

Morphic Ethical Equities Fund Limited
Appendix 4D
For the half-year ended 31 December 2025

Details of Reporting Period

Current: Half-year ended 31 December 2025
Previous: Half-year ended 31 December 2024

Results for announcement to the market

	\$	movement (up/down)	% movement
Net investment income/(loss)	2,282,429	down	-54%
Profit/(Loss) for the period before income tax expense	1,654,659	down	-61%
Profit/(Loss) for the period	1,260,740	down	-57%

Dividend information

On 16 February 2026, the Company declared a fully franked quarterly dividend of 1 cent per share. This dividend is not recognised as a liability at 31 December and will be paid on 18 March 2026.

Net tangible assets

	31 December 2025	30 June 2025
Net Tangible Assets (per share) before tax	1.3483	1.2942
Net Tangible Assets (per share) after tax	1.2925	1.2474

Control gained or lost over entities during the half-year

The Company did not gain or lose control over any entities during the half-year.

Detail of associates and joint venture entities

The Company did not have any interests in any associates or joint ventures during the half-year.

Review

This report is based on the financial report which has been reviewed. All the documents comprise the information required by Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2025 Annual Financial Report.

Signed on behalf of Morpic Ethical Equities Fund Limited.



Jack Lowenstein
Chairman

Sydney
17 February 2026

Morphic Ethical Equities Fund Limited

ASX: MEC

ABN 52 617 345 123

Interim Financial Report

For the half-year ended 31 December 2025

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Morphic Ethical Equities Fund Limited
ASX: MEC
ABN 52 617 345 123
Interim Financial Report
For the half-year ended 31 December 2025

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Directors' Report

The Directors present their Report together with the Financial Report of Morpheic Ethical Equities Fund Limited ("the Company") for the half-year ended 31 December 2025 ("the Period").

Information on Directors

The following persons were directors of the Company during the half-year and up to the date of this report (unless otherwise indicated):

Jack Lowenstein	Non-Independent Chairman
Mark Forstmann	Independent Director
Kirstin Hunter	Independent Director

Principal Activity

The Company's principal activity is investing in global listed securities screened to exclude entities involved in environmentally damaging activities (including coal and uranium mining and oil and gas), intensive farming and aquaculture, tobacco, armaments, alcohol and gambling.

The Company's investment objectives are to: deliver investors an ethically screened portfolio; generate superior risk adjusted returns; and provide capital growth and consistent income. No change in this activity took place during the half-year or is likely to in the future.

Review of Operations

The portfolio was up 5.24% on a net basis during the period and underperformed its benchmark by 4.01%. Portfolio performance is announced monthly to the ASX and also available at the manager's website at <https://ellerstoncapital.com/funds/morphic-ethical-equitiesfund/>.

The Company's investments during the half-year resulted in operating profit before tax of \$1,654,659 (2024: \$4,281,220) and profit after tax of \$1,260,740 (2024: \$2,963,566). This reflects the performance of the investment portfolio over the period as outlined below.

Investment Returns

	Returns over the period 1 July 2025 to 31 December 2025		Returns since inception (PA) 2 May 2017 to 31 December 2025	
	Gross	Net	Gross	Net
Investment Portfolio	6.00%	5.24%	9.89%	8.51%
MSCI All Countries Total Return Daily Index	9.45%	9.25%	13.62%	13.07%
Outperformance/(Underperformance)	(3.45)%	(4.01)%	(3.73)%	(4.56)%

Gross return is before fees and taxes.

Net return is net of investment management fees, before Company administration costs and taxes.

The following table presents the number of shares bought back since the commencement of the Company's buy back program.

Date of announcement on ASX	Shares on issue	Maximum number of securities to be bought back	Period	Number of shares bought back during the period	Average price
18 April 2023	53,572,420	5,323,144	18 April 2023 to 18 October 2023	5,061,226	1.03
18 October 2023	48,926,716	10,174,837	19 October 2023 to 16 May 2024	10,174,387	1.04
17 May 2024	38,885,472	8,145,379	17 May 2024 to 18 November 2024	2,395,065	1.00
18 November 2024	36,490,407	7,447,531	19 November 2024 to 18 November 2025	4,630,451	1.08
20 November 2025	31,859,956	6,475,300	20 November 2025 to 31 December 2025	301,807	1.14

The Company's Net Tangible Asset Value (NTA) per share at the end of the period was \$1.3483 before tax (HY 24-25: \$1.1933) and \$1.2925 after tax (HY 24-25: \$1.1632).

Dividends Paid or Recommended

On 16 February 2026, the Company declared a fully franked quarterly dividend of 1 cent per share. This dividend is not recognised as a liability at 31 December and will be paid on 18 March 2026. The Company's Dividend Reinvestment Plan (DRP) is still suspended and the DRP will not apply for this dividend.

This dividend is consistent with the Company's policy of paying fully franked dividends to shareholders and raising the dividend over time, provided the Company has distributable profits, franking credits and it is within prudent business practices.

Directors' Report (continued)

Rounding of Amounts to Nearest Dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

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 on page 4.

Signed in accordance with a resolution of the directors.



Jack Lowenstein
Chairman

Sydney, 17 February 2026

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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

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with confidence**

Auditor's independence declaration to the directors of Morphic Ethical Equities Fund Limited

As lead auditor for the review of the interim financial report of Morphic Ethical Equities Fund Limited for the half-year ended 31 December 2025, 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.

Ernst & Young

Rita Da Silva
Partner
17 February 2026

Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-year ended 31 December 2025 \$	Half-year ended 31 December 2024 \$
Investment income			
Interest income		36,971	54,022
Dividend income		149,378	135,829
Net gains/(losses) on financial instruments at fair value through profit or loss		2,221,259	4,734,059
Net gains/(losses) on foreign exchange		(125,179)	39,803
Net investment income/(loss)		2,282,429	4,963,713
Expenses			
Audit and tax		17,972	12,000
Administration fees		56,230	40,154
Directors' fees		70,000	70,715
Management fees		275,722	267,059
Transaction costs		61,601	72,737
Withholding tax expense		26,328	110,957
Other expenses		119,917	108,871
Total expenses		627,770	682,493
Profit/(Loss) for the half-year before income tax expense		1,654,659	4,281,220
Income tax expense	3	(393,919)	(1,317,654)
Profit/(Loss) for the half-year		1,260,740	2,963,566
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half-year		1,260,740	2,963,566
Basic earnings/(losses) per share	4	3.89 cents	7.96 cents
Diluted earnings/(losses) per share	4	3.89 cents	7.96 cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

Statement of Financial Position

	Note	As at 31 December 2025 \$	As at 30 June 2025 \$
Assets			
Current assets			
Cash and cash equivalents	6	67,618	88,394
Receivables		43,049	44,944
Prepayments		12,274	41,732
Due from brokers		1,955,063	1,924,855
Financial assets at fair value through profit or loss	2	40,553,803	42,041,302
Current tax asset		190,909	115,284
Total current assets		42,822,716	44,256,511
Total assets		42,822,716	44,256,511
Liabilities			
Current liabilities			
Due to brokers		-	994,293
Payables		81,979	82,639
Financial liabilities at fair value through profit or loss		-	1,964
Current tax liability		802,270	-
Total current liabilities		884,249	1,078,896
Non-current liabilities			
Net deferred tax liability	3	1,150,299	1,671,197
Total non-current liabilities		1,150,299	1,671,197
Total liabilities		2,034,548	2,750,093
Net assets		40,788,168	41,506,418
Equity			
Issued capital	5	33,466,710	35,445,700
Accumulated losses		(21,270,262)	(20,451,191)
Profits reserve		28,591,720	26,511,909
Total equity		40,788,168	41,506,418

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.

Statement of Changes in Equity

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 30 June 2024		40,724,901	(20,451,191)	21,067,824	41,341,534
Profit for the half-year		-	2,963,566	-	2,963,566
Total comprehensive income for the half-year		-	2,963,566	-	2,963,566
Other					
Transfer to profits reserve		-	(1,679,360)	1,679,360	-
		-	(1,679,360)	1,679,360	-
Transactions with owners:					
Shares acquired under buy-back		(2,467,651)	-	-	(2,467,651)
		(2,467,651)	-	-	(2,467,651)
Balance at 31 December 2024		38,257,250	(19,166,985)	22,747,184	41,837,449
Balance at 30 June 2025		35,445,700	(20,451,191)	26,511,909	41,506,418
Profit for the half-year		-	1,260,740	-	1,260,740
Total comprehensive income for the half-year		-	1,260,740	-	1,260,740
Other					
Transfer to profits reserve		-	(2,079,811)	2,079,811	-
		-	(2,079,811)	2,079,811	-
Transactions with owners:					
Shares acquired under buy-back		(1,978,990)	-	-	(1,978,990)
		(1,978,990)	-	-	(1,978,990)
Balance at 31 December 2025		33,466,710	(21,270,262)	28,591,720	40,788,168

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

Statement of Cash Flows

	Note	Half-year ended 31 December 2025 \$	Half-year ended 31 December 2024 \$
Cash flows from operating activities			
Proceeds from sale of investments		20,706,615	24,781,596
Payments for purchase of investments		(17,095,162)	(21,090,199)
Dividends received		156,201	127,956
Amount received from/(paid to) brokers for collateral		(1,024,501)	(2,333,950)
Interest received		36,971	54,022
Management fees paid		(273,182)	(263,346)
Directors' fees paid		(70,000)	(70,715)
Other income received		-	71
Withholding tax paid		(26,328)	(110,957)
Other operating expenses paid		(171,540)	(164,369)
Transaction costs paid		(61,601)	(72,737)
Income tax paid		(188,172)	-
Net cash inflow from operating activities		1,989,301	857,372
Cash flows from financing activities			
Payments for shares redeemed		(1,980,238)	(2,556,001)
Net cash outflow from financing activities		(1,980,238)	(2,556,001)
Net increase in cash and cash equivalents		9,063	(1,698,629)
Effect of exchange rate fluctuations on cash and cash equivalents		(29,839)	22,079
Cash and cash equivalents at beginning of the half-year		88,394	1,777,132
Cash and cash equivalents at end of the half-year	6	67,618	100,582

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

1. General information and summary of material accounting policies

Morphic Ethical Equities Fund Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 13 February 2017. The registered office and principal place of business of the Company is Level 11, 179 Elizabeth Street, Sydney NSW 2000.

These condensed interim financial statements are for the half-year ended 31 December 2025, and were authorised for issue by the Directors on 17 February 2026.

The Company's principal objectives are to:

- deliver investors an ethically screened portfolio;
- deliver investors superior risk adjusted returns; and
- provide capital growth and consistent income.

The Manager achieves this through a long and short equity strategy focusing on global securities.

The Company primarily invests in global listed securities. It may also invest in cash, unlisted global securities, fixed interest instruments, commodities, credit instruments and currencies through assets, exchange traded funds or other derivatives, including futures, options, forwards and swaps.

A summary of the material accounting policies adopted by the Company in the preparation of the interim financial statements is set out below:

(a) Basis of preparation

These condensed interim financial statements for the half-year ended 31 December 2025 have been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001* in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 June 2025 annual financial report 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 condensed interim financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of investment assets and liabilities.

The accounting policies adopted are consistent with those applied to the Company's financial statements for the year ended 30 June 2025.

(b) New and revised accounting requirements applicable to the current reporting period

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 July 2025 that have a material impact on the Company.

(c) New accounting standards and interpretations not yet adopted

The following new and revised Australian Accounting Standard, Interpretation and amendment that has been issued but not yet effective is in the process of assessment by the Company:

- AASB 18 Presentation and Disclosure in Financial Statements (application date 1 January 2027)

Other new standards, amendments to standards and interpretations are not yet effective for the interim period beginning 1 July 2025, and have not been early adopted in preparing these condensed interim financial statements. None of these are expected to have a material effect on the condensed interim financial statements of the Company.

(d) Rounding amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

(e) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The methods used in the valuation of investments are set out in Note 2 to these financial statements. Judgement was also exercised in determining the recoverability of deferred tax assets for the accounting period, with reference to expected market performance.

2. Fair value measurement

The Company measures and recognises financial assets at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

Fair value hierarchy

AASB 13: *Fair value measurement* requires disclosure of fair value measurements by level of the fair value hierarchy:

Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and

Level 3 - measurements based on unobservable inputs from the asset or liability.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments and derivatives in accordance with the accounting policies set out in Note 1 to the annual financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Company is the last-traded prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by management. Management consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

2. Fair value measurement (continued)

Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2025 and 30 June 2025.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
As at 31 December 2025				
Financial assets				
Listed equities	39,553,776	-	-	39,553,776
Convertible notes	-	-	1,000,027	1,000,027
Total financial assets at fair value through profit or loss	39,553,776	-	1,000,027	40,553,803
As at 30 June 2025				
Financial assets				
Listed equities	42,041,302	-	-	42,041,302
Total financial assets at fair value through profit or loss	42,041,302	-	-	42,041,302
Financial liabilities				
Derivatives				
Forward currency exchange contracts	-	1,964	-	1,964
Total financial liabilities at fair value through profit or loss	-	1,964	-	1,964

(iii) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(iv) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the period ended 31 December 2025 by class of financial instrument.

	Convertible notes \$
Opening balance - 30 June 2025	-
Purchases	1,000,000
Unrealised gains/(losses) recognised in the statement of comprehensive income	27
Closing balance - 31 December 2025	1,000,027

The Company did not hold any financial instruments with fair value measurements using significant unobservable inputs as at 30 June 2025.

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description As at 31 December 2025	Fair value \$	Valuation Technique	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Sharonai Inc	1,000,027	Recent Transaction Price	Recent Transaction Price	N/A	N/A

ii. Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(v) Fair value of financial instruments not carried at fair value

The carrying value of cash and cash equivalents, due to/from brokers, trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

3. Taxation

(a) Numerical reconciliation of income tax expense/(benefit)

	Half-year ended 31 December 2025 \$	Half-year ended 31 December 2024 \$
Prima facie tax payable on profit/(loss) before income tax at 25% (HY25: 30%)	(413,665)	(1,284,366)
Adjusted for tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Withholding tax on dividends received	(6,582)	(33,288)
Foreign income tax offset (FITO)	26,328	-
Income tax expense	<u>(393,919)</u>	<u>(1,317,654)</u>
Applicable weighted average effective tax rate	(23.8%)	(30.8%)
The income tax expense/(benefit) results from movement in a:		
Current tax asset	75,625	-
Current tax liability	(990,442)	-
Deferred tax asset	(63,801)	(103,871)
Deferred tax liability	584,699	(1,213,783)
Income tax benefit/(expense)	<u>(393,919)</u>	<u>(1,317,654)</u>

(b) Deferred taxes

	As at 31 December 2025 \$	As at 30 June 2025 \$
Deferred tax liabilities		
Deferred income tax comprises the estimated tax payable at the current income tax rate of 25% (FY25: 25%) on the following items:		
Tax on unrealised gains on investment portfolio	(1,154,624)	(1,745,644)
Other	(7,975)	(1,653)
Deferred tax liabilities	<u>(1,162,599)</u>	<u>(1,747,297)</u>

Movements:

Opening balance	(1,747,297)	(501,096)
Adjust opening balance to change in corporate tax rate from 30% to 25% (Charged) / credited to profit or loss	-	83,516
Closing balance	<u>(1,162,599)</u>	<u>(1,747,297)</u>

Deferred tax assets

Deferred tax assets comprises the estimated tax deductible at the current income tax rate of 25% on the following items:

Tax losses	12,299	76,100
Deferred tax assets	<u>12,299</u>	<u>76,100</u>

Movements:

Opening balance	76,100	432,636
Adjust opening balance to change in corporate tax rate from 30% to 25% (Charged) / credited to profit or loss	-	(72,106)
	(63,801)	(284,430)
Closing balance	<u>12,299</u>	<u>76,100</u>

Net deferred tax assets/(liabilities)

	<u>(1,150,299)</u>	<u>(1,671,197)</u>
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4. Earnings/(losses) per share

	Half-year ended 31 December 2025 \$	Half-year ended 31 December 2024 \$
Basic earnings/(losses) per share	3.89 cents	7.96 cents
Diluted earnings/(losses) per share	3.89 cents	7.96 cents
Profit/(Loss) used in calculating basic earnings/(losses) per share	1,260,740	2,963,566
Profit/(Loss) used in calculating diluted earnings/(losses) per share	1,260,740	2,963,566
Weighted average number of ordinary shares used in the calculation of basic earnings/(losses) per share	<u>32,424,592</u>	<u>37,228,977</u>
Weighted average number of shares used in the calculation of diluted earnings/(losses) per share	<u>32,424,592</u>	<u>37,228,977</u>

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares during the period.

Basic and diluted earning per share is the same as there are no potentially dilutive securities outstanding as at balance date.

5. Issued Capital

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors regularly monitor NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

	Half-year ended 31 December 2025		Year ended 30 June 2025	
	Shares	\$	Shares	\$
Movements in ordinary share capital				
Opening balance	33,273,106	35,445,700	38,405,218	40,724,901
Ordinary shares acquired under buy-back	(1,714,957)	(1,978,990)	(5,132,112)	(5,279,201)
Closing balance	31,558,149	33,466,710	33,273,106	35,445,700

The following table presents the number of shares bought back since the commencement of the Company's buy back program.

Date of announcement on ASX	Shares on issue	Maximum number of securities to be bought back	Period	Number of shares bought back during the period	Average price
18 April 2023	53,572,420	5,323,144	18 April 2023 to 18 October 2023	5,061,226	1.03
18 October 2023	48,926,716	10,174,837	19 October 2023 to 16 May 2024	10,174,387	1.04
17 May 2024	38,885,472	8,145,379	17 May 2024 to 18 November 2024	2,395,065	1.00
18 November 2024	36,490,407	7,447,531	19 November 2024 to 18 November 2025	4,630,451	1.08
20 November 2025	31,859,956	6,475,300	20 November 2025 to 31 December 2025	301,807	1.14

6. Cash flow information

Components of cash and cash equivalents

Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

	As at 31 December 2025	As at 30 June 2025
Cash at bank	67,618	88,394
	67,618	88,394

7. Dividends

The Company did not declare dividends during the half-year (31 December 2024: nil)

8. Contingent liabilities and commitments

As at 31 December 2025 and 30 June 2025, the Company had no contingent liabilities or commitments.

9. Segment information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Fair Value Measurement.

10. Events subsequent to reporting date

On 16 February 2026, the Company declared a fully franked quarterly dividend of 1 cent per share. This dividend is not recognised as a liability at 31 December 2025 and has a record date of 24 February 2026 and will be paid on 18 March 2026.

Other than above, no matters or circumstances have arisen since the end of the half year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future fiscal years.

Directors' Declaration

The Directors declare that:

- (a) the financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, and:
- (i) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the financial position of the Company as at 31 December 2025 and of its performance for the financial half-year ended on that date.
- (b) In the directors' opinion 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 the directors of the Company.

On behalf of the Directors



Jack Lowenstein
Chairman
Morphic Ethical Equities Fund Limited

17 February 2026

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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 Morphic Ethical Equities Fund Limited

Conclusion

We have reviewed the accompanying interim financial report of Morphic Ethical Equities Fund Limited (the Company), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 interim financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2025 and of its 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 interim financial report* section of our report. We are independent of the Company 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 reviews of the interim financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the interim financial report

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2025 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 interim 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 handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva'.

Rita Da Silva
Partner
Sydney
17 February 2026

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Corporate directory

Directors

Jack Lowenstein
Mark Forstmann
Kirstin Hunter

Company Secretary

Mark Licciardo

Registered Office

Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Contact Details

P: (02) 9021 7701

<https://ellerstoncapital.com/funds/morphic-ethical-equities-fund/>

Manager

Morphic Asset Management Pty Limited
ACN 155 937 901
Level 11, 179 Elizabeth Street
SYDNEY NSW 2000

Auditor

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

Share Registry

Computershare
Level 4, 60 Carrington Street
SYDNEY NSW 2000
P: (02) 9221 2099

Securities Exchange Listing

ASX code (ordinary shares): MEC

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