
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	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 three years to 30 June 2026 are summarised below:

	2026 $'000	2025 $'000	2024 $'000
Revenue and other income	64,044	60,503	42,608
(Loss)/profit after income tax	(5,598)	2,610	(4,347)

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

	2026	2025	2024
Share price at financial year end ($)	0.95	0.81	0.82
Total dividends declared (cents per share)	4.50	4.00	2.00

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
Ordinary shares						
David Groves	1,530,501	-	-	188,152	-	1,718,653
Jeremy Dunkel	2,204,128	-	-	120,920	-	2,325,048
Kevin Eley	803,637	-	-	134,465	-	938,102
Brendan O'Dea	184,918	-	-	107,498	-	292,416
Russel Pillemer	20,846,249	-	223,195	-	-	21,069,444
Adam Myers	166,250	-	-	-	-	166,250
	25,735,683	-	223,195	551,035	-	26,509,913

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*
Performance rights over ordinary shares					
Russel Pillemer	892,744	862,015	-	-	1,754,759
Adam Myers	535,916	559,658	-	-	1,095,574
	1,428,660	1,421,673	-	-	2,850,333

* Performance rights are unvested at 30 June 2026.

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.

2,410,831 premium exercise priced options granted to Russel Pillemer are vested and exercisable at $1.54 per share as at 30 June 2026.

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	Balance at the end of the year
Shares under the loan share plan (vested and unvested)				
Russel Pillemer	971,000	-	-	971,000
Adam Myers	810,000	-	-	810,000
	1,781,000	-	-	1,781,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Shares under the loan share plan (vested)			
Russel Pillemer	456,999	-	456,999
Adam Myers	492,666	-	492,666
	949,665	-	949,665

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	4,440,942
15/12/2025	30/06/2028	$0.00	4,565,173
09/03/2026	30/06/2028	$0.00	758,807
			9,764,922

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	169,752
27/09/2022	30/06/2025	$0.00	237,655
27/09/2022	30/06/2026	$0.00	271,606
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	400,100
			1,935,113

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 2026 and up to the date of this report.

Shares under options and loan share plan

Unissued ordinary shares of Pengana Capital Group Limited under Premium exercise priced options (PEPOs) outstanding at the date are as follows:

Grant date	Expiry date	Exercise price	Number of PEPOs
19/12/2024	30/06/2029	$1.46	3,143,770
15/12/2025	30/06/2030	$1.54	2,410,731
			5,554,501

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	728,000
30/06/2021	28/06/2028	$1.31	651,998
14/09/2021	12/09/2028	$1.58	934,105
08/09/2022	06/09/2029	$1.35	1,661,000
07/09/2023	05/09/2030	$0.90	680,000
			4,655,103

The value of loans issued under the LSP total $7,576,000 (2025: $7,802,000). 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 20 and note 33 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 2026 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 26 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 26 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 (including Independence Standards) 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 2026/183, 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	Russel Pillemer
Non-Executive Independent Chairman	Chief Executive Officer

26 August 2026
Sydney

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 2026, 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

Ernst & Young

Rita Da Silva

Rita Da Silva
Partner
26 August 2026

Pengana Capital Group Limited
Statement of profit or loss
For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	2025 $'000
Revenue			
Management fees		40,820	39,535
Performance fees		6,019	16,218
Other fee revenue		489	-
Interest revenue		14,144	2,416
Total revenue	2	61,472	58,169
Share of profits of associates accounted for using the equity method		1,922	896
Other income and gains	3	650	1,438
Total revenue and income		64,044	60,503
Expenses			
Human resources expenses	4	(18,445)	(17,701)
Fund manager profit share expenses		(13,424)	(18,440)
Fund operating expenses		(5,882)	(4,878)
Distribution expense to unitholders		(11,267)	(1,505)
Loss on revaluation of financial asset at fair value through profit or loss		-	(969)
Occupancy expenses		(369)	(332)
Capital raising and product development expenses		(9,948)	(1,133)
Technology and telecommunications expenses		(1,692)	(1,530)
Marketing and investment research expenses		(4,409)	(2,157)
Insurance expenses		(1,080)	(1,067)
Professional, registry and listing related expenses		(695)	(1,128)
Depreciation and amortisation expenses	4	(3,207)	(3,212)
Finance costs	4	(76)	(114)
Other operating expenses		(817)	(687)
Total expenses		(71,311)	(54,853)
(Loss)/profit before income tax (expense)/benefit		(7,267)	5,650
Income tax (expense)/benefit	5	1,669	(3,040)
(Loss)/profit after income tax (expense)/benefit for the year attributable to the owners of Pengana Capital Group Limited		(5,598)	2,610
		Cents	**Cents**
Basic earnings per share	34	(5.97)	2.88
Diluted earnings per share	34	(5.97)	2.80

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 2026

	Consolidated	
	2026	**2025**
	$'000	**$'000**
(Loss)/profit after income tax (expense)/benefit for the year attributable to the owners of Pengana Capital Group Limited	(5,598)	2,610
Other comprehensive loss		
Items that will not be reclassified subsequently to profit or loss		
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	-	(37)
Other comprehensive loss for the year, net of tax	-	(37)
Total comprehensive income for the year attributable to the owners of Pengana Capital Group Limited	(5,598)	2,573

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 2026

	Note	Consolidated 2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	6	14,026	20,373
Trade and other receivables	7	17,855	6,930
Prepayments and deposits	8	719	757
Income tax refund due	5	1,607	-
Financial assets at fair value through profit or loss	9	36,047	29,680
Total current assets		70,254	57,740
Non-current assets			
Trade and other receivables	7	316	332
Financial assets at fair value through profit or loss	9	250,795	13,580
Investments accounted using the equity method	10	1,999	11,531
Property, plant and equipment	11	709	747
Intangibles	12	46,987	49,238
Right-of-use assets	13	1,071	1,930
Deferred tax	5	812	-
Prepayments and deposits	8	871	773
Total non-current assets		303,560	78,131
Total assets		373,814	135,871
Liabilities			
Current liabilities			
Trade and other payables	14	12,788	9,678
Employee benefits	15	1,796	1,627
Borrowings	16	2,834	-
Lease liabilities	17	906	826
Liability to unitholders	19	37,660	21,779
Income tax liability	5	-	2,394
Total current liabilities		55,984	36,304
Non-current liabilities			
Trade and other payables	14	23	23
Employee benefits	15	185	216
Provisions	18	186	186
Borrowings	16	3,401	-
Lease liabilities	17	249	1,237
Deferred tax	5	-	1,096
Liability to unitholders	19	237,476	12,195
Total non-current liabilities		241,520	14,953
Total liabilities		297,504	51,257
Net assets		76,310	84,614
Equity			
Contributed equity	20	109,021	109,534
Reserves	21	46,361	48,554
Accumulated losses		(79,072)	(73,474)
Total equity		76,310	84,614

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 2026

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
Transactions with owners in their capacity as owners:				
Loan repayment on treasury shares (note 20)	10,715	-	-	10,715
Shares issued to NED Trust on exercise of restricted rights	417	-	-	417
Share buy-back (note 20)	(683)	-	-	(683)
Share-based payments (note 33)	-	1,924	-	1,924
Dividends paid (note 22)	-	(3,560)	-	(3,560)
Balance at 30 June 2025	109,534	48,554	(73,474)	84,614

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	109,534	48,554	(73,474)	84,614
Loss after income tax benefit for the year	-	-	(5,598)	(5,598)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(5,598)	(5,598)
Transactions with owners in their capacity as owners:				
Shares issued to NED Trust on exercise of restricted rights	424	-	-	424
Share buy-back (note 20)	(937)	-	-	(937)
Share-based payments (note 33)	-	2,046	-	2,046
Dividends paid (note 22)	-	(4,239)	-	(4,239)
Balance at 30 June 2026	109,021	46,361	(79,072)	76,310

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 2026

	Note	Consolidated 2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		55,528	60,625
Payments to suppliers, customers and employees (inclusive of GST)		(60,168)	(49,603)
Dividends received		546	1,005
Interest received		776	499
Other revenue		234	223
Income taxes paid		(4,007)	(60)
Net cash (used in)/from operating activities	32	(7,091)	12,689
Cash flows from investing activities			
Proceeds from repayment of loan to Pengana Private Credit Master Fund		-	1,109
Shareholder loan repayments		16	13
Payments for purchase of financial instruments held at fair value through profit or loss		(234,749)	(36,770)
Proceeds from disposal of investments in financial instruments held at fair value through profit or loss		2	-
Payments for equity accounted investments		-	(169)
Payments for property, plant and equipment		(174)	(44)
Payments for intangibles		(118)	(158)
Payments for purchase of equity accounted investments		(2,000)	-
Proceeds from disposal of equity accounted investments		4,570	-
Payments for security deposits		(100)	-
Proceeds from security deposits		-	5
Net cash used in investing activities		(232,553)	(36,014)
Cash flows from financing activities			
Proceeds from issue of shares	20	424	417
Proceeds received on repayment of treasury share loans		-	10,715
On market buy-back		(937)	(683)
Proceeds from borrowings		6,235	-
Dividends paid	22	(4,238)	(3,560)
Repayment of lease liabilities	32	(984)	(944)
Proceeds from applications by unitholders		250,058	30,276
Payments for redemptions by unitholders		(8,712)	(1,002)
Distributions to unitholders		(8,549)	(632)
Net cash from financing activities		233,297	34,587
Net (decrease)/increase in cash and cash equivalents		(6,347)	11,262
Cash and cash equivalents at the beginning of the financial year		20,373	9,111
Cash and cash equivalents at the end of the financial year	6	14,026	20,373

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 activity is 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 are therefore not duplicated.

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

Major customers
During the year ended 30 June 2026, approximately 41% (2025: 48%) of the group's external revenue was derived from two (2025: two) 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 on the statement of profit or loss. Refer to note 35 for accounting policies associated with each category.

Note 3. Other income and gains

	Consolidated	
	2026	**2025**
	$'000	**$'000**
Dividends and distributions	287	-
Rental income	125	124
Net gain on assets at fair value through profit or loss	129	1,215
Other income	109	99
	650	1,438

Note 4. Expenses

	Consolidated 2026 $'000	Consolidated 2025 $'000
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	20	17
Furniture and fittings	65	64
Plant and equipment	127	92
Right-of-use assets	859	858
Total depreciation	1,071	1,031
Amortisation		
Acquired relationships	2,038	2,066
Software	98	115
Total amortisation	2,136	2,181
Total depreciation and amortisation	3,207	3,212
Human resources expenses		
Salary and wages	11,551	11,804
Share-based payments expense	2,046	1,924
Contractors	2,265	1,922
Defined contribution superannuation expense	1,009	991
Payroll on-costs and other	1,574	1,060
Total human resources expenses	18,445	17,701
Finance costs		
Interest and finance charges paid/payable on lease liabilities	76	114

Note 5. Income tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Income tax expense/(benefit)		
Current income tax expense	140	3,411
Deferred income tax expense relating to origination and reversal of temporary differences	(1,908)	(371)
Adjustment recognised for prior periods	99	-
Aggregate income tax expense/(benefit)	(1,669)	3,040
Deferred tax included in income tax expense/(benefit) comprises:		
Increase in deferred tax assets	(1,908)	(371)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
(Loss)/profit before income tax (expense)/benefit	(7,267)	5,650
Tax at the statutory tax rate of 30%	(2,180)	1,695
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	(350)	(123)
Non-deductible expenses	656	925
Assessable income not in profit or loss	219	419
Sundry items	1	(4)
	(1,654)	2,912
Adjustment recognised for prior periods	99	-
Adjustment to tax balances as a result of change in statutory tax rate	-	163
Recognition of tax asset related to capital losses	(114)	(35)
Income tax expense/(benefit) recognised in statement of profit or loss	(1,669)	3,040

	Consolidated 2026 $'000	Consolidated 2025 $'000
Amounts charged directly to equity		
Deferred tax assets	-	12
Tax losses not recognised		
Capital tax losses for which no deferred tax asset has been recognised	1,608	1,986
Potential tax benefit at statutory tax rates	482	596

Note 5. Income tax (continued)

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax asset/(liability)		
Deferred tax asset/(liability) comprises temporary differences attributable to:		
Amounts recognised:		
Tax losses	1,039	-
Provisions	1,501	1,446
Right-of-use assets and lease liabilities	81	96
Identifiable intangibles	(1,644)	(2,401)
Unrealised gains/losses	(165)	(237)
Deferred tax asset/(liability)	812	(1,096)
Movements:		
Opening balance	(1,096)	(1,455)
Credited to profit or loss	1,908	371
Charged to equity	-	(12)
Closing balance	812	(1,096)

	Consolidated 2026 $'000	Consolidated 2025 $'000
Income tax refund due		
Income tax refund due	1,607	-

	Consolidated 2026 $'000	Consolidated 2025 $'000
Provision for income tax		
Provision for income tax	-	2,394

Note 6. Cash and cash equivalents

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Cash on hand and at bank	13,955	20,305
Cash on deposit	71	68
	14,026	20,373

Note 7. Trade and other receivables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Management fees receivable	3,667	3,519
Performance fees receivable	-	3,279
	3,667	6,798
Other receivables	811	123
Interest receivable	13,377	9
	17,855	6,930
Non-current assets		
Other loans	316	332
	18,171	7,262

Allowance for expected credit losses
The group has recognised a loss of $nil (2025: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

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

Consolidated	Expected credit loss rate 2026 %	Expected credit loss rate 2025 %	Carrying amount 2026 $'000	Carrying amount 2025 $'000	Allowance for expected credit losses 2026 $'000	Allowance for expected credit losses 2025 $'000
Not overdue	-	-	18,171	7,262	-	-

Note 8. Prepayments and deposits

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current assets		
Prepayments	719	757
Non-current assets		
Prepayments	-	2
Security deposits	871	771
	871	773
	1,590	1,530

Note 9. Financial assets at fair value through profit or loss

	Consolidated	
	2026	**2025**
	$'000	**$'000**
Current assets		
Profit participating notes	36,047	29,680
Non-current assets		
Profit participating notes	240,426	12,195
Financial assets at fair value through profit or loss	10,369	1,385
	250,795	13,580
	286,842	43,260

Profit participating notes are held by investment vehicles consolidated within the group.

Refer to note 24 for further information on fair value measurement.

Note 10. Investments accounted using the equity method

	Consolidated	
	2026	**2025**
	$'000	**$'000**
Non-current assets		
Investments in associates	1,999	11,531

Interests in associates

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

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
Pengana Private Equity Trust*	Australia	-	0.89%
Pengana International Equities Limited**	Australia	-	2.69%
AI Private Opportunities Trust	Australia	0.75%	-

* The investment was disposed of during the year.

** Pengana International Equities Limited was an associate until 21 October 2025, after which date the group no longer had significant influence and is now accounted for at fair value through profit or loss.

The above table excludes interests in Pengana Diversified Private Credit Fund and Pengana Global Private Credit SMA Fund with immaterial ownership interest less than 0.01%.

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		AI Private Opportunities Trust
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000
Summarised statement of financial position					
Current assets	525,065	490,699	357,736	365,882	266,840
Non-current assets	-	-	-	49	-
Total assets	525,065	490,699	357,736	365,931	266,840
Current liabilities	4,289	40,700	12,114	2,096	62
Non-current liabilities	-	-	-	11,036	-
Total liabilities	4,289	40,700	12,114	13,132	62
Net assets	520,776	449,999	345,622	352,799	266,778
Summarised statement of profit or loss and other comprehensive income					
Revenue and other income	172,957	47,613	14,278	49,687	(116)
Expenses	(8,559)	(7,396)	(8,288)	(5,428)	(62)
Profit/(loss) before income tax	164,398	40,217	5,990	44,259	(178)
Profit/(loss) after income tax	164,398	40,217	5,990	44,259	(178)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	164,398	40,217	5,990	44,259	(178)
Reconciliation of the group's carrying amount					
Opening carrying amount	3,168	3,241	8,361	-	-
Reclassification of investments	-	-	-	7,808	-
Addition	-	168	-	-	2,000
Disposal	(4,570)	-	-	-	-
Share of profit/(loss) after income tax	1,486	(80)	438	976	(2)
Share of other comprehensive loss	-	-	-	(50)	-
Distributions declared	(84)	(161)	(93)	(373)	-
Transferred to financial assets and fair value through profit or loss	-	-	(8,636)	-	-
Closing carrying amount	-	3,168	-	8,361	1,998

Note 11. Property, plant and equipment

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Leasehold improvements - at cost	331	299
Less: Accumulated depreciation	(92)	(72)
	239	227
Furniture and fittings - at cost	535	517
Less: Accumulated depreciation	(247)	(182)
	288	335
Plant and equipment - at cost	604	518
Less: Accumulated depreciation	(422)	(333)
	182	185
	709	747

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 $'000	Furniture and fittings $'000	Plant and equipment $'000	Total $'000
Balance at 1 July 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	227	335	185	747
Additions	32	18	124	174
Depreciation expense	(20)	(65)	(127)	(212)
Balance at 30 June 2026	239	288	182	709

Note 12. Intangibles

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current assets		
Goodwill - at cost	40,627	40,860
Acquired relationships - at cost	27,220	27,220
Less: Accumulated amortisation	(21,254)	(19,216)
	5,966	8,004
Software - at cost	611	493
Less: Accumulated amortisation	(217)	(119)
	394	374
	46,987	49,238

Note 12. Intangibles (continued)

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 $'000	Acquired relationships $'000	Software $'000	Total $'000
Balance at 1 July 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
Additions	-	-	118	118
Other charges	(233)	-	-	(233)
Amortisation expense	-	(2,038)	(98)	(2,136)
Balance at 30 June 2026	40,627	5,966	394	46,987

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:
a. Pre-tax discount rate of 16.7% (2025: 17.1%);
b. Projected growth rate of 2.5% (2025: 2.25%) beyond five year period for the CGU; and
c. Increase in operating costs and overheads based on current expenditure levels adjusted for inflationary increases.
d. 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 14 years.

Note 13. Right-of-use assets

	Consolidated 2026 $'000	**Consolidated 2025 $'000**
Non-current assets		
Right-of-use assets	5,946	5,946
Less: Accumulated depreciation	(4,875)	(4,016)
	1,071	1,930

The group leases office premises and office equipment 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.

Note 13. Right-of-use assets (continued)

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 2024	2,760	25	2,785
Additions	-	3	3
Depreciation expense	(851)	(7)	(858)
Balance at 30 June 2025	1,909	21	1,930
Depreciation expense	(852)	(7)	(859)
Balance at 30 June 2026	1,057	14	1,071

For other AASB 16 lease-related disclosures:
- Refer note 4 for details of interest on lease liabilities;
- Refer note 17 and note 32 for details of lease liabilities at the beginning and end of the reporting period;
- Refer note 23 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 2026 $'000	2025 $'000
Current liabilities		
Trade payables	184	-
Accrued expenses	6,824	4,927
Fund manager profit share	2,801	4,518
Distribution payable to unitholders	2,902	-
Other payables	77	233
	12,788	9,678
Non-current liabilities		
Other payables	23	23
	12,811	9,701

Note 15. Employee benefits

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Annual leave	788	723
Long service leave	1,008	904
	1,796	1,627
Non-current liabilities		
Long service leave	185	216
	1,981	1,843

Note 16. Borrowings

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Loan from AIX Trust	2,834	-
Non-current liabilities		
Loan from AIX Trust	3,401	-
	6,235	-

Refer to note 23 for further information on financial instruments.

In June 2026, the AI Private Opportunities Trust (ASX: AIX) was launched and admitted to the ASX official list. The group, as manager, agreed to pay the costs of the launch of AIX. AIX agreed to provide an interest free 24 month unsecured loan repayable in monthly instalments to the group which was used to fund the costs of the launch of AIX.

Note 17. Lease liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Lease liability	906	826
Non-current liabilities		
Lease liability	249	1,237
	1,155	2,063

Refer to note 23 for maturity analysis of lease liabilities.

Note 18. Provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000
Non-current liabilities		
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 19. Liability to unitholders

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current liabilities		
Net assets attributable to unitholders	37,660	21,779
Non-current liabilities		
Net assets attributable to unitholders	237,476	12,195
	275,136	33,974

Net assets attributable to unitholders represents the value of units issued by investment vehicles that are consolidated within the group, being TermPlus, Pengana Global Private Income Fund and Pengana Global Private Income Fund No 2, to investors and are classified as a liability under AASB 132 Financial Instruments: Presentation. 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 20. Contributed equity

	Consolidated			
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares - fully paid	97,835,609	98,744,950	116,597	117,336
Less: Treasury shares	(4,655,103)	(4,780,103)	(7,576)	(7,802)
	93,180,506	93,964,847	109,021	109,534

Note 20. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 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	98,744,950	117,336
Share buy-back	December 2025	(160,951)	(108)
Gain on loan repayment on treasury shares	31 December 2025	-	35
Share buy-back (loan share plan shares)	31 December 2025	(125,000)	(261)
Issue of shares under non-executive directors plan ('NED Plan')	2 March 2026	551,035	424
Share buy-back	March 2026	(1,026,668)	(720)
Share buy-back	April 2026	(80,993)	(59)
Share buy-back	May 2026	(66,764)	(50)
Balance	30 June 2026	97,835,609	116,597

Movements in treasury shares

Details	Date	Shares	$'000
Balance	1 July 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	(4,780,103)	(7,802)
Derecognise treasury shares	31 December 2025	125,000	226
Balance	30 June 2026	(4,655,103)	(7,576)

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 33 for further details.

Note 20. Contributed equity (continued)

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.

No Employee Share Plan loans were due for repayment during the year.

Share buy-back
On 3 December 2025, Pengana Capital Group Limited announced the extension of on-market share buy-back of ordinary shares. Maximum number of securities proposed to be bought back is 9,874,495 ordinary shares. The proposed buy-back ends on 14 September 2026. During the year, the company bought back 1,335,376 ordinary shares and 125,000 treasury shares via an Employee Share Scheme 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 2026, PCL and PIML were required to maintain $5,000,000 and $5,000,000 (2025: $5,000,000 and $3,124,000) respectively in liquid assets, of which 50% (2025: 50%) is held in cash or cash equivalents.

The directors believe the group has adequate capital at 30 June 2026 to maintain the group's existing business activities and facilitate growth.

The capital risk management policy remains unchanged from the 2025 Annual Report.

Note 21. Reserves

	Consolidated	
	2026 $'000	2025 $'000
Profits reserve	33,264	37,503
Foreign currency reserve	91	91
Share-based payments reserve	13,006	10,960
	46,361	48,554

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.

Note 21. Reserves (continued)

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 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	37,503	91	10,960	-	48,554
Share-based payments	-	-	2,046	-	2,046
Dividend paid	(4,239)	-	-	-	(4,239)
Balance at 30 June 2026	33,264	91	13,006	-	46,361

Note 22. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
On 28 August 2025, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2025 and paid on 30 September 2025 to the shareholders registered on 16 September 2025 (2025: fully franked final dividend of 2.0 cents per ordinary share for the year ended 30 June 2024)	1,880	1,669
On 26 February 2026, a fully franked interim dividend of 2.5 cents per ordinary share was declared for the year ended 30 June 2026 and paid on 31 March 2026 to the shareholders registered on 17 March 2026 (2025: fully franked interim dividend of 2.0 cents per ordinary share for the year ended 30 June 2025)	2,359	1,891
	4,239	3,560

Franking credits

	Consolidated 2026 $'000	Consolidated 2025 $'000
Franking credits available for subsequent financial years	3,233	5,007

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 23. 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.

Price risk
The group is exposed to direct equity price risk on its financial assets that are at fair value. The table below summarises the impact of a 10% movement in the market value of these assets:

The group is exposed to price risk through its investment in PPNs. Refer to note 24 'Fair value measurement' for sensitivity analysis of PPN.

	Average price increase			Average price decrease		
Consolidated - 2026	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Financial instrument at fair value through profit or loss	10%	1,037	726	(10%)	(1,037)	(726)

	Average price increase			Average price decrease		
Consolidated - 2025	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**	**% change**	**Effect on profit before tax $'000**	**Effect on equity $'000**
Financial instrument at fair value through profit or loss	10%	138	97	(10%)	(138)	(97)

Note 23. Financial instruments (continued)

Interest rate risk
The group's direct interest rate risk arises from its cash at bank. The group has indirect exposure to interest rate risk and market risk primarily through its investment in PPNs. Refer to note 24 'Fair value measurement' for sensitivity analysis of PPN. 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:

Consolidated	2026 Weighted average interest rate	2026 Balance $'000	2025 Weighted average interest rate	2025 Balance $'000
Cash at bank	3.02%	13,955	2.19%	20,305
Cash on deposit	4.25%	71	4.54%	68
Net exposure to cash flow interest rate risk		14,026		20,373

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

	Basis points increase			Basis points decrease		
Consolidated - 2026	**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**
Net exposure to cash flow interest rate risk	50	70	49	50	(70)	(49)

	Basis points increase			Basis points decrease		
Consolidated - 2025	**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**
Net exposure to cash flow interest rate risk	50	102	71	(50)	(102)	(71)

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 2026 owed the group 100% (2025: 100%) of management fees and performance fees 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.

Note 23. Financial instruments (continued)

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 $316,000 as at 30 June 2026 (2025: $332,000). 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.

Consolidated - 2026	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
Liabilities					
Non-interest bearing					
Trade payables	184	-	-	-	184
Other payables	77	-	-	-	77
Fund manager profit share	2,801	-	-	-	2,801
Distribution payable to unitholders	2,902	-	-	-	2,902
Security deposits payable	-	23	-	-	23
Borrowings from AIX Trust	2,834	3,401	-	-	6,235
Liability to unitholders	37,660	218,488	18,988	-	275,136
Interest-bearing - fixed rate					
Lease liability	1,022	250	1	-	1,273
Total non-derivatives	47,480	222,162	18,989	-	288,631

Consolidated - 2025	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
Liabilities					
Non-interest bearing					
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
Interest-bearing - fixed rate					
Lease liability	980	1,022	251	-	2,253
Total non-derivatives	27,510	11,719	1,772	-	41,001

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

Note 24. 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

Consolidated - 2026	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Profit participating notes	-	-	276,473	276,473
Financial assets at fair value through profit or loss	8,984	-	1,385	10,369
Total assets	8,984	-	277,858	286,842

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

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 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 in private companies are recorded at fair value determined on the basis of the latest traded price.

Note 24. 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 2024	1,050	6,436	7,486
Additions	1,200	-	1,200
Benefit received	(81)	-	(81)
Loss on revaluation of financial assets at fair value through profit or loss	(969)	-	(969)
Acquisition of profit participating notes	-	37,481	37,481
Gain on revaluation	185	1,030	1,215
Sale of profit participating notes	-	(3,072)	(3,072)
Balance at 30 June 2025	1,385	41,875	43,260
Acquisition of profit participating notes	-	234,749	234,749
Sale of profit participating notes	-	(2)	(2)
Loss on revaluation	-	(149)	(149)
Balance at 30 June 2026	1,385	276,473	277,858

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

Description		Sensitivity 2026	Sensitivity 2025
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	$11,059,000 (increase/decrease)	$1,675,000 (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)	$69,000 (increase/decrease)

Note 25. 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 2026 $	Consolidated 2025 $
Short-term employee benefits	1,433,669	1,509,156
Post-employment benefits	110,916	129,834
Long-term benefits	32,585	26,594
Termination benefits	-	33,769
Share-based payments	1,060,219	1,264,455
	2,637,389	2,963,808

Note 26. 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	
	2026	**2025**
	$	**$**
Audit services - Ernst & Young		
Audit or review of the financial statements	319,866	264,800
Other services - Ernst & Young		
Tax compliance	21,000	23,980
Tax compliance for funds	140,700	149,904
Other services for funds	10,000	5,000
	171,700	178,884
	491,566	443,684
The following assurance services for funds audited by *Ernst & Young*		
Fund audits	449,950	380,360
Compliance plan audit	55,900	51,600
Fund GS007 audit	31,140	30,000
Fund capital raising assurance services	150,000	-
AFSL audit	12,400	12,000
	699,390	473,960
Audit services - former auditor Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	-	50,488

Note 27. Contingent liabilities

The group had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Note 28. Commitments

The group had no capital commitments as at 30 June 2026 and 30 June 2025.

Note 29. Related party transactions

Parent entity
Pengana Capital Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Associates
Interests in associates are set out in note 10.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 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	
	2026	**2025**
	$	**$**
Sale of goods and services:		
Management fees	42,476,604	40,734,175
Performance fees	6,018,775	16,338,677
Payment for other expenses:		
Management fee rebates paid	76,440	-

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

	Consolidated	
	2026	**2025**
	$	**$**
Current receivables:		
Management fees and performance fees from Funds	3,645,654	6,797,915

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

	Consolidated	
	2026	**2025**
	$	**$**
Non-current receivables:		
Loan to related parties	315,735	331,594
Current borrowings:		
Loan from other related parties	2,833,906	-
Non-current borrowings:		
Loan from other related parties	3,400,688	-

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates, except non-current receivables, which are interest-free loans to shareholders, and borrowings as disclosed in note 16.

Note 30. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $'000	**2025 $'000**
Loss after income tax	(2,624)	(1,145)
Total comprehensive loss	(2,624)	(1,145)

Statement of financial position

	Parent	
	2026 $'000	**2025 $'000**
Total current assets	11,271	19,844
Total assets	232,180	239,904
Total current liabilities	-	2,394
Total liabilities	-	2,394
Equity		
Contributed equity	233,204	233,717
Profits reserve	33,264	37,503
Share-based payments reserve	13,006	10,960
Accumulated losses	(47,294)	(44,670)
Total equity	232,180	237,510

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 2026 and 30 June 2025.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 35, 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 31. 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 35:

Name	Principal place of business / Country of incorporation	Ownership interest 2026 %	Ownership interest 2025 %
Pengana Holdings Pty Ltd	Australia	100.00%	100.00%
Pengana Capital Ltd	Australia	100.00%	100.00%
Pengana Investment Management Ltd	Australia	100.00%	100.00%
Pengana USA Holdings Inc.	United States of America	100.00%	100.00%
Pengana Capital Markets Pty Ltd	Australia	100.00%	100.00%
TermPlus Pty Ltd	Australia	100.00%	100.00%
Pengana Credit Pty Ltd	Australia	100.00%	100.00%
TermPlus	Australia	7.34%	25.00%
Pengana Global Private Income Fund	Australia	4.39%	-
Pengana Global Private Income Fund No 2	Australia	0.02%	-

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

Note 32. Cash flow information

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
(Loss)/profit after income tax (expense)/benefit for the year	(5,598)	2,610
Adjustments for:		
Depreciation and amortisation	3,207	3,212
Share of profit - associates	(1,922)	(896)
Share-based payments	2,046	1,924
Distribution expense to unitholders	11,267	-
Other non-cash items	359	(936)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(10,925)	636
(Increase)/decrease in income tax refund due	(1,607)	940
Increase in deferred tax assets	(1,908)	-
Decrease/(increase) in prepayments	38	(72)
Increase in trade and other payables	3,110	3,021
(Decrease)/increase in provision for income tax	(2,394)	2,394
Increase/(decrease) in employee benefits	138	(144)
Decrease in distribution payable to unitholders	(2,902)	-
Net cash (used in)/from operating activities	(7,091)	12,689

Note 32. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated	
	2026 $'000	2025 $'000
In-specie transfer of securities from unitholders to fund applications	-	3,072
Dividends withheld from company shareholders with outstanding loans under loan share plan	(212)	(623)
Dividends applied on outstanding loans under loan share plan	212	623
Dividends withheld from company shareholders with outstanding other loans	(21)	(19)
Dividends applied on outstanding other loans	21	19
Share buy-back of treasury shares	(261)	(10,875)
	(261)	(7,803)

Changes in liabilities arising from financing activities

Consolidated	Related party borrowings $'000	Lease liabilities $'000
Balance at 1 July 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	-	2,063
Net cash from/(used in) financing activities	6,235	(984)
Other changes	-	76
Balance at 30 June 2026	6,235	1,155

Note 33. Share-based payments

At the 5 November 2025 Annual General Meeting, shareholders approved the adoption of the Pengana Rights Plan and the grant of securities under the plan. On 15 December 2025, under the Pengana Rights Plan, 2,410,831 options with an exercise price set at a premium to market value were granted to Russel Pillemer and/or his nominee and 5,323,980 performance rights were granted to employees (including 862,015 granted to Russel Pillemer and/or his nominee).

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.

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.

(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 ATSR 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.

Note 33. Share-based payments (continued)

During the financial year, the group granted 5,323,980 (2025: 4,501,634) performance rights with a measurement period from 1 July 2025 to 30 June 2028 (3 years) to employees (including 862,015 granted to Russel Pillemer and/or his nominee). A share-based payments expense of $1,292,000 (2025: $701,000) was recognised in the statement of profit or loss for the year ended 30 June 2026 for performance rights.

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

	Number of performance rights 2026	Weighted average exercise price 2026	Number of performance rights 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	4,501,634	$0.00	-	$0.00
Granted	5,323,980	$0.00	4,501,634	$0.00
Exercised	-	$0.00	-	$0.00
Expired/forfeited	(60,692)	$0.00	-	$0.00
Outstanding at the end of the financial year	9,764,922	$0.00	4,501,634	$0.00
Exercisable at the end of the financial year	-	$0.00	-	$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
15/12/2025	14/12/2040	$0.66	$0.00	45.00%	4.61%	4.09%	$0.278
15/12/2025	14/12/2040	$0.66	$0.00	45.00%	4.61%	4.09%	$0.385
09/03/2026	14/12/2040	$0.70	$0.00	45.00%	4.61%	4.56%	$0.303
09/03/2026	14/12/2040	$0.70	$0.00	45.00%	4.61%	4.56%	$0.447

(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 2026, the group granted Nil service rights to employees (2025: 1,356,100). A share-based payments expense of $285,000 (2025: $438,000) was recognised in the statement of profit or loss for the year ended 30 June 2026 for service rights.

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

	Number of service rights 2026	Weighted average exercise price 2026	Number of service rights 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	2,096,841	$0.00	864,198	$0.00
Granted	-	$0.00	1,356,100	$0.00
Exercised	-	$0.00	(30,864)	$0.00
Forfeited/expired	(161,728)	$0.00	(92,593)	$0.00
Outstanding at the end of the financial year	1,935,113	$0.00	2,096,841	$0.00
Exercisable at the end of the financial year	964,346	$0.00	475,308	$0.00

Note 33. Share-based payments (continued)

(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 15 December 2025, the group issued 2,410,831 premium exercise priced options to Russel Pillemer. The issue date fair value of the option was $0.106 per option. The PEPOs were fully vested on issue date. PEPOs have an expiry date of 30 June 2030, an exercise price of $1.54 payable per option and may be exercised any time between the elapsing of the exercise restriction period on 30 June 2028 and before the expiry date on 30 June 2030. A share-based payments expense of $256,659 was recognised in the statement of profit or loss for the year ended 30 June 2026 (2025: $417,000) for PEPOs.

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.

(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 $7,576,000 (2025: $7,802,000) were provided to employees and fund managers to acquire shares in the company. Under the plan the CEO has 971,000 (2025: 971,000) shares, employees and fund managers have 3,684,103 (2025: 3,809,103) 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 $214,000 which has been recognised in profit or loss for the year ended 30 June 2026 (2025: $368,000).

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 2026, total outstanding loans related to treasury shares were $9,011,000 (2025: $8,753,000).

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

	Number of LSP 2026	Weighted average exercise price 2026	Number of LSP 2025	Weighted average exercise price 2025
Outstanding at the beginning of the financial year	4,780,103	$1.35	26,377,669	$1.35
Exercised	-	$0.00	(10,722,732)	$1.20
Expired/forfeited	(125,000)	$1.51	(10,874,834)	$1.49
Outstanding at the end of the financial year	4,655,103		4,780,103	
Exercisable at the end of the financial year	2,556,400	$1.35	1,237,027	$1.35

The weighted average share price during the financial year was $0.73 (2025: $0.83) per ordinary share.

The weighted average remaining contractual life of shares granted under the LSP outstanding at the end of the financial year was 2.54 years (2025: 3.53 years).

Note 34. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
(Loss)/profit after income tax attributable to the owners of Pengana Capital Group Limited	(5,598)	2,610

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	93,753,742	90,613,719
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of performance and service rights	-	2,661,552
Weighted average number of ordinary shares used in calculating diluted earnings per share	93,753,742	93,275,271

	Cents	Cents
Basic earnings per share	(5.97)	2.88
Diluted earnings per share	(5.97)	2.80

The weighted average number of ordinary shares to calculate basic earnings per share excludes 4,655,103 (30 June 2025: 4,780,103) treasury shares.

For the year ended 30 June 2026, performance/service rights have been excluded in the weighted average number of shares used to calculate diluted earnings per share as they were anti-dilutive.

Note 35. 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.

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 36.

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 30.

Note 35. Material accounting policy information (continued)

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 2026 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.

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.

Note 35. Material accounting policy information (continued)

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 rise 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.

Interest income from financial assets measured at fair value through profit and loss is interest income earned on the PPNs and is recognised on the date that the entity is entitled to receive the income payment.

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.

Distribution expense to unitholders
The groups consolidated investment funds distribute income to unitholders for cash or reinvestment. The distributions are expensed in the statement of profit or loss and recognised as financing expenses in the statement of cash flows.

Capital raising and product development costs
Capital raising and product development costs are incurred when launching new funds or enhancing existing funds. Costs can include regulatory fees, professional fees, registry fees, ASX fees and capital raising costs. Capital raising costs include costs associated with both unlisted funds and an Initial Public Offering (IPO) for funds listed on the Australian Securities Exchange (ASX).

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.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

Note 35. Material accounting policy information (continued)

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 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.

Note 35. Material accounting policy information (continued)

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.

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.

Note 35. Material accounting policy information (continued)

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 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.

Note 35. Material accounting policy information (continued)

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.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

Finance costs
Finance costs are expensed in the period in which they are incurred based on the effective interest method.

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.

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.

Note 35. Material accounting policy information (continued)

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.

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.

Note 35. Material accounting policy information (continued)

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 2026/183, 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.

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 2026. 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.

Note 35. Material accounting policy information (continued)

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 36. 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 24 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 35. 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.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Control of entities where less than half of voting rights held
The group has exercised significant judgment in assessing whether it controls certain trusts for which a subsidiary acts as responsible entity and where less than half of voting rights are held. In making this assessment, management considered the responsible entity's substantive decision-making rights, removal rights held by unit holders and the group's exposure to variable returns from the trusts and whether the responsible entity acts as principal or agent. Based on this assessment, management concluded that the group controls certain trusts and therefore consolidates them in accordance with AASB 10 despite holding less than a majority of the units on issue.

Note 37. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 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 38. 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 1, Level 27
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

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 26 August 2026. The directors have the power to amend and reissue the financial statements.

Pengana Capital Group Limited
Consolidated entity disclosure statement
As at 30 June 2026

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	100.00%	Australia
Pengana Capital Ltd	Body Corporate	Australia	100.00%	Australia
Pengana Investment Management Ltd	Body Corporate	Australia	100.00%	Australia
Pengana USA Holdings Inc.	Body Corporate	United States of America	100.00%	Dual (Australia and USA)
Pengana Capital Markets Pty Ltd	Body Corporate	Australia	100.00%	Australia
TermPlus Pty Ltd	Body Corporate	Australia	100.00%	Australia
Pengana Credit Pty Ltd	Body Corporate	Australia	100.00%	Australia
TermPlus	Unit Trust	Australia	7.34%	Australia
Pengana Global Private Income Fund	Unit Trust	Australia	4.39%	Australia
Pengana Global Private Income Fund No.2	Unit Trust	Australia	0.02%	Australia

Pengana Capital Group Limited
Directors' declaration
30 June 2026

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 35 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 2026 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

David Groves	Russel Pillemer
Non-Executive Independent Chairman	Chief Executive Officer

26 August 2026
Sydney

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

Shape the future
with confidence

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 2026, the consolidated statement of profit or 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:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the 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 public interest entities 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 consolidated investment vehicles. As at 30 June 2026, these assets equate to 77% of the total assets held by the Group. As disclosed in Note 24, $276.47m 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. 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.	For the PPN investments held at 30 June 2026, our audit procedures included the following: - Obtained an understanding of the key processes adopted by management to determine the fair value of the investment at balance date; - Obtained the assurance report on the controls of the Trust's administrator in relation to Fund Administration Services for the year ended 30 June 2026 and assessed the auditor's qualifications, competence and objectivity and the results of their procedures relevant to the custody, recording and valuation of the Trust's financial assets; - Confirmed the PPN investment balance with the fund administrator of the PPN; - Obtained the most recent audited financial statements of the PPN issuer (at 31 December 2025), reviewing the nature of the underlying investments held and the accounting basis adopted for valuations. As the latest audited financial statements have a different year end to PCX, we assessed the reasonableness of the movement in the PPNs from the audited financial statement date to 30 June 2026; - Reviewed the qualifications, competence and objectivity of the auditing firm of the PPN issuer and considered the content of its audit opinion; - Considered management's assessment of the most recent unaudited financial information of the PPNs and obtained information from the PPN issuer manager (as available) and evaluated the quantum and reasonableness of any material fair value movements (or the lack thereof where movements may be expected) from the date of the latest audited financial information by comparing them to publicly available market information; and - Assessed the adequacy of the disclosures included in Note 24 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 vehicles managed by the Group. For the year ended 30 June 2026, management fees were $40.8m and performance fees were $6.0m. 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: - Assessed the effectiveness of controls at the relevant service provider over the calculation of management fees and performance fees; - Recalculated management fees and performance fees, in accordance with the Product Disclosure Statements; - Assessed the performance fees revenue recognition methodology applied in accordance with contractual arrangements and the requirements of AASB 15 *Revenue from Contracts with Customers*; and - Assessed the adequacy of the disclosures included in Note 3 to the financial report.

Shape the future
with confidence

Impairment of Goodwill

Why significant	How our audit addressed the key audit matter
As at 30 June 2026, the Group has goodwill of $40.6m 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: - Assessed the Group's determination of the CGUs to which goodwill is allocated; - Assessed 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; - Tested the mathematical accuracy of the impairment model; - Assessed 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 - Assessed the adequacy and appropriateness of the disclosures in Note 12 to the financial report.

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 2026 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:

- 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 11 to 18 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Pengana Capital Group Limited for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

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

Ernst & Young

R Da Silva

Rita Da Silva
Partner
Sydney
26 August 2026

Jaddus M Manga

Jaddus Manga
Partner
Sydney
26 August 2026

The shareholder information set out below was applicable as at 5 August 2026.

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	350	0.22
1,001 to 5,000	518	1.28
5,001 to 10,000	191	1.48
10,001 to 100,000	235	7.40
100,001 and over	57	89.62
	1,351	100.00
Holding less than a marketable parcel	176	

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
WHSP HOLDINGS PTY LIMITED	40,249,904	41.14
GLENEAGLE SECURITIES NOMINEES PTY LIMITED	20,681,250	21.14
PRETAGE PTY LTD	2,130,051	2.18
VENTI SEVEN PTY LTD	2,011,236	2.06
ROXTRUS PTY LIMITED (ROXANNE DUNKEL NO. 2 A/C)	1,803,150	1.84
DJG SERVICES PTY LIMITED (DKI ACCOUNT)	1,657,095	1.69
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,503,769	1.54
FARNWORTH HOUSE PTY LTD	1,228,256	1.26
ED PRENDERGAST	973,701	1.00
PILLEMER FAMILY HOLDINGS PTY LTD (THE CRAJER A/C)	971,000	0.99
RADD HOLDINGS PTY LIMITED (MYERS FAMILY A/C)	810,000	0.83
PENGANA HOLDINGS PTY LTD (PENGANA CAP GR L EMP SH A/C)	721,729	0.74
NETWEALTH INVESTMENTS LIMITED (WRAP SERVICES A/C)	692,043	0.71
DBR CORPORATION PTY LTD	685,906	0.70
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)	533,674	0.55
MR FREDERICK BRUCE WAREHAM	520,000	0.53
PENGANA HOLDINGS PTY LTD (PENGANA CAP GR L EMP SH A/C)	517,809	0.53
MR ANDREW STANLEY HALL	513,432	0.52
MRS CANDYCE WEINBREN	505,000	0.52
	79,249,005	81.02

Unquoted equity securities

	Number on issue	Number of holders
Service rights	1,935,113	10
Performance rights	9,764,922	43
Premium exercise priced options	5,554,601	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	41.14
Russel Craig Pillemer *	25,690,774	26.26

* The substantial notice lodged for Russel Pillemer discloses that he has a relevant interest in 25,690,774 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 Ltd (which Russel Pillemer controls)
- 10,772,732 shares held by Gleneagle Securities Nominees Pty Limited as custodian for Pillemer Family Holdings Pty Ltd (which Russel Pillemer controls)
- 971,000 shares held by Pillemer Family Holdings Pty Limited (which Russell Pillemer controls)
- 388,194 shares held by MRJ Capital Pty Limited (which Russel Pillemer controls)

25,690,774 shares are held by Pengana staff or their related parties (including the 22,040,444 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	7-Sep-26	226,667
Ordinary Shares	8-Sep-26	553,666
Ordinary Shares	14-Sep-26	311,369
Ordinary Shares	7-Sep-27	226,667
Ordinary Shares	8-Sep-27	553,668
Ordinary Shares	7-Sep-28	226,666
Ordinary Shares	22-Jun-35	75,479
Ordinary Shares	1-Dec-35	204,519
Ordinary Shares	9-Nov-36	132,168
Ordinary Shares	31-Oct-37	154,533
Ordinary Shares	9-Nov-38	376,066
Ordinary Shares	29-Nov-39	571,828
Ordinary Shares	5-Nov-40	551,035
		4,164,331

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