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# E&P Financial Group Limited 2024 Extraordinary General Meeting

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1 November 2024

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# Important Information



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E&P Financial Group Limited is a signatory to the United Nations Principles for Responsible Investment (**UNPRI**).

Past performance cannot be relied on as a guide to future performance.

# Acknowledgement of Country

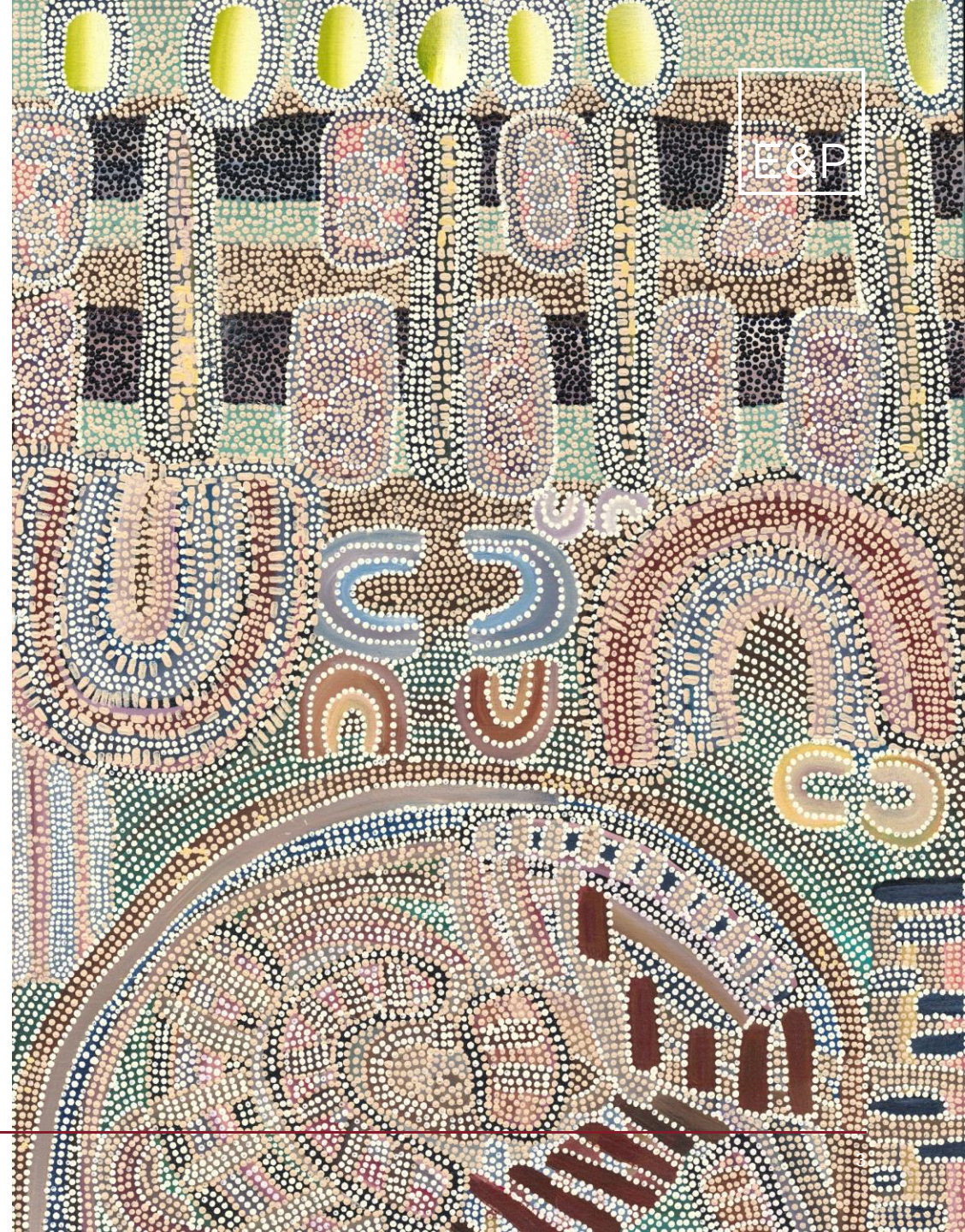
E&P Financial Group acknowledges the First Nations Peoples and Traditional Custodians of the land and waterways upon which we work and depend. With strength, pride and resilience, First Nations' cultures continue to endure, grow and thrive today. E&P acknowledges this strength and diversity among First Nations Peoples.

We acknowledge the Traditional Custodians of the lands on which our offices operate. The Gadigal of the Eora Nation, the Wurundjeri and Boonwurrung people of the Kulin Nation, the Jagera people, the Turrbal people, and the Ngunnawal people. We acknowledge each community's continuing culture and pay respect to their Elders past and present. We extend this respect to all Aboriginal and Torres Strait Islander Peoples, including our clients, partners and broader community.

We embrace the spirit of reconciliation and continue to support self-determination through financial empowerment. Our commitment to reconciliation echoes our longstanding purpose – to empower our clients to prosper.

## **Waagay, by Josie Rose**

Waagay, meaning fire in Gumbaynggirr language, is an artwork designed and commissioned as part of the E&P's 2024 Innovate Reconciliation Action Plan (RAP). The original paintings are displayed at E&P's Melbourne office.



# Board of Directors



**David Evans**

**Non-Executive  
Chairman**

Chair of the Audit, Risk and  
Compliance Committee

Member of the People,  
Nomination and Remuneration  
Committee



**Ben Keeble**

**Managing Director &  
CEO**



**Josephine Linden**

**Independent Non-  
Executive Director**

Chair of the People,  
Nomination and Remuneration  
Committee

Member of the Audit, Risk and  
Compliance Committee



**Sally McCutchan**

**Independent Non-  
Executive Director**

Member of the People,  
Nomination and Remuneration  
Committee

Member of the Audit, Risk and  
Compliance Committee



**Tony Johnson**

**Executive Director**


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# Agenda


- 01 Chairman's Address
  - 02 Managing Director and CEO's Address
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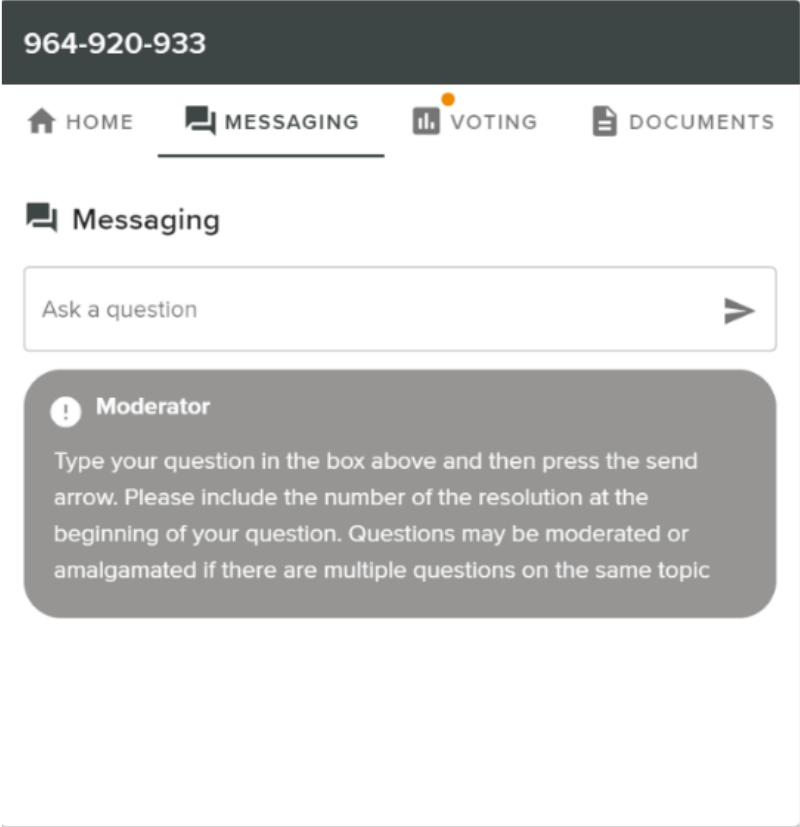
# Online Attendees – Text Question Process



When the Question function is available, the messaging tab will appear at the top of the app. 

To send in a question, click in the 'Ask a question' box, type your question and press the send arrow. 



Your question will be sent immediately for review. 



# Zoom Webcast – Verbal Question Process



## How to ask a verbal question in Zoom


1. Raise your hand when the Chairman invites questions from Zoom  
2. When it is your turn to ask a question, you will be unmuted by the Zoom administrator – you must accept the unmute request
3. Once unmuted, introduce yourself and ask your question

Note: All in person and virtual participants will hear your question and your Zoom name will be visible to online participants

# Online Attendees – Voting



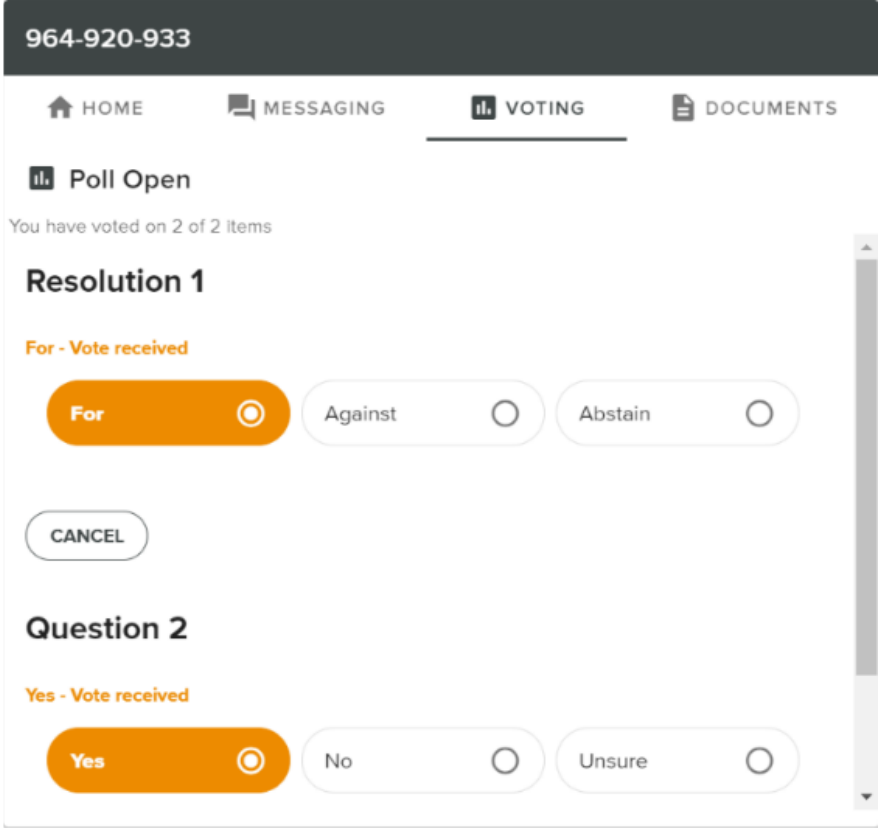
When open, the vote will be accessible by selecting the voting tab at the top of the screen.



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour.

For
  Against
  Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed.





SECTION ONE

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# Chairman's Address

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# Introduction

**01** The Board considers the Group's long-term strategic objectives are best pursued as an unlisted entity

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**02** Board and Management believe the EP1 share price has been undervalued for some time

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**03** Equal Access Buy-Back provides an opportunity for shareholders who wish to exit the register to do so in an orderly way at a material premium to recent prices

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SECTION TWO

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E&P

# Managing Director and CEO's Address

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# Proposed Delisting from ASX

**The Board believes the benefits of being listed on ASX are materially outweighed by the potential benefits of delivering the next phase of growth in an unlisted environment**

- The Board's rationale as outlined in the Notice of Meeting, Explanatory Statement and Supplementary Disclosures include:
  - a sustained negative impact on the EP1 share price as a result of regulatory proceedings and class action litigation. Notwithstanding the resolution of these issues, the lack of support from the equity market remains;
  - poor trading liquidity in EP1 shares, making it challenging for new investors to join the register and for existing shareholders to realise value for their shares;
  - having no prospects of index inclusion, nor any sell-side broker coverage;
  - EP1 incurring an estimated \$2.5 million in annual direct costs associated with being listed on ASX; and
  - EP1 having no near or medium-term requirement to raise capital (other than to fund the Buy-Back, defined below), and even if these circumstances were to change, raising capital from new shareholders would prove challenging at the current share price

# Off-Market Equal Access Buy-Back

**The Buy-Back will provide an opportunity for EP1 shareholders wishing to exit the register to do so at a significant premium to the recent historical VWAP of EP1 shares**

- Acknowledging that there may be some shareholders who do not wish to remain on the register in an unlisted environment, EP1 proposes a Buy-Back in order to facilitate pre-delisting liquidity to better align the EP1 shareholder register to an unlisted environment
- Buy-Back Price of \$0.52 per Share represents a material premium as follows:
  - an 18% premium to the VWAP of Shares traded on ASX in the three-month period prior to 16 September 2024; and
  - an 11% premium to EP1's net assets per Share at 30 June 2024; and
- Shares tendered into the Buy-Back (by an eligible shareholder) up to a Scale Back Threshold of \$30,000 will not be subject to any Scale Back
- EP1 will run an unmarketable share sale facility (holdings of less than \$500) in parallel in accordance with clause 12 of the Company's Constitution and ASX Listing Rule 15.13

# Operating in a Delisted Environment

**The Board is committed to operating in an unlisted environment with similar principles of transparency, accountability, and ethical conduct that would be expected of a company listed on ASX**

## Operations

- Composition of the Board of the Company remains subject to Shareholder approval
- The Company currently expects that it will commission an independent valuation of the Company's Shares no less than semi-annually to inform the Board for the purposes of capital management
- Active consideration of potential mechanisms to provide Shareholders with periodic access to liquidity following the Proposed Delisting:
  - entered into a non-exclusive non-binding heads of agreement (HOA) with FinClear under which the Company and FinClear intend to consider potential terms upon which the Company's shares may be onboarded to the FCX Liquidity Venue

## Governance

- The Company intends to adopt ASIC's 'Good practice guidance for website disclosure' (ASIC Regulatory Guide 198 Section C) to provide Shareholders with easy access to material information that will assist them to make better informed investment decisions
- The Company will continue to be subject to continuous disclosure obligations applicable to an 'unlisted disclosing entity' and will be required to prepare and provide audited half yearly financial reports
- The Company intends to propose the adoption of a new constitution suitable for an unlisted public company at its next annual general meeting with specific protections afforded to Shareholders of listed companies by the ASX Listing Rules, envisaged to include (but not limited to):
  - 15% placement capacity limit;
  - shareholder approval for certain issues of securities to directors and other related parties;
  - obtaining shareholder approval for changing the nature and scale of the Company's activities or disposing of its main undertaking; and
  - approval from shareholders for certain acquisitions or disposals to related parties

# Capital Raisings

## The \$25.0 million Buy-Back is funded by a \$12.5 million Placement and a \$12.5 million debt facility

- Having regard to the Company's register and the ability to raise capital, the Company assessed that a buy-back of \$25 million represents an appropriate balance between utilisation of debt and equity capital and provision of a broadly accessible exit opportunity for shareholders who do not want to remain in an unlisted environment, or who want to remain but with a reduced holding
- Placement was initially structured as conditional on the Delisting and Buy-back Resolutions in order to limit the dilutive impact of the raise. However, as announced on 9 October 2024, following feedback from ASX, the Placement was decoupled from Resolutions 1 and 2
- Increased level of staff ownership of the Company via the Placement expected to benefit a 'people business' like E&P through increased engagement, an alignment of interests, the ability to attract and retain talent and increased financial reward
- If the Delisting occurs, and subject to the level of participation in the Buy-Back, E&P intends to explore a potential future capital raising, which is currently expected to be in the form of an entitlement offer which may be launched following the release of the Company's H1 FY25 results:
  - the proceeds of the capital raising would be used to refinance the debt facility drawn upon to partially fund the Buy-Back; and
  - it would provide an opportunity for all Shareholders who remain on the Company's share register to participate, with the offer expected to be on broadly the same economic terms as the Convertible Notes, to raise a minimum of \$5.0 million and a maximum of \$12.5 million



# Closing Remarks

- 01** The Board considers the Group's long-term strategic objectives are best pursued as an unlisted entity

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- 02** Transaction structure has been carefully considered to facilitate proposed delisting while providing Shareholders that wish to exit the register with the maximum available opportunity to do so

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- 03** There is no compulsion for Shareholders to participate in the Buy-Back – the Company welcomes all Shareholders' continued participation on the register

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# Glossary



<b>ASIC Relief</b>	means the relief described in the Explanatory Statement under Resolution 2, Section 2
<b>ACN</b>	Australian Company Number
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires
<b>ASX Listing Rules</b>	means the listing rules of the ASX
<b>Board</b>	the board of directors of the Company
<b>Buy-Back</b>	the proposed off-market equal access buy-back under which Shareholders may sell Shares subject to the terms and conditions set out in the Buy-Back Booklet
<b>CEO</b>	Chief Executive Officer
<b>Company or E&amp;P or EP1</b>	E&P Financial Group Limited ACN 609 913 457 (ASX:EP1)
<b>Convertible Note</b>	an unsecured convertible note in the capital of the Company with the terms of issue of each Convertible Note detailed within the Convertible Note Deed
<b>Convertible Note Deed</b>	the unsecured convertible note and option deed poll setting out the terms and conditions of the Convertible Notes and Options
<b>Delisting</b>	the removal of the Company from the Official List
<b>Director</b>	a director of the Company
<b>EGM</b>	Extraordinary General Meeting
<b>Explanatory Statement</b>	the explanatory statement accompanying the Notice of Meeting
<b>FinClear</b>	FinClear Holdings Ltd
<b>Group</b>	the Company and its subsidiaries (as defined in the Corporations Act)
<b>HoA</b>	Heads of Agreement
<b>IFRS</b>	International Financial Reporting Standards
<b>Official List</b>	the official list of entities that ASX has admitted and has not removed
<b>Option</b>	an option issued upon issue of Convertible Notes granting the holder the right to purchase one Share at \$0.52 upon exercise in accordance with the terms and conditions of the Convertible Note Deed
<b>Notice of Meeting</b>	the notice of meeting accompanying the Explanatory Statement
<b>Placement</b>	the proposed placements of Convertible Notes and attaching Options referred to Resolutions 3 – 5 (inclusive) and on the terms outlined in the Explanatory Statement
<b>Resolution</b>	a resolution set out within the Notice
<b>Scale Back Threshold</b>	has the meaning given in the Explanatory Statement under Resolution 2, Section 2
<b>Share</b>	an ordinary fully paid share in the capital of the Company
<b>Shareholder</b>	a holder of one of more Shares
<b>VWAP</b>	Volume Weighted Average Price

