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ASX/PNGX | Announcement

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BY ELECTRONIC LODGEMENT

Customer Fraud Incident

Kina Securities Limited (ASX:KSL | PNGX:KSL) (**Kina** or the **Company**) provides the following update in relation to a recent customer fraud incident.

Kina has identified a recent instance of fraud impacting several accounts belonging to a small number of customers. The amount involved is the subject of ongoing investigation however the aggregate loss is expected to be in the range of PGK12m to PGK15m (on a pre-tax basis).

Through root cause analysis, certain system vulnerabilities were identified and promptly addressed, with further enhancements to systems and processes being planned.

While the financial impact from these incidents is currently unknown, based on current information (and assuming nil recovery) it is likely to result in Kina's net profit after tax (**NPAT**) for the half year ending 30 June 2024 being 13% to 17% lower than the level suggested by analyst consensus estimates (which equates to roughly 6% to 7% less than the market consensus for the FY24 full year NPAT).

Accordingly, based on the analyst consensus NPAT for the half year of PGK49.5m, the revised forecast NPAT for the half year based on these events is between PGK34.6m and PGK42.9m. Based on the analyst consensus NPAT for the FY24 full year of PGK117.8m, the revised FY24 forecast NPAT is between PGK102.9m and PGK111.2m.

The Company is currently evaluating all its options and prospects for the recovery of these fraud losses. As noted above, for the purpose of this update, we have assumed nil recoveries against these losses at half year.

For further information:

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This Announcement was authorised for release by the Board of Kina.