

RESPONSIBLE ENTITY:

K2 ASSET MANAGEMENT LTD

(ABN 95 085 445 094) (AFSL 244 393)

Half-Year Financial Report

For the period ended 31 December 2024

ARSN 625 636 473

**VENTURE CAPITAL
OPPORTUNITIES
FUND** INVESTING IN SQUARE PEG II

Venture Capital Opportunities Fund

Contents

31 December 2024

Directors' letter	2
Portfolio positioning	4
Directors' report	7
Auditor's independence declaration	9
Condensed statement of profit or loss and other comprehensive income	10
Condensed statement of financial position	11
Condensed statement of changes in equity	12
Condensed statement of cash flows	13
Notes to the condensed financial statements	14
Directors' declaration	18
Independent auditor's review report to the unitholders of Venture Capital Opportunities Fund	19
Directory	21

Venture Capital Opportunities Fund

Directors' letter

31 December 2024

Dear Unitholders,

It is once again a pleasure to be able to provide you with the Venture Capital Opportunities Fund (**Fund**) half-year Financial Report for the year ended 31 December 2024 (**HY25**).

As you will read further on, the Fund continues to be well positioned with the underlying portfolio continuing to mature and opportunities for realisations present themselves in the coming years. The Fund's post-tax NTA as of 31 December 2024 was \$4.16 per unit, representing a total uplift on your original investment of 135%.

Fund structure

Units in the Fund are fully paid, with the final investor instalment paid in 2022. The total amount paid per unit is \$1.80 which funded the original capital commitments of US\$11.2 million to Square Peg Fund II (SPFII, Manager), representing an interest of 4.8% in SPFII.

As at the end of HY25, SPFII has called a net amount of US\$10.27 million to invest in sixteen early-stage technology businesses. SPFII has now successfully exited from Puresec (2019) and Deci.AI (2024). Additionally, SPFII realised their position in OnLoop (2024) for nominal value.

Further detail on the underlying portfolio companies can be found below, as well as on pages 4 to 6: Portfolio Positioning.

Portfolio performance

In addition to the receipt of the proceeds from Deci.AI's realisation during the period and the subsequent distribution to Unitholders of \$0.05 per unit, SPFII recorded positive valuation movements in the holding value of their underlying portfolio companies, bolstered by the weakening of the Australian dollar (against the US Dollar) for the half-year. The Fund's non-foreign exchange fair value movement over the past 12-months was predominantly driven by positive revaluations on portfolio companies such as Neara, Q-CTRL, Deputy and Kredivo, as well as a reduction in the Fund's general provision, as alluded to in the FY2024 report. This increase was partly offset by downwards revaluations to StashAway and Sternum.

During the half-year, the Fund recorded a profit after tax of \$3.4 million. Of this, the total underlying fair value movement was \$3.4 million, with \$2.9 million of this attributable to beneficial foreign exchange movements as the AUD weakened by 7.2% during the period.

As of 31 December 2024, VCOF had net assets of \$42.4 million, representing \$4.16 per unit (30 June 2024: \$39.5 million and \$3.87 per unit). Since the Fund's inception (July 2018), including fair value movement and distributions paid, the Fund has returned 19% per annum (IRR basis) or 2.35x TVPI (total value, including distributions received, to paid-in unitholder investment).

Investment activity

SPFII has now invested 100% of capital called, and during HY25 the Manager participated in three follow-on investments in Neara, StashAway and HealthMatch (*individual detail below*). While the Fund is fully invested, these follow-on investments were enabled by the proceeds from the full exit from Deci.AI, with the distribution to the Fund being classified as fully recallable. We provide more colour on the nature of recallable distributions in our FY2024 report ([here](#)).

Neara closed its A\$45m Series C funding round (which SPFII participated in) during HY25 at a material valuation uplift which was adopted by the Fund. Proceeds from the raise will accelerate Neara's global operations across the US and Europe as the company continues to address the increasing challenges of energy resilience and infrastructure modernisation through its AI-powered digital modelling software. More broadly, Neara continues to deliver strong annual recurring revenue growth which has been driven by the US market and strong upsell across existing customers.

Venture Capital Opportunities Fund

Directors' letter

31 December 2024

StashAway's rate of growth accelerated during 2024, increasing by 50% year-on-year. The company recently raised a SAFE¹ and they intend to use proceeds to drive customer acquisition through product expansion and marketing. SPFI participated in the round, though the Fund's valuation of StashAway was marked to cost base in accordance with the terms of the SAFE.

Following a soft couple of years, **HealthMatch** made strong progress in 2024 with revenue increasing by 3x year-on-year. This recent growth has been driven by several breakthrough contract wins with major pharmaceuticals companies. Looking ahead, HealthMatch has a strong pipeline that presents material upside for the business over the next few years. SPFI's renewed confidence in the company led it to fund a small follow-on investment in the company during the half at a flat valuation to its Series C (2022) round.

Market update

High interest rates and inflation have posed persistent challenges in recent years, creating an unfavourable exit environment that has slowed capital flows in venture markets. This "liquidity drought" has led to reduced dealmaking as investors exercised greater caution. While macroeconomic conditions remain mixed – with risks such as tariffs, prolonged high interest rates, budget cuts, supply chain disruptions, and consumer defaults affecting businesses globally – there are encouraging signs for fundraising and dealmaking worldwide. Notably, the U.S. Federal Reserve has begun lowering rates, with further cuts anticipated in 2025, and the Reserve Bank of Australia followed suit in mid-February 2025 with its first rate cut in four years – an early indication that inflation is easing.

In 2024, Australian start-ups secured \$4 billion in venture capital funding, an 11% increase from 2023 but still below the peak fundraising years of 2020 and 2021, when SPFI was actively deploying capital. In the U.S., dealmaking remained sluggish, yet total deal value reached US\$209 billion, marking an increase from 2023 and reinforcing a generally positive outlook heading into 2025.

Fortunately, the underlying portfolio is of a ~6-year vintage, meaning that these slower exit years have not impacted liquidity for the Fund. The portfolio companies have continued to grow, with many evolving into significant businesses. While exit activity takes time, Manager anticipates an increase in opportunities over the next few years, peaking between 2026 and 2029. As noted in previous updates, the underlying portfolio company founders are working hard to deliver value to customers and shareholders, which is reflected in the results for HY25.

As always, we thank you for your continued support and look forward to updating you in future periods. Unitholders are encouraged to reach out to the Investor Relations team on (03) 9691 6110 or via email (vcof@k2am.com.au) with any questions.

Yours faithfully,



Hollie Wight

Managing Director, Head of RE & Trustee Services

12 March 2025

¹A Simple Agreement for Future Equity (SAFE) is a financial instrument first offered in 2013 that has gained popularity in the startup ecosystem, particularly among early-stage companies. SAFEs do not represent a current equity stake in a company. Instead, the SAFE terms must be met before you receive this stake. A SAFE is usually triggered when a specific amount of funding is met.

Venture Capital Opportunities Fund

Portfolio positioning

31 December 2024

Portfolio positioning

The investment management team at Square Peg Capital Pty Ltd (**Manager**) is focused on key business models and investment themes and has invested where the Manager sees potential for future value creation. SPFI has now invested 100% of capital called, with future capital expected to be used for portfolio management and follow-on investment purposes where applicable. The Fund is in a strong position to generate significant value in the years ahead with a number of portfolio companies growing strongly and shaping up as potential winners, including Kredivo, Zeller, Aidoc, and Doctor Anywhere.

Key portfolio company updates for HY25 can be found below:

Kredivo

Kredivo uses technology to extend credit to prime consumers in one of the most underpenetrated markets for credit, Indonesia. Its core product is a digital credit card and point-of-sale transaction engine that enables consumers to quickly and easily “Buy Now and Pay Later” (**BNPL**) on Indonesia’s leading e-commerce sites. Kredivo is a market leader in the third party BNPL segment in Indonesia, covering all major ecommerce and offline channels in the country via its open loop network. Kredivo has also been working on building out their product suite, including a new digital banking platform, Krom which launched in the last quarter of 2023 and represents significant strategic expansion for the business. More broadly, Kredivo’s geographic expansion across Southeast Asia continues to grow strongly. Most notably, Vietnam is growing by more than 60% year-on-year, while further markets are expected to launch in the next 12 months.

HY25 highlights: Kredivo extended some of its corporate debt facilities in HY25 which eased the need to raise further capital in the near term. Importantly, the company also remains profitable at the operating EBITDA level, with annualised revenue of ~\$500m and growth of 40% year-on-year.

The Fund’s position is held at the Series D (March 2023) valuation.

Zeller

Zeller is an Australian Fintech company which aims to provide small businesses with a complete and streamlined payment solution rather than needing to maintain a variety of relationships with a number of entities. Zeller aims to disrupt the financial services industry and take advantage of the big four’s “failure to evolve”. Zeller’s growth and scale to date is an amazing achievement for a business that only launched their core product three years ago. The growth over this period has cemented Zeller as one of Australia’s most exciting fintech companies.

HY25 highlights: the launch of Zeller Terminal 2, an all-in-one payments and point-of-sale (POS) solution for businesses. Revenue growth of ~100% year-on-year. Medium-term plans to expand outside of Australia.

The Fund’s position is held at the Series B (March 2022) valuation.

Aidoc

Aidoc is an Israeli technology company developing products that support and enhance the diagnostic power of radiologists, helping them expedite patient treatment and improve quality of care. Employing deep learning AI technology that identifies physical anomalies and flags the most urgent cases, Aidoc’s products assist radiologists to better prioritise life threatening cases and accelerate patient care.

HY25 highlights: strong annual recurring revenue growth of more than 50% year-on-year. Launch of its Clinical AI Reasoning Engine (**CARE**) foundational model, which has been submitted for FDA approval. Co-development of AI framework with NVIDIA which aims to accelerate AI adoption across the healthcare industry.

The Fund’s position is held at the Series D (June 2022) valuation.

Venture Capital Opportunities Fund
Portfolio positioning
31 December 2024

Doctor Anywhere

Doctor Anywhere is a regional tech-led healthcare company headquartered in Singapore. The company's mission is to improve healthcare outcomes across Southeast Asia. With a strong network of established healthcare providers and experienced doctors, Doctor Anywhere's digital platform enables users to manage their health easily and effectively through the Doctor Anywhere mobile app. Users can consult a licensed local doctor anytime, anywhere, and get medication delivered to their doorstep within hours. Medical history, health reports, and other documents are stored in-app for easy access. Doctor Anywhere provides healthcare to more than 2.8 million users across six countries (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and the Philippines), cementing its position as the leading digital health platform across Southeast Asia.

HY25 highlights: expanding and strengthening of the Executive Team, including the appointment of General Counsel and Head of Corporate Development.

The Fund's position is held at the Series C-2 (December 2023) valuation.

Additional Portfolio Company Summaries

Neara

Founded in 2016 by ex-Google software engineer Daniel Danilatos, Neara uses artificial intelligence and machine learning to create a dynamic 'digital twin' - a virtual model of an infrastructure network. Neara's software can be used to design or redesign parts of the network, analyse potential risks, and manage physical assets with a sophisticated physics and engineering engine. Neara continues to deliver annual recurring revenue growth which has been driven by the US market and strong upselling across existing customers.

During HY25 Neara closed a \$45m Series C funding round at a valuation uplift, which SPFI adopted and participated in.

StashAway

StashAway is a digital wealth management platform based in Southeast Asia that personalises financial planning and portfolio management for investors. It makes investment strategies accessible to the general public, leveraging technology and data, and providing consumers with access to a mobile investment platform that provides educational and wealth outcomes. During HY25 the company has continued to see a strong acceleration of growth (+50% year-on-year). The company raised a SAFE and they intend to use proceeds to drive customer acquisition through product expansion and marketing. SPFI participated in the round, though the Fund's valuation of StashAway was marked to cost in accordance with the terms of the SAFE.

Q-CTRL

Q-CTRL is an Australian company that provides software tools to improve the stability of quantum hardware, and the company continues to make strong progress with a growing pipeline of new projects. During HY25, the company closed its Series B extension funding round at a modest uplift and SPFI adjusted their valuation accordingly. Proceeds from this raise will enable the company to expand its investment in R&D and product engineering to enhance its offering for a growing portfolio of customers.

Deputy

Deputy has developed a Software as a Service (**SaaS**) product that assists organisations of any size, across multiple sectors, to effectively manage their rostered workforce. It enables staff to simply, and even automatically be scheduled, based on stated preferences and availability. It acts as a system of engagement for rostered staff and employers to communicate and share information with each other. Deputy also links to other systems such as payroll and timesheets to automate manual processes. The business continues to deliver solid revenue growth with ARR of more than A\$100m.

Venture Capital Opportunities Fund
Portfolio positioning
31 December 2024

Neuron

Neuron is a rental e-scooter and micromobility technology company on a mission to partner with the smart cities of the future, connecting people and places in a safe, convenient, and fun way. Neuron operates across 33 cities in Australia, Canada, New Zealand, and the United Kingdom. During HY25 the company was impacted by the conclusion of e-trials in the City of Melbourne, however this has been partially offset by recently securing a renewed contract in Brisbane and a number of cities in Canada.

HealthMatch

HealthMatch's mission is to dramatically accelerate patient recruitment to clinical trials, allowing for faster and more efficient access to life-saving medication. By employing innovative technology, HealthMatch can match patients to clinical trials in a matter of minutes. The company's positive revenue trajectory continued through HY25 with several breakthrough contract wins with major pharmaceutical companies. Looking ahead, HealthMatch has a strong pipeline that presents material upside for the business over the next few years. The Manager's renewed confidence in the company led it to fund a small follow-on investment in the company during the half at a flat valuation to its Series C (2022) round.

Vow

Vow is an Australian cultivated meat start-up. Vow's strategy is underpinned by a diverse library of stem cells collected from a wide range of animals and aims to build the technology to combine these different cells into brand new foods. Their goal is to create products which have superior taste and nutritional value.

Vow saw significant commercial breakthroughs during 2024, becoming the only cellular agriculture company worldwide to profitably launch a cultured meat product at scale, and now also offers two products to high-end restaurants – 'Forged Parfait' and 'Forged Gras'. Looking forward, the team continue to work closely with food safety regulators in Australia, Canada, Macau and the United States. Vow is currently in the process of raising a Series B round to extend their cash runway and fund future growth plans.

Amber

Amber is building an energy retailer with a differentiated business model and value proposition that aligns with customer interests, reducing electricity costs and increasing the use of clean renewable energy. Amber's customer acquisition and revenue metrics continued to improve throughout HY25. Amber remains well capitalised though there are plans to raise additional capital in 2025.

Sternum

Sternum has not yet had a material breakthrough in growth and product-market-fit at this time, though it remains well capitalised, providing optionality for the business over the coming years. As of HY25, SPFI holds the company at cost.

Venture Capital Opportunities Fund
Directors' report
31 December 2024

The directors of K2 Asset Management Ltd (**K2**), the Responsible Entity of Venture Capital Opportunities Fund (**Fund**), present their report together with the half-year financial report of the Fund for the half-year ended 31 December 2024.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial year and up to the date of this report are listed below:

- Campbell Neal
- Hollie Wight
- George Boubouras
- Neil Sheather

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities

The Fund is an unlisted managed investment scheme registered in Australia. The registered office and principal place of business of the Responsible Entity of the Fund is located at Level 44, 101 Collins Street, Melbourne, Victoria 3000.

The principal activity of the Fund during the period was investing in technology and disruptive companies in the venture capital stage of development focused predominantly in Australia, Israel, and South-East Asia, through its interest in Square Peg Fund II (**SPFII**).

There were no significant changes in the nature of this activity during the period.

Review and results of operations

The profit for the Fund after providing for income tax amounted to \$3,426,468 (31 December 2023: loss of \$572,861).

The key components of this result included a \$3,419,394 fair value movement gain on the Fund's investment in SPFII. As at 31 December 2024, the Fund had net assets of \$42,372,336, representing \$4.16 per unit (30 June 2024: \$3.87 per unit).

The Fund has invested in SPFII which, in turn, invests in technology and disruptive companies in the venture capital stage of development. SPFII has received total commitments of US\$234.5 million, and had made investments into sixteen early stage technology businesses, with three exits as at 31 December 2024. Net drawdown requests made by the underlying companies since inception to the end of the period totalled US\$260.4 million.

The Fund has made total capital commitments of US\$11.2 million to SPFII, representing an interest of 4.8%. The Fund's proportionate share of the total capital called as at 31 December 2024 was US\$10.3 million (or \$16.6 million).

Distributions

Distributions paid during the financial period were as follows:

	31 December 2024	31 December 2023
	\$	\$
Distribution - 5 cents per unit paid on 4 December 2024	<u>509,336</u>	<u>-</u>

Changes in state of affairs

During the financial period, the Fund elected to become an Attribution Managed Investment Trust (**AMIT**) for the income tax year ended 30 June 2024 and each subsequent tax year.

Events subsequent to the reporting period

On 4 March 2025, SPFII made its twenty-sixth capital call of US\$702,224. SPFII has called 98% of capital after this capital call.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Venture Capital Opportunities Fund
Directors' report
31 December 2024

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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Hollie Wight
Director of K2 Asset Management Ltd

12 March 2025

12 March 2025

The Board of Directors
K2 Asset Management Ltd
As Responsible Entity for:
Venture Capital Opportunities Fund
Level 44, 101 Collins Street,
Melbourne VIC 3000

Dear Board Members

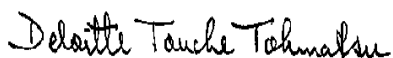
Auditor's Independence Declaration to Venture Capital Opportunities Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of the Responsible Entity for Venture Capital Opportunities Fund.

As lead audit partner for the review of the half year financial report of Venture Capital Opportunities Fund for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Weng W Ching
Partner
Chartered Accountants

Venture Capital Opportunities Fund
Condensed statement of profit or loss and other comprehensive income
For the period ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Investment income			
Interest income		36,681	34,526
Foreign exchange gain/(loss)		92,970	(6,104)
Fair value movements of equity investments	4	3,419,394	(494,095)
Expenses			
Management and administration fees		(122,577)	(106,972)
Other expenses		-	(216)
Profit/(loss) before income tax expense		3,426,468	(572,861)
Income tax expense		-	-
Profit/(loss) after income tax expense for the period		3,426,468	(572,861)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		<u>3,426,468</u>	<u>(572,861)</u>
		Cents	Cents
Basic earnings/(loss) per unit		33.64	(5.62)
Diluted earnings/(loss) per unit		33.64	(5.62)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Venture Capital Opportunities Fund
Condensed statement of financial position
As at 31 December 2024

		31 December	
	Note	2024	30 June 2024
		\$	\$
Assets			
Cash and cash equivalents		2,444,273	1,531,531
Receivables		8,056	7,992
Other financial assets	4	<u>39,940,383</u>	<u>37,932,242</u>
Total assets		<u>42,392,712</u>	<u>39,471,765</u>
Liabilities			
Trade and other payables		<u>20,376</u>	<u>16,561</u>
Total liabilities		<u>20,376</u>	<u>16,561</u>
Net assets		<u>42,372,336</u>	<u>39,455,204</u>
Equity			
Issued capital	5	18,043,870	18,043,870
Retained earnings		<u>24,328,466</u>	<u>21,411,334</u>
Total equity		<u>42,372,336</u>	<u>39,455,204</u>

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

Venture Capital Opportunities Fund
Condensed statement of changes in equity
For the period ended 31 December 2024

	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2023	18,043,870	16,793,863	34,837,733
Loss after income tax expense for the period	-	(572,861)	(572,861)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period	-	(572,861)	(572,861)
Balance at 31 December 2023	<u>18,043,870</u>	<u>16,221,002</u>	<u>34,264,872</u>
	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2024	18,043,870	21,411,334	39,455,204
Profit after income tax expense for the period	-	3,426,468	3,426,468
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	-	3,426,468	3,426,468
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Distributions paid (note 6)	-	(509,336)	(509,336)
Balance at 31 December 2024	<u>18,043,870</u>	<u>24,328,466</u>	<u>42,372,336</u>

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

Venture Capital Opportunities Fund
Condensed statement of cash flows
For the period ended 31 December 2024

	31 December	31 December
Note	2024	2023
	\$	\$
Cash flows from operating activities		
Interest income received	37,014	34,474
Net payments to suppliers	<u>(119,161)</u>	<u>(125,811)</u>
Net cash used in operating activities	<u>(82,147)</u>	<u>(91,337)</u>
Cash flows from investing activities		
Payments for investments	(1,227,481)	(431,013)
Receipts from distributions	<u>2,638,734</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>1,411,253</u>	<u>(431,013)</u>
Cash flows from financing activities		
Distributions paid	6 <u>(509,336)</u>	<u>-</u>
Net cash used in financing activities	<u>(509,336)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	819,770	(522,350)
Cash and cash equivalents at the beginning of the financial period	1,531,531	2,131,121
Effects of exchange rate changes on cash and cash equivalents	<u>92,972</u>	<u>(6,103)</u>
Cash and cash equivalents at the end of the financial period	<u><u>2,444,273</u></u>	<u><u>1,602,668</u></u>

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

Venture Capital Opportunities Fund
Notes to the condensed financial statements
31 December 2024

1. General information

Venture Capital Opportunities Fund (**Fund**) is a managed investment scheme registered and domiciled in Australia. The investment objective of the Fund is to invest in technology and disruptive companies in the venture capital stage of development predominantly in Australia, Israel and South-East Asia, through its interest in Square Peg Fund II (**SPFII**), which comprises of interest in Square Peg 2018, L.P. (**LP**) as a limited partner and Square Peg Global 2018 Trust (**Trust**) as an ordinary unitholder (together, **Square Peg Fund II** or **SPFII**).

This half-year financial report is intended to provide users with an update on the latest financial statements of the Fund.

The condensed financial statements were authorised for issue by the board of directors of the Responsible Entity of the Fund on 12 March 2025.

2. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards Board (**AASB**) 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

The half-year report does not include all the notes of the type normally included in the annual financial report and should be read in conjunction with the most recent annual financial report.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Basis of preparation

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial report.

New Accounting Standards and Interpretations

The Fund has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year. The impact of the adoption is not material to the Fund's financial report in the current or future reporting periods and on foreseeable future transactions.

3. Operating segment

The Fund operates a single reportable segment, that being the business of investing in technology and disruptive companies in the venture capital stage of development through its interest in Square Peg Fund II.

The Responsible Entity of the Fund is the Chief Operating Decision Maker (**CODM**) for the purpose of resource allocation and assessing performance of the operating segment.

Revenue, profit or loss, assets, liabilities and other financial information reported and monitored by the CODM of the single identified segment are reflected in the condensed financial statements and notes to the condensed financial statements of the Fund.

Venture Capital Opportunities Fund
Notes to the condensed financial statements
31 December 2024

4. Other financial assets

(i) Equity investment constituting interest in Square Peg Fund II - at fair value:

	31 December	30 June 2024
	2024	2024
	\$	\$
Square Peg Global 2018 Trust	32,314,215	31,895,066
Square Peg Australia 2018 LP	7,626,168	6,037,176
	<u>39,940,383</u>	<u>37,932,242</u>

(ii) Reconciliation

	Square Peg Global 2018 Trust \$	Square Peg Australia 2018 LP \$	Total \$
Balance at 1 July 2024	31,895,066	6,037,176	37,932,242
Capital invested - at cost	756,841	470,640	1,227,481
Movement in fair value through profit or loss*	2,301,042	1,118,352	3,419,394
Distribution	<u>(2,638,734)</u>	<u>-</u>	<u>(2,638,734)</u>
Balance at 31 December 2024	<u>32,314,215</u>	<u>7,626,168</u>	<u>39,940,383</u>

* Included in the 'movement in fair value' amount of \$3,419,394 is an unrealised foreign exchange translation gain component of \$2,897,500. This amount is also net of the Fund's 4.8% share of management fees paid by SPFII to Square Peg Capital (manager of SPFII), totalling US\$115,192, and the estimated performance fee of US\$3,611,446 payable by the Fund to Square Peg Capital.

(iii) Fund's interest in assets and liabilities of Square Peg Fund II

The 4.8% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of Square Peg Fund II, which comprises of investments in Square Peg 2018, L.P. (**LP**) as a limited partner and Square Peg Global 2018 Trust (**Trust**) as an ordinary unitholder. The General Partner of the LP and Trustee of the Trust have delegated all management functions of SPFII to the manager of SPFII, including selecting and managing the investments of SPFII.

(iv) Valuation

Valuation technique adopted

The fair value of the Fund's interest in the SPFII is determined using a 'proportionate' value method based on the Fund's 4.8% interest held in the total net asset value of SPFII.

SPFII holds investments predominantly in early stage venture capital companies which are recognised on an ongoing basis at fair value. The fair value of the Fund's interest in SPFII is therefore ultimately based on the market valuation techniques adopted by SPFII in the measurement of their underlying unlisted equity investments. The fair value is also subject to foreign exchange translation impacts arising from translating the USD denominated interest in SPFII to AUD at each balance date.

Venture Capital Opportunities Fund
Notes to the condensed financial statements
31 December 2024

4. Other financial assets (continued)

(v) Capital commitments

As at 31 December 2024, the Fund has made capital commitments totalling US\$11.2 million to SPFII, of which US\$10.3 million has been called at balance date.

As at 31 December 2024, the Fund has uncalled capital commitments of US\$0.9 million (or \$1.5 million) outstanding to SPFII. The capital commitments can be called at any time in the future.

The uncalled capital commitments referred to above were converted at the half-year end AUD:USD exchange rate of 0.6188.

5. Issued capital

	31 December 2024 Units	30 June 2024 Units	31 December 2024 \$	30 June 2024 \$
Ordinary units - fully paid	<u>10,186,723</u>	<u>10,186,723</u>	<u>18,043,870</u>	<u>18,043,870</u>

All issued units are fully paid. The holders of ordinary units are entitled to one vote per unit at meetings of the Fund and are entitled to receive distributions declared from time to time by the Responsible Entity.

There were no movements in issued capital during the half-year.

6. Distributions

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

	31 December 2024 \$	31 December 2023 \$
Distribution - 5 cents per unit paid on 4 December 2024	<u>509,336</u>	<u>-</u>

7. Fair value measurement

Fair value

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Venture Capital Opportunities Fund
Notes to the condensed financial statements
31 December 2024

7. Fair value measurement (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2024				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in Square Peg Fund II	-	-	39,940,383	39,940,383
Total assets	-	-	39,940,383	39,940,383
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2024				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in Square Peg Fund II	-	-	37,932,242	37,932,242
Total assets	-	-	37,932,242	37,932,242

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the period ended 31 December 2024.

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 4.

8. Related party disclosures

Responsible entity services

a) Responsible Entity and Administration fees

The Responsible Entity's duties include establishing the compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund.

For these services, the Responsible Entity, K2 Asset Management Ltd charges a fee of 0.575% per annum (exclusive of GST) on the gross asset value of the Fund, plus uncalled amounts on the Units, representing a Responsible Entity fee of 0.075% (exclusive of GST) per annum and an Administration fee of 0.50% per annum (exclusive of GST). Total Responsible Entity and Administration fees paid or payable to the Responsible Entity for the half-year ended 31 December 2024 was \$117,463 (2023: \$100,232), exclusive of GST, and included in management and administration fees in profit or loss.

b) Fund administration fee

K2 Asset Management Ltd provides fund administration services to the Fund. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. The Responsible Entity bears the cost of the fund administration services and, as such, there were no fund administration fees paid out of the assets of the Fund.

9. Events after the reporting period

On 4 March 2025, SPFII made its twenty-sixth capital call of US\$702,224. SPFII has called 98% of capital after this capital call.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Venture Capital Opportunities Fund
Directors' declaration
31 December 2024

In the opinion of the directors of the Responsible Entity:

- the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Accounting Standards;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Hollie Wight
Director of K2 Asset Management Ltd

12 March 2025

Independent Auditor's Review Report to the unitholders of Venture Capital Opportunities Fund

Conclusion

We have reviewed the half-year financial report of Venture Capital Opportunities Fund (the "Fund") which comprises the condensed statement of financial position as at 31 December 2024, and the condensed statement of profit of loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, 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 accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 31 December 2024 and of 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*.

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*. 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 Fund 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of K2 Asset Management Ltd, the Responsible Entity of the Fund ("the directors"), would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors 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 Fund'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*.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Weng W Ching
Partner
Chartered Accountants
Sydney, 12 March 2025

**Venture Capital Opportunities Fund
Directory
31 December 2024**

Venture Capital Opportunities Fund

(ARSN 625 636 473)
Level 44, 101 Collins Street
MELBOURNE VIC 3000
T +61 3 9691 6110
F +61 3 9691 6170
E: vcof@k2am.com.au
vcof.com.au

Responsible Entity

K2 Asset Management Ltd
(ABN 95 085 445 094)
(AFSL 244 393)
Level 44, 101 Collins Street
MELBOURNE VIC 3000
T +61 3 9691 6110
F +61 3 9691 6170
E vcof@k2am.com.au
K2am.com.au

Directors

Campbell Neal
Hollie Wight
George Boubouras
Neil Sheather

Secretary

Caroline Purtell

Auditor

Deloitte Touche Tohmatsu
Quay Quarter Tower
Level 46, 50 Bridge Street
SYDNEY NSW 2000
T: +61 2 9322 7000
F: +61 2 9322 7001
deloitte.com.au

Unit Registry

Boardroom Pty Limited
Level 8, 210 George Street
SYDNEY NSW 2000
T: 1300 737 760 (Australia)
T: +61 2 9290 9600 (International)
F: 1300 653 459
boardroomlimited.com.au



**VENTURE CAPITAL
OPPORTUNITIES
FUND** INVESTING IN SQUARE PEG II

ARSN 625 636 473