



E&P FINANCIAL GROUP LIMITED

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# Financial Report

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For the half-year ended 31 December 2024

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ACN 609 913 457

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# Directors' Report

## 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 2024. 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
- Ben Keeble, Managing Director & Chief Executive Officer
- Josephine Linden, Independent Non-Executive Director
- Sally McCutchan, Independent Non-Executive Director
- Tony Johnson, Non-Executive Director (Transitioned from Executive Director to Non-executive Director on 1 January 2025)

## Principal activities

The principal activities of the Group during the period were the provision of financial advice, investment advice, stockbroking services, self-managed superannuation fund administration, the provision of investment management and funds management services, equity research, institutional sales and trading and advisory services to corporations on mergers and acquisitions and equity and debt capital market transactions.

There has been no significant change in the nature of these activities during the period.

## Significant changes in the state of affairs

On 24 September 2024, the Board of Directors submitted a formal request to the Australian Securities Exchange (ASX) to have the Company removed from the official list, subject to certain conditions including approval of a special resolution by shareholders. On 1 November 2024, the Company announced that shareholders voted in favour of the removal from the official list. On 27 December 2024, the quotation for consolidated entity shares were removed from the ASX.

There were no other significant changes in the state of affairs of the consolidated entity during the period.

## Dividends

There were no dividends paid or declared during the current or previous period.

## Review and results of operations

The consolidated half year profit of the Group after providing for income tax amounted to \$1.4 million (1H24: loss of \$26.3 million). Revenue and earnings growth in E&P Wealth and E&P Capital led an improved Group performance relative to the prior corresponding period. The stronger financial result for the half year to 31 December 2024 was driven by growth in both FUA-based and transactional revenue for E&P Wealth, a significant uplift in Institutional brokerage and capital markets deal flow for E&P Capital and the continued disciplined management of expenses across the organisation. Pre-AASB 16 Underlying EBITDA of \$4.0 million and Underlying NPATA of \$2.4 million were materially up on the prior corresponding period.

# Directors' Report

## Continued

The Board and Management of the Company have a clear focus on restoring value to shareholders and have identified core strategic growth pillars that will underpin the Group's success into the future. Following the simplification of the Group undertaken over prior periods and the resolution of key legacy issues, the focus for the business has pivoted to our strategic revenue growth initiatives across each of the Group's divisions:

- In E&P Wealth, growth will be driven by targeted new client and adviser business development initiatives.
- In E&P Capital, the business is focused on expanding its market share in our institutional trading and fixed income businesses and will continue to invest in key focus areas to enhance its capital markets offering.
- In E&P Funds, there remains a focus on driving external client growth for the Claremont Global strategy.

In addition to the focus on top-line growth, a core component of the strategy to deliver sustainable returns to shareholders will be through the continued focus on operating efficiency and capital management. Enhancing the Group's service offering and ensuring optimal client experience across the business is another core pillar of E&P's growth strategy. Finally, the Group's people are its most important asset, and the business will continue to invest attracting, retaining and incentivising its talent base.

## Segment Performance

### E&P Wealth

E&P Wealth generated net revenue of \$51.0 million and pre-AASB 16 Underlying EBITDA of \$8.6 million in the half year ended 31 December 2024, up 18% and 47% respectively on the prior corresponding period. Continued revenue growth reflects the benefits of the division's strategic initiatives, with strong growth in both FUA-based and transactional revenue and net new client growth in the period. Margin expansion relative to the prior corresponding period was achieved through the continued focus on closely managing the division's fixed cost base despite increased staff expenses stemming from higher revenue-related remuneration.

### E&P Capital

E&P Capital saw an improved financial performance for the half year ended 31 December 2024 driven by an uplift in institutional equities revenue, ongoing growth in the fixed interest business and improved capital markets deal flow. Net revenue of \$19.6 million for the half, up 52% on the prior corresponding period, reflected normalised market conditions and market share gains arising from investment made across the equities and fixed interest platforms. Total expenses for the division were broadly stable when compared to the prior corresponding period, which was disproportionately impacted by the fixed component of the cost base. The outlook for E&P Capital in the second half of financial year 2025 is expected to remain solid with prior period investment in our research and sales capability continuing to deliver strong momentum for Institutional business while capital markets activity also continues to grow.

### E&P Funds

E&P Funds generated net revenue of \$7.4 million in the half year ended 31 December 2024, down 34% on the prior corresponding period. However, the division again produced positive earnings for the half with pre-AASB 16 Underlying EBITDA after leases of \$0.8 million for the period reflecting E&P Funds' smaller footprint moving forward. The reshaping of the cost base to reflect the division's simplified operations is now substantially complete with the strategic focus moving to driving external client growth in the Claremont Global strategy, with 40 new Independent Financial Adviser (IFA) groups added during the half. As at 31 December 2024, Claremont Global, which increased total Funds under Management (FUM) to \$1,465 million, has a total of 165 external IFA groups invested in the strategy.

# Directors' Report

Continued

## 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), pre-AASB 16 underlying 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 1H24, 2H24<sup>1</sup> and 1H25.

For the period (\$'000s)	1H24	2H24 <sup>1</sup>	1H25
<b>Net profit/ (loss) before tax</b>	<b>(30,385)</b>	<b>(1,187)</b>	<b>1,655</b>
Interest revenue and finance costs	(22)	458	272
Depreciation, amortisation and impairment of PPE	5,583	5,027	4,278
Impairment of goodwill, intangible assets and investments	19,273	-	-
<b>EBITDA</b>	<b>(5,551)</b>	<b>4,298</b>	<b>6,205</b>
<i>Non-underlying adjustments</i>			
Employee termination and other employee-related payments	390	1,053	582
Legal/regulatory proceedings and related costs (net of insurance) <sup>2</sup>	371	492	6
Net change in value of non-core investments <sup>3</sup>	112	170	(57)
Costs associated with delisting from the ASX	-	-	536
Other administrative costs	-	628	-
<b>Underlying EBITDA<sup>4,5,6</sup></b>	<b>(4,678)</b>	<b>6,641</b>	<b>7,272</b>
Right of use asset depreciation	(2,598)	(2,567)	(2,071)
Interest on lease liabilities	(824)	(1,269)	(1,235)
<b>Pre-AASB 16 Underlying EBITDA</b>	<b>(8,100)</b>	<b>2,806</b>	<b>3,966</b>
<b>Statutory NPAT</b>	<b>(26,266)</b>	<b>(1,413)</b>	<b>1,445</b>
After tax amount of non-underlying adjustments	635	1,717	746
Amortisation of acquired intangibles	235	235	235
Impairment of right of use assets	242	(74)	-
Impairment of goodwill	19,273	-	-
<b>Underlying NPATA<sup>7</sup></b>	<b>(5,881)</b>	<b>465</b>	<b>2,426</b>

<sup>1</sup> The figures shown in the column titled 2H24, including statutory items, are derived by subtracting first half FY24 figures from the full year FY24 figures.

<sup>2</sup> Regulatory proceedings and related costs are net of insurance recovery (for 1H24 only) and include administrative costs incurred in relation to the DASS VA.

<sup>3</sup> Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.

<sup>4</sup> The 1H25 Underlying EBITDA adjustments include net fair value gain on non-core investments of \$0.1 million (\$0.0 million after tax), \$0.5 million in expenses relating to costs associated with delisting from the ASX (\$0.4 million after tax), and employee termination and other employee-related payments of \$0.6 million (\$0.4 million after tax).

<sup>5</sup> The 2H24 Underlying EBITDA adjustments include net fair value adjustments on non-core investments of \$0.2 million (\$0.1 million after tax), \$0.5 million in expenses relating to legal/regulatory proceedings and related costs (\$0.3 million after tax), other administrative costs of \$0.6 million (\$0.4 million after tax) and employee termination and other employee-related payments of \$1.1 million (\$0.7 million after tax).

<sup>6</sup> The 1H24 Underlying EBITDA adjustments include net fair value adjustments on non-core investments of \$0.1 million (\$0.1 million after tax), \$0.4 million in expenses relating to legal/regulatory proceedings and related costs (\$0.3 million after tax) and employee termination payments of \$0.4 million (\$0.3 million after tax).

<sup>7</sup> Underlying NPATA excludes the impact of amortisation of intangible assets that arose from the merger with Evans & Partners totalling \$0.2 million after tax in 1H25 (2H24: \$0.2 million, 1H24: \$0.2 million). 1H24 Underlying NPATA excludes \$19.3 million impairment of goodwill in E&P Capital due to softer capital markets activity and outlook experienced across the industry as well as the impact of personnel changes and \$0.2 million impairment of right of use asset relating to the surrender of a US office lease (2H24: -\$0.1 million).

# Directors' Report

Continued

## Subsequent events

No matters or circumstances have 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 7 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,



Director: .....

David Evans



Director: .....

Ben Keeble

Dated: 11 March 2025

11 March 2025

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.

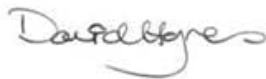
As lead audit partner for the review of the half-year financial report of E&P Financial Group Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- 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



David Haynes  
Partner  
Chartered Accountants



# Financial Reports



FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	31 December 2024 \$'000	31 December 2023 \$'000
<b>REVENUE</b>			
Provision of services	4	80,033	70,664
Interest		1,148	928
Share of profits of associates and jointly controlled entities		1,231	59
Other income		549	667
<b>Total revenue</b>		<b>82,961</b>	<b>72,318</b>
<b>EXPENSES</b>			
Employee benefits		(56,636)	(55,994)
Administrative expense		(5,253)	(5,809)
Depreciation and amortisation		(4,266)	(5,073)
Impairment of goodwill		-	(19,273)
Information technology		(5,605)	(5,630)
Commissions		(3,681)	(3,777)
Finance costs		(1,420)	(906)
Other expenses		(4,445)	(6,241)
<b>Total expenses</b>		<b>(81,306)</b>	<b>(102,703)</b>
<b>Profit/(loss) before income tax expense</b>		<b>1,655</b>	<b>(30,385)</b>
Income tax (expense)/benefit	5	(210)	4,119
<b>Profit/(loss) for the period</b>		<b>1,445</b>	<b>(26,266)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		209	(93)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value loss on financial assets measured at FVTOCI		(234)	(1,609)
<b>Total</b>		<b>(25)</b>	<b>(1,702)</b>
<b>Total comprehensive profit/(loss) for the period</b>		<b>1,420</b>	<b>(27,968)</b>

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



AS AT 31 DECEMBER 2024

## Condensed Consolidated Statement of Financial Position

	Note	31 December 2024 \$'000	30 June 2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		41,126	48,905
Trade and other receivables		20,929	23,576
Investments in financial assets	13	3,887	4,487
Finance lease receivable		1,137	1,032
Prepayments		2,760	1,566
Deposits		46	-
<b>Total current assets</b>		<b>69,885</b>	<b>79,566</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	7	12,660	11,429
Investments in financial assets	13	912	853
Property, plant and equipment		13,388	14,111
Goodwill and other indefinite life intangible assets	9	55,954	55,954
Finite life intangible assets		6,327	6,738
Right of use assets		26,383	27,748
Deposits		3,542	3,473
Prepayments		-	38
Finance lease receivable		197	727
Other receivables	13	1,020	795
Deferred tax assets		6,948	7,065
<b>Total non-current assets</b>		<b>127,331</b>	<b>128,931</b>
<b>Total assets</b>		<b>197,216</b>	<b>208,497</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		7,282	10,362
Contract liabilities		5,747	7,768
Provisions	15	27,657	33,361
Lease liabilities		5,460	5,286
Other liabilities		675	429
Current tax liabilities		93	251
Borrowings	14	12,014	-
<b>Total current liabilities</b>		<b>58,928</b>	<b>57,457</b>
<b>Non-current liabilities</b>			
Provisions	15	1,631	1,887
Lease liabilities		35,841	37,867
<b>Total non-current liabilities</b>		<b>37,472</b>	<b>39,754</b>
<b>Total liabilities</b>		<b>96,400</b>	<b>97,211</b>
<b>Net assets</b>		<b>100,816</b>	<b>111,286</b>
<b>EQUITY</b>			
Share capital	8	292,617	317,539
Reorganisation reserve		(135,099)	(135,099)
Investment revaluation reserve		(4,004)	(3,770)
Foreign currency translation reserve		4,589	4,380
Share based payment reserve		14,255	13,723
Convertible notes reserve		12,500	-
Accumulated losses		(84,042)	(85,487)
<b>Total equity</b>		<b>100,816</b>	<b>111,286</b>

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

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

## Condensed Consolidated Statement of Changes in Equity

	Share capital \$'000	Re-organisation reserve \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Investment revaluation reserve \$'000	Convertible notes reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 1 July 2023</b>	317,889	(135,099)	4,392	12,858	(1,945)	-	(57,890)	140,205
Loss after income tax benefit for the period	-	-	-	-	-	-	(26,266)	(26,266)
Other comprehensive loss for the period, net of tax	-	-	(93)	-	(1,609)	-	-	(1,702)
<b>Total comprehensive loss for the period</b>	-	-	<b>(93)</b>	-	<b>(1,609)</b>	-	<b>(26,266)</b>	<b>(27,968)</b>
<b>Transactions with owners in their capacity as owners:</b>								
Treasury shares acquired	(350)	-	-	-	-	-	-	(350)
Equity-settled share-based payments	-	-	-	527	-	-	-	527
<b>Balance at 31 December 2023</b>	<b>317,539</b>	<b>(135,099)</b>	<b>4,299</b>	<b>13,385</b>	<b>(3,554)</b>	-	<b>(84,156)</b>	<b>112,414</b>
<b>Balance at 1 July 2024</b>	317,539	(135,099)	4,380	13,723	(3,770)	-	(85,487)	111,286
Profit after income tax expense for the period	-	-	-	-	-	-	1,445	1,445
Other <i>comprehensive</i> loss for the period, net of tax	-	-	209	-	(234)	-	-	(25)
<b>Total comprehensive loss for the period</b>	-	-	<b>209</b>	-	<b>(234)</b>	-	<b>1,445</b>	<b>1,420</b>
<b>Transactions with owners in their capacity as owners:</b>								
Treasury shares acquired	(992)	-	-	-	-	-	-	(992)
Shares bought-back	(23,930)	-	-	-	-	-	-	(23,930)
Convertible notes issued	-	-	-	-	-	12,500	-	12,500
Equity-settled share-based payments	-	-	-	532	-	-	-	532
<b>Balance at 31 December 2024</b>	<b>292,617</b>	<b>(135,099)</b>	<b>4,589</b>	<b>14,255</b>	<b>(4,004)</b>	<b>12,500</b>	<b>(84,042)</b>	<b>100,816</b>

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

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

## Condensed Consolidated Statement of Cash Flows

	31 December 2024 \$'000	31 December 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	87,767	80,258
Payments to suppliers and employees	(91,239)	(94,642)
Receipts from insurance	-	360
Interest received	1,100	844
Income and other taxes paid	-	(1,383)
<b>Net cash used in operating activities</b>	<b>(2,372)</b>	<b>(14,563)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of financial assets	287	1,004
Dividends received from jointly controlled entities and investments	278	657
Purchase of financial assets	(225)	-
Purchase / development costs of intangible assets (software)	(846)	(838)
Purchase of property, plant and equipment	(1,077)	(904)
<b>Net cash used in investing activities</b>	<b>(1,583)</b>	<b>(81)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	13,599	-
Proceeds from issuance of convertible notes	12,500	-
Proceeds from finance lease	592	564
Proceeds from release of short-term deposits	-	4,360
Payments of transaction costs relating to borrowings	(138)	-
Purchase of treasury shares	(992)	(350)
Interest paid on lease liabilities & other	(1,397)	(906)
Repayment of borrowings	(1,469)	-
Payments of lease liabilities	(2,645)	(3,509)
Payments for share buy-backs	(23,930)	-
<b>Net cash (used in)/generated by financing activities</b>	<b>(3,880)</b>	<b>159</b>
Net decrease in cash and cash equivalents	(7,835)	(14,485)
Cash and cash equivalents at beginning of period	48,905	53,284
Effect of exchange rate fluctuations on cash held	56	(22)
<b>Cash and cash equivalents at end of period</b>	<b>41,126</b>	<b>38,777</b>

31 DECEMBER 2024

# 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 2024 annual financial report for the financial year ended 30

June 2024. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### 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. Delisting of the Company

On 24 September 2024, the Board of Directors submitted a formal request to the Australian Securities Exchange (ASX) to have the Company removed from the official list, subject to certain conditions including approval of a special resolution by shareholders. On 1 November 2024, the Company announced that shareholders voted in favour of the removal from the official list and approved a buy-back of up to 48,076,923 shares at a price of \$0.52 per share to be conducted pre-delisting. On 27 December 2024, the quotation for consolidated entity shares were removed from the ASX.

The decision to delist was driven by various financial and non-financial reasons, the Board believes that the Group's medium to long-term strategic objectives would be best pursued as an unlisted entity.

The total number of shares bought back by the company and cancelled was approximately 46 million shares, for an aggregate buy-back amount of approximately \$23.9 million, which was funded through the combination of:

- \$12.5 million raised via convertible notes placement to wholesale investors (Refer to Note 10); and
- \$11.5 million in debt funding (Refer to Note 14).

31 DECEMBER 2024

## Notes to the Condensed Consolidated Financial Statements

Continued

### 4. Revenue

Provision of services revenue

	Half-year ended 31 December 2024 \$'000	Half-year ended 31 December 2023 \$'000
<b>At a point in time</b>		
Advisory, administration and brokerage	9,986	7,089
Corporate advisory and institutional brokerage	19,618	12,589
Funds management	25	-
<b>Total revenue earned at a point in time</b>	<b>29,629</b>	<b>19,678</b>
<b>Over time</b>		
Advisory, administration and brokerage	43,494	38,674
Corporate advisory revenue	838	1,057
Funds management	6,072	11,255
<b>Total revenue earned over time</b>	<b>50,404</b>	<b>50,986</b>
<b>Total provision of services revenue</b>	<b>80,033</b>	<b>70,664</b>

#### 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 investment management services where revenue is recognised on a straight-line basis over the time the services are performed. Additionally, performance fee variable consideration is recognised when it is reliably measurable (i.e. when there is no chance of reversal), generally at the time a non-extinguishable entitlement to the fee is established.

31 DECEMBER 2024

## Notes to the Condensed Consolidated Financial Statements

Continued

### 5. Income tax

	Half-year ended 31 December 2024 \$'000	Half-year ended 31 December 2023 \$'000
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#### Income tax recognised in profit or loss

The income tax expense for the period can be reconciled to the accounting profit/(loss) as follows:

<b>Profit/(loss) before income tax expense/(benefit)</b>	<b>1,655</b>	<b>(30,385)</b>
Income tax expense/(benefit) at 30% (2023: 30%)	497	(9,116)
Effect of expenses that are not deductible in determining taxable profit	(422)	5,163
Effect of different tax rates of subsidiaries operating in another jurisdiction	13	32
USA derived losses not recognised as deferred tax asset	149	(12)
<b>Income tax expense/(benefit) recognised in profit or loss</b>	<b>237</b>	<b>(3,933)</b>
Adjustments recognised in the current period in relation to the current tax of prior periods	(27)	(186)
<b>Total income tax expense/(benefit) recognised in profit or loss*</b>	<b>210</b>	<b>(4,119)</b>

\*Dixon Advisory and Superannuation Services Pty Limited (Subject to Deed of Company Arrangement) continues to be part of the E&P income tax consolidated group.

### 6. Dividends

During the half-year, E&P Financial Group Limited made nil dividend payments (2023: Nil).

The franking account balance as at 31 December 2024 was \$29.5 million (FY24: \$29.5 million).

### 7. Investments accounted for using the equity method

	31 December 2024 \$'000	30 June 2024 \$'000
Investments in associates	1,167	933
Investments in jointly controlled entities	11,493	10,496
<b>Total equity accounted investments</b>	<b>12,660</b>	<b>11,429</b>

#### Reconciliation of movement in investments in jointly controlled entities

	Dixon Associates PE III \$'000	248 Emerging Companies Fund \$'000	CVC Emerging Companies IM \$'000	Total \$'000
Balance at 1 July 2023	7,200	3,847	162	11,209
Share of profits of jointly controlled entities	208	205	(6)	407
Less: dividends received	(593)	(527)	-	(1,120)
<b>Balance as at 30 June 2024</b>	<b>6,815</b>	<b>3,525</b>	<b>156</b>	<b>10,496</b>
Balance at 1 July 2024	6,815	3,525	156	10,496
Share of profits of jointly controlled entities	803	202	(8)	997
Less: dividends received	-	-	-	-
<b>Balance as at 31 December 2024</b>	<b>7,618</b>	<b>3,727</b>	<b>148</b>	<b>11,493</b>

31 DECEMBER 2024

## Notes to the Condensed Consolidated Financial Statements

Continued

### 7. Investments accounted for using the equity method (continued)

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

Name	Principal place of business/ Country of incorporation	Ownership interest	
		31 December 2024 %	30 June 2024 %
<i>Associates of E&amp;P Financial Group Limited</i>			
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%
<i>Jointly controlled entities of E&amp;P Financial Group Limited</i>			
Laver Place Sub Pty Limited	Australia	33.3%	33.3%
CVC Emerging Companies IM Pty Limited	Australia	50%	50%
248 Emerging Companies Fund (formerly CVC Emerging Companies Fund)	Australia	9.9%	9.9%
Dixon Associates PE III Wholesale Fund *	USA	83.6%	83.6%
UA Dixon 168 Manager, LLC**	USA	50%	50%
UA Dixon 523 West 135 <sup>th</sup> Street Manager, LLC**	USA	50%	50%
UA Dixon 30-58/64 34 <sup>th</sup> Street, LLC***	USA	-	50%

\*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.

\*\* This investment accounted for using the equity method are currently classified as "Joint ventures held for sale" (refer to note 13).

\*\*\* This investment was disposed of during the period.

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

### 8. Issues, repurchases and repayments of equity securities

Issued capital as at 31 December 2024 amounted to \$296,990,981 (191,661,632 ordinary shares).

	Number of shares	Share Capital \$
<b>Balance as at 1 July 2024</b>	237,680,090	324,856,160
Treasury shares re-issued under the share rights plan during the year	-	(3,935,581)
Shares bought-back <sup>1</sup>	(46,018,458)	(23,929,598)
<b>Balance of Issued share capital as at 31 December 2024</b>	<b>191,661,632</b>	<b>296,990,981</b>
(Less): treasury shares held by Group entities	(5,656,195)	(4,373,593)
<b>Balance of share capital as at 31 December 2024</b>	<b>186,005,437</b>	<b>292,617,388</b>



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## Notes to the Condensed Consolidated Financial Statements

Continued

### 8. Issues, repurchases and repayments of equity securities (continued)

Movement in treasury shares balance during the period can be reconciled as follows:

	Number of shares	Share capital \$
Opening balance of treasury shares held by Group entities 1 July 2024	(7,995,462)	(7,316,805)
(Less): Treasury shares purchased during the period	(1,980,000)	(992,369)
Add: Treasury shares issued (options exercised) during the period	4,279,267	3,935,581
<b>Closing balance treasury shares held by Group entities 31 December 2024</b>	<b>(5,656,195)</b>	<b>(4,373,593)</b>

#### <sup>1</sup>Shares bought-back

On 4 November 2024, the Company announced the launch of an off-market equal access Buy-Back of up to 48,076,923 fully paid ordinary Shares in the Company at a price of \$0.52 per Share (Buy-Back). The Buy-Back tender period closed on 11 December 2024.

The company received valid Buy-Back participation forms for 46,018,458 fully paid ordinary shares for an aggregate Buy-Back amount of \$23,929,598. There was no scale-back applied as the total number of applications fell below the maximum number of shares that the Company was permitted to Buy-Back. Settlement of the Buy-Back completed on 17 December 2024 (refer to Note 3 c) for further details).

### 9. Goodwill and other indefinite life intangible assets

	31 December 2024 \$'000	30 June 2024 \$'000
<i>Carrying amounts of</i>		
Goodwill	26,621	26,621
Brands	29,333	29,333
<b>Total indefinite life intangible assets</b>	<b>55,954</b>	<b>55,954</b>

#### 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 historical impairments) of goodwill has been allocated as follows:

	31 December 2024 \$'000	30 June 2024 \$'000
<b>Goodwill</b>		
<b>CGU</b>		
E&P Wealth	-	-
E&P Capital	26,621	26,621
E&P Funds	-	-
<b>Total</b>	<b>26,621</b>	<b>26,621</b>

#### Impairment testing

At half year, 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. The Directors considered the minimum indicators set out in the *AASB 136 Impairment of Assets* that should be considered in making an assessment on impairment. Based on the assessment, the Directors have concluded the absence of any impairment of the carrying amount of goodwill and other indefinite life intangibles for the half-year ended 31 December 2024.

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## Notes to the Condensed Consolidated Financial Statements

Continued

### 10. Convertible notes reserve

	31 December 2024 \$'000	30 June 2024 \$'000
Convertible notes reserve	12,500	-

On 1 November 2024, \$12.5 million of convertible notes were issued pursuant to a placement to wholesale investors. The convertible notes were issued with a face value of \$100 per note, 8% annualised coupon (to be settled in ordinary shares), a mandatory conversion date of 1 May 2025, and a conversion price of \$0.52 per share. Noteholders receive one free attaching call option for every two conversion shares (excluding the shares issued in satisfaction of the coupon) exercisable at \$0.52 per share, with a five-year option life (expiring on 31 October 2029). The convertible notes, including the interest component were accounted for through an equity reserve initially due to the mandatory conversion to ordinary shares and upon mandatory conversion will be transferred to share capital.

### 11. Share based payments

#### Employee share options

On 18<sup>th</sup> 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 presently grant deferred equity to employees as part of the Group's discretionary bonus awards. This does not impact previously issued equity grants as detailed below and in previous period financial statements.

#### *E&P Option/Rights plan (ORP)*

Details of previous tranches issued under the ORP are disclosed in the annual financial report. During the half-year ended 31 December 2024, three further tranches of rights were issued under the ORP as follows:

ORP	Tranche AF	Tranche AG	Tranche AH
Number of rights	322,996	322,996	169,999
Grant date	15-Oct-24	15-Oct-24	15-Oct-24
Vesting date	15-Oct-25	15-Oct-26	15-Apr-27
Market value of shares at grant date	\$0.490	\$0.490	\$0.490

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. The total expense recorded for the period was \$0.53 million.

ORP	Tranche AF	Tranche AG	Tranche AH
Option life	1 year	2 years	3 years
Share price at grant date	\$0.490	\$0.490	\$0.490
Volatility	50%	50%	50%
Dividend yield	2.4%	5.7%	6.7%
Risk-free rate	4.04%	3.78%	3.74%
Assessed value per right	\$0.478	\$0.437	\$0.401
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes

The following tranches vested during the half-year ended 31 December 2024:

ORP	Tranche O	Tranche T	Tranche Y
Number of rights	449,585	527,169	332,523
Number of rights exercised	449,585	480,379	332,523
Grant date	15/10/2021	15/10/2022	15/10/2023
Vesting date	15/10/2024	15/10/2024	15/10/2024

31 DECEMBER 2024

## Notes to the Condensed Consolidated Financial Statements

Continued

### 11. Share based payments (continued)

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

	Number of share rights
<b>Opening balance at 1 July 2024</b>	<b>8,650,526</b>
Rights issued during the period	815,991
Exercised during the period (current employees)	(673,363)
Exercised during the period ("good" leavers under the terms of the Plan)	(3,602,582)
Forfeited during the period ("good" leavers under the terms of the Plan)	(18,814)
Forfeited during the period ("other" leavers under the terms of the Plan)	(14,903)
<b>Closing balance at 31 December 2024</b>	<b>5,156,855</b>

#### *Loan funded share plan (LFSP)*

During the half-year ended 31 December 2024, no further tranches of shares have been issued under the LFSP. 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 2024 was 393,567.

### 12. Key management personnel

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

### 13. Fair value of financial instruments

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

#### **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

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## Notes to the Condensed Consolidated Financial Statements

Continued

### 13. Fair value of financial instruments (continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31 December 2024 \$'000	30 June 2024 \$'000		
<b>Current</b>				
<b>Investments in financial assets:</b>				
Listed corporations				
- Fair value through other comprehensive income	3,887	4,121	Level 1	Quoted bid prices in an active market.
Shares in corporations				
- Joint ventures held for sale	-	366	Level 2	Where relevant Level 2 market information, such as recent valuation report or offer for sale of an asset, is available, this information is used to determine the fair value of the investment.
<b>Total</b>	<b>3,887</b>	<b>4,487</b>		
<b>Non-current</b>				
<b>Investments in financial assets:</b>				
Shares / bonds in corporations				
- Fair value through profit and loss	712	653	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 and loss	200	200	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 area held by foreign subsidiaries.
<b>Total</b>	<b>912</b>	<b>853</b>		
Other receivables	1,020	795	Level 3	Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available, alternative level 3 valuation techniques may be used adopting market or asset specific inputs and assumptions.

There were no transfers between Level 1, 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.

31 DECEMBER 2024

## Notes to the Condensed Consolidated Financial Statements

Continued

### 14. Borrowings

	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current</b>		
Borrowings – Insurance premium funding <sup>1</sup>	630	-
Borrowings – Debt facility <sup>2</sup>	11,500	-
Capitalised costs	(116)	-
<b>Total borrowings</b>	<b>12,014</b>	<b>-</b>

Note<sup>1</sup>: During the period, the Group entered into an insurance premium financing facility totalling \$2.24 million to fund its annual insurance premiums. The facility is repayable in ten fixed instalments with the final instalment due on 31 March 2025.

Note<sup>2</sup>: During the period, the Group entered into a debt facility totalling \$11.5 million to fund the component of the share Buy-Back above \$12.5 million, as part of the delisting process. Associated capitalised costs relates to commitment fees paid in advance and will be amortised over the term of the loan.

As at 31 December 2024, the Group has a bank guarantee facility with National Australia Bank (NAB) with a \$4.4 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 8 January 2025.

### 15. Current and non-current liabilities - provisions

	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current:</b>		
Employee benefits	27,657	33,361
<b>Total current provisions</b>	<b>27,657</b>	<b>33,361</b>
<b>Non-current:</b>		
Employee benefits	714	970
Provision for make-good	917	917
<b>Total non-current provisions</b>	<b>1,631</b>	<b>1,887</b>

### 16. Subsequent events

No matters or circumstances have 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.

31 DECEMBER 2024

## 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



Director .....  
David Evans



Director .....  
Ben Keeble

Dated: 11 March 2025

## Independent Auditor's Review Report to the Shareholders 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 2024, and the condensed consolidated statement of profit or loss, 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 to the financial statements, including material accounting policy information 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to 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*

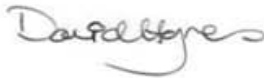
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the

Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a 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



David Haynes  
Partner  
Chartered Accountants  
Sydney, 11 March 2025





## Corporate Directory

### Directors

David Evans  
Ben Keeble  
Josephine Linden  
Sally McCutchan  
Tony Johnson

### Company secretaries

Mike Adams  
Robert Darwell

### Registered office

(principal place of business)

Level 32, 1 O'Connell Street  
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Tel: 1300 852 017  
[www.eandp.com.au](http://www.eandp.com.au)

### Share registry

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[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### Auditor

Deloitte Touche  
Tohmatsu  
Quay Quarter Tower  
50 Bridge Street  
Sydney NSW 2000