

# **Microequities Asset Management Group Limited**

**ABN 17 110 777 056**

**Interim Report - 31 December 2021**

Chief Executive Officer's report	2
Directors' report	4
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	16
Independent auditor's review report to the members of Microequities Asset Management Group Limited	17

Dear Fellow Shareholders,

The first half of financial year 2022 ('FY22') has seen the business accelerate its growth trajectory driven by strong investment performance, net inflows, and client number growth. The launch of the Private to Beyond the IPO Fund, Microequities' first product in the private equity asset class has clearly resonated with our client base. Additionally, we have made significant investments into our distribution capability and continue to focus resources and energy in expanding our presence in underrepresented sections of the wealth management sector.

Summary Profit or Loss Statement (\$000's unless stated)	31 Dec 2021 \$	31 Dec 2020 \$	% change
Funds Under Management ('FUM') (\$m)	630.9	429.9	+47%
Recurring Revenue <sup>1</sup>	5,014.4	3,297.9	+52%
Ongoing Operating Expenses <sup>2</sup>	-1,790.2	-1,266.6	-41%
Operating profit from recurring revenue	3,224.2	2,031.3	+59%
Performance fee Income	13,352.2	3,325.9	+301%
Operating profit from investment management	<b>16,576.4</b>	<b>5,357.2</b>	<b>+209%</b>
Interest revenue and other income	44.6	78.6	-43%
Other income and gains/(loss) on investments	1,797.3	1,513.1	+19%
Employee share-based payment expense	-45.0	-275.3	+84%
Tax expense	-4,551.3	-1,760.9	-158%
Profit attributable to non-controlling interest	-112.7	-127.3	+11%
Profit from ordinary activities after tax attributable to the owners of Microequities Asset Management Group	<b>13,709.3</b>	<b>4,785.4</b>	<b>+186%</b>

Client Numbers (units)	903	742	+22%
Ongoing operating expenses to recurring revenue	35.70%	38.41%	+271bps

<sup>1</sup> Represents management and administration fees

<sup>2</sup> Excludes costs related to the employee share-based payment expense

### Key Financial Highlights, Record FUM of \$630.9 million, NPAT +186%, Recurring revenue +52%

The self-evident summary of our key financial highlights is that the business has enjoyed an extraordinarily strong first half of FY22. All key performance indicators showed strong growth with FUM reaching a Group record \$630.9 million and our client base rising by +22% to 903. The Group continues to enjoy a strong capitalised position, with net assets growing by over 100% to \$26.8million including cash assets of \$15.0million.

Our business has the double edge sword of being exposed to the vagaries of marked to market pricing and we must not lose sight of the fact that history demonstrates that equity marked to market pricing is a volatile and unpredictable variable. However, we don't view the frivolous nature of erratic short term market volatility as a threat, but rather as an opportunity. The investment management team has vast experience in capitalising from these inevitable periodic episodes to harness the combination of a value investing discipline applied to long term growth assets. These episodes can help provide a platform for material long term outperformance.

### Private Equity Footprint foray into FY22 and beyond

The successful launch of the Private to Beyond the IPO Fund during the first half of FY22 marked an important and industrially coherent strategic initiative for Microequities, with significant synergies with our listed equities funds already derived and more to follow over the ensuing periods. Our current modest footprint in this asset class is only the beginning of our overall medium to long term ambitions. 2H22 will see a capital raise that will target an increase in the weighting of this part of our business by 50%. Our journey in this asset class has very much just begun.

### First Half Dividend increased to 6 cents per share

The board of Microequities Asset Management Group Limited is pleased to declare a six cent per share fully franked dividend. The payment of a 6-cent dividend represents a 300% increase on the amount paid in the previous corresponding period. The dividend payment is broadly consistent with the dividend policy of the Company, which is to pay between 70% to 100% of the cash operating profit from the investment management operations.

### Outlook for FY22

It is evident that we have strong momentum in the business, with net inflow patterns and enquiry levels tracking strongly. Whilst marked to market variable will always be an important uncontrollable variable in our business, management's focus is centred on the controllable components. These are: unrelenting dedication to our core capital allocation function to ensure our investments generate strong returns for our clients and expanding the distribution reach of the product suite.

With annualised recurring revenue at a run rate above \$10million, the business is on the strongest platform in its history. Our highly focussed and talented team look to FY22 with confidence. Our growth pathways are clear, discernible, and achievable.



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Carlos Gil  
Chief Executive Officer, Chief Investment Officer

11 February 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Microequities Asset Management Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

### Directors

The following persons were directors of Microequities Asset Management Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Leslie Szekely - Chairman  
Carlos Gil  
Samuel Gutman  
Dr Alexander Abrahams

### Principal activities

During the financial half-year the principal continuing activities of the Group consisted of the management of investment funds.

### Review of operations

The profit for the Group after providing for income tax and non-controlling interest amounted to \$13,596,590 (31 December 2020: \$4,785,437).

Refer to the Chief Executive Officer's report for further commentary on the review of operations.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Leslie Szekely  
Chairman

11 February 2022



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Carlos Gil  
Chief Executive Officer

## DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF MICROEQUITIES ASSET MANAGEMENT GROUP LIMITED

As lead auditor for the review of Microequities Asset Management Group Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Microequities Asset Management Group Limited and the entities it controlled during the period.



**Tim Aman**  
**Director**

**BDO Audit Pty Ltd**

Sydney, 11 February 2022

**Microequities Asset Management Group Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**



	Note	Consolidated 31 Dec 2021 \$	Consolidated 31 Dec 2020 \$
<b>Revenue from contracts with customers</b>	4	18,403,947	6,695,658
Other income and gain on investments	5	1,797,265	1,513,143
Interest revenue calculated using the effective interest method		7,209	6,688
<b>Expenses</b>			
Employee benefits expenses		(1,375,028)	(1,089,778)
Depreciation and amortisation expenses		(105,112)	(132,071)
Legal and professional expenses		(79,340)	(25,002)
Advertising expenses		(60,993)	(15,525)
Occupancy expenses		(26,384)	(29,934)
Other expenses		(299,717)	(246,586)
Interest expenses		(1,254)	(2,931)
<b>Profit before income tax expense</b>		18,260,593	6,673,662
Income tax expense		(4,551,319)	(1,760,894)
<b>Profit after income tax expense for the half-year</b>		13,709,274	4,912,768
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<u>13,709,274</u>	<u>4,912,768</u>
Profit for the half-year is attributable to:			
Non-controlling interest		112,684	127,331
Owners of Microequities Asset Management Group Limited		13,596,590	4,785,437
		<u>13,709,274</u>	<u>4,912,768</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		112,684	127,331
Owners of Microequities Asset Management Group Limited		13,596,590	4,785,437
		<u>13,709,274</u>	<u>4,912,768</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	10.48	3.61
Diluted earnings per share	14	10.29	3.55

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

Microequities Asset Management Group Limited  
 Consolidated statement of financial position  
 As at 31 December 2021



	Note	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		15,092,464	11,816,005
Trade and other receivables	6	2,209,553	2,885,110
Other assets		400,880	390,568
<b>Total current assets</b>		<u>17,702,897</u>	<u>15,091,683</u>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	7	13,336,511	8,999,874
Right-of-use assets	8	805,082	87,594
<b>Total non-current assets</b>		<u>14,141,593</u>	<u>9,087,468</u>
<b>Total assets</b>		<u>31,844,490</u>	<u>24,179,151</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,169,390	1,317,672
Lease liabilities	10	189,589	88,597
Income tax payable		1,997,749	2,096,845
Employee benefits		304,219	264,757
<b>Total current liabilities</b>		<u>3,660,947</u>	<u>3,767,871</u>
<b>Non-current liabilities</b>			
Lease liabilities	10	615,493	-
Deferred tax liabilities		674,766	403,003
Employee benefits		42,008	34,245
<b>Total non-current liabilities</b>		<u>1,332,267</u>	<u>437,248</u>
<b>Total liabilities</b>		<u>4,993,214</u>	<u>4,205,119</u>
<b>Net assets</b>		<u>26,851,276</u>	<u>19,974,032</u>
<b>Equity</b>			
Issued capital	11	2,100,473	2,269,844
Reserves		1,388,783	1,343,807
Retained earnings		23,362,010	16,360,371
Equity attributable to the owners of Microequities Asset Management Group Limited		<u>26,851,266</u>	<u>19,974,022</u>
Non-controlling interest		10	10
<b>Total equity</b>		<u>26,851,276</u>	<u>19,974,032</u>

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



Microequities Asset Management Group Limited  
 Consolidated statement of changes in equity  
 For the half-year ended 31 December 2021



<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Retained earnings</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2020	2,633,246	667,226	6,315,830	10	9,616,312
Profit after income tax expense for the half-year	-	-	4,785,437	127,331	4,912,768
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>4,785,437</b>	<b>127,331</b>	<b>4,912,768</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	275,321	-	-	275,321
Share buy-back	(236,197)	-	-	-	(236,197)
Distribution of profits to non-controlling interest	-	-	-	(127,331)	(127,331)
Dividends paid (note 12)	-	-	(1,326,713)	-	(1,326,713)
<b>Balance at 31 December 2020</b>	<b>2,397,049</b>	<b>942,547</b>	<b>9,774,554</b>	<b>10</b>	<b>13,114,160</b>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Retained earnings</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2021	2,269,844	1,343,807	16,360,371	10	19,974,032
Profit after income tax expense for the half-year	-	-	13,596,590	112,684	13,709,274
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>-</b>	<b>-</b>	<b>13,596,590</b>	<b>112,684</b>	<b>13,709,274</b>
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	44,976	-	-	44,976
Share buy-back (note 11)	(169,371)	-	-	-	(169,371)
Distribution of profits to non-controlling interest	-	-	-	(112,684)	(112,684)
Dividends paid (note 12)	-	-	(6,594,951)	-	(6,594,951)
<b>Balance at 31 December 2021</b>	<b>2,100,473</b>	<b>1,388,783</b>	<b>23,362,010</b>	<b>10</b>	<b>26,851,276</b>

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

	Note	Consolidated 31 Dec 2021 \$	31 Dec 2020 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		20,677,931	6,394,401
Payments to suppliers and employees (inclusive of GST)		(3,748,250)	(1,408,699)
Dividends and distributions received		702,980	8,656
Interest received		6,825	6,257
Government grant received		-	148,500
Interest and other finance costs paid		(1,254)	(2,931)
Income taxes paid		(4,378,652)	(631,537)
Net cash from operating activities		<u>13,259,580</u>	<u>4,514,647</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(3,250,000)	-
Proceeds from disposal of investments		250,000	-
Net cash used in investing activities		<u>(3,000,000)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Payments for share buy-backs	11	(169,371)	(236,197)
Dividends paid	12	(6,594,951)	(1,326,713)
Distribution of profits to non-controlling entity		(112,684)	(127,331)
Repayment of lease liabilities		(106,115)	(134,308)
Net cash used in financing activities		<u>(6,983,121)</u>	<u>(1,824,549)</u>
Net increase in cash and cash equivalents		3,276,459	2,690,098
Cash and cash equivalents at the beginning of the financial half-year		<u>11,816,005</u>	<u>3,688,350</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>15,092,464</u></u>	<u><u>6,378,448</u></u>

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

### Note 1. General information

The financial statements cover Microequities Asset Management Group Limited as a Group consisting of Microequities Asset Management Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Microequities Asset Management Group Limited's functional and presentation currency.

Microequities Asset Management Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3105, Level 31 Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 February 2022.

### Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2021 and are not expected to have any significant impact for the full financial year ending 30 June 2022.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Note 3. Operating segments

The main business activities of the Group are the provision of funds management services. The Board of Directors are identified as the Chief Operating Decision Makers ('CODM'), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Other activities undertaken by the Group, including investing activities, are incidental to the main business activities.

Based on the internal reports that are used by the CODM the Group has one operating segment being the provision of funds management services with the objective of offering investment funds to wholesale and sophisticated investors. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and are therefore not duplicated. The Group operates only in Australia and information of revenue from products and services is included in note 4.

The information reported to the CODM is on a monthly basis.

**Note 4. Revenue from contracts with customers**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
Management fees	5,014,376	3,297,877
Performance fees	13,352,221	3,325,853
Other revenue	37,350	71,928
	<u>18,403,947</u>	<u>6,695,658</u>

*Disaggregation of revenue*

All revenue is generated in Australia and revenue is recognised over time.

**Note 5. Other income and gain on investments**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
Dividends and distributions	721,459	20,914
Unrealised gain on investments	1,082,856	1,343,729
Realised gain/(loss) on investments	(7,050)	-
Government grants*	-	148,500
	<u>1,797,265</u>	<u>1,513,143</u>

\*During the previous financial half-year, the Group received \$111,000 JobKeeper support payments and \$37,500 assistance as part of its 'Boosting Cash Flow for Employers' scheme from the Australian Government in response to the Coronavirus ('COVID-19') pandemic.

**Note 6. Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
<i>Current assets</i>		
Trade receivables	2,193,563	2,627,152
Other receivable	4,167	4,167
Trust distribution receivable	10,532	252,884
Interest receivable	1,291	907
	<u>2,209,553</u>	<u>2,885,110</u>

**Note 7. Financial assets at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
<i>Non-current assets</i>		
Investment in unlisted Australian unit trusts - designated at fair value through profit or loss	13,336,511	8,999,874
	<u>13,336,511</u>	<u>8,999,874</u>

Refer to note 13 for further information on fair value measurement.

### Note 8. Right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Right-of-use assets	822,600	606,438
Less: Accumulated depreciation	<u>(17,518)</u>	<u>(518,844)</u>
	<u>805,082</u>	<u>87,594</u>

During the financial half-year, the Group renewed its lease agreement by entering into a 4-year lease expiring on 31 December 2025.

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Office premises \$
Balance at 1 July 2021	87,594
Additions	822,600
Depreciation expense	<u>(105,112)</u>
Balance at 31 December 2021	<u>805,082</u>

### Note 9. Trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	172,902	280,124
Accruals and other payables	<u>996,488</u>	<u>1,037,548</u>
	<u>1,169,390</u>	<u>1,317,672</u>

### Note 10. Lease liabilities

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>189,589</u>	<u>88,597</u>
<i>Non-current liabilities</i>		
Lease liability	<u>615,493</u>	<u>-</u>
	<u>805,082</u>	<u>88,597</u>

### Note 11. Issued capital

	Consolidated			
	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares - fully paid	131,721,647	131,899,017	3,117,477	3,286,848
Less: Treasury shares	<u>(2,057,544)</u>	<u>(2,057,544)</u>	<u>(1,017,004)</u>	<u>(1,017,004)</u>
	<u>129,664,103</u>	<u>129,841,473</u>	<u>2,100,473</u>	<u>2,269,844</u>

#### Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2021	131,899,017	3,286,848
Share buy-back	4 November 2021	(78,688)	(73,253)
Share buy-back	18 November 2021	(64,271)	(62,706)
Share buy-back	19 November 2021	<u>(34,411)</u>	<u>(33,412)</u>
Balance	31 December 2021	<u>131,721,647</u>	<u>3,117,477</u>

#### Share buy-back

During the financial half-year, the Company bought back 177,370 shares at a cost of \$169,371. The buy-back program is expected to expire on 10 October 2022.

### Note 12. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2021 \$	31 Dec 2020 \$
Final dividend for the year ended 30 June 2021 of 5.0 cents per ordinary share (2020: 1.0 cent)	<u>6,594,951</u>	<u>1,326,713</u>

On 11 February 2022, the directors declared a fully franked interim dividend for the year ending 30 June 2022 of 6.0 cents per ordinary share, to be paid on 7 March 2022 to eligible shareholders on the register on 17 February 2022. This equates to a total estimated distribution of \$7,779,846, based on the number of ordinary shares on issue as at 31 December 2021. The financial effect of dividends declared after the reporting date are not reflected in the 31 December 2021 financial statements and will be recognised in subsequent financial statements.

### Note 13. Fair value measurement

#### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 31 Dec 2021</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Investment in unlisted Australian unit trusts	-	13,336,511	-	13,336,511
Total assets	-	13,336,511	-	13,336,511

<b>Consolidated - 30 Jun 2021</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Investment in unlisted Australian unit trusts	-	8,999,874	-	8,999,874
Total assets	-	8,999,874	-	8,999,874

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

#### Valuation techniques for fair value measurements categorised within level 2

##### Investments in unlisted Australian unit trusts

The investments are recorded at fair value determined on the basis of the published unit prices of those unlisted managed investment funds at the reporting date, adjusted where deemed appropriate, to reflect values based on recent actual market transactions.

### Note 14. Earnings per share

	<b>Consolidated</b> <b>31 Dec 2021</b> \$	<b>31 Dec 2020</b> \$
Profit after income tax	13,709,274	4,912,768
Non-controlling interest	(112,684)	(127,331)
Profit after income tax attributable to the owners of Microequities Asset Management Group Limited	<u>13,596,590</u>	<u>4,785,437</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	129,793,258	132,554,421
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	497,390	318,440
Performance rights over ordinary shares	1,864,945	2,040,143
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>132,155,593</u>	<u>134,913,004</u>

**Note 14. Earnings per share (continued)**

	Cents	Cents
Basic earnings per share	10.48	3.61
Diluted earnings per share	10.29	3.55

The weighted average number of ordinary shares for half-year ended 31 December 2021 does not include 2,057,544 treasury shares (31 December 2020: 2,057,544).

**Note 15. Events after the reporting period**

Apart from the dividend declared as disclosed in note 12, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Leslie Szekely  
Chairman



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Carlos Gil  
Chief Executive Officer

11 February 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Microequities Asset Management Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Microequities Asset Management Group Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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 Financial Report* section of our report. We are independent of the Company 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 the 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the 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 responsibility for the review of the 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 2021 and its financial 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.

**BDO Audit Pty Ltd**

*BDO*

A handwritten signature in black ink, appearing to read 'Tim Aman'.

**Tim Aman**  
**Director**

Sydney, 11 February 2022