

11 February 2022

ASX MEDIA RELEASE

Microequities Asset Management Group (“Microequities”) NPAT +186%, Operating profit from investment management +209%, HY22 dividend increased by 300%

Microequities has delivered very strong financial performance for the six months of financial year 2022, this was driven by a combination of excellent investment performance, net inflows, and expansion of our product suite. Whilst the operating profit from investment management was largely driven by performance fee income there has been a material qualitative improvement in earnings with funds under management growing +47% and boosting recurring revenue by +52% to a \$10m per year run rate.

Inflow/Outflow patterns continue to improve, client numbers grew to a new company record

Pleasingly inflow/outflow patterns have continued to improve markedly in the HY22 period with client growth of +22% to a company record of 903. Enquiry levels into the 2HFY22 remain high, placing the company in a good position to consolidate recent gains in client numbers.

Summary Profit or Loss Statement	31 Dec 2021	31 Dec 2020	% change
(\$000's unless stated)	\$	\$	
Funds Under Management (\$m)	630.9	429.9	+47%
Recurring Revenue ¹	5,014.4	3,297.9	+52%
Ongoing Operating Expenses ²	-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	16,576.4	5,357.2	+209%
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 interests	-112.7	-127.3	+11%
Profit from ordinary activities after tax attributable to the owners of Microequities Asset Management Group	13,709.3	4,785.4	+186%
Client Numbers (units)	903	742	+22%
Ongoing operating expenses to recurring revenue	35.70%	38.41%	+271bps



1st Half Dividend increased to 6 cents per share

The board of Microequities Asset Management Group Limited is pleased to declare a 6 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.

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 equity 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.

Outlook for FY22

Whilst market volatility will always be a recurring feature of our asset class, the underlying quality of Microequities' investment portfolios continue to provide the pillars of material long term outperformance and wealth creation for Microequities' clients. It is evident that we have strong momentum in the business, with net inflow patterns and enquiry levels tracking strongly. The company will look to consolidate its strong growth and grow its client base.

We take this occasion to thank our clients, shareholders and colleagues who work tirelessly alongside us as we endeavor to achieve our objectives.

Carlos Gil
Chief Executive Officer, Chief Investment Officer

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This announcement has been authorised for release by the Board

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