



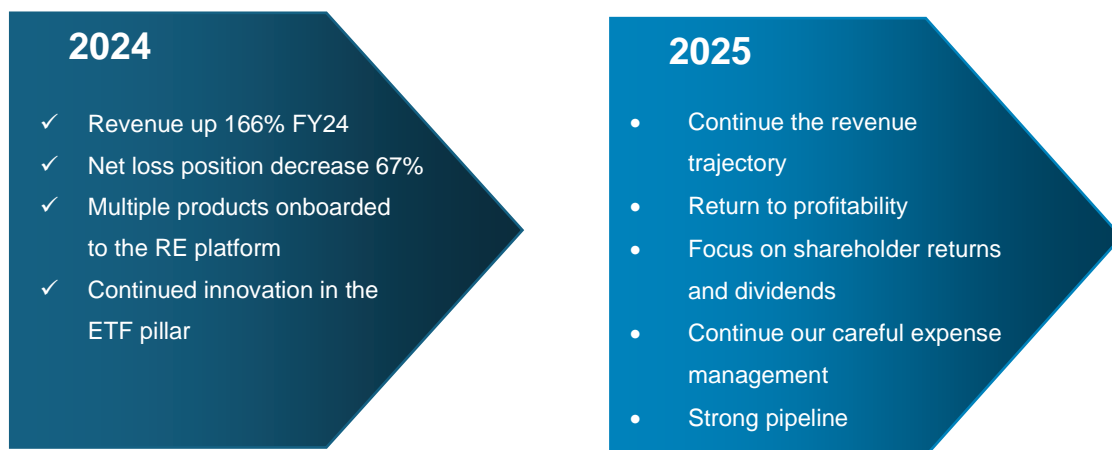
K2 Asset Management Holdings Ltd

Media Release 28 August 2024

2024 Financial Year End results and update

DELIVERING ON GROWTH STRATEGY

K2 Asset Management Ltd (**K2**) has showcased the success of its growth strategy in the 2024 financial year (**FY24**) as year-end results show a revenue increase of 166% to \$5.3 million. The 3-pillar strategy which has been the focus since 2020 continues to be validated with multiple transitions into the Responsible Entity (**RE**) pillar of the business and strong growth in Assets Under Management (**AUM**) to \$4.4 billion at 30 June 2024.



AUM	REVENUE	PROFITABILITY	STRATEGY
\$4.4 billion As at 30 June 2024	Up 166%	A decrease in the net loss of 67%	Growth strategy success

The long-term profitability of K2, including a return to the issuance of dividends to shareholders, is the primary focus for the Board as we look ahead with positivity to the 2025 financial year (**FY25**). We continue to build sustainable revenue lines across the 3 core pillars of our service offering:

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

Although a net loss was recorded, it was a significant improvement from the previous year totalling a loss of \$0.6 million. As the business continues to evolve to the 3-pillar model, there were a number of expenses that will not carry forward to FY25, including \$0.1 million related to the transition of funds onto the K2 platform. In addition, there were increased

professional expenses of \$0.2 million during FY24 as we actively pursued various opportunities and revenue lines that warranted the investment

The table below provides total AUM as of 30 June 2024 and the relevant comparative periods.

	Asset Under Management (AUM) AUD \$millions			
	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Responsible Entity (RE), Trustee & Administration Services	1,330.6	1,867.0	4,030.6	4,336.4
Exchange Traded (ETF) & Listed Fund Services	-	-	301.0	257.4
Funds Management*	92.2	76.5	66.4	82.3
Total AUM	1,355.0	1,889.2	4,051.3	4,369.7

The above information is unaudited. Total AUM will not sum in aggregate, as it refers to non-duplicated AUM across the 3-pillars. *Funds Management consists of the K2 Australian Absolute Return Fund, Select International Alpha Fund, K2 Asian Absolute Return Fund, K2 Global High Alpha Fund and K2 Australian Small Cap Fund (ASX: KSM), SMAs and private mandates. The underlying service fee charged for the above listed 3 core pillars of service offerings are at different rates.

It was an extremely strong year for the RE pillar of the business as K2 successfully completed the transition of 6 products and additional administration services of \$1.7 billion in AUM in July 2023. The solid start to FY24 continued throughout FY24 and shareholders can see the revenue lines from these successes with total revenue in the RE pillar increasing year on year by 335%, to over \$4 million.

The strong trajectory of the RE pillar is underpinned with a unique offering which distinguishes it from competitors in the market. K2's outstanding people and working culture has continued to attract new clients and opportunities as K2 build a team to support the future growth of the business.

K2's expertise in the listed fund space was highlighted during the year, not only with the successful transition of listed funds onto their platform but also the quotation of the first spot currency digital asset ETF to be quoted on the ASX.

K2's hands on approach to the admission process and long-term expertise in the ETF space is gaining traction in the market and K2 have a number of additional ETFs in the pipeline to be announced in FY25. As long-term supporters of ETFs, K2 are working to be a true alternative to managers entering the ETF market and providing this simple distribution channel for both boutique and established management clients.

The funds management pillar continues to evolve to support external managers onboarding to K2's platform in addition to the internal investment team. Progress continues to be made in the institutional wholesale space as the team work towards securing mandates directed by distribution partner, IDP Australia.

The funds management pillar has had a successful partnership with UK based fund manager, Liontrust Investment Partners LLP, who manage our global offering, Select International Alpha Fund. Returns have been strong since this global team began to manage this strategy in January 2023. This fund of fund strategy is a high growth opportunity and K2 continue to search for similar global investment partnerships to complement the internally managed funds.

The financial strength of K2 has endured during this period of transformation with that cash on balance sheet continuing to remain high at \$8.6 million. The strong balance sheet continues to provide strategic optionality and flexibility in the future.

The trajectory is focused on a return to profitability with a 3-pillar model seeking sustainable revenue. As profitability approaches, K2's attention turns to making the \$5.6 million in franking credits available for distribution to shareholders. Looking ahead, the Board is focused on the pipeline of new business and will continue the uncompromising pursuit of opportunities that will benefit the business and shareholder returns.

If you have any questions, please contact:

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