

**Chairman's address
to the 2024 Annual General Meeting
Thursday 21st of November 2024**

I'd like to welcome all shareholders to our MAM AGM.

Market conditions for all fund managers were extraordinarily difficult throughout FY24. Roiled by geopolitical events global markets were volatile with sharp fluctuations in commodity prices (e.g. gas and oil). We witnessed a lithium bubble and the rise of “the magnificent seven” as AI stole global headlines. The jitteriness of the markets was underpinned by shifting expectations of inflation and interest rates.

Such volatile times are particularly difficult to navigate for long term micro and small cap investors. Against this tumultuous background MAM has performed strongly against both its peers and benchmarks. Indeed, the pricing dislocation of ASX listed microcaps has created such value buying opportunities that the Company secured a \$5m bank loan for investment in our own Funds.

Some of the financial highlights of the FY24 year were:

- \$7.22m Operating Profit from Investment Management. Up 14%
- NPAT of \$5.99m. Up 6%
- Maintained a strong balance sheet with Net Assets as of June 30 of \$21.1m. (FY23 \$19.5m)
- The company paid dividends totaling 3.6 cents fully franked up 9.1% on FY23. This is consistent with the dividend policy of the Group, which is to pay between 70% and 100% of the operating profit from investment management.

In addition to market turbulence, FY24 saw the Emerging Companies Index rise by only 3.2% with many high-net-worth investors reweighting their portfolios to credit funds to take advantage of high interest rates. Despite this environment Microequities maintained its level of FUM whilst many of our peers shrank or disappeared. The two factors driving the strength of Microequities business were:

- The loyalty of our investors who understand our value approach to investing; and
- Our strong investment performance in a difficult market.

In July 2024, just after the end of FY24, we launched the Value Earth Fund. This fund adheres to the investment style and addressable market of our core funds but with an added ESG filter to accommodate those investors who prefer a Fund with an ESG orientation.

I would like to take this opportunity to thank all our clients for the trust they have placed in us and also to thank our staff who work diligently in delivering the service our clients expect.

Thank you to all our shareholders for your continued support. We look forward to rewarding your trust in Microequities by continuing to deliver positive investment outcomes and shareholder returns.

Leslie Szekely
Non-Executive Chairman

**CEO's address
to the 2024 Annual General Meeting
Thursday 21st of November 2024**

I'm pleased to welcome everyone to our 2024 Annual General Meeting. The FY24 financial results delivered by Microequities Asset Management are a testament to the robust economic principles and financial stewardship on which this company was built. We must acknowledge the current challenges facing our asset class; over the past three years, we have witnessed the closure of some Small and Microcap asset management firms, along with weakened inflows. Today's investors have access to a wide range of alternative asset classes, spanning private equity, private debt, venture capital, cryptocurrencies, and other more unconventional assets making the landscape more competitive and investment choices increasingly diverse.

In this crowded marketplace, our asset class must work harder to capture the interest and trust of investors. Yet this environment has also amplified the market price inefficiencies that are fundamental to creating exceptional investment opportunities within our space. As a result, we are now experiencing one of the most compelling investing landscapes that I have ever observed, with many publicly listed businesses offering valuations far more attractive than private alternatives. This dynamic affirms our conviction in Small and Microcap equities as a unique, opportunity-rich asset class that delivers strong long term investment returns for investors and our asset class.

Investor confidence into asset class remains subdued

Contextually investor confidence into our asset class remains subdued. We have yet to observe any meaningful changes to the weak investor confidence we called out at last year's AGM. Whilst equity markets have performed well, our core asset class of industrial Small cap and Microcap companies remains in the midst of a 3+ year bear market. Against that backdrop, our funds have delivered strong positive absolute returns and continue to drive meaningful value accretion for our clients. Inflows into our asset class remain weak and the private credit asset class has markedly increased its presence and wallet share.

Our investment Funds continue to deliver strong absolute and relative returns. Our flagship Deep Value Fund delivered a +15.7% return for the FY24, whilst the Pure Microcap Fund delivered investors +12.8% return. Our income and capital growth strategy, the High-Income Value Microcap Fund returned 10.0% for the FY24 marking another yet another year of double-digit returns.

It is the return profile of our capital allocation that, despite the subdued inflow environment, drove our operating results for FY24, with recurring revenue increasing by +5% to \$10.3m and Operating Profit from recurring revenue also increasing +5% to \$6.3m. That is a strong operating result in the inflow subdued environment that we face. We were also able to achieve a +9.1% increase in total dividends paid versus the previous corresponding period, despite significant step up in balance sheet investments into our Funds.

We continue to invest in sales and marketing and invest in our Funds

Despite the current challenges in capital inflows and subdued investor sentiment across our asset class, we have continued to invest strategically in our sales and marketing efforts. This commitment is grounded in the strength of our funds' track record and the wealth of promising investment opportunities before us. Securing additional capital to capture these opportunities is vital, allowing us to deliver

meaningful value to both existing and new clients and in the process deliver a strong value proposition for which we are renowned.

In the latter part of FY24, we took out a \$5 million loan from our banking partner, to further invest in our own funds. This brings Microequities' total on-balance-sheet investments to \$16.6 million as of June 30, 2024. We are confident that this additional \$5 million investment will generate considerable value for our shareholders, comfortably offsetting the interest paid on the loan.

In summation, there persists a challenging capital raising environment, but a vast opportunistic capital deployment landscape.

Carlos Gil
Chief Executive Officer

Microequities Asset Management Group Limited

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 six open ended investment funds and has over \$600m of funds under management. For further information visit www.microequities.com.au

Important Information

This document has been prepared by Microequities Asset Management Group Limited ('MAM').

While the information in this document has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation. This document may contain forward looking statements. These forward-looking statements have been based upon MAM's expectations and beliefs concerning the future developments and their potential effect upon MAM (and its controlled entities) and are subject to risks and uncertainty which are, in many instances, beyond MAM's control. No assurance is given that future developments will be in accordance with MAM's expectations. Actual results could differ materially from those expected by MAM. This document does not constitute an offer to sell or a solicitation of an offer to purchase any security or financial product or service. Any such offer or solicitation shall be made only pursuant to a Product Disclosure Statement, Information Memorandum, Prospectus or other offer document relating to a financial product or service. Past performance is not necessarily indicative of future results and no person guarantees the performance of any financial product or service or the amount or timing of any return from it. There can be no assurance that the financial product or service will achieve any targeted returns, that asset allocations will be met or that the financial product or service will be able to implement its investment strategy and investment approach or achieve its investment objective. The information contained in this document is not intended to be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.