



**Chairman's address
to the 2021 Annual General Meeting
Thursday 18th of November 2021**

I would like to welcome all shareholders to our fourth AGM as a publicly listed company.

Some of the financial highlights of the FY21 year were:

- YoY **FUM** rose 46% to \$497.1m
- YoY **Revenue** rose 166.8% to \$20.2m
- YoY **profit after tax** rose 319% to \$14m;
- YoY **earnings per share** rose from 2.52c to 10.76c
- YoY **NTA** increased 107.7% to \$19.9m;
- The company paid **7 cents in fully franked dividends** for the FY21 year consistent with the dividend policy of paying out between 70% and 100% of our operating profit from investment management.

FY21 has been a year of return to strong performance in our funds. The intense M&A across many of the investee companies in our funds demonstrated and validated the investment management teams' focus and investment discipline. As our CEO will discuss later, a new generation of investments will provide the platform for future years.

The Value Income Fund retail strategy launched in FY19 continues to gain traction in the market as it passes the various hurdles of ratings agency reviews and additions to advisor approved lists and wrap platforms.

The Private to Beyond the IPO Fund was successfully launched and the team has been busily engaged in deploying the fund into some great opportunities that will create future wealth for our clients and shareholders. The Fund is currently closed and there is an active waiting list of investors for when it reopens. The Private to Beyond IPO Fund is the initial entry vehicle into the very synergistic private equity space.

Microequities is very much about alignment with our clients in the funds that we manage. I am proud to say that in excess of eighty five million dollars' worth of units in our funds are held by Microequities, the directors and investment management team. Principals in the Microequities business continue to top up their investments in the funds. Our shareholders now have more reason than ever to also be aligned as clients given our broader wholesale offerings in public microcap and small cap as well as private equity and pre-IPO companies and our retail Value Income Fund.

I thank all our shareholders for your continued support. We look forward to continuing to deliver investment outperformance for our clients and delivering returns to our shareholders.

Leslie Szekely
Non-Executive Chairman

**CEO's address
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I would like to welcome all shareholders to our 2021 AGM. At last year's AGM I outlined that our investment business was born in the GFC. In fact, we launched our flagship Deep Value Fund more than 12 years ago in an economic and financial environment of great uncertainty. It was also an environment of tremendous investment opportunity. In the first year of the Deep Value's life, we delivered a net return after fees of 93.4%, but a year later we were also facing a new crisis as the financial markets were absorbing the shock of a worrisome European sovereign debt crisis. Our investment management team again took advantage of that uncertainty to secure several highly successful investments. Three years on from the European sovereign debt crisis the Deep Value Fund had delivered a net return after fees of 286.5%. So, by the time the Covid pandemic hit us in early 2020, our investment management team was fully aware that such tumultuous and difficult events present temporal windows of opportunity, and we were all systems go, prowling, analysing and searching to secure or increase our stakes in opportunistically priced long-term growth assets. We termed our strategy "survive and thrive", our investee companies in our portfolios were not only going to survive the Covid pandemic but ultimately thrive. I'm pleased to report that we have delivered strong value creation for our clients by achieving strong investment returns. The investment returns over the past 12 months have to a significant degree been driven by unprecedented M&A activity within our investment portfolios that have accelerated the value capture to value extraction cycle.

Our investment management business is a forward-looking business. We must never stop looking forward. I'm extremely pleased with the investments our team have recently been able to secure and these new generation of investments, we think over time will deliver the next phase of wealth creation for our clients, which will also drive the operational results of the business.

Private Equity key pillar in our forward strategy

In early FY22 we successfully launched the Private to Beyond the IPO Fund. This is the most important strategic initiative that the company has undertaken in the last five years. It represents our foray into the private equity universe, a space that is embedded with strong industrial synergies with our listed investment funds. The benefits of this strategy to both clients and the business will become self-evident over the next 3 years, but I want to be clear we have strong ambitions to grow our presence in a space that will fuse our long-term investment approach together with our constructive pro-company values and the public markets expertise we bring to the table.

Business set for a record 1H results with growing momentum

We have experienced a very strong first four months trading in 1H22. Based on these four months alone, the business has delivered an operating profit of approximately \$13.6m (based on unaudited management accounts). This already represents the strongest ever half result in the company's history. Pleasingly all metrics including client numbers, FUM, operating margins and net inflows are tracking positively. Inquiry levels for our investment funds is high and the company is making progress in growing its presence in underrepresented distribution channels. We are confident on the strategic pathway we have set on and believe we will continue to add value to clients over the medium to long term.

Carlos Gil
Chief Executive Officer

About Microequities (ASX:MAM): Microequities is a boutique value driven Fund manager specialised in exchange listed industrial microcaps and small caps. Established in 2005 as an investment research house, the company expanded into funds management in early 2009 by launching its flagship fund - the Deep Value Fund. Today Microequities manages a range of investment funds for both wholesale and retail investors. For further information visit www.microequities.com.au

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