10 November 2023

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

Dear Sir / Madam,

E&P Financial Group Limited 2023 Annual General Meeting

E&P Financial Group Limited (**EP1** or **Company**) makes the following announcements in respect of the Company's 2023 Annual General Meeting (**AGM**):

1. **Non-Executive Chairman's and Managing Director & CEO's Addresses**
2. 2023 AGM Presentation

Yours sincerely,

Stephen Hill

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

10 November 2023

Chairman’s address to 2023 Annual General Meeting

David Evans, Non-Executive Chairman, E&P Financial Group Limited

Good morning Ladies and Gentlemen,

I am pleased to be able to meet with many of you again this year and thank you for your attendance with us in person and online today.

Financial year 2023 represented a challenging but productive year for the Group, with our efforts shifting from platform consolidation initiatives to growth. The economic environment was characterised by rapidly rising interest rates and capital markets volatility which presented industry-wide challenges for transactional businesses, including our Corporate Advisory and Institutional broking divisions. This dynamic has led to a lower financial result than the year prior. However, we remain focused on building our platform for the long term and so have continued to invest in our people and core capability during the year.

FY23 Achievements

During financial year 2023 we made significant progress on our key strategic objectives. The consolidation to a single premium wealth model under the Evans & Partners brand is now complete. This has allowed the business to transition to a more contemporary operating model built for the long term with significantly improved economics.

In E&P Funds, the deliberate structural changes implemented over the last four years are now largely complete. The orderly exit of related party and non-core activity continued in financial year 2023 as demonstrated through the externalisation of management services and well-progressed transition away from providing Responsible Entity services.

Finally, we have intentionally shrunk parts of our business to match the simplified platform. Firm-wide headcount at 30 June 2023 was down 16% from 12 months prior. Our office footprint rationalisation in Sydney has reduced costs and improved office utilisation with further benefits expected in 2024 following similar initiatives for our offices in Melbourne and Canberra.

Key Focus for Our Board

Looking to the year ahead, our Board is focused on positioning the business for sustainable, long term growth. A few of our key priorities are shown on screen now.

Our Board and Management continue to take the necessary steps towards resolving the outstanding legacy matters, including the Voluntary Administration of Dixon Advisory & Superannuation Services and representative proceedings against EP1. We note the Deed of Company Arrangement proposed by EP1 was approved by the creditors of DASS on 16 December 2022. The DOCA is partially complete, with a final contribution of $4 million due upon settlement of the representative proceedings should that occur by 30 November 2023, or a later date agreed by the parties. In respect to the representative proceedings against DASS commenced by Shine Lawyers, a mediation in relation to the proceeding was ordered by the Court in February 2023. The mediation process in confidential and ongoing.

As we announced in June this year, reflective of our long-term succession plan, Peter Anderson, Managing Director and CEO, will step down from the role on 31 December 2023 and be replaced by Ben Keeble, who has until recently been Head of E&P Capital and is joining us here today. We are extremely grateful to Peter for the admirable job he has done over the past four years leading through a period of significant change in the Group. A lot has been achieved over this time and we believe that E&P is now very well positioned for future growth and we are excited at the prospect of Ben assuming leadership of the Group from January 2024.

Finally, as a leading diversified financial services group, our Board and Management team have long recognised the importance of integrating prudential management of ESG risks and opportunities across all businesses – not just in our investment services, but through our strategy, governance, and operations.

We are proud to have made significant progress in several areas across both our corporate sustainability initiatives and sustainable solutions for our clients. I encourage shareholders to read our 2023 Sustainability Report that was released in August which showcases much of what we implemented for our stakeholders over the past 12 months.

We recognise the importance of sustainability in meeting our clients' and corporate objectives and seek to ensure our business operations and investment services are aligned accordingly. We will continue to invest in this capability over the year ahead and look forward to updating shareholders again next year.

FY23 Result Summary

Challenging financial market conditions meant that the Group recorded a statutory loss after tax of $17.0 million in FY23. The result was heavily impacted by a $19.3 million non-cash impairment of goodwill in E&P Capital. The Group generated net revenue of $167.1 million and underlying earnings before interest, tax, depreciation and amortisation of $19.8 million, a decrease of 14% and 30% on the prior period respectively. Underlying net profit after tax before amortisation of acquired intangibles of $6.0 million and underlying earnings per share of 2.6 cents were both 42% lower than the prior period.

The softer underlying performance in FY23 reflects the challenging economic environment with Institutional trading and equity capital markets transaction volumes lower across the market, as well as the strategic decisions we have made to reduce the size of our funds management business. Investment management fee revenue generated by E&P Funds fell year on year as a direct consequence of our progressive wind-down of the Group's Real Asset funds. These impacts were offset in part by the recovery of advice and services revenue in E&P Wealth, led by continued growth in our Retail Wealth Management service offering and the successful implementation of our firm-wide review of existing fee models.

The Directors have not declared a final dividend given the financial performance of the business in FY23. We understand that dividends are important to our shareholders and as a Board we remain committed to our full year dividend target payout policy of 75% to 85% of NPATA over time in normal trading conditions.

That concludes my address today, but before I finish on behalf of the Board, I would like to thank our clients and shareholders for their ongoing support and to acknowledge the commitment and hard work of our staff who continue to provide an exceptional level of service and care to our clients. Our firm is a proud one and we are privileged to look after a wonderful group of clients across all divisions.

I'll now hand over to our Managing Director and CEO, Peter Anderson.

Managing Director and CEO's address to 2023 Annual General Meeting

Peter Anderson, Managing Director and Chief Executive Officer, E&P Financial Group Limited

Thank you, David, and good morning shareholders.

Key Priorities

The Board and Management remains focused on achieving our key near term priorities which are directed towards delivering shareholder value.

As noted earlier, we continue to take the necessary steps towards resolving the remaining legacy matters, including completion of the DOCA and resolution of the representative proceedings against EP1.

As the business transformation and simplification processes undertaken over the last four years are now largely completed, our key priority is to leverage our improved platform to drive growth in our core service offerings. We have continued to invest in each division over the last 12 months to ensure they are each in a position to leverage improved market conditions when they eventuate.

Finally, as announced in late June, I will be stepping down as Managing Director and CEO at the end of this calendar year and will be replaced by Ben Keeble. Ben and I have been working closely together on the handover since the announcement and will continue to do so until the end of the year to facilitate a smooth leadership transition and to provide him with a running start in the role.

I'll now provide an update on the performance of our three segments, beginning with E&P Wealth.

E&P Wealth

E&P Wealth had a strong year following the stabilisation of the business in FY22. Underlying EBITDA of $13.1 million was 21% higher than the prior period, due to optimised fee arrangements and reduced costs as we refined E&P Wealth's operating model.

E&P Wealth generated net revenue of $83.2 million in the full year ended June 2023. This was broadly in-line with the net revenue of $83.9 million in the prior period, noting 2H23 net revenue was up 11% on the prior comparable period reflecting the initial recovery of the division following a period of significant disruption and restructure in response to the DASS VA.

Growth in advice and services revenue was led by the successful implementation of the fee review over the year. All fixed fee clients were adjusted to an industry-standard fee arrangement or transitioned to a FUA-based model. Offsetting growth in advice revenue was lower capital markets revenue given the softer ECM activity during the period in addition to lower brokerage revenue resulting from the deliberate structural shift in advice model in favour of a full-service offering.

Overall, client numbers were broadly stable at over 7,400 with full-service client growth led by RWM offsetting the cancellation of inactive, low FUA transaction broking accounts with minimal revenue contribution.

Funds under advice was up 11% over the year to 30 June 2023 to $23.4 billion as a result of growth in existing client portfolios, supported by the equity market recovery in the last quarter of the year. The growth of Family Investment Office FUA by 45% also bolstered the result. Importantly, we saw growth in the number of full-service clients driven by the continued strong uptake of our Retail Wealth Management service offering.

Growth in the Retail Wealth Management offering, our contemporary, independent advice model for mass-affluent retail clients, remains a key focus. The Retail Wealth Management service offering benefitted from net client growth and a level of client transitions from our fixed fee model that were ahead of our expectations. At the end of the period, the RWM service had over 1,800 clients representing $3.6 billion in funds under advice, a 71% and 82% increase respectively on the prior period.

We continue to focus on growing FUA-based service models which provide best-in-breed advice outcomes and improved economics. As at 30 June 2023, 62% of funds under advice is on a FUA-based advice arrangement, up from 41% three years ago.

E&P Capital

E&P Capital had a softer performance as the operating environment characterised by rapidly rising interest rates and market volatility presented challenges for our transactional businesses.

Underlying EBITDA of $5.1 million was 65% lower than the prior period, reflective of the market impact on brokerage volumes and capital markets activity as transaction volumes slowed for Institutional and ECM. Earnings margins were impacted by continued investment in the business, particularly within in the corporate advisory platform.

Net revenue of $44.6 million in financial year 2023 was down 28% compared to E&P Capital's record result in the prior period.

Notwithstanding challenging market conditions, E&P Capital further expanded its premium boutique offering to our corporate and institutional clients in contemplation of improved economic conditions in the future. In addition to targeted recruitment in key sectors, we focused on enhancing E&P Capital's equity research coverage and origination capability, particularly within equity capital markets.

While the timing of an improvement of market conditions is uncertain, the business is well positioned to leverage its broader platform and capitalise on improved market dynamics as they eventuate.

E&P Funds

E&P Funds produced underlying EBITDA of $11.0 million, which was down 21% on the prior period. Lower revenue reflects the consequence of the business' decision to exit Real Assets. Since FY22 the business has completed asset sales in New Energy Solar, the US Masters Residential Property Fund and the Fort Street Real Estate Capital Fund. Staff and operating expense efficiencies were also achieved following the rationalisation of investment strategies.

Non-FUM based revenue benefitted from a disposal fee of $10.6 million following the asset sales in New Energy Solar. The Group also recognised $1.2 million in performance fees from the CD Private Equity Fund series during the period. As previously communicated, the deliberate structural changes and exit from Real Asset funds will impact the forward earnings outlook. We expect this to be replaced by the contribution from our core equities strategies over the medium term.

Operationally, the transition away from providing Responsible Entity services is well progressed with the RE role transitioned to K2 Asset Management for the CD Private Equity Fund series and Venture Capital Opportunities Fund. Further, our core equities strategies experienced a strong 12 months with both the Claremont Global and Global Disruption equities strategies outperforming their respective benchmarks. We are pleased to report that despite volatile market conditions our core equities FUM increased 19% to $1.7 billion over the year supported by prior period investment in distribution and strong performance.

Moving forward, the E&P Funds will operate a smaller and simpler offering with a focus on core equities. The business is targeting the finalisation of the Real Asset fund wind-up by the end of calendar year 2023, noting the recent announcement that the US Solar Fund has appointed a preferred replacement for New Energy Solar Manager as investment manager of the Fund.

The external distribution of the Claremont strategy remains a key focus for the next 12 months with the launch of two ETF products targeted before the end of calendar year 2023, offering enhanced access for investors through a listed structure.

Outlook

Now that the business transformation and simplification processes are largely complete the Board and Management are firmly focussed on leveraging the improved operating platform to deliver growth and drive shareholder value.

We expect to have completed the exit of Real Asset investment management services by 2023 calendar year end. While the contribution from our Real Asset funds will reduce compared to prior periods, we expect this to be offset by growth in earnings over time from our core equities funds, aided by our distribution efforts.

M&A and capital markets conditions continue to be challenging and are expected to materially impact first half profitability accordingly. Notwithstanding the challenging capital markets environment, our Wealth & Funds divisions are performing in line with our expectations.

The full benefits of the operating model enhancements in E&P Wealth are yet to be realised, with further uplift expected from the annualisation of fee-review changes and cost savings implemented in FY23 in combination with added contribution from new business development initiatives.

Investments made in our E&P Capital platform over recent years, including expansion of our research offering and senior origination capability, means that the business is well positioned to leverage improved market dynamics as they eventuate.

A David mentioned earlier, while the Board has not declared a final dividend for FY23, the Board remains committed to its full year dividend payout ratio of 75 to 85% of NPATA in a normal operating environment.

Leadership Transition

Finally, as announced in late June, I will be stepping down as Managing Director and CEO at the end of the year and will be replaced by Ben Keeble. I look forward to continuing to work with Ben over the remaining months of the year to facilitate a smooth leadership transition.

Ben is an exceptional executive with a deep understanding of our business, culture and operations, and financial markets generally. He has more than 25 years' experience in the financial services industry and is uniquely positioned to lead E&P through its next phase of growth.

It has been a privilege to lead E&P over the past four years and in particular to work with such an outstanding team. I leave confident that the quality and strength of the EP1 team, combined with the benefits of the many structural improvements put in place in recent years, will ultimately deliver value for shareholders.

Thank you for your attendance today. I look forward answering your questions in a moment.

This announcement has been authorised for release by the Board of E&P Financial Group Limited.

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About E&P Financial Group Limited

E&P Financial Group is an Australian Securities Exchange listed financial services group. In E&P Wealth we service over 7,400 clients, representing $23.4 billion in funds under advice. In E&P Capital we are an advisor to many leading Australian institutions through the provision of 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.