PENGANA INTERNATIONAL EQUITIES LIMITED

ASX: PIA

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ASX ANNOUNCEMENT

Chairman's Letter

31 August 2026

Dear Shareholder,

Pengana International Equities Limited (**PIA**, or the **Company**) presents its results for the year to 30 June 2026 (**FY26**).

FY26 Highlights

- Strategic review: The Board's strategic review resulted in the announcement of an integrated capital management package (**Capital Management Proposal**) providing shareholders with genuine choice to exit at close to the Company's net tangible asset value or remain invested in the Company and, for those who remain invested, a proposed transition of sub-investment management from Harding Loevner LP (**Harding Loevner**) to Antipodes Partners Limited (**Antipodes**), a highly regarded global equities manager with a strong investment record.
- Net profit after tax: $6.0 million (2.33 cents per share (**cps**))
- Total Shareholder Return (**TSR**): 12.9%
- Total Portfolio Return (**TPR**): 2.1%
- Dividend Yield: 4.3% (5.7% when grossed up for franking credits)
- Fully franked special dividend of 12.5 cps announced on 26 June 2026 (**Fully Franked Special Dividend**), payable on 19 August 2026
- Fully franked September-quarter dividend of 1.4 cps announced on 27 July 2026 (**Fully Franked September-quarter Dividend**), payable on 15 September 2026

Performance for the Year

The TPR, which comprises dividends paid and the increase in the value of net tangible assets (**NTA**) before provision for tax on unrealised gains, was 2.1% for FY26.

The TSR, which combines dividends paid with changes in PIA's share price, was 12.9%. Taking into account the value of franking credits, the TSR increases to 14.4%. This result was supported by a narrowing of the share price discount to NTA following the appointment of the new Board and the subsequent announcement of the strategic review and Capital Management Proposal, which drove a re-rating of the share price relative to underlying NTA.

Financial Position

The Company remains in a sound financial position. At 30 June 2026, the value of its global listed investment portfolio was $343.6 million, with a further $13.7 million held in cash.

Net tangible assets stood at $313.4 million, after recognising the $32.2 million special dividend payable. The Company also had no borrowings for FY26.

Dividends and Capital Management Proposal

During FY26, shareholders received fully franked ordinary dividends totalling 5.5 cps, paid quarterly, with the quarterly dividend rate increasing from 1.35 to 1.4 cps during the year. This equates to an annualised dividend yield of 4.3%, or 5.7% when grossed up for franking credits.

In addition, on 26 June 2026 the Board declared the Fully Franked Special Dividend, payable on 19 August 2026. The Board has also declared a Fully Franked September-quarter Dividend of 1.4 cps, franked at the Company's 25% corporate tax rate, with a record date of 1 September 2026 and payment date of 15 September 2026.

Franking of the Fully Franked Special Dividend and the Fully Franked September-quarter Dividend has been made possible by the Company's existing franking credit balance together with tax payable in respect of FY26, and will also draw on the Company's deferred tax liability, which is expected to crystallise and convert into additional franking credits as the investment portfolio is realised in connection with the transition from Harding Loevner to Antipodes and the funding of the Buy-Back (as defined below).

The Company’s aggregated turnover for the year was less than $50 million and, as a result, PIA qualifies for the lower corporate tax rate of 25% for FY27. Accordingly, dividends paid during FY27 will be franked at the 25% corporate tax rate.

During the year the Board suspended the on-market buy-back supporting shares issued under the Dividend Reinvestment Plan (**DRP**), with 45,000 shares acquired on-market prior to the suspension. The DRP is not in operation for the Fully Franked September-quarter Dividend or the Fully Franked Special Dividend.

Strategic Review

The Board recognises that shareholders have experienced a frustrating period over recent years. Despite a number of changes to the Company’s investment strategy and investment management arrangements, investment performance has not met the Board’s expectations and the Company’s shares have continued to trade at a persistent discount to NTA. Together, these outcomes have resulted in a prolonged period of disappointing returns for shareholders.

During the financial year, the composition of the Board changed significantly. Following the Annual General Meeting held on 21 October 2025, four new non-executive directors - Mr Geoff Wilson, Mr Richard Caldwell, Mr Julian Martin and Mr Jesse Hamilton - were appointed to the Board, and Mr Russel Pillemer (Managing Director), Mr David Groves and Ms Sandi Orleow were removed as directors by shareholders. Mr Brett Jollie was subsequently appointed as an additional non-executive independent director on 27 November 2025. Mr Frank Gooch retired as Chair and Director on 16 February 2026, with Mr Jollie appointed as Chairman.

The newly constituted Board announced the commencement of a comprehensive strategic review of the Company’s operations, investment management arrangements and capital structure (**Strategic Review**) on 21 October 2025. Following receipt of a proposal from companies associated with Mr Wilson and Mr Hamilton, the Board adopted insider proposal protocols and established an Independent Board Committee (**IBC**) on 24 November 2025 comprising Mr Gooch (until his retirement on 16 February 2026), Mr Caldwell and Mr Martin to conduct and oversee this stage of the Strategic

Review. Mr Jollie joined the IBC on 27 November 2026. Mr Wilson and Mr Hamilton were excluded from the IBC's deliberations.

The IBC considered a range of strategic alternatives aimed at addressing the Company's persistent discount to NTA and enhancing long-term shareholder value. The IBC completed its review and made its recommendation to the full Board in March 2026, at which point the IBC was dissolved. By that time, any company associated with Mr Wilson and Mr Hamilton ceased to be a potential proposer in the context of the Strategic Review, which resolved the conflicts that had necessitated the IBC's establishment. The full Board, having received the IBC's recommendation, and progressed its deliberations, concluded that none of the other alternatives it considered delivered the same combination of fairness, transparency, shareholder choice and long-term value as the integrated Capital Management Proposal and proposed change in sub-investment manager ultimately developed by the Board.

The resulting Capital Management Proposal was designed to address the persistent NTA discount, provide shareholders with genuine choice to exit at close to the Company's net tangible asset value or remain invested and, for those who remain invested, create a pathway to the next chapter of the Company's evolution under the proposed sub-investment management of Antipodes.

The Capital Management Proposal comprises three integrated elements:

- the Fully Franked Special Dividend;
- an off-market equal access buy-back at the Company's after-tax NTA, less transaction costs (**Buy-Back**); and
- a conditional non-renounceable pro-rata rights issue (assuming the Company retains sufficient scale following the Buy-Back) (**Capital Raise**).

These elements have been designed to work together. The Fully Franked Special Dividend distributes franking credits to all shareholders on an equal basis before the Buy-Back alters the register. The Buy-Back provides optional liquidity at a transparent, NTA-based price for those shareholders who wish to exit. Assuming the Company retains sufficient scale, the proposed Capital Raise is intended to rebuild the asset base and support the transition to Antipodes.

An important feature of this approach is that it restores genuine choice to shareholders. Those who wish to remain invested can participate in what the Board believes will be an exciting new chapter for the Company, while those who wish to exit may do so through the Buy-Back at a transparent price based on after-tax NTA (less transaction costs).

For shareholders who remain invested, the Board has also sought to address the discount to NTA on an ongoing basis. Quarterly dividends are intended to continue, and following a period of stabilisation post-transition, the Board intends to consider mechanisms for the ongoing management of the Company's discount to NTA, including a rolling quarterly buy-back within applicable regulatory limits and subject to solvency and Board discretion. This is intended to provide continuing shareholders with an ongoing opportunity to realise value at or around NTA over time, without needing to rely solely on the market for liquidity.

The market's initial response to the Board's strategy has been encouraging. Following the announcement of the Capital Management Proposal and proposed transition to Antipodes, the Company's share price discount to NTA narrowed. While market prices will always fluctuate, the Board believes this reflected renewed confidence in the Company's future direction. This confidence was echoed by shareholders at the Extraordinary General Meeting held on 27 July 2026, where the buy-back resolution was approved by a substantial majority of votes cast.

Transition to Antipodes

The portfolio was managed during FY26 by Harding Loevner. While Harding Loevner has a strong long-term record, its investment approach has faced headwinds over recent years and its performance as sub-investment manager of the Company has not met the Board's expectations.

As part of the Strategic Review, the Board determined that Antipodes would, subject to completion of the Capital Management Proposal and due diligence, be well placed to lead the Company's next phase. Antipodes is a highly regarded global equities manager with a well-established investment capability and a strong investment record.

Antipodes is a specialist global equities manager based in Sydney, managing approximately $20 billion across its strategies, and was named Morningstar's 2026 Fund Manager of the Year. Subject to formal Board approval, PIA's portfolio is proposed to be managed in line with Antipodes' global small and mid-cap strategy, which is rated 'Recommended' by both Lonsec and Zenith Investment Partners.

The Board believes Antipodes' disciplined, high-conviction approach, focus on valuation and emphasis on risk management are well suited to PIA and the opportunities ahead.

Litigation Update

As previously disclosed to shareholders, Pengana Capital Limited, a 1.34% shareholder of the Company and a related entity of PIA's investment manager, Pengana Investment Management Limited, has commenced proceedings in the Supreme Court of New South Wales seeking, among other things, a declaration that Resolution 1 is invalid and an order restraining the Company and its directors from giving effect to the buy-back.

The Company is defending the proceedings and intends to implement the buy-back in accordance with the published timetable subject to any Court order, regulatory requirement or decision by the Board to vary the timetable as otherwise contemplated in the buy-back booklet.

Outlook

After many months of detailed review, the Board believes the Capital Management Proposal and appointment of Antipodes as sub-investment manager represents the fairest and most balanced path forward for the Company.

For shareholders who wish to exit, the Buy-Back provides optional liquidity at a transparent, NTA-based price. For those who remain invested, the proposed transition to Antipodes provides a pathway to the next chapter of PIA's evolution under a differentiated global equities strategy.

The Board believes PIA enters FY27 with a sound financial position, a clear strategic direction and an investment management approach well suited to delivering long-term value for shareholders.

On behalf of the Board, I thank shareholders for their patience, engagement and support throughout this period of significant change.

Yours sincerely,

Brett Jollie
Chairman