



PENGANA

CAPITAL GROUP

PENGANA CAPITAL GROUP LIMITED

31 DECEMBER
2024

INTERIM 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

Pengana Capital Group Limited
Contents
31 December 2024



Directors' report	1
Auditor's independence declaration	3
Statement of profit or loss	4
Statement of other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Directors' declaration	17
Independent auditor's review report to the members of Pengana Capital Group Limited	18

Pengana Capital Group Limited
Directors' report
31 December 2024



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 half-year ended 31 December 2024.

Directors

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

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

Principal activities

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

Dividends

Dividends paid during the financial half-year were as follows:

Consolidated	
31 Dec 2024	31 Dec 2023
\$'000	\$'000

On 29 August 2024, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2024 and paid on 18 September 2024 to the shareholders registered on 4 September 2024 (31 December 2023: 1.0 cent per ordinary share).

1,669	833
-------	-----

On 27 February 2025, the directors declared a fully franked interim dividend for the half-year ended 31 December 2024 of 2.0 cents per ordinary share. The dividend will be paid on 19 March 2025 to eligible shareholders on the register on 5 March 2025.

Significant changes in the state of affairs

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

Review of operations

The profit for the group after providing for income tax amounted to \$3,498,000 (31 December 2023: loss of \$873,000).

For a Review of Operations for the half-year ended 31 December 2024, please refer to the Shareholder Presentation ASX announcement accompanying this Report.

Matters subsequent to the end of the financial half-year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2024 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.

Rounding of amounts

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

Auditor's independence declaration

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

Pengana Capital Group Limited
Directors' report
31 December 2024



This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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

David Groves
Non-Executive Chairman

27 February 2025
Sydney

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

Russel Pillemer
Chief Executive Officer



**Shape the future
with confidence**

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

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

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

As lead auditor for the review of the half-year financial report of Pengana Capital Group Limited for the half-year ended 31 December 2024, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature of 'Rita Da Silva' in black ink.

Rita Da Silva
Partner
27 February 2025

Pengana Capital Group Limited
Statement of profit or loss
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 Dec 2024	31 Dec 2023
		\$'000	\$'000
Revenue			
Management fees		20,205	17,732
Performance fees		12,959	-
Total revenue	3	33,164	17,732
Share of profit/(losses) of associates accounted for using the equity method		769	(948)
Interest revenue		213	88
Other income and gains	4	760	1,314
Total revenue and income		34,906	18,186
Expenses			
Human resources expenses		(9,094)	(7,386)
Fund manager profit share expenses		(11,692)	(5,113)
Fund operating expenses		(2,386)	(1,748)
Distribution expense to unitholders		(539)	-
Occupancy expenses		(188)	(170)
Product development expenses		(835)	-
Technology and telecommunications expenses		(723)	(726)
Marketing and investment research expenses		(502)	(429)
Insurance expenses		(541)	(598)
Professional, registry and listing related expenses		(470)	(241)
Depreciation and amortisation expenses		(1,614)	(1,731)
Finance costs		(62)	(79)
Other operating expenses		(458)	(238)
Total expenses		(29,104)	(18,459)
Profit/(loss) before income tax expense		5,802	(273)
Income tax expense	5	(2,304)	(600)
Profit/(loss) after income tax expense for the half-year attributable to the owners of Pengana Capital Group Limited		3,498	(873)
		Cents	Cents
Basic earnings per share	16	4.02	(1.05)
Diluted earnings per share	16	3.98	(1.05)

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 half-year ended 31 December 2024



	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Profit/(loss) after income tax expense for the half-year attributable to the owners of Pengana Capital Group Limited	3,498	(873)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
(Loss)/gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	(37)	181
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	-	5
Other comprehensive income for the half-year, net of tax	(37)	186
Total comprehensive income for the half-year attributable to the owners of Pengana Capital Group Limited	3,461	(687)

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 31 December 2024



		Consolidated	
	Note	31 Dec 2024	30 Jun 2024
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		21,267	9,111
Trade and other receivables	6	16,994	7,566
Prepayments and deposits		1,165	687
Income tax refund due		-	940
Total current assets		<u>39,426</u>	<u>18,304</u>
Non-current assets			
Trade and other receivables	6	338	345
Financial assets at fair value through profit or loss	7	22,107	7,486
Investments accounted using the equity method	8	11,673	11,051
Property, plant and equipment		808	882
Intangibles	9	50,302	51,261
Right-of-use assets		2,355	2,785
Prepayments and deposits		771	771
Total non-current assets		<u>88,354</u>	<u>74,581</u>
Total assets		<u>127,780</u>	<u>92,885</u>
Liabilities			
Current liabilities			
Trade and other payables	10	13,902	6,657
Employee benefits		1,505	1,784
Lease liabilities		787	751
Liability to unitholders	11	13,950	6,255
Income tax liability		1,050	-
Total current liabilities		<u>31,194</u>	<u>15,447</u>
Non-current liabilities			
Trade and other payables	10	23	23
Employee benefits		233	203
Provisions		186	186
Lease liabilities		1,699	2,139
Deferred tax		1,316	1,455
Liability to unitholders	11	6,947	204
Total non-current liabilities		<u>10,404</u>	<u>4,210</u>
Total liabilities		<u>41,598</u>	<u>19,657</u>
Net assets		<u>86,182</u>	<u>73,228</u>
Equity			
Contributed equity	12	109,800	99,085
Reserves	13	48,968	50,227
Accumulated losses		<u>(72,586)</u>	<u>(76,084)</u>
Total equity		<u>86,182</u>	<u>73,228</u>

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

Pengana Capital Group Limited
Statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	98,969	26,169	(47,425)	77,713
Loss after income tax expense for the half-year	-	-	(873)	(873)
Other comprehensive income for the half-year, net of tax	-	186	-	186
Total comprehensive income for the half-year	-	186	(873)	(687)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	434	-	434
Share buy-back	(302)	-	-	(302)
Transfer from accumulated losses to profits reserve	-	24,312	(24,312)	-
Dividends paid (note 14)	-	(833)	-	(833)
Balance at 31 December 2023	<u>98,667</u>	<u>50,268</u>	<u>(72,610)</u>	<u>76,325</u>
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 half-year	-	-	3,498	3,498
Other comprehensive income for the half-year, net of tax	-	(37)	-	(37)
Total comprehensive income for the half-year	-	(37)	3,498	3,461
<i>Transactions with owners in their capacity as owners:</i>				
Loan repayment on treasury shares (note 12)	10,715	-	-	10,715
Share-based payments (note 13)	-	447	-	447
Dividends paid (note 14)	-	(1,669)	-	(1,669)
Balance at 31 December 2024	<u>109,800</u>	<u>48,968</u>	<u>(72,586)</u>	<u>86,182</u>

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 half-year ended 31 December 2024



	Consolidated	
Note	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	24,904	19,816
Payments to suppliers, customers and employees (inclusive of GST)	(22,128)	(17,721)
Dividends received	338	247
Interest received	199	88
Other revenue	159	87
Income taxes paid	(440)	(979)
Net cash from operating activities	3,032	1,538
Cash flows from investing activities		
Proceeds from loan to Pengana Private Credit Master Fund	1,110	-
Proceeds from disposal of equity accounted investments	-	75
Proceeds from disposal of property, plant and equipment	-	75
Proceeds from return of capital from subsidiaries (US)	-	58
Proceeds from shareholder loan repayments	7	3
Payments for purchase of financial instruments held at fair value through profit or loss	(14,068)	-
Payments for investments in associates and joint ventures	-	(1,500)
Payment for equity accounted investments	(169)	(1,015)
Payments for property, plant and equipment	(17)	(12)
Payments for security deposits	-	(2)
Payments for intangibles	9 (133)	-
Payment of loan to joint venture	-	(4,107)
Proceeds from joint venture loan repayment	-	2,950
Net cash used in investing activities	(13,270)	(3,475)
Cash flows from financing activities		
Payments received on repayment of treasury share loans	10,715	-
Payments for share buy-backs	-	(302)
Dividends paid	14 (1,669)	(833)
Repayment of lease liabilities	(469)	(448)
Proceeds from unitholders	13,982	-
Distribution paid to unitholders	(165)	-
Net cash from/(used in) financing activities	22,394	(1,583)
Net (decrease)/increase in cash and cash equivalents	12,156	(3,520)
Cash and cash equivalents at the beginning of the financial half-year	9,111	14,180
Cash and cash equivalents at the end of the financial half-year	21,267	10,660

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements cover Pengana Capital Group Limited as a consolidated entity consisting of Pengana Capital Group Limited ('company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively the 'group'). The financial statements are presented in Australian dollars, which is Pengana Capital Group Limited's functional and presentation currency.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 during the financial half-year ended 31 December 2024 and are not expected to have any significant impact for the full financial year ending 30 June 2025.

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

Note 2. 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.

Note 3. 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.

Note 4. Other income and gains

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Rental income	79	45
Other income	681	1,269
	<u>760</u>	<u>1,314</u>

Note 5. Income tax

The group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
<i>Income taxes</i>		
Current income tax expense	2,458	520
Deferred income tax expense relating to origination and reversal of temporary differences	(154)	80
Income tax expense recognised in statement of profit or loss	<u>2,304</u>	<u>600</u>

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Current assets</i>		
Management fees receivable	3,688	2,998
Performance fees receivable	12,952	3,163
	<u>16,640</u>	<u>6,161</u>
Other receivables	<u>354</u>	<u>1,405</u>
	<u>16,994</u>	<u>7,566</u>
<i>Non-current assets</i>		
Other loans	<u>338</u>	<u>345</u>
	<u>17,332</u>	<u>7,911</u>

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

Note 7. Financial assets at fair value through profit or loss

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Financial instrument	1,003	1,050
Profit participating notes	21,104	6,436
	<u>22,107</u>	<u>7,486</u>

Refer to note 15 for further information on fair value measurement.

Note 8. Investments accounted using the equity method

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Investments in associates	11,673	11,051

Interests in associates

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2024	30 Jun 2024
		%	%
Pengana Private Equity Trust	Australia	0.89%	0.84%
Pengana Diversified Private Credit Fund	Australia	0.01%	0.01%
Pengana International Equities Limited*	Australia	2.69%	2.69%

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

Note 9. Intangibles

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
<i>Non-current assets</i>		
Goodwill - at cost	40,860	40,860
Acquired relationships - at cost	27,220	27,220
Less: Accumulated amortisation	(18,183)	(17,150)
	<u>9,037</u>	<u>10,070</u>
Software - at cost	469	335
Less: Accumulated amortisation	(64)	(4)
	<u>405</u>	<u>331</u>
	<u>50,302</u>	<u>51,261</u>

Note 9. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-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	-	-	133	133
Amortisation expense	-	(1,033)	(59)	(1,092)
Balance at 31 December 2024	<u>40,860</u>	<u>9,037</u>	<u>405</u>	<u>50,302</u>

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current liabilities</i>		
Trade payables	341	59
Accrued expenses	3,807	2,742
Fund manager profit share	9,207	3,802
Other payables	547	54
	<u>13,902</u>	<u>6,657</u>
<i>Non-current liabilities</i>		
Other payables	23	23
	<u>13,925</u>	<u>6,680</u>

Note 11. Liability to unitholders

	Consolidated	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<i>Current liabilities</i>		
Net assets attributable to unitholders	<u>13,950</u>	<u>6,255</u>
<i>Non-current liabilities</i>		
Net assets attributable to unitholders	<u>6,947</u>	<u>204</u>
	<u>20,897</u>	<u>6,459</u>

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

Note 12. Contributed equity

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	98,971,710	109,846,544	117,602	132,654
Less: Treasury shares	(4,780,103)	(26,377,669)	(7,802)	(33,569)
	<u>94,191,607</u>	<u>83,468,875</u>	<u>109,800</u>	<u>99,085</u>

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)
Balance	31 December 2024	<u>98,971,710</u>	<u>117,602</u>

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	31 December 2024	<u>(4,780,103)</u>	<u>(7,802)</u>

Share buy-back

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

Loan adjustment recognised on loan repayment on treasury shares

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

During the half-year Employee Share Plan loans totalling \$23,512,000 were due for repayment, of these \$10,715,000 were repaid and \$12,797,000 were forfeited and the associated shares bought-back.

Note 13. Reserves

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Profits reserve	39,394	41,063
Foreign currency reserve	91	91
Share-based payments reserve	9,483	9,036
Financial assets at fair value through other comprehensive income (OCI) reserve	-	37
	<u>48,968</u>	<u>50,227</u>

Note 13. Reserves (continued)

Movements in reserves

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

	Profits reserve \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Financial assets at fair value through OCI reserve \$'000	Total \$'000
Consolidated					
Balance at 1 July 2024	41,063	91	9,036	37	50,227
Revaluation, net of tax	-	-	-	(37)	(37)
Dividend paid	(1,669)	-	-	-	(1,669)
Share-based payments	-	-	447	-	447
Balance at 31 December 2024	<u>39,394</u>	<u>91</u>	<u>9,483</u>	<u>-</u>	<u>48,968</u>

Note 14. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated
	31 Dec 2024 31 Dec 2023
	\$'000 \$'000

On 29 August 2024, a fully franked final dividend of 2.0 cents per ordinary share was declared for the year ended 30 June 2024 and paid on 18 September 2024 to the shareholders registered on 4 September 2024 (31 December 2023: 1.0 cent per ordinary share).

<u>1,669</u>	<u>833</u>
--------------	------------

On 27 February 2025, the directors declared a fully franked interim dividend for the half-year ended 31 December 2024 of 2.0 cents per ordinary share. The dividend will be paid on 19 March 2025 to eligible shareholders on the register on 5 March 2025.

Note 15. 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 - 31 Dec 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial instruments at fair value through profit or loss	-	-	1,003	1,003
Profit participating notes	-	-	21,104	21,104
Total assets	<u>-</u>	<u>-</u>	<u>22,107</u>	<u>22,107</u>

Note 15. Fair value measurement (continued)

Consolidated - 30 Jun 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
Financial instruments at fair value through profit or loss	-	-	1,050	1,050
Profit participating notes	-	-	6,436	6,436
Total assets	-	-	7,486	7,486

There were no transfers between levels during the financial half-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, excluding liability to unitholders, 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 instrument at fair value through profit or loss (level 3)

Financial instrument at fair value through profit or loss represents a future reduction in management fees payable to Lizard for Lizard's management of Pengana Global Small Companies Fund, received as consideration for divestment from Lizard Investors LLC. The fair value of financial instrument at fair value through profit or loss has been calculated using a discounted cash flow model with key valuation inputs being estimated funds under management for Pengana Global Small Companies Fund and a cost of equity discount rate.

Level 3 assets and liabilities

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

Consolidated	Financial assets at fair value through profit or loss \$'000	Profit participating notes \$'000
Balance at 1 July 2024	1,050	6,436
Acquisition of profit participating notes	-	14,068
Benefit received	(47)	-
Gain on revaluation	-	600
Balance at 31 December 2024	1,003	21,104

Sensitivity disclosures have not been included in the interim report as the potential impact to net assets and net profit is immaterial.

Note 16. Earnings per share

	Consolidated	
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners of Pengana Capital Group Limited	3,498	(873)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	87,081,969	83,217,525
Adjustments for calculation of diluted earnings per share:		
Dilutive impact of treasury shares accounted for as options	-	-
Dilutive impact of service rights	880,667	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	87,962,636	83,217,525
	Cents	Cents
Basic earnings per share	4.02	(1.05)
Diluted earnings per share	3.98	(1.05)

The weighted average number of ordinary shares to calculate basic earnings per share excludes 4,780,103 (31 December 2023: 27,375,314) treasury shares.

Note 17. Share-based payments

At the 29 November 2024 Annual General Meeting, shareholders approved the adoption of the Pengana Rights Plan and the grant of securities under the plan. On 19 December 2024 under the Pengana Rights Plan 3,143,770 options in the form of Options with an exercise price set at a premium to market value were granted to Russel Pillemer and/or his nominee, 856,000 service rights were granted to employees and 4,501,634 performance rights were granted to employees (including 892,744 granted to Russel Pillemer and/or his nominee).

Note 18. Events after the reporting period

Apart from the dividend declared as disclosed in note 14, no other matter or circumstance has arisen since 31 December 2024 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 19. General information

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

Pengana Capital Group Limited
Directors' declaration
31 December 2024



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

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

David Groves
Non-Executive Chairman

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

Russel Pillemer
Chief Executive Officer

27 February 2025
Sydney



**Shape the future
with confidence**

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

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

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

Conclusion

We have reviewed the accompanying half-year 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 31 December 2024, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**Shape the future
with confidence**

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature of 'Rita Da Silva' in black ink.

Rita Da Silva
Partner
Sydney
27 February 2025

A handwritten signature of 'Jaddus Manga' in black ink.

Jaddus Manga
Partner
Sydney
27 February 2025



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