E&P FINANCIAL GROUP

23 February 2023

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

E&P Financial Group Limited FY23 Half Year Financial Results

The following announcements to the market are provided:

1. **Appendix 4D and Half Year Financial Report**
2. 1H23 Results Announcement
3. 1H23 Results Presentation

Yours faithfully,

Stephen Hill
Chief Financial Officer & Company Secretary
(Authorising Officer)

E&P Financial Group Limited
ACN 609 913 457

Appendix 4D
Half-Year Report

FOR THE PERIOD 1 JULY 2022 TO 31 DECEMBER 2022

Previous corresponding period 1 July 2021 to 31 December 2021

APPENDIX 4D – HALF-YEAR REPORT
FOR THE PERIOD 1 JULY 2022 TO 31 DECEMBER 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET

KEY INFORMATION		31 DECEMBER 2022 $'000
Total revenue ("revenue from ordinary activities")	Down by 14.7% to	$97,269
Profit for the year ("profit from ordinary activities after tax attributable to shareholders")	Down by 39.2% to	$2,495
Total comprehensive income for the year ("net profit for the period attributable to shareholders")	Down by 38.9% to	$2,642

COMMENTARY ON RESULTS

Refer to attached Half-Year Report including Director's Report. Additional Appendix 4D disclosure requirements can be found in the notes to these financial statements.

DIVIDENDS
No dividend has been declared in respect of the first half of the 2023 financial year.

NET TANGIBLE ASSET INFORMATION	31 DECEMBER 2022	31 DECEMBER 2021
Net tangible assets per share	$0.25	$0.24

FINANCIAL REPORT

This report is based on the condensed consolidated financial statements for the half-year ended 31 December 2022 which have been reviewed by Deloitte Touche Tohmatsu.

E&P

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

E&P Financial Group Limited
ACN 609 913 457

Contents

Directors' report

31 DECEMBER 2022

INTRODUCTION

The Directors of E&P Financial Group Limited (the **Company**) submit herewith the financial report of the consolidated entity comprising the Company and its controlled entities (herein referred to as the **Group**) for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Directors of E&P Financial Group Limited during or since the end of the half-year are:

- David Evans, Non-Executive Chairman
- Josephine Linden, Non-Executive Director
- Sally McCutchan, Non-Executive Director
- Peter Anderson, Managing Director & Chief Executive Officer
- Tony Johnson, Executive Director

ABOUT E&P

E&P Financial Group is an Australian Securities Exchange listed financial services business with a history spanning over 30 years. E&P's operations are grouped into three segments:

- E&P Wealth;
- E&P Capital; and
- E&P Funds.

E&P Wealth services approximately 7,600 clients, representing $22.1 billion in funds under advice as at 31 December 2022.

In E&P Capital we are an advisor to many leading Australian corporations and institutions through the provision of equity research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services.

In E&P Funds, we manage $4.3 billion of assets across a diverse range of asset classes and strategies.

E&P Financial Group has offices across Melbourne, Sydney, Canberra, Brisbane, Hong Kong and New York.

REVIEW AND RESULTS OF OPERATIONS

GROUP PERFORMANCE

In the six months to 31 December 2022, the Group delivered a marked performance improvement on the prior half. Despite the result being softer than the first half of financial year 2022, the Group generated total revenue of $97.0 million[1] representing an increase of 13% on the prior half, but a decrease of 15% on the prior comparable period. Statutory net profit after tax of $2.5 million was 13% higher than the prior half, but 39% lower than the first half of financial year 2022.

Underlying EBITDA of $12.8 million was 57% higher than the second half of financial year 2022, but a 38% decrease on the prior corresponding period. The improved result was driven by an initial recovery in revenue from E&P Wealth, solid M&A activity in E&P Capital and asset disposal fees in E&P Funds. These revenue items, coupled with lower depreciation and amortisation expenses following rationalisation of the Group's office footprint, assisted in generating a materially higher underlying profit compared to the prior period. Underlying NPATA, which represents the Group's preferred measure for underlying profitability, was $4.5 million for the half, significantly higher than the $0.6 million recorded in the prior period, but 54% lower than the first half of financial year 2022.

In the six months to 31 December 2022, management continued its focus on reducing costs across the organisation, with several steps taken in the December quarter to reduce operating and staff expenses and ensure the cost base was reflective of the reshaped size of the business going forward. These efforts, in combination with lower revenue-linked staff remuneration, contributed to a decrease in staff expenses in the period (excluding employee termination payments) by 12% compared to the prior corresponding period.

Operating expenses were in-line with the prior comparable period and continue to be managed closely to ensure savings are reallocated more efficiently towards supporting the Group's growth initiatives.

The Group's statutory result for the first half of financial year 2023 was again influenced by non-underlying items such expenses incurred in responding to regulatory and representative proceedings, Dixon Advisory & Superannuation Services Limited (**DASS**) Deed of Company Arrangement (**DOCA**) execution costs and employee termination payments, the details of which (including comparative periods) are listed in our non-IFRS measures on page [7].

GROUP FINANCIAL PERFORMANCE BY OPERATING SEGMENT

FOR THE PERIOD $'000	E&P WEALTH	E&P CAPITAL	E&P FUNDS	CORPORATE UNALLOCATED	TOTAL
Total revenue[1]	43,837	27,133	25,996	-	96,966
Net revenue[2]	41,046	26,556	25,756	-	93,358
Underlying EBITDA[3]	4,607	4,239	9,322	(5,373)	12,795
Underlying NPATA[4]					4,499

Notes:

1. Total revenue excludes interest income of $0.3 million.
2. Net revenue is defined as gross revenue less cost of sales including trading execution, clearing and settlement costs.
3. Underlying EBITDA reflects adjustments for items or events that the Directors consider are not part of the usual business activities or reflect the underlying performance of the Company. See reconciliation in Non-IFRS information section for further details.
4. Underlying NPATA is defined as underlying net profit after tax, before amortisation of acquired intangibles and items or events that the directors consider are not part of the usual business activities or reflect the underlying performance of the Company. See reconciliation in Non-IFRS information section for further details.

ADDRESSING LEGACY ISSUES

VOLUNTARY ADMINISTRATION OF DASS

On 16 December 2022, at the second meeting of creditors, creditors voted in favour of executing the DOCA proposed by the Company in respect of DASS.

The DOCA ensures an equitable outcome for all DASS creditors and contains a mechanism to help facilitate the settlement of the representative proceedings against the broader Group.

Shortly following execution of the DOCA the Company made a series of payments into a Deed Fund established under the DOCA. This included payment of the Tranche A Payment (including deposit) referred to below.

The DOCA is structured as follows:

- Tranche A Payment obligation of $15.5 million (net of settlement adjustments). This amount was paid to the Deed Fund on 20 December 2022.
- Tranche B Payment obligation of $4 million, payable within 5 days after settlement of the representative proceedings. This amount has been recognised as a provision at 31 December 2022.
- Deposit of $1 million (included in the Tranche A Payment), paid to the Voluntary Administrators, to cover costs or disbursements incurred by the Administrators for a limited set of circumstances. This amount was paid on 20 December 2022 and has been recognised as a deposit at 31 December 2022.

The DOCA also includes obligations for the Group to settle tax amounts payable to DASS in respect of the 2022 and 2023 financial years.

The net impact of these series of payments on the Group's first half statutory result is approximately $1.0 million loss as the amounts had already been substantially recognised in the Company's balance sheet as at 30 June 2022.

It is important to note that the DOCA has also been constructed in a way that permits DASS client/creditors with US Masters Residential Property Funds (**URF**) damages claims to access the Commonwealth Scheme of Last Resort should it ultimately be legislated.

REPRESENTATIVE PROCEEDINGS

On 4 November 2021, the Company announced that a representative proceeding had been commenced in the Federal Court of Australia against DASS, the Company and former executive Alan Dixon by Piper Alderman on behalf of named applicants and group members who were retail clients of DASS. The proceeding alleges certain breaches by DASS in connection with personal advice provided by DASS representatives to the applicants and group members in respect of the URF.

On 24 December 2021, the Company announced that a second representative proceeding had been commenced by Shine Lawyers in the Federal Court of Australia against DASS, the Company and former executives Alan Dixon and Chris Brown. In the Statement of Claim, the Applicant makes similar allegations to those made in the representative proceedings commenced by Piper Alderman.

In June 2022, the Federal Court made orders that only the Shine Lawyers representative proceeding would proceed against the Company, with the Piper Alderman representative proceeding stayed until the Shine Lawyers proceeding resolves.

In December 2022, the Court ordered that DASS' administrators should grant access to Shine Lawyers to certain insurance policies.

In February 2023, preparations are underway for a Court-ordered mediation in the Shine Lawyers proceeding. The mediation is to occur by no later than 24 March 2023. A case management hearing has been scheduled for 5 April 2023.

NON-IFRS INFORMATION

The Group utilises certain non-IFRS financial measures when assessing the financial performance of the Group. These measures which include net revenue, underlying Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) and underlying Net Profit After Tax before Acquired Amortisation (**NPATA**), are not prepared in accordance with IFRS and are therefore considered 'non-IFRS' financial measures.

Management uses non-IFRS information, in addition to financial data prepared in accordance with IFRS to attain a more transparent understanding of the Group's performance. We use non-IFRS measures consistently in our internal planning and forecasting, to establish strategic goals and to allocate resources. The Directors therefore believe that the non-IFRS measures provide useful information to assist investors and analysts to understand the business and its performance. The non-IFRS financial measures reflect adjustments for items or events that the Directors consider are not part of the usual business activities or reflect the underlying performance of the Company. The adjustments have been consistently applied in all reporting periods, regardless of their impact on the underlying result.

The table below sets out the adjustments to EBITDA and NPAT that were made for 1H22, 2H22 and 1H23.

UNDERLYING EBITDA AND NPATA RECONCILIATION IN FINANCIALS

FOR THE PERIOD $'000	1H22	2H22	1H23
Net profit before tax	**6,908**	**3,240**	**4,256**
Interest revenue and finance costs	570	606	741
Depreciation, amortisation and impairment of PPE	6,165	7,153	5,282
Impairment of goodwill	-	585	-
EBITDA	**13,643**	**11,584**	**10,279**
Underlying adjustments			
Net change in value of non-core investments	1,438	(72)	141
Legal/regulatory proceedings and related administrative costs (net of insurance)	3,864	1,293	1,053
Net gain from sale of interests in FSREC	1,795	(6,990)	-
Onerous contract expense/(benefit)	-	464	(464)
Loss on deconsolidation of DASS	-	1,859	-
Net DOCA contribution	-	-	1,045
Employee termination payments	-	-	741
Underlying EBITDA	**20,740**	**8,138**	**12,795**
Statutory NPAT	**4,102**	**2,214**	**2,495**
After tax amount of underlying adjustments	5,004	(3,332)	1,769
Impairment of goodwill	-	585	-
Amortisation of acquired intangibles	586	1,109	235
Underlying NPATA	**9,692**	**576**	**4,499**

Directors' report *(cont.)*

Notes:

1. The figures shown in the column titled 2H22, including statutory items, are derived by subtracting first half FY22 figures from the full year FY22 figures.
2. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.
3. The 1H23 Underlying EBITDA adjustments include net fair value adjustments on non-core investments of $0.1 million ($0.1 million after tax), $1.1 million in expenses relating to legal/regulatory proceedings and related costs ($0.7 million after tax), net onerous contracts benefit of $0.5 million ($0.3 million after tax), net DOCA contribution of $1.0 million ($0.7 million after tax) and employee termination payments of $0.7 million ($0.5 million after tax).
4. The 2H22 Underlying EBITDA adjustments include net fair value gains on non-core investments of $0.1 million ($0.0 million after tax), $1.3 million in expenses relating to regulatory proceedings and related administrative costs ($0.9 million after tax), $7.0 million net gains from the sale of the Group's interests in the FSREC investment management platform to ISPT ($6.5 million after tax), net onerous contracts expenses of $0.5 million ($0.3 million after tax) and loss on the deconsolidation of DASS of $1.9 million ($1.9 million after tax).
5. The 1H22 Underlying EBITDA adjustments include net fair value adjustments on non-core investments of $1.4 million ($1.0 million after tax), $3.9 million in expenses relating to regulatory proceedings and related administrative costs ($2.7 million after tax) and a $1.8 million fair value loss on the Group's investment in Fort Street Capital related to the sale of the FSREC investment management platform to ISPT ($1.3 million after tax).
6. Underlying NPATA excludes the impact of amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the Company's IPO totalling $0.2 million after tax in 1H23 (2H22: $1.1 million, 1H22: $0.6 million).
7. 2H22 Underlying NPATA also excludes $0.6 million impairment of goodwill in E&P Wealth due to regulatory matters.

BUSINESS SEGMENT OVERVIEW

E&P WEALTH

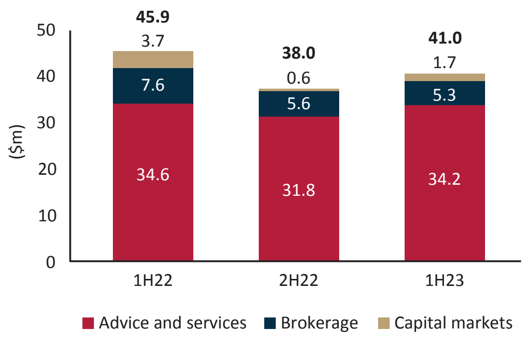
E&P Wealth provides a full-service solution for private clients through a complementary suite of wealth management services including strategic financial advice, investment advice, stock broking, portfolio administration and reporting, self-managed superannuation fund administration and legal services. E&P Wealth revenues are primarily derived from asset-based advice fees, fee for service investment and financial advice and administration, and securities brokerage. E&P Wealth also receives fees for participation in equity and debt capital raisings.

E&P Wealth generated net revenue of $41.0 million in the six months to December 2022. This was 8% higher than the prior period, however, down 10% on the prior corresponding period. The improvement on the prior half reflects the initial recovery in revenue of the division following a period of significant disruption and restructure. This was largely led by the transition of clients on a fixed fee arrangement to a FUA-based model. The under-performance compared to the first half of financial year 2022 was the result of losses of former Dixon Advisory clients during CY22, challenging market conditions leading to lower client balances and lower capital markets activity. Revenue for the half was also impacted by the deconsolidation of DASS in January 2022, as services provided to DASS clients that transitioned to Evans & Partners were provided for no consideration, albeit to a lesser extent than the prior period.

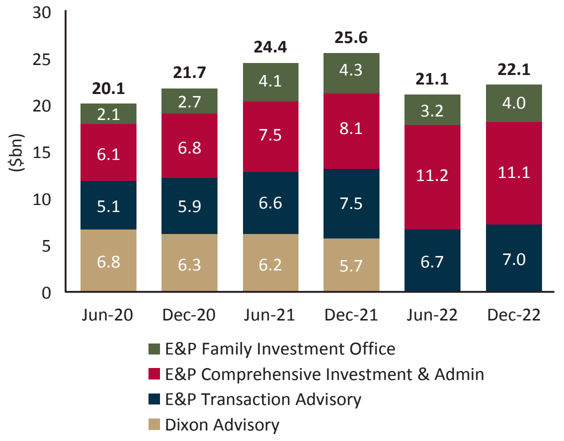
E&P Wealth underlying EBITDA of $4.6 million was 65% higher than on the prior period but down 43% on the prior corresponding period. Direct expenses were lower over the half as a result of the rationalisation of resources following the consolidation of the Wealth business under the Evans & Partners brand.

Total E&P Wealth funds under advice (**FUA**) was $22.1 billion at 31 December 2022, representing an increase of 5% over the six months led by the market recovery and growth in the Family Investment Office client balances. The total number of E&P Wealth clients fell from approximately 8,000 to 7,600 primarily due to the cancellation of inactive, low balance transactional broking accounts with minimal revenue contribution. Full-service client numbers increased over the period driven by growth in the Retail Wealth Management (**RWM**) service offering.

E&P WEALTH NET REVENUE



E&P WEALTH FUA



Advice and services revenue showed improvement, benefitting from the ongoing transition to FUA based revenue (led by the growth in RWM), whereas the reduction in brokerage revenue reflects the deliberate structural shift in our model and uncertain market conditions.

At 31 December 2022, the RWM service had over 1,600 clients representing $3.1 billion in funds under advice. This represents a 52% and 55% increase respectively in the six months since June. Growth was assisted by the transition of former Dixon Advisory clients to Evans & Partners over the past 12 months.

As of 31 December 2022, the business had completed approximately 60% of the annual fee reviews for our remaining fixed fee clients. Of this 60%, approximately three quarters have transitioned to the new industry standard fee arrangement or an FUA based fee model. As of 31 December 2022, 59% of our funds under advice was on an asset-based advice fee arrangement, up from 46% 18 months ago. Conversely, the proportion of client assets on a fixed fee arrangement is down from 23% to 9% over the same period.

While we are pleased with the progress of the RWM and fee review initiatives, we note these initiatives and the associated earnings recovery is ongoing. We expect to see a further revenue uplift in the second half and into the next financial year as the RWM transition continues and the fee review initiative is completed.

E&P CAPITAL

E&P Capital provides stockbroking and investment advisory services to institutional clients and advice to corporations, including advice on equity and debt capital market transactions, public markets and private treaty mergers and acquisitions, corporate divestments, private equity buyouts, debt financing and corporate restructurings. The E&P Capital segment generates revenue through institutional brokerage and securities execution commissions, corporate advisory services fees and debt and equity capital markets advice fees.

E&P Capital net revenue for the half of $26.6 million was 3% higher than the prior period, but down 27% compared to the prior corresponding period. The financial result was solid in light of market conditions, with revenue driven by the execution of several key M&A mandates. Revenue was impacted however by lower capital markets activity and Institutional trading volumes across the market.

Underlying EBITDA of $4.2 million for the half was 51% lower than the prior corresponding period. This result was primarily due to a reduction in revenue off record volumes. Should there be no improvement in market conditions, full year revenue for FY23 is expected to be lower than FY22, particularly in Institutional trading and capital markets.

During the half, the business selectively invested across the platform with senior recruitment in target sectors across both Corporate Advisory and Equity Research.

E&P FUNDS

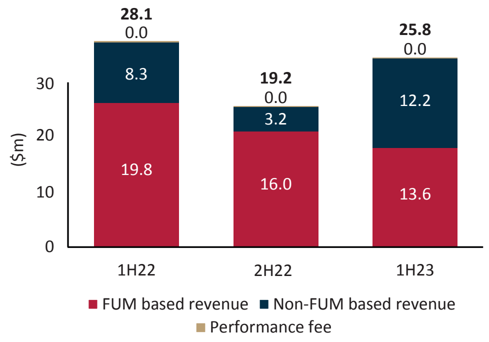
E&P Funds is a specialist global fund manager with products spanning global equities, residential property, private equity and sustainable and social investments. E&P Funds generates its revenue primarily from investment management fees, revenue for responsible entity and administration services, performance fees and revenue from execution of transactions such as asset acquisitions, disposals and debt arranging.

E&P Funds recorded net revenue of $25.8 million, up 34% on the prior period but down 8% on the first half of financial year 2022. FUM-based revenue was impacted following asset sales by New Energy Solar and the cessation of investment management fees from the FSREC Property Fund in February 2022. Non-FUM based revenue was higher as the Group benefitted from a disposal fee of $10.6 million for the asset sales in New Energy Solar.

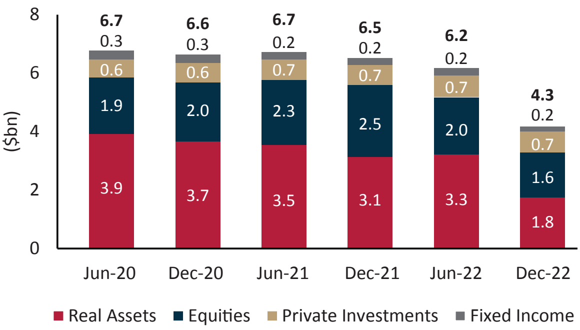
E&P Funds produced underlying EBITDA of $9.3 million, which was up materially on the prior half but down 8% on the prior corresponding period. Direct expenses were lower than the prior corresponding period due to lower staff costs and operating expense efficiencies following the rationalisation of strategies. These savings are expected to continue into the second half of the year.

Funds under management (**FUM**) at 31 December 2022 was $4.3 billion, down 31% on the prior period following the rationalisation of equities offerings and capital returns to investors in Real Asset funds[1]. The FUM at the end of the period also includes funds that will further reduce in size over time.

E&P FUNDS NET REVENUE



FUNDS UNDER MANAGEMENT BY ASSET CLASS



During the half, E&P Funds closed out several planned initiatives across the platform. While there is still work to be done, the business is much closer to operating a simpler and smaller funds offering, with a focus on the Group's core equity strategies.

Note:

1. Reduction in FUM as compared to prior period reflects cessation of responsible entity or investment management roles for FSREC Property Fund, Evans & Partners Australian Equities and Global Healthcare strategies ($712 million, $423 million and $17 million at 30 June 2022 respectively) and NEW capital returns of $263 million and debt reduction of $438 million.

As announced in December 2022, E&P Funds is in the process of winding up the Orca Asia, Global and Evans & Partners Healthcare strategies, allowing for sharpened focus on the core Claremont Global and Evans & Partners Global Disruption equities strategies.

E&P Funds made further progress on the external distribution of Claremont Global, with 59 external private wealth groups invested in the strategy at 31 December 2022. This is significantly up from 10 groups that were invested at the end of FY20. Key to the Group's distributions efforts is a deliberate investment in our brand and marketing efforts for greater investor engagement.

E&P Funds also refined the Global Disruption operating model, with cost reduction measures put in place to enable the strategy to focus on consolidating its track record. Unfortunately, recent performance was soft, with the 1 year performance struggling due to the global market downturn, with tech and other high beta stocks heavily impacted.

The business completed several projects in the half that will see the division closer to exiting real assets and completing the restructure initiated three years ago. In addition to the sale of New Energy Solar's assets, we announced that the URF entered into a joint venture with Brooksville to externalise URF's operating platform and expeditiously return the maximum amount of capital to unitholders[1]. Meanwhile, in December 2022 the business completed the Responsible Entity transition of the FSREC Property Fund to Equity Trustees following the withdrawal offers completed in FY22.

The deliberate structural changes made over the past three years and during the half have impacted the forward earnings outlook. The Group's continuing core equities business is expected to replace the contribution from reduced investment and asset management fees from real assets over the medium term.

DIVIDENDS

The Directors have not declared an Interim Dividend for FY23 given near term economic uncertainty. The Board remains committed to its full year dividend payout ratio of 75% to 85% of NPATA over time in normal trading conditions.

BALANCE SHEET AND CAPITAL

As at 31 December 2022, the Group maintained a prudent balance sheet with no debt and cash totalling $47.9 million. The cash balance reduced by $26.3 million over the half driven by timing of annual bonuses and payment of the DASS Tranche A DOCA Payment.

KEY BUSINESS RISKS

REPRESENTATIVE PROCEEDINGS RISK

The ongoing unresolved representative proceedings pose financial and reputational risks to the Company. Should the Company be unable to reach a resolution to the proceedings there is the risk that the ensuing litigation could require allocation of significant company resources and attract negative publicity that could result in materially adverse effects to the Company's financial performance and returns to Shareholders. Please refer to notes 19 and 20 of the Half Year Report for further details.

Note:

1. As announced on 3 January 2023.

REGULATORY RISK, COMPLIANCE AND LEGISLATIVE CHANGE

The Company operates within highly regulated markets that are subject to a range of legislative and regulatory compliance requirements. The Company through its operating subsidiaries holds a number of AFSL and its operating subsidiary Evans & Partners is also an ASX Trading Participant and a Cboe Australia Trading Participant. These licences and authorisations are integral to the provision of the Group's core services and require continuing compliance, where failure to comply with the applicable laws and guidelines can have a material impact on the Group's performance. If the Company were to lose any AFSL or market participant status, the services it provides its clients would be significantly disrupted and have severe ramifications on the Group's performance.

Similarly, the legislative regime governing the Company's business is subject to changes. Changes in legislation and/or interpretation of the existing legislation may positively or negatively affect the Group. Changes to the laws governing the provision of financial product advice and investment management services could have a materially adverse impact on the Group. The Company cannot predict what legislative changes may be made in the future, or the impact of those changes. Changes to the interpretation of such legislation may have a similar effect and impact the Group's ability to continue to provide financial products and services in their existing capacity. This may have a materially adverse effect on the financial performance and prospects of the Group.

CHANGING MARKET CONDITIONS

As a financial services group, the Company is affected by conditions in the global financial markets and economic conditions throughout the world. Future market and economic climate may deteriorate because of many factors beyond the Company's control, including rising interest rates or inflation or political uncertainty. Changing market conditions can adversely affect the Company by reducing the volume of transactions executed across the E&P Capital segment and by reducing the value of assets under management or advice in the E&P Funds and E&P Wealth segments, both of which would adversely affect the Company's revenue. Profitability may also be adversely affected if the Company is unable to sufficiently scale back costs to match any decreases in revenue.

REPUTATION AND BRAND RISK

The success of the Company largely depends on its reputation and branding. The E&P brand image and those of its operating subsidiaries is central to the Group's ongoing performance. The Group's image is influential in retaining existing clients and sourcing new clients across the Company's entire service offering. There is a risk that certain issues or events may adversely affect the reputation of the Company and its subsidiaries. In the event of such occurrences, the strength of the Company and its subsidiaries may be undermined resulting in loss of clients, failure to attract new clients and reduced demand for the Company's services. If risks to brand image and reputation were to eventuate this may result in materially adverse effects to the Company's financial performance and returns to Shareholders.

SUBSEQUENT EVENTS

SHINE LAWYERS REPRESENTATIVE PROCEEDINGS

In February 2023, preparations are underway for a Court-ordered mediation in the Shine Lawyers proceeding. The mediation is to occur by no later than 24 March 2023. A case management hearing has been scheduled for 5 April 2023.

As at the date of this half-year financial report, the representative proceedings remain unresolved. As there is no reliable basis upon which any potential future liability can be measured beyond the Provision recognised in Note 18, this matter has been treated as a contingent liability (see Note 19).

Other than the matters referred above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 14 of the half-year report.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors,

David Evans
Director

Peter Anderson
Director

Dated: 23 February 2023

Auditor's independence declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

23 February 2023

The Board of Directors
E&P Financial Group Limited
Level 32, 1 O'Connell Street
Sydney NSW 2000

Dear Board of Directors

Auditor's Independence Declaration to E&P Financial Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of E&P Financial Group Limited.

As lead audit partner for the review of the half year financial report of E&P Financial Group Limited for the half year ended 31 December 2022, 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

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

Condensed consolidated statement of profit or loss and other comprehensive income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	NOTE	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	HALF-YEAR ENDED 31 DECEMBER 2021 $'000
Revenue			
Provision of services	5	96,021	109,026
Interest		300	135
Share of profits of associates and jointly controlled entities		310	4,341
Other income		638	487
Total revenue		**97,269**	**113,989**
Expenses			
Employee benefits		(61,169)	(71,547)
Administrative expense		(9,380)	(8,926)
Occupancy		(639)	(585)
Depreciation and amortisation		(5,266)	(6,165)
Information technology		(5,193)	(5,443)
Rebates and commissions		(3,530)	(3,196)
Finance costs		(1,041)	(705)
Legal proceedings and related costs, net of insurance	6	(263)	(139)
Regulatory proceedings and related costs, net of insurance	6	(533)	(3,171)
Deed of Company Arrangement	6	(1,045)	-
Fair value loss on financial assets		-	(1,795)
Acquisition loss of investments		-	(1,395)
Other expenses		(4,954)	(4,014)
Total expenses		**(93,013)**	**(107,081)**
Profit before income tax expense		**4,256**	**6,908**
Income tax expense	10	(1,761)	(2,806)
Profit for the period		**2,495**	**4,102**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		117	202
Items that will not be reclassified subsequently to profit or loss			
Fair value gain on financial assets measured at FVTOCI		30	18
		147	220
Total comprehensive profit for the period		**2,642**	**4,322**
Profit per share			
Basic (cents per share)		1.09	1.80
Diluted (cents per share)		1.06	1.74

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

Condensed consolidated statement of financial position

AS AT 31 DECEMBER 2022

	NOTE	31 DEC 2022 $'000	30 JUN 2022 $'000
Assets			
Current assets			
Cash and cash equivalents		47,862	74,181
Trade and other receivables		19,795	27,116
Investments in financial assets	15	7,335	7,592
Current tax assets		1,642	-
Finance lease receivable		914	869
Prepayments		3,766	1,619
Deposits	11	5,598	5,241
Total current assets		**86,912**	**116,618**
Non-current assets			
Investments accounted for using the equity method	8	13,409	13,916
Investments in financial assets	15	3,122	4,069
Property, plant and equipment		10,139	10,927
Goodwill and other indefinite life intangible assets	12	94,477	94,477
Finite life intangible assets		7,942	8,438
Right of use assets		25,664	28,556
Deposits	11	3,638	3,649
Prepayments		307	282
Finance lease receivable		2,200	2,620
Deferred tax assets		2,648	4,208
Total non-current assets		**163,546**	**171,142**
Total assets		**250,458**	**287,760**
Liabilities			
Current liabilities			
Trade and other payables		9,063	10,764
Contract liabilities		6,948	5,110
Provisions	18	31,052	44,837
Lease liabilities		6,496	6,540
Other liabilities	17	1,845	19,594
Current tax liabilities		498	599
Total current liabilities		**55,902**	**87,444**
Non-current liabilities			
Provisions	18	3,320	3,339
Lease liabilities		30,490	33,527
Total non-current liabilities		**33,810**	**36,866**
Total liabilities		**89,712**	**124,310**
Net assets		**160,746**	**163,450**
Equity			
Share capital	9	317,889	317,992
Reorganisation reserve		(135,099)	(135,099)
Investment revaluation reserve		(530)	(560)
Foreign currency translation reserve		4,345	4,228
Share based payment reserve		12,348	11,388
Accumulated losses		(38,207)	(34,499)
Total equity		**160,746**	**163,450**

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

Condensed consolidated statement of changes in equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	SHARE CAPITAL $'000	RE-ORGANISATION RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	SHARE BASED PAYMENTS RESERVE $'000	INVESTMENT REVALUATION RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2021	322,090	(135,099)	3,681	8,306	(246)	(40,942)	157,790
Profit after income tax expense for the period	-	-	-	-	-	4,102	4,102
Other comprehensive income for the period, net of tax	-	-	202	-	18	-	220
Total comprehensive income for the period	**-**	**-**	**202**	**-**	**18**	**4,102**	**4,322**
Transactions with owners in their capacity as owners:							
Treasury shares acquired	(1,198)	-	-	-	-	-	(1,198)
Equity-settled share-based payments	-	-	-	2,097	-	-	2,097
Dividends paid	-	-	-	-	-	-	-
Balance at 31 December 2021	**320,892**	**(135,099)**	**3,883**	**10,403**	**(228)**	**(36,840)**	**163,011**
Balance at 1 July 2022	317,992	(135,099)	4,228	11,388	(560)	(34,499)	163,450
Profit after income tax expense for the period	-	-	-	-	-	2,495	2,495
Other comprehensive income for the period, net of tax	-	-	117	-	30	-	147
Total comprehensive income for the period	**-**	**-**	**117**	**-**	**30**	**2,495**	**2,642**
Transactions with owners in their capacity as owners:							
Treasury shares acquired	(103)	-	-	-	-	-	(103)
Equity-settled share-based payments	-	-	-	960	-	-	960
Dividends paid	-	-	-	-	-	(6,251)	(6,251)
Dividends paid in prior periods reclassified to profit and loss	-	-	-	-	-	48	48
Balance at 31 December 2022	**317,889**	**(135,099)**	**4,345**	**12,348**	**(530)**	**(38,207)**	**160,746**

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

Condensed consolidated statement of cash flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	NOTE	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	HALF-YEAR ENDED 31 DECEMBER 2021 $'000
Cash flows from operating activities			
Receipts from customers		113,571	113,977
Payments to suppliers and employees		(115,876)	(108,938)
Payment of Deed of Company Arrangement (Tranche A, inclusive of GST)	17	(15,536)	-
Receipts from insurance		459	4,127
Interest received		188	8
Interest paid		(2)	(60)
Income and other taxes paid		(1,954)	(873)
Income and other tax refund received		-	3
Net cash (used in)/generated by operating activities		**(19,150)**	**8,244**
Cash flows from investing activities			
Dividends received from jointly controlled entities and investments		1,018	4,472
Purchase of financial assets		(97)	(2,134)
Purchase/development costs of intangible assets (software)		(854)	(1,065)
Purchase of property, plant and equipment		(237)	(185)
Proceeds on sale of financial assets		2,292	-
Net cash generated by investing activities		**2,122**	**1,088**
Cash flows from financing activities			
Proceeds from borrowings		-	5,967
Repayment of borrowings		-	(4,153)
Proceeds from finance lease		549	507
Net payments of lease liabilities		(4,192)	(4,169)
Proceeds from short-term deposits		655	1,400
Purchase of treasury shares		(103)	(1,198)
Dividends paid		(6,251)	-
Net cash used in financing activities		**(9,342)**	**(1,646)**
Net (decrease)/increase in cash and cash equivalents		(26,370)	7,686
Cash and cash equivalents at beginning of period		74,181	50,752
Effect of exchange rate fluctuations on cash held		51	79
Cash and cash equivalents at end of period		**47,862**	**58,517**

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

Notes to the condensed consolidated financial statements

1. GENERAL INFORMATION

STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and *AASB 134 'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

2. NEW AND REVISED ACCOUNTING STANDARDS

AMENDMENTS TO ACCOUNTING STANDARDS AND NEW INTERPRETATIONS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the **AASB**) that are relevant to their operations and effective for the current half-year.

The new and revised Standards and Interpretations adopted during the period do not materially affect the Group's accounting policies or any of the amounts recognised in the condensed consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Group is an entity of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2022 annual financial report for the financial year ended 30 June 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Notes to the condensed consolidated financial statements *(cont.)*

(B) GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors note that in the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

(C) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Board of Directors as chief operating decision maker (**CODM**) in order to allocate resources to the segment and to assess its performance.

Information reported to the CODM for the purposes of resource allocation and assessment of performance is more specifically focused on the category of services provided to customers and the wider economic circumstances and market forces within which each segment operates. As such, the principal categories of services provided to customers as reported to and assessed by the CODM in the current reporting period, which represent the Group's reportable segments under *AASB 8* are as follows:

- E&P Wealth
- E&P Capital
- E&P Funds

E&P Wealth relates to the provision of full-service investment advisory, financial strategy, portfolio administration and stockbroking services to affluent self-managed superannuation trustees, retail clients, wholesale clients and high net worth individuals and the provision of share transaction arrangement and handling services.

E&P Capital relates to the provision of stockbroking and investment advisory services to institutional clients and advice to corporations on mergers, acquisitions, equity and debt capital market transactions.

E&P Funds relates to the provision of investment management services, fund accounting and administration services and Responsible Entity services to managed investment schemes.

The Group also has corporate unallocated costs which comprise the aggregation of corporate activities that do not fall under any of the above three segments as they do not engage in business activities that may earn revenue and there is no basis to accurately allocate expenses to the three operating segments in order for the CODM to reliably assess performance or allocate resources within the operating segments. Therefore, this category is not a reportable segment as defined within *AASB 8*, but is included in the following tables in order for the total amounts to reconcile to the condensed consolidated statement of profit or loss and other comprehensive income as contained earlier in this report.

Information regarding these segments is presented in the following tables. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Notes to the condensed consolidated financial statements *(cont.)*

OPERATING SEGMENT NOTE HALF-YEAR ENDED 31 DECEMBER 2022	NOTE	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Revenue						
Provision of services		43,484	27,133	25,404	-	96,021
Recognised as follows:						
Over time		*35,466*	*2,985*	*14,824*	-	*53,275*
At a point in time		*8,018*	*24,148*	*10,580*	-	*42,746*
Share of profits of associates and jointly controlled entities		15	-	295	-	310
Other income		338	-	297	-	635
Total revenue	4A	**43,837**	**27,133**	**25,996**	-	**96,966**
Total cost of sales		(2,791)	(577)	(240)	-	(3,608)
Net revenue		**41,046**	**26,556**	**25,756**	-	**93,358**
Direct expenses		(29,515)	(16,145)	(14,225)	-	(59,885)
Overhead expenses		(2,928)	(1,768)	(905)	-	(5,601)
Allocated staff expenses		(3,996)	(4,404)	(1,304)	-	(9,704)
Unallocated group staff expenses		-	-	-	(3,521)	(3,521)
Unallocated group operating expenses		-	-	-	(1,852)	(1,852)
Segment EBITDA		**4,607**	**4,239**	**9,322**	**(5,373)**	**12,795**
Add/(Less): segment adjustments before tax	4B	(119)	-	(319)	(2,078)	(2,516)
EBITDA		**4,488**	**4,239**	**9,003**	**(7,451)**	**10,279**
Depreciation and amortisation expenses	4C	-	-	-	(2,027)	(2,027)
Amortisation of acquired intangibles		-	-	-	(336)	(336)
Right-of-use asset depreciation		(1,353)	(509)	(350)	(691)	(2,903)
Impairment of property, plant and equipment		-	-	-	(16)	(16)
EBIT		**3,135**	**3,730**	**8,653**	**(10,521)**	**4,997**
Interest revenue		-	-	-	190	190
Finance costs		(463)	(174)	(55)	(239)	(931)
Profit before tax		**2,672**	**3,556**	**8,598**	**(10,570)**	**4,256**
Income tax expense						(1,761)
Net profit after tax						**2,495**
Add: Segment adjustments after tax	4B					2,004
Segment NPATA						**4,499**

Glossary

EBIT is defined as earnings before interest and tax.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

NPATA is defined as net profit after tax before amortisation of acquired intangibles.

Notes to the condensed consolidated financial statements *(cont.)*

NOTE 4A: REVENUE RECONCILIATION HALF-YEAR ENDED 31 DECEMBER 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total revenue per Statement of Profit or Loss	**43,837**	**27,133**	**25,996**	**303**	**97,269**
Interest income	-	-	-	(300)	(300)
Trading gain	-	-	-	(3)	(3)
Total revenue per Operating Segment note	**43,837**	**27,133**	**25,996**	**-**	**96,966**

NOTE 4B: SEGMENT ADJUSTMENTS HALF-YEAR ENDED 31 DECEMBER 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Segment adjustments before tax					
Legal/regulatory proceedings and related administrative costs (net of insurance)[1]	(227)	-	-	(826)	(1,053)
Net change in value of non-core investments[2]	-	-	(135)	(6)	(141)
Onerous contract benefit	464	-	-	-	464
DOCA contribution	-	-	-	(1,045)	(1,045)
Employee termination payments	(356)	-	(184)	(201)	(741)
Total segment adjustments before tax	**(119)**	**-**	**(319)**	**(2,078)**	**(2,516)**
Segment adjustments after tax					
Legal/regulatory proceedings and related administrative costs (net of insurance)[1]	(159)	-	-	(578)	(737)
Net change in value of non-core investments[2]	-	-	(102)	(5)	(107)
Onerous contract benefit	325	-	-	-	325
DOCA contribution	-	-	-	(732)	(732)
Employee termination payments	(249)	-	(129)	(140)	(518)
Amortisation of acquired intangibles	-	-	-	(235)	(235)
Total segment adjustments after tax	**(83)**	**-**	**(231)**	**(1,690)**	**(2,004)**

NOTE 4C: DEPRECIATION AND AMORTISATION RECONCILIATION HALF-YEAR ENDED 31 DECEMBER 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total Depreciation and Amortisation per Statement of Profit and Loss	**(1,353)**	**(509)**	**(350)**	**(3,054)**	**(5,266)**
Right of use asset depreciation	1,353	509	350	691	2,903
Amortisation of acquired intangibles	-	-	-	336	336
Total Depreciation & Amortisation per Operating Segment note	**-**	**-**	**-**	**(2,027)**	**(2,027)**

Notes:

1. Regulatory proceedings and related costs are net of insurance recovery and include administrative costs incurred in relation to the DASS VA.
2. Includes net fair value adjustment of non-core investments. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.

Notes to the condensed consolidated financial statements *(cont.)*

OPERATING SEGMENT NOTE HALF-YEAR ENDED 31 DECEMBER 2021	NOTE	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Revenue						
Provision of services		48,296	37,150	23,580	-	109,026
Recognised as follows:						
Over time		*35,922*	*2,898*	*19,705*	-	*58,525*
At a point in time		*12,374*	*34,252*	*3,875*	-	*50,501*
Share of profits of associates and jointly controlled entities		49	-	4,292	-	4,341
Other income		70	-	338	-	408
Total revenue	4D	**48,415**	**37,150**	**28,210**	-	**113,775**
Total cost of sales		(2,562)	(727)	(96)	-	(3,385)
Net revenue		**45,853**	**36,423**	**28,114**	-	**110,390**
Direct expenses		(31,528)	(20,884)	(15,364)	-	(67,776)
Overhead expenses		(2,933)	(1,534)	(1,238)	-	(5,705)
Allocated staff expenses		(3,334)	(5,288)	(1,416)	-	(10,038)
Unallocated group staff expenses		-	-	-	(4,099)	(4,099)
Unallocated group operating expenses		-	-	-	(2,032)	(2,032)
Segment EBITDA		**8,058**	**8,717**	**10,096**	**(6,131)**	**20,740**
Less: segment adjustments before tax	4E	(3,278)	-	(1,918)	(1,901)	(7,097)
EBITDA		**4,780**	**8,717**	**8,178**	**(8,032)**	**13,643**
Depreciation and amortisation expenses	4F	-	-	-	(2,371)	(2,371)
Amortisation of acquired intangibles		-	-	-	(686)	(686)
Right-of-use asset depreciation		(1,566)	(572)	(313)	(657)	(3,108)
EBIT		**3,214**	**8,145**	**7,865**	**(11,746)**	**7,478**
Interest revenue		-	-	127	8	135
Finance costs		(283)	(103)	(140)	(179)	(705)
Profit before tax		**2,931**	**8,042**	**7,852**	**(11,917)**	**6,908**
Income tax expense						(2,806)
Net profit after tax						**4,102**
Add: segment adjustments after tax	4E					5,590
Segment NPATA						**9,692**

Glossary

EBIT is defined as earnings before interest and tax.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

NPATA is defined as net profit after tax before amortisation of acquired intangibles.

Notes to the condensed consolidated financial statements *(cont.)*

NOTE 4D: REVENUE RECONCILIATION HALF-YEAR ENDED 31 DECEMBER 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total revenue per Statement of Profit or Loss	**48,415**	**37,150**	**28,337**	**87**	**113,989**
Interest income	-	-	(127)	(8)	(135)
Trading gain	-	-	-	(79)	(79)
Total revenue per Operating Segment note	**48,415**	**37,150**	**28,210**	**-**	**113,775**

NOTE 4E: SEGMENT ADJUSTMENTS HALF-YEAR ENDED 31 DECEMBER 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Segment adjustments before tax					
Legal/regulatory proceedings and related administrative costs[1]	(3,278)	-	-	(586)	(3,864)
Net change in value of non-core investments[2]	-	-	(123)	(1,315)	(1,438)
Fair value loss on FSC investment	-	-	(1,795)	-	(1,795)
Total segment adjustments before tax	**(3,278)**	**-**	**(1,918)**	**(1,901)**	**(7,097)**
Segment adjustments after tax					
Legal/regulatory proceedings and related administrative costs[1]	(2,294)	-	-	(411)	(2,705)
Net change in value of non-core investments[2]	-	-	(123)	(920)	(1,043)
Fair value loss on FSC investment	-	-	(1,256)	-	(1,256)
Amortisation of acquired intangibles	-	-	-	(586)	(586)
Total segment adjustments after tax	**(2,294)**	**-**	**(1,379)**	**(1,917)**	**(5,590)**

NOTE 4F: DEPRECIATION AND AMORTISATION RECONCILIATION HALF-YEAR ENDED 31 DECEMBER 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total Depreciation and Amortisation per Statement of Profit or Loss	**(1,566)**	**(572)**	**(313)**	**(3,714)**	**(6,165)**
Right of use asset depreciation	1,566	572	313	657	3,108
Amortisation of acquired intangibles	-	-	-	686	686
Total Depreciation & Amortisation per Operating Segment note	**-**	**-**	**-**	**(2,371)**	**(2,371)**

Notes:

1. Regulatory proceedings and related costs are net of insurance recovery and include administrative costs incurred in relation to the DASS VA.
2. Includes net fair value adjustment of non-core investments. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.

5. REVENUE

PROVISION OF SERVICES REVENUE	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	HALF-YEAR ENDED 31 DECEMBER 2021 $'000
At a point in time		
Advisory, administration and brokerage	8,018	12,374
Corporate advisory and institutional brokerage	24,148	34,252
Funds management*	10,580	3,875
Total revenue earned at a point in time	**42,746**	**50,501**
Over time		
Advisory, administration and brokerage	35,466	35,922
Corporate advisory revenue	2,985	2,898
Funds management	14,824	18,890
Project service fees	-	815
Total revenue earned over time	**53,275**	**58,525**
Total provision of services revenue	**96,021**	**109,026**

* Funds management 'at a point in time' revenue during the period relates to asset disposal fee received by New Energy Solar Manager Pty Limited, a subsidiary of the Group, for the investment management services provided to New Energy Solar Fund.

REVENUE RECOGNITION

Revenue from the rendering of services is recognised upon delivery of the services to the Group's customers. Prepaid amounts received in advance of the provision of services are recorded as a liability in the financial statements and are then recognised in profit or loss over the service period. The Group's major categories of revenue from the rendering of services includes:

- **Advisory, administration and brokerage** includes financial strategy advice and estate planning advice where revenue is charged and recognised on a time incurred basis when the service is provided, as well as brokerage commissions where revenue is recognised at the point in time when the transaction is settled. Also included within this category is asset and investment management advisory and SMSF accounting and tax services where revenue is recognised on a straight-line basis over the period the services are performed and the customer consumes the benefit associated with the services;
- **Corporate advisory revenue** includes services provided to corporations in respect of mergers, acquisitions, equity and debt capital market transactions, where revenue is recognised at the point the transaction is finalised, generally coinciding with the time the Group's non-extinguishable entitlement to its fee is established. Also included within the category is institutional brokerage commission revenue which is recognised at the point in time the trade transaction is settled;
- **Funds management** includes responsible entity and administration services, investment management and accounting services where revenue is recognised on a straight-line basis over the time the services are performed. Also included within this category is asset management services where revenue is recognised at the point in time the purchase or sale transaction is finalised, generally coinciding with the time the Group's entitlement to its fee is established. Additionally,

performance fee variable consideration is recognised when it is reliably measurable (ie when there is no high probability of significant reversal), generally at the time a non-extinguishable entitlement to the fee is established.

6. EXPENSES

	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	HALF-YEAR ENDED 31 DECEMBER 2021 $'000
Legal proceedings and related costs, net of insurance		
Other legal and related costs	(722)	(416)
Insurance recovery income[1]	459	277
	(263)	**(139)**
Regulatory proceedings and related costs, net of insurance		
AFCA external dispute resolution and other claims	-	(4,437)
Other legal and related costs	(533)	(665)
Commonwealth penalty related costs	-	(639)
Insurance recovery income[1]	-	2,570
	(533)	**(3,171)**
Deed of Company Arrangement[2]	**(1,045)**	**-**

Notes:

1. Further legal and regulatory proceedings costs may be recovered but are not virtually certain at this time.
2. Refer to note 17 for further details.

Other expenses included in the consolidated statement of profit and loss and other comprehensive income totaling $5.0 million (2021: $4.0 million) primarily comprise direct fund costs, insurance costs, travel and other office related expenses.

7. DIVIDENDS

During the half-year, E&P Financial Group Limited made the following dividend payments:

	HALF-YEAR ENDED 31 DECEMBER 2022		HALF-YEAR ENDED 31 DECEMBER 2021	
	CENTS PER SHARE	TOTAL $'000	CENTS PER SHARE	TOTAL $'000
Fully paid ordinary shares				
Final dividend for the year ended 30 June 2022	2.7 cents	6,417		
Final dividend for the year ended 30 June 2021			-	-
		6,417	**-**	**-**

The franking account balance as at 31 December 2022 was $31.1 million (FY22: $31.9 million).

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Investments in associates	813	768
Investments in jointly controlled entities	12,596	13,148
	13,409	**13,916**

a) Reconciliation of movement in investments in jointly controlled entities

	FORT STREET CAPITAL $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER $'000	TOTAL $'000
Balance at 1 July 2021	**6,638**	**7,469**	**4,906**	**3,043**	**22,056**
Disposal	(4,038)	-	-	(983)	(5,021)
Share of profits of jointly controlled entities	598	3,590	(297)	735	4,626
Fair value loss	(1,795)	-	-	-	(1,795)
Less: dividends received	(1,403)	(2,953)	(520)	(1,927)	(6,803)
Effect of foreign currency exchange differences	-	-	-	85	85
Balance as at 30 June 2022	**-**	**8,106**	**4,089**	**953**	**13,148**
Balance at 1 July 2022	**-**	**8,106**	**4,089**	**953**	**13,148**
Share of profits of jointly controlled entities	-	468	(230)	28	266
Less: dividends received	-	(4)	-	-	(4)
Effect of foreign currency exchange differences	-	-	-	12	12
Transfer to investment in financial assets[1]	-	-	-	(826)	(826)
Balance as at 31 December 2022	**-**	**8,570**	**3,859**	**167**	**12,596**

Note:

1. The Group's investments in UA Dixon 168 Manager, LLC ($0.26 million), UA Dixon 30-58/64 34th Street, LLC ($0.52 million), and UA Dixon 523 West 135th Street Manager, LLC ($0.04 million), were reclassified as "Investment in financial assets" during the period. Please refer to 'Note 15' for further details.

Notes to the condensed consolidated financial statements *(cont.)*

Details of the Group's associates and jointly controlled entities at the end of the reporting period are:

NAME	PRINCIPAL PLACE OF BUSINESS/COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31 DECEMBER 2022 %	30 JUNE 2022 %
Associates of E&P Financial Group Limited			
Clear Law Pty Limited	Australia	49%	49%
US Select Private Opportunities Fund II, GP LLC	USA	50%	50%
US Select Private Opportunities Fund III, GP LLC	USA	42.5%	42.5%
US Select Private Opportunities Fund IV, GP LLC	USA	42.5%	42.5%
US Select Direct Private Equity, GP LLC	USA	42.5%	42.5%
Jointly controlled entities of E&P Financial Group Limited			
Laver Place Sub Pty Limited	Australia	33.3%	33.3%
CVC Emerging Companies IM Pty Limited	Australia	50%	50%
CVC Emerging Companies Fund	Australia	9.9%	9.9%
Dixon Associates PE III Wholesale Fund[1]	USA	83.6%	83.6%
UA Dixon 168 Manager, LLC[2]	USA	50%	50%
UA Dixon 30-58/64 34th Street, LLC[2]	USA	50%	50%
UA Dixon 523 West 135th Street Manager, LLC[2]	USA	50%	50%

Notes:

1. Despite the Group holding a majority interest in Dixon Associates PE III Wholesale Fund, by virtue of the Fund's Constitution, control is vested in the Trustee. The Group does not control the Board of the Trustee (it has 50% representation), nor is it able to remove the Trustee, and accordingly it does not exercise control over the Fund.
2. This investment accounted for using the equity method was transferred to available for sale assets as at 31 December 2022. Please refer to 'Notes 8 & 15' for further details.

All of the above associates and jointly controlled entities are accounted for using the equity method in these condensed consolidated financial statements.

9. ISSUES, REPURCHASES AND REPAYMENTS OF EQUITY SECURITIES

Issued capital as at 31 December 2022 amounted to $326,795,513 (237,680,090 ordinary shares).

	NUMBER OF SHARES	SHARE CAPITAL $
Balance of issued share capital as at 1 July 2022	237,680,090	328,491,298
Treasury shares re-issued under the share rights plan during the period	-	(1,695,785)
Balance of issued share capital as at 31 December 2022	**237,680,090**	**326,795,513**
(Less): Treasury shares held by Group entities	(10,348,708)	(8,906,423)
Balance of share capital as at 31 December 2022	**227,331,382**	**317,889,090**
Movement in treasury shares balance during the period can be reconciled as follows:		
Opening balance of treasury shares held by Group entities 1 July 2022	(12,660,894)	(10,499,090)
(Less): Treasury shares purchased during the period	(193,580)	(103,119)
Add: Treasury shares issued (options exercised) during the period	2,505,766	1,695,786
Closing balance treasury shares held by Group entities 31 December 2022	**(10,348,708)**	**(8,906,423)**

10. INCOME TAX

	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	HALF-YEAR ENDED 31 DECEMBER 2021 $'000
The income tax expense for the period can be reconciled to the accounting profit as follows:		
Profit before income tax expense	**4,256**	**6,908**
Income tax expense at 30% (2021: 30%)	1,277	2,072
Effect of income that is exempt from taxation	-	(445)
Effect of expenses that are not deductible in determining taxable profit	205	540
Effect of different tax rates of subsidiaries operating in other jurisdiction	(38)	28
USA derived losses not recognised as deffered tax asset	277	589
	1,721	**2,784**
Adjustments recognised in the current period in relation to the current tax of prior periods	40	22
Total income tax expense recognised in profit or loss	**1,761**	**2,806**

Note: Dixon Advisory and Superannuation Services Pty Limited (Subject to Deed of Company Arrangement) continues to be part of the E&P Financial Group Limited's tax consolidated group.

11. CURRENT AND NON-CURRENT ASSETS – DEPOSITS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Current		
Short-term deposits	4,381	5,024
Other deposits[1]	1,217	217
	5,598	**5,241**
Non-Current		
Security deposits	3,638	3,649
	3,638	**3,649**

Note:

1. Other deposits include $1.0 million as per the terms of Deed of Company Arrangement, refer to note 17 for further details.

12. GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Carrying amounts of		
Goodwill	65,144	65,144
Brands	29,333	29,333
	94,477	**94,477**

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

Goodwill and other indefinite life intangible assets have been allocated for impairment testing purposes to the following groups of cash-generating units (**CGUs**):

- E&P Wealth
- E&P Capital
- E&P Funds

The carrying amount (after impairment) of goodwill has been allocated as follows:

GOODWILL CGU	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
E&P Wealth	-	-
E&P Capital	65,144	65,144
E&P Funds	-	-
	65,144	**65,144**

Notes to the condensed consolidated financial statements *(cont.)*

IMPAIRMENT TESTING

At each half-year period, the Directors are required to assess whether there are any indicators of impairment in respect of the Group's CGUs which would affect the carrying value of intangibles on the balance sheet. Management has considered the minimum indicators set out in the *AASB 136 Impairment of Assets* that should be considered in making an assessment on impairment. The Directors conclude that the currently challenging market conditions and softer near term outlook both constitute external indicators that warrant conducting a full impairment test.

E&P WEALTH

The recoverable value of the E&P Wealth CGU has been determined by a fair value less costs of disposal calculation which uses cash flow projections based on internal forecasts covering financial years 2023 to 2027. Cash flows beyond FY27 are extrapolated using a steady long term growth rate of 2.53% per annum (FY22: 2.45% per annum). A post-tax discount rate of 11.0% (FY22: 12.5%) has been applied to the forecast cash flows. In light of the acceptance of the DASS DOCA by creditors and removal of DASS as a co-defendant for the representative proceedings, the Directors believe it is appropriate to remove the regulatory risk premium that was applied to the E&P Wealth CGU in prior periods. The valuation is considered to be level 3 in the fair value hierarchy. All indefinite life intangible assets allocated to the E&P Wealth CGU were fully written off in prior periods. The impairment assessment therefore tests for impairment of other assets such as property, plant and equipment and right of use assets. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

E&P CAPITAL

The recoverable value of the E&P Capital CGU has been determined by a fair value less costs of disposal calculation which uses cash flow projections based on internal forecasts covering financial years 2023 to 2027. Cash flows beyond FY27 are extrapolated using a steady long term growth rate of 2.53% per annum (FY22: 2.45% per annum). A post-tax discount rate of 12.8% (FY22: 13.5%) has been applied to the forecast cash flows. The valuation is considered to be level 3 in the fair value hierarchy. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

E&P FUNDS

All indefinite life intangible assets allocated to the E&P Funds CGU were fully written off in prior periods. The remaining assets and liabilities of E&P Funds primarily comprise working capital and property, plant and equipment.

OTHER INDEFINITE LIFE INTANGIBLE ASSETS - BRAND

The recoverable value of the Evans & Partners (E&P) brand has been assessed at the group level using a relief-from-royalty approach on the basis that the Evans & Partners (E&P) brand is a corporate asset utilised across all cash generating units. Consistent with the goodwill impairment test, the relief-from-royalty brand valuation utilises 4.5 year revenue projections based on the financial forecasts to the end of financial year 2027. Cash flows beyond FY27 extrapolated using a steady long term growth rate of 2.53% per annum (FY22: 2.45%). A post-tax blended discount rate of 11.6% (FY22: 12.9%) has been applied to the forecast cash flows. Under this treatment, for the purposes of the goodwill impairment test, the brand intangible asset is excluded from the carrying value of the cash generating units, with an implied royalty instead charged to the cash generating units. Using the above methodology, the Directors conclude that it remains appropriate for the carrying value of the brand to be held at $29.3 million, and for no impairment to be recorded in the current period.

13. SHARE BASED PAYMENTS

EMPLOYEE SHARE OPTIONS

On 18th December 2020, the Group announced the suspension of its Employee Share Plans. Aside from Key Management Personnel or in order to satisfy contractual obligations, the Group does not intend to grant further deferred equity to employees as part of the Group's discretionary bonus awards. This does not impact previously issued employee share rights as detailed below and in previous period financial statements.

SHARE OPTIONS/RIGHTS PLAN (ORP)

Further details of previously issued ORP tranches of shares are disclosed in the annual financial report. During the half-year ended 31 December 2022, three further tranches of rights were issued under the ORP as follows:

ORP	TRANCHE S	TRANCHE T	TRANCHE U
Number of rights	527,169	527,169	527,169
Grant Date	15 Oct 2022	15 Oct 2022	15 Oct 2022
Vesting Date	15 Oct 2023	15 Oct 2024	15 Oct 2025
Market value of shares at grant date	$0.5343	$0.5343	$0.5343

The rights issued under the ORP have been treated as 'in substance options' which have been valued using a Black-Scholes option pricing methodology with key inputs shown below. The resulting value is amortised over the vesting period on a probability adjusted basis based on expected employee tenure. The total expense recorded for the period was $0.69 million.

ORP	TRANCHE S	TRANCHE T	TRANCHE U
Option life	1 year	2 years	3 years
Share price at grant date	$0.535	$0.535	$0.535
Expected volatility	50%	50%	50%
Historical dividend yield	5.00%	5.00%	5.00%
Risk-free rate	3.40%	3.47%	5.00%
Fair value per right	$0.509	$0.484	$0.460
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes

The following tranches vested during the half-year ended 31 December 2022:

ORP	TRANCHE C	TRANCHE H	TRANCHE K	TRANCHE M
Number of rights vested	1,859,977	3,092,027	105,301	449,581
Number of rights exercised	539,873	1,263,121	-	-
Grant date	15/10/2019	15/10/2020	15/04/2021	15/10/2021
Vesting date	15/10/2022	15/10/2022	15/10/2022	15/10/2022

Details of the share options outstanding during the period are as follows:

	NUMBER OF SHARE RIGHTS
Opening balance at 1 July 2022	9,636,687
Rights issued during the period	1,581,507
Rights exercised during the period (Current)[1]	(2,203,590)
Rights exercised during the period (Good Leavers)	(279,077)
Rights exercised during the period (Other Leavers)	(23,099)
Rights forfeited during the period (Other Leavers)	(28,247)
Rights forfeited during the period (Good Leavers)	(240,595)
Closing balance at 31 December 2022	**8,443,586**

Note:

1. This includes shares vested from previous periods exercised during the current period.

LOAN FUNDED SHARE PLAN (LFSP)

During the half-year ended 31 December 2022, no further tranches of shares have been issued under the LFSP. Further details of previously issued LFSP tranches of shares are disclosed in the annual financial report. The number of shares forfeited during the half-year ended 31 December 2022 was 248,099 (31 December 2021: 92,462).

14. KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

Notes to the condensed consolidated financial statements *(cont.)*

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

FINANCIAL ASSETS	FAIR VALUE AS AT 31 DEC 2022 $'000	30 JUN 2022 $'000	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE(S) AND KEY INPUT(S)
Current Investments in financial assets:				
Listed corporations – Fair value through other comprehensive income	6,509	6,394	Level 1	Quoted bid prices in an active market
Unlisted corporations – Fair value through profit or loss	826	1,198	Level 2	Where relevant Level 2 market information exists, in this case an offer for sale of an asset, this information is used to determine the fair value of the assets classified as investment in financial assets.
	7,335	**7,592**		
Non-current Investments in financial assets:				
Listed corporations				
– Fair value through other comprehensive income	1,933	2,527	Level 1	Quoted bid prices in an active market.
– Fair value through profit or loss	269	567	Level 1	Quoted bid prices in an active market.
Shares/bonds in unlisted corporations – Fair value through profit or loss	720	666	Level 2	Where relevant Level 2 market information, such as a recent capital raising or offer for sale of an asset, is available, this information is used to determine the fair value of the investment.
Shares/bonds in unlisted corporations – Fair value through profit or loss	200	309	Level 3	For remaining investments, alternative Level 3 valuation techniques may be used adopting market or asset specific inputs and assumptions. In the absence of any other available information indicating material change in value, the Directors may deem that the fair value of assets materially approximates their historical cost. Movements in carrying values include movements in foreign exchange rates at balance date where the investments are held by foreign subsidiaries.
	3,122	**4,069**		

Notes to the condensed consolidated financial statements *(cont.)*

There were no transfers between Level 1 and Level 2 or Level 3 in the period. The fair value of financial assets and financial liabilities which are not measured at fair value on a recurring basis materially approximates their carrying value at reporting date.

16. BORROWINGS

The Group had no borrowings during the period (30 June 2022: Nil).

As at 31 December 2022, the Group has a bank guarantee facility with National Australia Bank (**NAB**) with a $4.4 million limit (30 June 2022: $5.0 million limit), which were used to secure the Group's Australian commercial office leases. This bank guarantee has been cash backed by a short-term bank deposit maturing on 1 April 2023.

17. CURRENT LIABILITIES – OTHER LIABILITIES

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Current		
Related party loan account – E&P Operations Pty Limited (E&P Ops) & DASS – refer below	-	17,749
Related party tax loan account – E&P Financial Group Limited & DASS – refer below	1,845	1,845
	1,845	**19,594**

On 19 December 2022, the Group announced that creditors voted in favour of executing the Deed of Company Arrangement (**DOCA**) proposed by the Group in respect of Dixon Advisory & Superannuation Services (**DASS**), and the involved parties have accordingly executed the DOCA.

The DOCA requires the Group to make various payments to the Deed Administrators of the DOCA to settle related party loan balances net of allowances for certain offset items owed by DASS to the Group. The DOCA also includes mechanisms for the payment of current and future income tax balances governed by the Group's tax funding and sharing agreements currently accounted for within tax loan accounts. These payments are comprised as follows as defined in the executed DOCA:

- **Deposit – $1.0 million**, this Deposit may be used only for costs or disbursements incurred by the Deed Administrators during the Deed Period in defending any applications that the DOCA be terminated or challenging the DOCA. This Deposit was included within the Tranche A Payment (refer below) and has been treated as a current asset, as any unused portion of the Deposit will be applied against the Tranche B Payment (refer below).
- **Tranche A net payment of approximately $15.5 million,** which comprised the approximately $17.7 million Tranche A Payment less agreed Settlement Adjustments. This was paid to the Deed Administrators on 20 December 2022. This net payment extinguished the related party loan account balance between E&P Ops & DASS.
- **Tranche B Payment of $4.0 million**, triggered upon completion of the DOCA; a condition of which is the settlement of the representative proceedings against the Group by the Sunset Date. Any unused portion of the Deposit will be applied against the Tranche B Payment. [The Tranche B Payment under the DOCA also includes any balance of the insurance proceeds recovered by the Company from the insurer under the Insurance Policies, as part of the settlement of the representative proceedings.] Consequently, a provision of $4 million has been recognised as at 31 December 2022 in relation to this mechanism for settlement as contemplated in the DOCA.

Judgement has been applied in determining that the mechanism described above and contained within the DOCA represents the most reliable estimate at this time to use as a basis of measuring the value of the provision.

- **2022 Tax Receivable payment of $1.8 million** – this payment relates to tax receivables owed to DASS as part of the Company's tax funding and sharing arrangements in regard to the year ended 30 June 2022. As per the terms of the DOCA, this balance was paid on 30 January 2023.
- **2023 Tax Receivable** – this payment relates to any tax receivable owed to DASS as part of the Company's tax funding and sharing arrangements in regard to the year ended 30 June 2023.

The Tranche A DOCA Payment also finalised sums owed to the Group by DASS which have been accounted for net in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income. This amount includes:

- Management fees revenue: $1.8 million;
- Offset by additional DOCA contribution: $2.8 million

Resulting in a net loss impact of $1.045 million.

The Group has accounted for all amounts included within the DOCA on the basis that it believes settlement in relation to the representative proceedings is more likely than not; with the Tranche B Payment contemplated within the DOCA the most reliable estimate at this time to use as a basis of measuring the value of the provision. Currently the DOCA provides for a Sunset Date of 30 June 2023, however this date can be extended on the agreement of all parties to the DOCA.

If a comprehensive settlement and final resolution (including court approval) of the representative proceedings does not occur by this Sunset Date, and the date is not extended, the DOCA will terminate, meaning the Tranche B Payment under the DOCA will not be payable, and any unused portion of the Deposit will be repaid to the Company.

18. CURRENT AND NON-CURRENT LIABILITIES – PROVISIONS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Current		
Employee benefits	27,052	44,373
Other[1]	4,000	-
Onerous contracts	-	464
	31,052	**44,837**
Non-current		
Employee benefits	1,217	1,236
Provision for make-good	2,103	2,103
	3,320	**3,339**

Note:

1. Refer to note 17 for further details.

RECONCILIATION OF MOVEMENT IN THE CURRENT PERIOD:

	OTHER $'000	ONEROUS CONTRACTS $'000	PROVISION FOR MAKE-GOOD $'000
Balance as at 1 July 2022	-	464	2,103
Additional provision in the period	4,000	-	-
Utilisation of provision	-	(464)	-
Balance as at 31 December 2022	**4,000**	**-**	**2,103**

19. CONTINGENT LIABILITIES

PIPER ALDERMAN AND SHINE LAWYERS REPRESENTATIVE PROCEEDINGS

On 4 November 2021, the Company announced that a representative proceeding had been commenced in the Federal Court of Australia against Dixon Advisory and Superannuation Services Pty Limited (**DASS**), the Company and Mr Alan Dixon (former Director of the Company and certain subsidiaries) by Piper Alderman on behalf of named applicants and group members who were retail clients of DASS. The proceeding makes certain allegations in connection with personal advice provided by DASS representatives to the applicants and group members in respect of the US Masters Residential Property Fund.

On 24 December 2021, the Company announced that a second representative proceeding had been commenced by Shine Lawyers in the Federal Court of Australia against DASS, the Company, Mr Alan Dixon and Mr Christopher Brown (former Director of the Company and certain subsidiaries). In the Statement of Claim, the Applicant makes similar allegations to those made in the representative proceedings commenced by Piper Alderman.

In May 2022, there was a carriage motion hearing before the Federal Court to determine how the representative proceedings would be conducted going forward, given both proceedings largely covered the same matters, and it was inefficient to continue with both proceedings. The Federal Court made orders on 15 June 2022 that the proceeding commenced by Shine Lawyers would continue, and that the Piper Alderman action would be stayed until the resolution of the Shine Lawyers proceeding.

In December 2022, DASS creditors approved the Deed of Company Arrangement proposed by the Group. The DOCA provides a mechanism to accommodate the settlement of the outstanding representative proceedings. In addition, in December 2022 the Court ordered that DASS' administrators grant access to Shine Lawyers to certain insurance policies.

In February 2023, preparations are underway for a Court-ordered mediation in the Shine Lawyers proceeding. The mediation is to occur by no later than 24 March 2023. A case management hearing has been scheduled for 5 April 2023.

Should a settlement of the Shine Lawyers proceeding be achieved, the Company will also seek a final resolution of the Piper Alderman action.

Whilst the Group believes settlement in relation to the representative proceedings is more likely than not; as at the date of this half-year financial report the representative proceedings remain unresolved, and the Directors of the Company are unable to estimate the potential future liability, beyond the Provision recognised in Note 18, that may arise from these proceedings, which would be incurred by the Company. Amounts may be advanced in respect of former Directors' legal costs incurred while defending the representative proceedings. Circumstances may arise that could result in the Company or a Group entity incurring future liabilities arising from these representative proceedings as they relate to former directors. At this time, the Directors of the Company are unable to quantify such costs.

20. SUBSEQUENT EVENTS

SHINE LAWYERS REPRESENTATIVE PROCEEDINGS

In February 2023, preparations are underway for a Court-ordered mediation in the Shine Lawyers proceeding. The mediation is to occur by no later than 24 March 2023. A case management hearing has been scheduled for 5 April 2023.

As at the date of this half-year financial report, the representative proceedings remain unresolved. As there is no reliable basis upon which any potential future liability can be measured beyond the Provision recognised in Note 18, this matter has been treated as a contingent liability (see Note 19).

Other than the matters referred above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' declaration

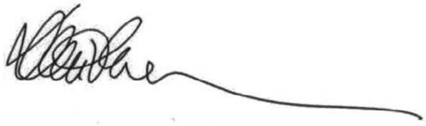
The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s303(5) of the *Corporations Act 2001*.

On behalf of the Directors,



David Evans
Director

Peter Anderson
Director

Dated: 23 February 2023

Independent auditor's review report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Board of Directors of E&P Financial Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of E&P Financial Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2022 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 Group in accordance with 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 the Company, 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 of the Company 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 Group's financial position as at 31 December 2022 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*.

Independent auditor's review report *(cont.)*

Deloitte.

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

Tara Hill
Partner
Chartered Accountants

Sydney, 23 February 2023

Corporate directory

DIRECTORS

David Evans

Peter Anderson

Josephine Linden

Sally McCutchan

Tony Johnson

COMPANY SECRETARIES

Stephen Hill

Mike Adams

REGISTERED OFFICE

(Principal place of business)

Level 32, 1 O'Connell Street
Sydney NSW 2000

Telephone: 1300 852 017

SHARE REGISTRY

Boardroom Pty Limited

Level 8
210 George Street
Sydney, NSW, 2000

Telephone: 1300 737 760

www.boardroomlimited.com.au

AUDITOR

Deloitte Touche Tohmatsu

Grosvenor Place,
225 George Street
Sydney, NSW, 2000

WEBSITE

www.eap.com.au

E&P