

# APPENDIX 4E

EQT Holdings Limited ABN 22 607 797 615

## RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE FULL YEAR ENDED 30 JUNE 2024

| PERFORMANCE  | 30 JUNE 2024<br>\$'000 |               | 30 JUNE 2023<br>\$'000 |
|--|------------------------|---------------|------------------------|
| Revenue from ordinary activities   | 173,982                | Up 23.1% from | 141,366                |
| Profit after tax from ordinary activities attributable to members                            | 20,711                 | Up 10.0% from | 18,833                 |
| <b>Net profit (statutory) for the period attributable to members</b>                         | <b>20,711</b>          | Up 10.0% from | 18,833                 |
| Net profit (underlying) for the period attributable to members <sup>1</sup>                  | 37,880                 | Up 13.8% from | 33,273                 |
| <b>Basic earnings per share (statutory) attributable to members (cents per share)</b>        | <b>77.84</b>           | Up 5.3% from  | 73.94                  |
| Basic earnings per share (underlying) attributable to members (cents per share) <sup>1</sup> | 142.37                 | Up 9.0% from  | 130.63                 |

| DIVIDENDS                        | 30 JUNE 2024<br>CENTS PER SHARE | 30 JUNE 2023<br>CENTS PER SHARE |
|----------------------------------|---------------------------------|---------------------------------|
| Interim Dividend (fully franked) | 51                              | 49                              |
| Final Dividend (fully franked)   | 53                              | 50                              |

| KEY DATES  |                   |
|--|-------------------|
| Record date for determining entitlements to the final dividend               | 3 September 2024  |
| Last date for the receipt of an election notice for participation in the DRP | 4 September 2024  |
| Payment date for final dividend  | 25 September 2024 |

<sup>1</sup> Underlying net profit before tax (UNPBT) and underlying net profit after tax (UNPAT) exclude significant items. Items excluded from all years presented include M&A costs, revenues and costs (including selling costs, losses on disposal and impairment) associated with the CTS-EU segment, revenue and costs associated with the AET platforms business, and costs associated with major technology and transformation projects including the AET integration. Prior period underlying measures have been adjusted to exclude operating losses relating to the UK/Ireland operations to enable their comparison to



numbers presented for FY24. Underlying measures are non-International Financial Reporting Standards (IFRS) measures and are unaudited. Refer to the 30 June 2024 Annual Report for further information.

The Directors have determined a fully franked final dividend of 53 cents per share. The Directors have also determined that the Dividend Reinvestment Plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average market price of EQT traded shares on the first five days of EQT share trading after Record Date. A 1.25% discount will be applied.

The Company advises that its Annual General Meeting will be held on 17 October 2024. In accordance with the ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company by 5.00 pm (AEST) on 29 August 2024.

Details shall be provided nearer to the time of the AGM.

## ASX ADDITIONAL INFORMATION

Additional information, current as at 30 June 2024, and not shown elsewhere in this report, follows:

### NET TANGIBLE ASSET BACKING PER SHARE

| NET TANGIBLE ASSET BACKING / PER SHARE <sup>1</sup> | 30 JUNE 2024 | 30 JUNE 2023 |
|---|--------------|--------------|
| Net tangible asset backing per share                | 2.20         | 2.31         |

<sup>1</sup>Based on shares on issue of 26,677,815 (2023: 26,505,899). The calculation of NTA backing includes right of use assets recognised under AASB 16 Leases relating to the Group's premises leases.

## CONTROL GAINED OR LOST OVER ENTITIES DURING THE FINANCIAL YEAR

### YEAR ENDED 30 JUNE 2024

On 30 April 2024, the group disposed of its majority owned subsidiary, Equity Trustees Fund Services (Ireland) Limited, in connection with the exit of its UK and Ireland based operations. Refer to note 14 of the 30 June 2024 Annual Report for further details.

### YEAR ENDED 30 JUNE 2023

On 22 August 2022, the Group announced that it had acquired 100% of the ordinary equity of Australian Executor Trustees Limited, and its subsidiary, AET PAF Pty Ltd. The acquisition settled on 30 November 2022, and added further scale and geographical breadth to the Group's Trustee & Wealth Services segment, along with a portfolio of Small APRA Fund clients for which CSTS-Superannuation acts as trustee. Further detail on this acquisition is contained in the 30 June 2023 Annual Report.

Other than as described above, there were no material entities for which control was gained or lost during the financial year.

## AUDIT

The Financial Statements for the year ended 30 June 2024 have been audited and an unqualified opinion has been issued by the auditors.

## COMMENTARY

Additional Appendix 4E disclosure requirements can be found in the Annual Report, which contains the Directors' Report and the 30 June 2024 Financial Statements and accompanying notes.

***For a comprehensive overview of the 2024 results, please refer to the separate ASX release covering the Announcement of Results and Shareholder Presentation.***

# FROM THE CHAIR

# CAROL SCHWARTZ AO

## LEADING AUSTRALIAN TRUSTEE

Equity Trustees has delivered another excellent result in 2024, cementing its position as Australia's leading trustee.

It was another year of strong growth and activity, with the addition of a new complementary business in Australian Executor Trustees, the completion of major technology projects and a range of structural changes, as we continued to strive for excellence for the benefit of all stakeholders.

At the same time, we continued to boost our financial performance, with FUMAS hitting a new record and profits continuing to rise. Importantly we maintained our strong values and reputation as a stable, trusted brand.

Funds under management reached \$202.8 billion, up 26.7% on the prior year, and underlying net profit after tax was \$37.9 million, up 13.8%.

This performance, combined with the outstanding skills and experience of our people, and our unwavering commitment to our strategy to be the leading trustee in Australia, have strengthened our position as the market leader in this space.

The Board elected to increase the final dividend to 53 cents, up 2 cents on the first half, and bringing the full year dividend to 104 cents, up 5 cents on the previous year.

## INVESTMENT IN CAPABILITY DELIVERING

A major factor in Equity Trustees' success in recent years has been the strength of our management and people. Ranging from our Executive Leadership Team and the client facing teams, to the staff who run our back office operations... those who look after risk, compliance, marketing, client experience, technology and legal...our philanthropy teams out in the community... and our people team: these teams all pull together to deliver a seamless and outstanding business operation.

During the year we continued to build these teams to ensure we can support the growth in the business. It is our ongoing priority to recruit the best people, and ensure they have the skills and capability to meet the needs of our clients, regulators and other stakeholders. Training and career development remain a key area of focus, as do our health and wellbeing programs.

Our overall employee engagement result improved during the year, with many areas in the top quartile, and client service satisfaction levels remained solid even with a large volume of client transitions. These results reflect the strength and drive of the teams behind these major initiatives.

Our IT strategy and investment in new technology platforms are also delivering, with increasing business efficiencies and improvements in the client experience just some of the beneficial outcomes.

## VALUABLE COMMUNITY SUPPORT

In a time of economic challenges and rising living costs, our support for the community becomes ever more important.

This year we continued to provide wide-ranging support to communities in need through our philanthropic granting program, with a total of \$178.0 million in charitable granting— a record year for the company. \$57.0 million of these grants were made from trusts under our stewardship directed toward First Nations communities. \$43 million was directed to health initiatives and important medial research. We are honoured to manage these trusts on behalf of clients past and present.



Some of the highlights of this program in 2024 included \$14.8 million of granting coming via our newly established and growing Equity Trustees Giving Portal which enables active philanthropists to directly engage with their giving in real time, and growth in granting towards environmental causes increasing to approximately \$5.0 million.

Our employees have also been actively engaged at a personal level, with volunteering for the year at 735 hours, involving a quarter of our workforce, and participation in workplace giving also rising.

## **A NEW ESG FRAMEWORK**

At Equity Trustees, our purpose is to help people take care of their future. We believe that a commitment to ESG objectives will help us maintain our strong financial foundations while driving positive social and environmental outcomes.

As part of our commitment to embedding ESG into our strategic approach, in the prior year we undertook our inaugural materiality assessment, which set the foundation for the development of our new ESG strategy. The assessment was undertaken to gain insight into the key environmental, social and governance risks and opportunities impacting our business.

We are developing a new ESG framework across four priority areas: clients, people, community and environment, and this year our focus will be on establishing metrics to assess and monitor our performance against a range of topics under each priority area.

We are also working towards compliance with the upcoming Australian Sustainability Reporting Standards (ASRS) mandatory disclosure of climate-related financial information. This will involve the assessment of our exposure to physical and transition climate risks across our value chain and the establishment of a climate resilience strategy.

## **BOARD STRENGTH**

With a good balance of skills, experience, tenure and diversity, the Board continues to provide a secure foundation for the business.

During the year, Robert Dalton joined the board as a Non-Executive Director. Robert has strong governance, compliance and regulatory skills, with over 35 years' experience in complex commercial and leadership roles, as well as 25 years as an Advisory and Audit Partner at EY. Robert was most recently the CEO of Australian Sports Commission, Sports Australia and the Australian Institute of Sport.

In March, Suzanne Holden was appointed as a new Non-Executive Director to the superannuation trustee business. Suzanne has extensive experience in financial services and transport businesses, most recently as Acting CEO at Sydney Trains and CEO of Link Fund Administration. She is also a former Director of ASFA.

## **STRONGLY POSITIONED FOR THE FUTURE**

As another year draws to a close it is timely to reflect on the resilience of our Group. With many challenges facing the world – financially, environmentally, economically and politically – Equity Trustees' strength stands out. Led by an excellent team of people, we continue to deliver for our clients and shareholders.

On behalf of the Board, I would like to thank my fellow Board Directors, our Leadership Team and staff, and all our other stakeholders for their commitment and support of Equity Trustees.

Equity Trustees is strongly positioned for the future and we are well placed to continue to build the business and capture the opportunities that arise.

# FROM THE MANAGING DIRECTOR, MICK O'BRIEN

## A SUCCESSFUL YEAR

2024 was a very positive year for Equity Trustees. We experienced strong growth, consolidated a market leading position, successfully progressed the AET integration and continued to build the best specialist trustee business in Australia.

FUMAS growth was extraordinary, reaching a record \$202.8 billion, an increase of 26.7% for the year. The funds supervised by Equity Trustees now equate to the fifth largest pool of wealth in Australia excluding government instrumentalities. As FUMAS is the primary driver of revenue growth, this provides a significantly larger base for growth going forward.

Revenue growth at the Group level was also excellent, up 23.1% to \$174.0 million, driven by the AET acquisition, organic growth and strong global equity investment markets.

Expenses were up, primarily driven by very low vacancy levels, AET integration costs and costs associated with the restructure of the corporate lines of business.

Underlying net profit after tax was up 13.8% at \$37.9 million, and statutory net profit was up 10.0% at \$20.7 million.

Our balance sheet remains robust, with low levels gearing of 11.9% and a strong liquidity position allowing for flexibility going forward.

In such a busy year, I am pleased to report that our client satisfaction of Equity Trustees clients remained strong against last year's result, with the net loyalty and satisfaction scores both increasing.

Similarly, our employee engagement and enablement measures improved again in 2024, notwithstanding the busy task of integrating AET and the technology developments.

## TRUSTEE AND WEALTH SERVICES GROWING STRONGLY

TWS increased revenue by 30.3% to \$99.1 million, with strong organic growth and a full year's contribution from AET the primary factors

Our asset management team delivered another outstanding year of performance, with funds under management exceeding \$5 billion for the first time and all investment strategies other than Australian Equities outperforming their benchmarks.

The AET integration continued to progress extremely well, with much of the business now smoothly transitioned across to TWS, and management on track to achieve all the expected synergies. In its first full year this acquisition has contributed significantly to revenue and FUMAS growth, as well as providing an expanded geographic and sector footprint, and added depth in our skill base.

In July 2024 we acquired a ~5000 live will bank from ANZ Bank for nil consideration and are confident we will achieve synergies from this acquisition.

The TWS business remains on a strong growth trajectory going forward.



## **CORPORATE TRUSTEE AND SUPERANNUATION SERVICES COMBINED AND DELIVERED GROWTH**

CSTS was formed when we combined our Corporate Trustee Services (CTS) and Superannuation Trustee Services (STS) businesses.

I am pleased to report that CSTS performed strongly in its first year as a combined business. Revenue increased 15.3% to \$71.5 million, reflecting a 11.2% increase in the CTS business and a 21.3% increase in Superannuation.

FUS increased 31.6% to \$181.5 billion, with increases of 47.5% and 24.0% from Superannuation and CTS respectively.

Management did an excellent job reshaping the CSTS leadership team and reorganising two complex businesses into a single cohesive unit.

Operating highlights included the establishment of more than 80 new schemes in CTS, three major new mandate wins in Superannuation, and a material improvement in service delivery to major clients.

As you would be aware, we decided to exit our interests in the UK and Ireland during the year, given the changes in the regulatory environment and increased competitive pressure. This was a prudent move to best manage our risk and capital, with the sale of Ireland complete and the managed exit from the UK all but complete.

## **TECHNOLOGY UPGRADES NEARING COMPLETION**

The Workday project continued to make excellent progress, with Phase 1 of the new finance platform (reporting) now fully operational, Phase 2 (Procurement and Expenses) and the first phase of the People modules expected to complete by November. The final phase for Finance, Forecasting and Budgeting is being planned.

The deployment of NavOne, the new platform supporting tech-enabled operations backing our traditional trust management service, also progressed well, with two thirds of the client base now transferred across, and we continued to develop and expand our online philanthropy portal to onboard AET active philanthropy clients and create a partnership model for use of the platform. We confidently expect to exit Insignia's transition services in November as planned.

In addition, we are exploring use of AI to enhance and extend our capability and service – with application of the technology within our new website redevelopment project (set to launch in the new financial year) and the integration of the Haast digital compliance platform utilising AI technology in CSTS.

## **STRENGTHENING OUR LEADERSHIP**

This year saw some major changes to our Leadership Team, with several exciting new appointments including Johanna Platt as the new CFO, Andrew Godfrey as Executive General Manager of the combined Corporate and Superannuation Trustee Services, and Phing Lee elevated to the Leadership Team as Chief Technology Officer. In this current month we also appointed a new Chief Risk Officer; Nevein Versace, who commences on 23 September 2024.

We farewelled Philip Gentry, and we wish to acknowledge his valuable contribution to the Group, particularly as CFO, over the past nine years and likewise to Owen Brailsford our CRO for his six years of service.

## **STRATEGIC FOCUS IS DELIVERING**

Our unwavering focus on our strategy to be the leading trustee in Australia continues to deliver. This strategy remains clear and is well understood by our employees and fully supported by our shareholders.

We will continue to pursue strong organic growth as well as exploring M&A opportunities to complement the business and augment our growth.

I would like to thank our Board members for their support, and our staff and leadership team for their dedication to Equity Trustees and ongoing commitment to our clients.

# 2024 ANNUAL FINANCIAL REPORT



**Equity Trustees**

Issue Date: 22 August 2024  
EQT Holdings Limited and Controlled Entities



Equity Trustees acknowledges Aboriginal and Torres Strait Islander people as the First Australians and respects their long and enduring connection to their land.

We pay our respects to all Elders past and present.





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# **DIRECTORS' REPORT**

**FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2024**

The Directors of EQT Holdings Limited (Equity Trustees, EQT, or the Company) present the annual financial report for EQT Holdings Limited and its subsidiaries (the Group) for the financial year ended 30 June 2024, and the independent auditor's report.



## BOARD OF DIRECTORS

The Directors of the Company during or since the end of the financial year are:

|                               |                      |  |
|-------------------------------|----------------------|--|
| <b>CAROL SCHWARTZ AO</b>      | Independent Director | Appointed Director in March 2020, Chair in October 2020.   |
| <b>KEVIN ELEY</b>             | Independent Director | Appointed Director in November 2011.   |
| <b>D GLENN SEDGWICK</b>       | Independent Director | Appointed Director in August 2016.   |
| <b>TIMOTHY (TIM) HAMMON</b>   | Independent Director | Appointed Director in December 2018.   |
| <b>CATHERINE ROBSON</b>       | Independent Director | Appointed Director in February 2020.   |
| <b>THE HON. KELLY O'DWYER</b> | Independent Director | Appointed Director in March 2021.  |
| <b>ROBERT (ROB) DALTON</b>    | Independent Director | Appointed Director in September 2023.  |
| <b>MICHAEL (MICK) O'BRIEN</b> | Managing Director    | Appointed Director in July 2014, Executive Director in April 2016, Managing Director in July 2016. |

See page 6 for detailed biography.

## COMPANY SECRETARY

|                         |                   |  |
|-------------------------|-------------------|--|
| <b>SAMANTHA EINHART</b> | Company Secretary | Appointed Company Secretary in January 2022. |
|-------------------------|-------------------|--|



# BOARD MEMBERS

## CAROL SCHWARTZ AO

BA, LLB (Monash), MBA, FAICD, AO

**Chair, Independent Director**

**Appointed Director in March 2020;  
Chair in October 2020.**

Ms Schwartz is a Non-Executive Director of the Boards of the Reserve Bank of Australia and Trawalla Group and Chair of the Climate Council. She is also the founding Chair of the Women's Leadership Institute Australia and Our Community – she remains Chair of both Boards.

Ms Schwartz was previously Chair of Industry Superannuation Property Trust, one of Australia's largest superannuation property groups, a Non-Executive Director of Stockland Group Limited, National President of the Property Council of Australia and a Member of the Advisory Board of Qualitas Property Partners.

Ms Schwartz was awarded the Leading Philanthropist Award by Philanthropy Australia in 2020, was recognised in the 2019 Queen's Birthday Honours for her service to the community as a supporter of women in leadership, social justice advocacy and to business. She has an Honorary Doctorate from both Monash University and Queensland University of Technology, has been inducted into the Australian Property Hall of Fame, was made an Honorary Life Member of the Property Council of Australia, was recognised by Ernst & Young as the 2018 Champion of Entrepreneurship, Southern Region, and was inducted into the Victorian Women's Honour Roll.

## KEVIN ELEY

CA, F.FIN, FAICD

**Independent Director**

**Appointed Director in November 2011.**

Mr Eley is a Chartered Accountant with experience in management, finance and investment. He was Chief Executive Officer for 20 years of listed diversified investment company Hancock & Gore Limited, where he remains as a Non-Executive Director. Previously he worked in Australia and overseas for a major international accounting firm and in the corporate finance divisions of a local and international investment bank.

Mr Eley is also a Director of Pengana Capital Group Limited.

Mr Eley brings to the Board extensive experience in the areas of managing businesses, strategic development, finance and investment.

Mr Eley is Chair of the Board Audit Committee and is a member of the Board Risk Committee.

Listed company Directorships held during the past three financial years:

- Hancock & Gore Limited (from October 1985 to present).
- Pengana Capital Group Limited (from June 2017 to present).
- Milton Corporation Limited (from November 2011 to October 2021).



## **D GLENN SEDGWICK**

B.Comm., FAICD, FCA

### **Independent Director**

#### **Appointed Director in August 2016.**

Mr Sedgwick has over 35 years' commercial experience, including 20 years as a Partner in Accenture.

Mr Sedgwick is a Director and Audit Committee Chair of the Victorian Managed Insurance Authority, and a Director of Accenture Australia Foundation.

He was previously Managing Director of Accenture's Asia Pacific Insurance and Wealth Management business, and has consulted to listed and unlisted Australian, Asian, Chinese and European enterprises across financial services and information technology. He brings an international perspective, having lived in China and the UK over the course of his career.

He is a former Chair of Australian Tourist Park Management Pty Ltd, Australian Life Insurance Group (ALI) and Queen's College Trust Corporation, and former Director of Queen's College (University of Melbourne), MSO Holdings Ltd and Melbourne Symphony Orchestra.

With strengths in financial reporting and risk management, Mr Sedgwick also brings to the Board extensive knowledge in strategy development, and international operations.

Mr Sedgwick is a member of the Board Audit Committee and the Equity Trustees' Responsible Entity Compliance Committee. Mr Sedgwick also leads the strategy review sessions (held as part of the ongoing Board calendar).

## **TIMOTHY (TIM) HAMMON**

B.Comm., LLB (Melbourne University), AICD Member

### **Independent Director**

#### **Appointed Director in December 2018.**

Mr Hammon is a Non-Executive Director of Vicinity Centres, Chair of its Risk & Compliance Committee, as well as a member of its Remuneration and Human Resources Committee and of its Nominations Committee.

He is also a member of the advisory boards of two privately-owned businesses.

Mr Hammon was CEO of Mutual Trust Pty Ltd, from 2007-2017, a leading Australian multi-family office. Prior to that, Mr Hammon held senior leadership positions with Coles Myer Ltd over an 11 year period.

He began his career in law with King & Wood Malletsons (formerly Malletsons Stephen Jaques) in 1977 and was a partner at the firm for 12 years, including four years in senior leadership positions.

Mr Hammon has also undertaken roles with numerous not-for-profit organisations, including the Abbotsford Convent Foundation, St Catherine's School, Aickenhead Centre for Medical Discovery and Kilfinan.

Mr Hammon is Chair of the Remuneration, Human Resources and Nominations Committee and a member of the Board Risk Committee.

Listed company Directorships held during the past three financial years:

- Vicinity Centres (from 2011 to present).



## CATHERINE ROBSON

BA (Asian Studies), LLB (Hons), Grad Dip (Applied Finance), LLM (Tax), GAICD

### Independent Director

#### Appointed Director in February 2020.

Ms Robson is a highly skilled wealth strategist with over 20 years' experience advising sophisticated high net worth individuals and family groups.

Ms Robson is a Director of Newcastle Greater Mutual Group Ltd, Australian Business Growth Fund and Lumos Diagnostics Holdings Ltd. She is Chair of the Korowa Anglican Girls' School Council and Chair of the Newcastle Permanent Charitable Foundation.

She is currently the Chair of Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd.

Ms Robson founded financial services firm Affinity Private. She commenced her career at Macquarie Bank, before spending 11 years as a senior adviser with NAB Private Wealth.

Ms Robson is Chair of the Board Risk Committee and member of the Remuneration, Human Resources and Nominations Committee and Board Audit Committee.

Listed company Directorships held during the past three financial years:

- Lumos Diagnostics Holdings (from January 2021 to present).

## THE HON. KELLY O'DWYER

LLB (Hons) / BA

### Independent Director

#### Appointed Director in March 2021.

Ms O'Dwyer is a Non-Executive Director of HMC Capital Limited (ASX: HMC), HealthCo Healthcare and Wellness REIT (ASX: HCW) Barrenjoey Capital Partners Group Holdings Pty Ltd and the National Reconstruction Fund Corporation.

Ms O'Dwyer previously served in the Australian Parliament as a Senior Cabinet Minister holding a number of key economic portfolios including Minister for Jobs and Industrial Relations; Minister for Revenue and Financial Services; Minister for Small Business; and Assistant Treasurer.

She also served on the Cabinet's Budget Committee (the Expenditure Review Committee) and held the portfolios of Minister for Women; as well as Minister Assisting the Prime Minister with the Public Service.

Prior to entering Parliament, Ms O'Dwyer worked in law, government and finance.

Ms O'Dwyer is a member of the Board Risk Committee, Remuneration, Human Resources and Nominations Committee and Chairs Equity Trustees' Responsible Entity Compliance Committee.

Listed company Directorships held during the past three financial years:

- HMC Capital Limited (from November 2020 to present).
- HealthCo Healthcare and Wellness REIT (from August 2021 to present).



## **ROBERT (ROB) DALTON**

BA, CA, GAICD

### **Non-Executive Director**

#### **Appointed in September 2023.**

Mr Dalton is an experienced executive with over 35 years' experience in complex commercial and leadership roles, as well as 25 years as an Advisory and Assurance Partner in a Big 4 Accounting and Consulting firm.

During his career he has also committed himself in a voluntary Director capacity to renowned institutions including The Victorian College of the Arts, where he was Finance Director for 10 years, and an Advisory Board member at Monash University Accounting and Finance Faculty for 22 years. As a sportsman, he represented Victoria at the elite level in Field Hockey as a player, coach, and Chairman of the sport for over 25 years. Mr Dalton was a Director of the Richmond Football Club, from 2004 – 2019, and held roles including Deputy Chair, Chair of Audit and Risk, and Chair of subsidiary Aligned Leisure.

In 2019 Mr Dalton was appointed as the CEO of the Australian Sports Commission, Sports Australia and the AIS.

Mr Dalton has strong Governance, Compliance and regulatory skills from his roles as a senior Audit Partner, and working in Government with policy setting, and compliance with Government policy and adhering to the complexity of the ASC Act.

Mr Dalton is a member of the Board Audit Committee.

Listed company Directorships held during the past three financial years:

- Helloworld Travel Limited (from 2021 to present)
- K&S Corporation Limited (from 2021 to present)

## **MICHAEL (MICK) O'BRIEN**

CFA, GAICD

### **Managing Director**

#### **Appointed Director in July 2014; Executive Director in April 2016; Managing Director in July 2016.**

Mr O'Brien was admitted as a Fellow of the Institute of Actuaries of Australia in 1989 and holds the Chartered Financial Analyst designation. He was formerly Director of ASX listed Templeton Global Growth Fund Limited, CEO and Director of Invesco Australia Limited, Director of Alliance Capital Management Australia, and Chief Investment Officer of AXA Australia and New Zealand, where he was also a Director of AXA's Responsible Entities and RSE Licensees.

With 42 years in both retail and institutional markets, Mr O'Brien brings to the Board wealth management experience in superannuation, investment management, insurance and advice.

Mr O'Brien is a member of the Board Risk Committee and a Director of a number of the Group's subsidiary companies.



# COMPANY SECRETARY

## **SAMANTHA EINHART**

LLB, GDLP, FGIA, MAICD

**Joined January 2022.**

Ms Einhart is an experienced governance professional who has worked at several Australian listed companies.

Prior to joining Equity Trustees Limited, Ms Einhart held positions at Maurice Blackburn and REA Group Limited.

Ms Einhart holds a Bachelor of Laws, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Legal Practice and is a Member of the AICD and a Fellow of the Governance Institute of Australia.





## DIRECTORS' MEETINGS

The following table sets out the number of Directors' Board and Committee meetings held during the financial year and the number of meetings attended by each Director (while they were a Director or member of the relevant Committee).

| DIRECTORS                | BOARD |    | REMUNERATION,<br>HUMAN RESOURCES,<br>NOMINATION<br>COMMITTEE |   | BOARD AUDIT<br>COMMITTEE |   | BOARD RISK COMMITTEE |   | BOARD SUB-COMMITTEE |     |  |
|--------------------------|-------|----|--|---|--------------------------|---|----------------------|---|---------------------|-----|--|
|                          | A     | B  | A  | B | A                        | B | A                    | B | A                   | B   |  |
| <b>CURRENT DIRECTORS</b> |       |    |  |   |                          |   |                      |   |                     |     |  |
| C Schwartz               | 10    | 10 | n/a  | 5 | n/a                      | 5 | n/a                  | 5 | 1                   | 1   |  |
| K Eley                   | 10    | 10 | n/a  | 2 | 5                        | 5 | 5                    | 5 | 2                   | 2   |  |
| DG Sedgwick              | 10    | 10 | n/a  | - | 5                        | 5 | n/a                  | 1 | n/a                 | n/a |  |
| T Hammon                 | 10    | 7  | 8  | 8 | n/a                      | 2 | 5                    | 5 | n/a                 | n/a |  |
| C Robson                 | 10    | 10 | 8  | 8 | 5                        | 5 | 5                    | 5 | n/a                 | n/a |  |
| K O'Dwyer                | 10    | 10 | 8  | 8 | n/a                      | 1 | 5                    | 5 | n/a                 | n/a |  |
| R Dalton <sup>1</sup>    | 7     | 7  | n/a  | 7 | 4                        | 4 | n/a                  | 5 | n/a                 | n/a |  |
| M O'Brien                | 10    | 10 | n/a  | 8 | n/a                      | 5 | 5                    | 5 | 2                   | 2   |  |
| <b>FORMER DIRECTORS</b>  |       |    |  |   |                          |   |                      |   |                     |     |  |
| n/a                      |       |    |  |   |                          |   |                      |   |                     |     |  |

A = Meetings eligible to attend

B = Meetings attended

n/a = Not applicable

<sup>1</sup> Robert Dalton was appointed to the Board on 2 September 2023 and the Audit Committee on 18 October 2023. Any Director may attend any Board Committee meeting.



# EXECUTIVES

## **MICHAEL (MICK) O'BRIEN**

CFA, GAICD

**Managing Director**

**Joined April 2016.**

See profile in the previous section.

## **IAN WESTLEY**

BAgrSc, DipFinServ

**Executive General Manager, Trustee & Wealth Services**

**Joined May 2007.**

Mr Westley has more than 30 years' business development and sales experience in Australia and the United Kingdom across a range of different industries.

He is responsible for managing the Trustee & Wealth Services business. He holds a Bachelor of Agricultural Science from the University of Melbourne and a Diploma of Financial Services.

## **ANDREW GODFREY**

B.ED

**Executive General Manager, Superannuation Trustee Services**

**Joined February 2023.**

Mr Godfrey has over 30 years' experience in financial services, including leadership roles across superannuation, wealth, financial advice and insurance. His experience has spanned operations, technology, master trusts and administration, client delivery, transformation and change and risk. He has spent significant periods of his career with Mercer where he was COO prior to joining Equity Trustees.

Mr Godfrey leads the Corporate & Superannuation Trustee Services business.

## **PHILIP GENTRY**

BSc, MBA, GAICD

**Chief Financial Officer, Chief Operating Officer**

**Joined January 2016.**

**Retired and ceased as KMP effective 6 June 2024.**

## **RUSSELL BEASLEY**

Dip Fin Mkts, SA Fin

**Executive General Manager, Corporate Trustee Services**

**Joined February 2005.**

**Ceased as KMP effective 14 August 2023.**



# OPERATING AND FINANCIAL REVIEW

## OVERVIEW OF EQUITY TRUSTEES

### Introduction

Established in 1888, EQT Holdings Limited and its controlled entities (Equity Trustees or the Group), is an Australian independent financial services organisation operating in Australia providing trustee and related services to a variety of corporate and private clients.

### Purpose

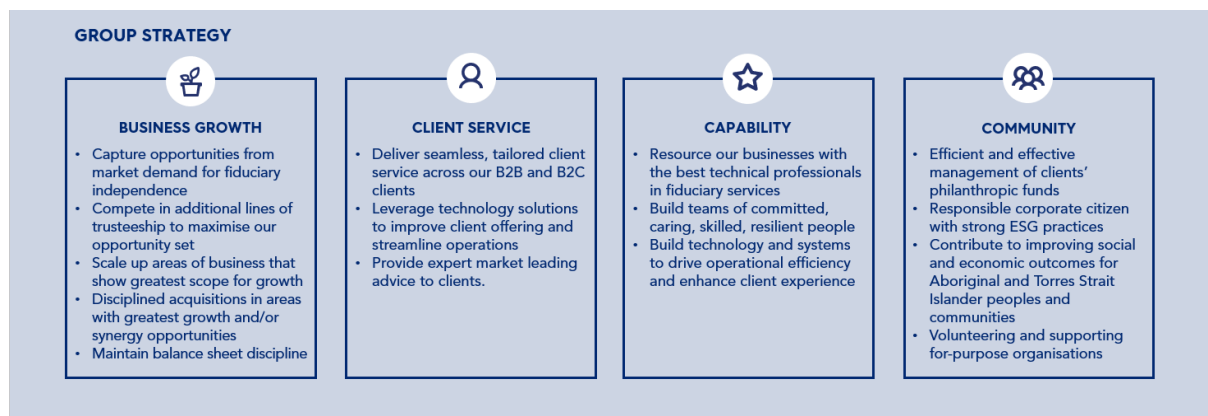
Equity Trustees is a company founded on trust and has acted in a trusted role for individuals, trusts and corporations for over 130 years.

Its purpose is to help people take care of their future through:

- Safeguarding people's wealth now and for generations to come.
- Acting as a trusted, independent partner to grow and manage clients' wealth.
- Providing trustee services and fiduciary support to help to protect the interests of investors, members and beneficiaries.
- Empowering clients to improve the lives of others and support the community.

## STRATEGY

Equity Trustees aims to be the pre-eminent independent specialist provider of trustee services in Australia. The Group's vision is to be Australia's leading trustee company. This vision is supported by the following key strategies:



Key strategic objectives include:

- Consistent growth in shareholder value and returns.
- Market leadership in our specialist business areas.
- Reputation as a stable, trusted and enduring corporation.

As an independent, specialist trustee, Equity Trustees aims to be a leading player in all aspects of trusteeship. Equity Trustees deploys its trustee capability through two businesses complemented by shared technology and support services.



## OPERATING BUSINESSES AND PRINCIPAL ACTIVITIES

In August 2023, the Group announced its intention to combine its Corporate Trustee Services (CTS) and Superannuation Trustee Services (STS) business units.

The rationale behind this change is:

- There are considerable similarities between the businesses.
- The opportunity to capitalise on synergies and strengths of each business in a combined operating model.
- Simplification of EQT's business into two clear markets, the private client focused TWS and the wholesale/corporate focused CSTS.

Following this change, the Group is now organised into two business units through which it offers services to corporate and private clients:

**Corporate & Superannuation Trustee Services (CSTS) – providing a range of fund governance and trustee services for superannuation funds and managed investment schemes** on behalf of fund promoters, local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real asset arrangements for corporates. CSTS operates in Australia (CSTS-A), the United Kingdom and the Republic of Ireland (collectively CTS-EU).

CSTS' strategy is to:

- Build on its Australian leadership position in trustee services for fund managers.
- Achieve further scale by securing new superannuation trustee appointments and growing funds.
- Accelerate growth in its corporate trust business.

On 14 August 2023, the Group announced its intention to exit its UK- and Ireland-based operations. On 30 April 2024, the sale of the Group's Ireland-based business was completed. A managed exit of clients is being undertaken for the Group's UK-based business, following which the business will be wound up. This is anticipated to be completed in the first half of FY25.

**Trustee & Wealth Services – Private Clients (TWS) – provides a range of Personal and Indigenous Trustee Services** including estate planning and management, charitable, compensation, community and personal trust services, and wealth management and advice.

TWS operates within Australia, with a strategy to:

- Achieve a leadership position in additional states and more lines of business.
- Build on its strong presence in the not-for-profit market.
- Utilise technology to provide an enhanced client experience.

Revenues are predominantly earned from fees charged on assets under supervision, management, administration or advice. Revenues are influenced by net client asset flows and changes in underlying asset values. Client relationships and contracts are mainly long-term in nature, with the operating model typically providing relatively enduring revenue streams with leverage to movement in asset values.



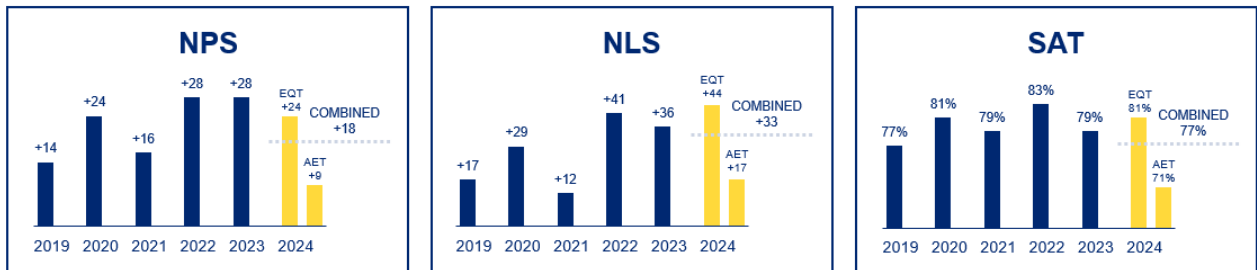
## OPERATING RESULTS

### T1 IMPROVING CLIENT SATISFACTION

#### Measures

- Net Promoter Score (NPS): The likelihood of clients recommending Equity Trustees.
- Net Loyalty Score (NLS): The likelihood of buying another product or service from Equity Trustees.
- Satisfaction: Proportion of clients satisfied or very satisfied with their last interaction with Equity Trustees.

#### Update as at 30 June 2024



Our 2024 Client Satisfaction Survey defines the progress of our T1 objective. This year our response rate to the survey increased materially.

Comparison of like-for-like (that is, EQT results year-on-year) showed that results held or strengthened against previous years. The latest combined results were impacted by the inclusion of Australian Executor Trustees Limited (AET) clients and beneficiaries.

On a like for like basis, the FY24 results show:

- Net Promoter Score decreased from +28 to +24.
- Net Loyalty Score increased from +36 to +44.
- Satisfaction increased from 79% to 81%.

Our aggregate results including all clients, i.e., including AET clients also show positive client satisfaction results:

- Net Promoter Score +18, Net Loyalty Score +33, Satisfaction 77%.

#### Commentary

The Group's first target relates to client satisfaction. The Group recognises the importance of trust in the relationship between client and company. As Australia's leading specialist trustee company, we are committed to acting in the best interests of our clients.

The Group measures the strength of its trusted relationships with clients with reference to client satisfaction surveys. Net promoter and net loyalty scores are specifically measured, widely accepted approaches to measuring client satisfaction. The NPS and NLS scores were most recently measured in April 2024. Pleasingly, both scores have remained very positive.

Some notable aspects this year included:

- The integration process internally has not impacted EQT clients, who told us that their overall experience had improved over the past 12 months.
- Philanthropy (across EQT and AET client cohorts) showed significant increase in client satisfaction, and the online portal has been well received by existing clients.
- The impact of AET inclusion is clearly evident through the TWS portion of the data, and there is a clear pathway for improvement with all forms of communication being the key addressable component.
- The lower results across the client base mainly derives from Estate management and Trust management clients (beneficiaries); the reality of this group not choosing to be connected to a trustee service provides some challenges, however, results indicate that better communication and expectation management is the key.



## T2 LIFTING EMPLOYEE ENGAGEMENT

### Measures

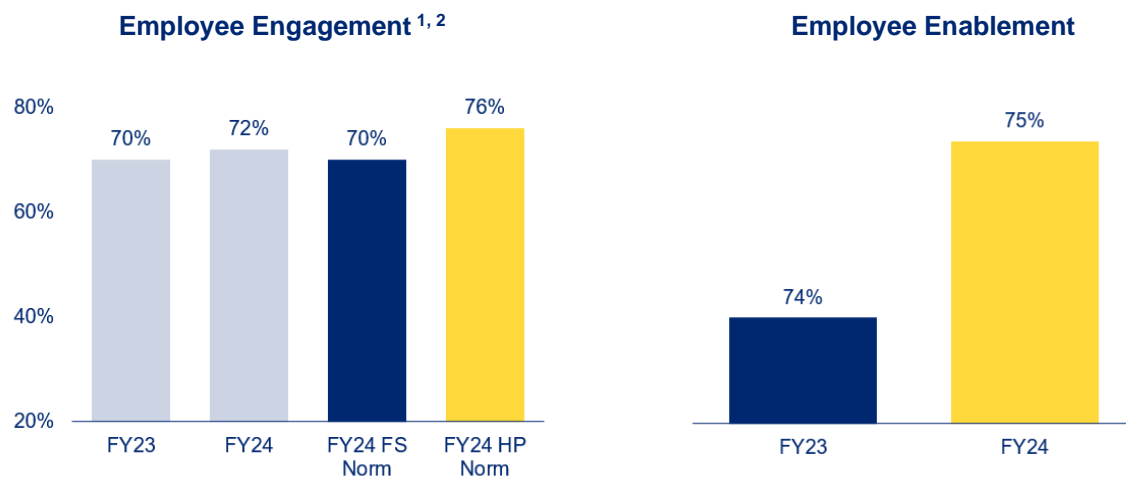
Each year, Equity Trustees conducts an employee engagement survey looking at two measures: employee engagement and employee enablement. Employee engagement is the 'want to' of work and refers to having committed and loyal employees who are willing to go the extra mile. Employee enablement is the 'can do' of work and is about having the right people in the right roles, in an enabling work environment.

Together, these measures produce engaged performance and lead to operational excellence, client loyalty, strong financial performance, a trusted employer brand, and the ability to attract and retain talent.

### Engaged Performance as at 30 June 2024

Equity Trustees increased its strong levels of employee engagement (72%) and enablement (75%). These measures include the staff that transferred to Equity Trustees as part of the Australian Executor Trustees Limited (AET) acquisition. Excluding AET staff, the Group's employee engagement score was 76% in FY24, equal to the high performing benchmark, compared with 75% in the prior period. The Group's enablement score for FY24 was 77% excluding AET staff, compared with 75% in the prior period.

Equity Trustees is very pleased with these results, which are 2% above the Financial Services Industry Norm and Australian 2024 Norm and 1% higher than All Industries Globally as illustrated below:



1. FY23 and FY24 engagement scores are inclusive of AET (i.e., include all employees)
2. FY23 engagement reported last year was 75%, which was exclusive of AET due to AET employees having just commenced with EQT. The corresponding data for FY24 (exclusive of AET) is 76%.

Some of the initiatives introduced in FY24 which helped produce these excellent results were:

- Recruitment of key senior leaders and great talent across the business.
- Continued focus on AET integration and technology transformation within TWS.
- Reorganisation of the Corporate, and Superannuation Trustee Services teams into one business unit and recruitment of a strong leadership team.
- Introduction and implementation of People Leader Training for all new managers.
- Ongoing implementation of the Triple A Development program, three development pathways, *Accelerate, Advance and Amplify*, to offer individuals the opportunity to build their interpersonal, collaborative and leadership capabilities.
- Introduction of Mental Health First Aid Training to help build psychological safety and to support people in leading with empathy and resilience whilst supporting their own personal wellbeing.
- Introduction of a Trusted Adviser program to support people with deep domain expertise adopt a 'trusted adviser/partnership approach and mindset' in working collaboratively across the business.
- Commitment to the professional and personal development of all employees by introducing LinkedIn Learning.
- Commencement of work on an Enterprise-wide Succession Development program.
- Improved gender diversity and gender pay parity across all levels of the organisation.
- Transparency of gender pay gap reporting both internally and externally. Equity Trustees gender pay gap: 18.4% (median total rem) versus 26.8% financial services sector and 19% Australia.
- Improved capability in respect of remuneration management and reporting and the implementation of CPS 511.



## Next Steps

We have developed a 2024/25 Employee Engagement Action Plan to help the Group reach our aspiration of achieving a high-performing level of engagement and enablement.

## T3 GROWING SHAREHOLDER VALUE

### Key Measures

- Net profit before tax.
- Earnings per share.
- Dividends.
- Growth in funds under management, administration, advice, and supervision (FUMAS).

### Update as at 30 June 2024

Refer to the *Group Financial Performance* section of this Directors' Report.

## T4 DEEPENING COMMUNITY IMPACT

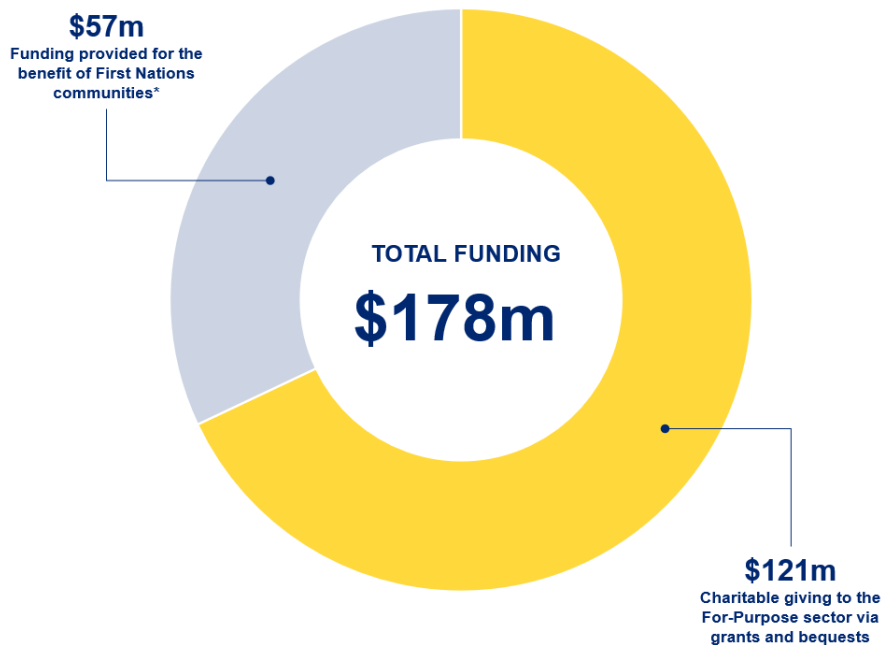
### Measures

- The value and impact of grants distributed.
- Employee volunteering, workplace giving, and other employee-related community impact initiatives.

### Update as at 30 June 2024

For the 30 June 2024 financial year, the Group supported the granting of \$178m for charitable purposes. This includes over \$106m of philanthropic giving made over 4,700 grant instalments, \$57m provided for the benefit of First Nations Communities, and \$14.7m of charitable giving relating to charitable bequests.

Below is a summary of the Group's philanthropic activities for the FY24 year:



\*Native Title and Community Trust Funds distributed on behalf of, and in partnership with, traditional owner groups and their representative corporations across Australia.



## Commentary

The T4 target relates to the Group's activities deepening community impact. The Group undertakes several roles relating to philanthropy, including:

- Acting as trustee or co-trustee for Perpetual Charitable Trusts and other structured giving vehicles.
- Granting support and administration services to philanthropic individuals and organisations.
- Investment management of funds in philanthropic trusts as well as not-for-profit organisations.
- Continuing to act as a trustee to two specialist trusts in a bid to capture and distribute key funding to areas impacted by the 2019 – 2020 Black Summer bushfires.

The Group is proud to support the philanthropic pursuits of our clients, including those who practice philanthropy through their lifetimes and those who have left lasting philanthropic legacies.

Some of the key initiatives undertaken during the past year that demonstrate how we are continuing to deepen our impact are:

- We published our annual *Giving Highlights*, sharing philanthropic data and case studies from across Equity Trustees and Australian Executor Trustees. The report highlighted the funding from Trusts and Foundations managed by EQT and their support of community partners paving the way for social change.
- We released our fourth *Snapshot* publication, highlighting the work we do supporting First Nations Communities through our Trustee and philanthropic program, as well as our corporate commitment to reconciliation, through our *Reconciliation Action Plan*.
- We continue to work with for-purpose organisations and community thought leaders to refine our role as a strategic giver and practice principles such as Trust based philanthropy. By understanding what's going well, and learning from what's not, we can take steps to better serve the people and causes we support via our role as a funder and partner.
- We support the charitable interests of our staff by providing volunteer leave and donation-matching through the Group's Workplace Giving Program. In the current year, our staff contributed 768 hours to volunteering in our community.





# GROUP FINANCIAL PERFORMANCE

## Summary Financial Results and Value Creation Measures

| FINANCIAL SUMMARY  | FY24<br>\$'000 | FY23<br>\$'000 | FY22<br>\$'000 | FY24 v FY23<br>\$'000 | FY24 v FY23<br>% | FY24 v FY22<br>\$'000 | FY24 v FY22<br>% |
|--|----------------|----------------|----------------|-----------------------|------------------|-----------------------|------------------|
| Revenue  | 173,982        | 141,366        | 111,513        | 32,616                | 23.1%            | 62,469                | 56.0%            |
| Total expenses   | (141,815)      | (110,514)      | (74,310)       | (31,301)              | (28.3%)          | (67,505)              | (90.8%)          |
| Net Profit Before Tax (NPBT)                                 | 32,167         | 30,852         | 37,203         | 1,315                 | 4.3%             | (5,036)               | (13.5%)          |
| <i>Reconciliation to Underlying NPBT (UNPBT)<sup>1</sup></i> |                |                |                |                       |                  |                       |                  |
| Major technology systems replacement costs                   | 2,090          | 1,264          | -              |                       |                  |                       |                  |
| AET acquisition and integration costs                        | 9,406          | 8,570          | -              |                       |                  |                       |                  |
| AET platform business (exiting)                              | 1,123          | 197            | -              |                       |                  |                       |                  |
| Other M&A project costs                                      | -              | -              | 184            |                       |                  |                       |                  |
| Losses, disposal and wind-up costs associated with CTS-EU    | 7,941          | 6,460          | 3,747          |                       |                  |                       |                  |
| Underlying NPBT  | 52,727         | 47,343         | 41,134         | 5,384                 | 11.4%            | 11,593                | 28.2%            |
| Net Profit After Tax (NPAT)                                  | 19,066         | 17,317         | 22,669         | 1,749                 | 10.1%            | (3,603)               | (15.9%)          |
| Loss attributable to non-controlling interest                | (1,645)        | (1,516)        | (1,559)        | (129)                 | (8.5%)           | (86)                  | (5.5%)           |
| NPAT attributable to equity holders of the Company           | 20,711         | 18,833         | 24,228         | 1,878                 | 10.0%            | (3,517)               | (14.5%)          |
| <i>Reconciliation to Underlying NPAT (UNPAT)<sup>1</sup></i> |                |                |                |                       |                  |                       |                  |
| Major technology systems replacement costs                   | 1,883          | 885            | -              |                       |                  |                       |                  |
| AET Acquisition and integration costs                        | 6,610          | 7,147          | -              |                       |                  |                       |                  |
| AET platform business (exiting)                              | 786            | 138            | -              |                       |                  |                       |                  |
| Other M&A project costs                                      | -              | -              | 183            |                       |                  |                       |                  |
| Losses, disposal and wind-up costs associated with CTS-EU    | 7,890          | 6,270          | 3,747          |                       |                  |                       |                  |
| Underlying NPAT  | 37,880         | 33,273         | 28,158         | 4,607                 | 13.8%            | 9,722                 | 34.5%            |
| <b>VALUE CREATION MEASURES</b>                               |                |                |                |                       |                  |                       |                  |
| Earnings Per Share (EPS) (cents) <sup>2,3</sup>              | 77.84          | 73.94          | 113.94         | 3.90                  | 5.3%             | (36.10)               | (31.7%)          |
| Underlying Earnings Per Share (EPS) (cents) <sup>2,3</sup>   | 142.37         | 130.63         | 132.42         | 11.74                 | 9.0%             | 9.95                  | 7.5%             |
| Dividends per share (cents) (paid and proposed)              | 104            | 99             | 97             | 5                     | 5.1%             | 7                     | 7.2%             |
| Return on equity using NPAT                                  | 4.8%           | 4.3%           | 8.1%           | 0.5%                  | 11.6%            | (3.3%)                | (40.7%)          |
| FUMAS (\$b)  | 202.8          | 160.1          | 148.9          | 42.7                  | 26.7%            | 53.9                  | 36.2%            |

<sup>1</sup> Underlying net profit before tax (UNPBT) and underlying net profit after tax (UNPAT) exclude significant items. Items excluded from all years presented include M&A costs, revenues and costs (including selling costs, losses on disposal and impairment) associated with the CTS-EU segment, revenue and costs associated with the AET platforms business, and costs associated with major technology and transformation projects including the AET integration. Prior period underlying measures have been adjusted to exclude operating losses relating to the UK/Ireland operations to enable their comparison to numbers presented for FY24. Underlying measures are non-International Financial Reporting Standards (IFRS) measures and are unaudited.

<sup>2</sup> The weighted average shares on issue during the period were 26,607,674 (year ended 30 June 2023: 25,471,643).

<sup>3</sup> Earnings per share for the prior periods shown have been adjusted to reflect the rights issue in August/September 2022.



The Directors of Equity Trustees are pleased to present the results of the Group for the year ended 30 June 2024. The key themes for the results for the year are:

- Strong organic revenue growth in the Group's two business units, TWS and CSTS.
- Full-year revenues and expenses associated with the acquisition of AET (relative to seven-months' worth in the prior comparative period).
- Investment markets assisting revenue growth, particularly for CSTS-Corporate revenues correlated with international equity markets.
- Increased Group expenses reflecting the filling of vacant roles, major technology systems replacement costs, acquisition and integration costs, and inflationary pressures.
- Statutory and underlying NPAT up on the prior year.
- FUMAS up 26.7% to \$202.8b, a record year end position.
- Continuing strong results from client satisfaction and employee engagement.
- Balance sheet remains strong with low gearing and healthy levels of liquidity.
- Good progress on the significant major technology and transformation initiatives underway across the business.
- Increased dividend reflecting positive progress in key Group initiatives, and confidence in the outlook for the Group.

The above table describes the key financial performance and financial value creation metrics of the Group for the year ended 30 June 2024. Of particular focus are net profit before tax (NPBT), earnings per share, dividends, and funds under management, administration, advice and supervision (FUMAS).

Underlying NPBT (UNPBT) and underlying net profit after tax (UNPAT) are also included in the above table to provide a comparative view of operating performance excluding costs associated with the acquisition and integration of AET, major technology systems replacement costs, losses and disposal/wind-up costs associated with CTS-EU. Underlying measures adopted in this report are included to provide a clearer sense of the operating performance of the Group and its key lines of business. In presenting the FY24 financial results, prior period underlying measures have been adjusted so that the losses associated with the UK and Ireland operations have been excluded. This change is described further below.

NPBT of \$32.2m was up 4.3% on the prior year, while net profit after tax (NPAT) was up 10.1% on the prior year. These measures reflect the Group's statutory performance for the year and include all of the significant costs described in the above paragraph.

UNPBT for the year was \$52.7m, while UNPAT was \$37.9m. Relative to FY23, UNPBT was up 11.4%, and UNPAT was up 13.8%. The significant difference between the Group's underlying and statutory result is driven largely by three key initiatives:

### Exit of UK and Ireland Operations

The Group announced its intention to exit its UK and Ireland operations (CTS-EU) on 14 August 2023. On 30 April 2024, the Group disposed of its Ireland-based operations, selling the business to MKML Holding Company Limited. The Group has also progressed the managed exit of clients in its UK business, and anticipates that the remaining client exits and subsequent wind-up activity will be completed in the first-half of FY25.

At 31 December 2023, CTS-EU met the accounting criteria to be classified as a discontinued operation. Following a decision to undertake a managed exit of the UK clients taken after the half-year, these criteria are no longer met and the Group has reverted back to a single presentation of statutory and underlying measures for the period ended 30 June 2024. Amounts disclosed in this Annual Report are not impacted by this change, however this should be regarded with reference to 31 December 2023 financial statement comparability.

In the current year, the Group has incurred operating losses for a nine-month period for its Ireland-based business, and for twelve-months for its UK-based business. The Group has also incurred net disposal costs associated with the sale of its Ireland-based business, and has incurred costs, and recognised various provisions relating to the exit and wind-up of its UK-based business. A summary of these costs is as follows:

|   | FY24         | FY23   | FY22   | FY24 v<br>FY23 | FY24 v<br>FY23 | FY24 v<br>FY22 | FY24 v<br>FY22 |
|---|--------------|--------|--------|----------------|----------------|----------------|----------------|
| CTS-EU exit and wind-up<br>summary (pre-tax)                              | \$'000       | \$'000 | \$'000 | \$'000         | %              | \$'000         | %              |
| Operating losses CTS-EU   | <b>3,467</b> | 4,144  | 3,747  | 677            | 16.3%          | 280            | 7.5%           |
| Loss on disposal of Equity<br>Trustees Fund Services<br>(Ireland) Limited | <b>2,978</b> | -      | -      | (2,978)        | -              | (2,978)        | -              |
| Other (including wind-up<br>costs and provisions, and<br>impairment)      | <b>1,496</b> | 2,316  | -      | 820            | 35.4%          | (1,496)        | -              |
| <b>Total expenses</b>   | <b>7,941</b> | 6,460  | 3,747  | (1,481)        | (22.9%)        | (4,194)        | (111.9%)       |



The above costs have been deducted in arriving at the Group's underlying measures in this period. Comparative measures for underlying NPBT, NPAT and EPS have been restated for prior periods presented to exclude UK/Ireland operating losses. The pattern of these losses has changed in FY24 as a consequence of the sale and wind-up activity and accordingly the Group has excluded them from all underlying measures presented.

### **Acquisition and Integration of AET**

On 30 November 2022 the Group completed its acquisition of Australian Executor Trustees Limited from Insignia Financial Limited (IFL). The Group funded the \$135m purchase price through a combination of an equity capital raising of \$125m, and utilisation of a portion of a \$40m extension to its existing borrowing facilities.

At the time of the acquisition, the Group estimated that the costs to integrate the AET business, along with any related restructuring, would be approximately \$22m. Integration of the AET business has progressed significantly during the FY24 financial year. Major costs incurred during the current year include costs associated with the replacement of the Group's core client portfolio system, bringing both TWS and AET clients together into the one new platform, integrations with TWS' new custody provider, HUB24, and costs associated with the consolidation of business activities within subsidiary entities post-AET acquisition. Costs associated with the restructuring following the wind-up of the AET platforms business have also been incurred in FY24.

### **Major Technology Systems Replacement Costs**

Notwithstanding the significant technology transformation in progress for TWS and AET, the Group also has a number of major systems replacement projects underway. These include the replacement of the Group's finance and HR systems, and following the operating model review in CSTS, technology upgrades designed to improve productivity and information management.

While some level of technology expenditure inevitably occurs each year, these costs continue to be elevated in the current year, noting that they relate to important business systems that are costly to change and are generally replaced infrequently. These implementations are expected to be largely completed in FY25, and the related elevated expenditure will ameliorate towards the end of FY25.

The Group will benefit from each of the aforementioned technology initiatives, in terms of increased productivity, an enhanced client proposition, and overall quality of service in the years ahead.

### **Summary**

Operating performance in FY24, considered at both the UNPBT and UNPAT level, was strong, and reflects:

- Good, underlying organic growth across both the TWS and CSTS lines of business.
- A full twelve-month contribution of revenues associated with the AET business (relative to seven-months in the PCP).
- A helpful contribution to revenue growth from investment markets, particularly to lines of business influenced by global investment markets.

Underlying Group expenses are correspondingly up on the prior year and reflect a twelve-month contribution from the AET business, historically low vacancy rates across the Group, increases to legal and consulting spend, and increases to premises and other technology costs, as well as general inflationary pressures.

## **REVENUE**

The main driver of Group revenue is the value of funds under management, administration and supervision (FUMAS), as fees are typically charged as a percentage of FUMAS. The value of FUMAS is influenced by the level of the Australian and global equity markets, along with net organic growth.

The TWS revenue is 50% to 60% (prior to the AET acquisition: 60% to 70%) linked to markets, as primarily measured by the average daily performance of the ASX 200 Index. The CSTS-Corporate revenue is 40% to 50% linked to markets. Traditionally this has been described with reference to the average daily MSCI All-World Index, however a blended measure of 30% MSCI All-World Index / 16% ASX 200 Index is more appropriate. The CSTS-Superannuation business has lower leverage to markets, at 20% to 30% of the performance of the average daily ASX 200 Index, as its business model has a higher proportion of fixed fees.

For the year ending 30 June 2024, FUMAS was up 26.7% to \$202.8b. This substantial increase, despite the exit of Ireland and the AET platform business, reflects strong organic growth and new appointments particularly in CSTS, and flows into existing products. In the current year, equity markets have generally had a positive impact on FUMAS levels. The average daily level of the ASX 200 in FY24 was 4.8% higher when compared to FY23, and the MSCI All-World Index was 20.0% higher compared with FY23.



Total revenue and other income for FY24 of \$174.0m was up 23.1% on the PCP reflecting a full twelve-month contribution of AET revenues (relative to a seven-month contribution in the PCP), realised revenue synergies, and good organic growth, particularly in TWS and CSTS-Super. TWS has benefitted from a small number of one-off matters in FY24 positively impacting revenue, while CSTS-Corporate has been adversely impacted by the loss of a large third-party investment within one of its schemes. These matters are described further in the respective business unit sections below.

## EXPENSES

Total expenses (including both operating and non-operating) increased by 28.3% on FY23 totalling \$141.8m. During the period, the Group incurred \$25.6m of pre-tax non-operating costs (the activities relating to these costs are described at the beginning of this section). Excluding these non-operating costs, expenses were up 30.6%, or \$116.2m. This increase in operating expenses was driven by:

- A full twelve-month contribution of operating expenses relating to AET, which included the transfer of approximately 180 staff to the Group (relative to the seven-month impact in the PCP).
- Filling of vacancies across the business (including vacancies in the AET staff base), which in FY24 are at historically low levels, generally higher replacement costs for departed staff and increased pressure on wage related costs associated with market factors (albeit to a lesser extent than in FY23).
- New people investments during the period have centred around creating needed capacity to support new business growth in TWS and CSTS.
- Persistent inflation impacting costs across most Group expense lines.

Regulatory change activity relating to the Group's key services has continued to be elevated during FY24. Implementing regulatory change, as well as ensuring that the Group's standards of product governance remain of an appropriately high level of quality has and will require ongoing investment by the Group. This investment, while crucial, also contributes to cost pressures, particularly in relation to resourcing. More information on key regulatory developments relevant to FY24 can be found in the *Regulatory Developments* section of this Annual Report.

The Group's office footprint has been made more contemporary over the past 18 months with the fit-out and opening of three new permanent offices for the Group in Brisbane, Perth and Adelaide. While these new locations have an up-front cost, they also provide an improved working environment for our local staff and an enhanced client experience for our clients in these locations.

## MARGINS

The Group's EBITDA margin, calculated as earnings before interest, tax, depreciation and amortisation, divided by total revenue, has declined to 25.4% compared with 27.6% for FY23, and on an underlying basis is down from 39.3% to 37.2%.

The Group's NPBT margin has similarly declined to 18.5% in FY24 from 21.8% in FY23, and on an underlying basis from 33.5% to 30.3%. Declines in underlying margins are predominantly a result of the aforementioned expense growth drivers, and people increases necessary to facilitate new business growth, and keep pace with expanding regulatory requirements, particularly in the Group's CSTS segment, and to ensure that the Group's high standards of trustee governance are maintained. Lower margins are also being achieved in some larger scale trustee appointments in the CSTS segment. Furthermore, the high new business activity in CSTS has produced some new business strain.

|                                       | FY24  | FY23  | FY22  | FY24 v<br>FY23 | FY24 v<br>FY22 |
|---------------------------------------|-------|-------|-------|----------------|----------------|
| EBITDA margin                         | 25.4% | 27.6% | 39.4% | (2.2%)         | (14.0%)        |
| Underlying EBITDA margin <sup>1</sup> | 37.2% | 39.3% | 42.9% | (2.1%)         | (5.7%)         |
| NPBT margin                           | 18.5% | 21.8% | 33.4% | (3.3%)         | (14.9%)        |
| Underlying NPBT margin <sup>1</sup>   | 30.3% | 33.5% | 36.9% | (3.2%)         | (6.6%)         |

<sup>1</sup> Underlying measures presented in the above table for FY23 and FY22 have been restated to exclude the operating losses associated with the Group's UK and Ireland businesses.



## SHAREHOLDER RETURNS AND DIVIDENDS

|  | FY24          | FY23   | FY22   | FY24 v<br>FY23<br>% | FY24 v<br>FY22<br>% |
|--|---------------|--------|--------|---------------------|---------------------|
| <b>SHAREHOLDER RETURNS FOR THE PERIOD</b>                          |               |        |        |                     |                     |
| Earnings Per Share on NPAT (cents) <sup>1</sup>                    | <b>77.84</b>  | 73.94  | 113.94 | 5.3%                | (31.7%)             |
| Earnings Per Share (EPS) on Underlying NPAT (cents) <sup>1,2</sup> | <b>142.37</b> | 130.63 | 132.42 | 9.0%                | 7.5%                |
| Annualised ROE on NPAT (%)   | <b>4.8</b>    | 4.3    | 8.1    | 11.6%               | (40.7%)             |
| <b>Dividends for the period</b>                                    |               |        |        |                     |                     |
| Fully franked dividends paid/payable (\$'000)                      | <b>27,719</b> | 26,219 | 23,025 | 5.7%                | 20.4%               |
| Fully franked dividends per ordinary share (cents)                 | <b>104</b>    | 99     | 97     | 5.1%                | 7.2%                |
| Dividend payout ratio (%)  | <b>133.6%</b> | 133.9% | 85.1%  | (0.2%)              | 57.0%               |
| Underlying dividend payout ratio (%) <sup>2</sup>                  | <b>73.0%</b>  | 75.8%  | 73.3%  | (3.7%)              | (0.4%)              |

<sup>1</sup> Earnings per share for the prior periods shown have been restated to reflect the rights issue in August/September 2022.

<sup>2</sup> Underlying measures presented in the above table for FY23 and FY22 have been restated to exclude the operating losses associated with the Group's UK and Ireland businesses.

## EARNINGS PER SHARE

The statutory earnings per share for FY24 was 77.84 cents, a 5.3% increase on the 73.94 cents per share for FY23. Underlying earnings per share for FY24 was 142.37 cents per share, up 9.0% on 130.63 cents per share (restated) for FY23. The key adjustments between statutory and underlying earnings per share are the same as for UNPBT and UNPAT.

The weighted average shares on issue during the period of 26,607,674, increased over the prior year (year ended 30 June 2023: 25,471,643) due to:

- Participation in the Dividend Reinvestment Plan (DRP) in relation to the 2023 final and 2024 interim dividends.
- Participation in employee share acquisition plans, share-based remuneration and salary sacrifice share schemes.
- In the PCP, the part-year impact of the shares issued as part of the equity raise to acquire the AET business.

## DIVIDENDS

Subsequent to 30 June 2024, the Directors determined to pay a fully franked final dividend of 53 cents per share bringing the total dividends paid/payable for the year to 104 cents.

During the year, a fully franked dividend of 51 cents per share was paid to ordinary shareholders of the Company in respect of the half-year ended 31 December 2023.

The combined interim and final dividends represent a dividend payout ratio of 133.6% on a statutory basis, or 73.0% on an underlying basis. The underlying dividend payout ratio is comfortably within the Group's policy range.

The Dividend Reinvestment Plan will continue operating for the 2024 final dividend, with a 1.25% discount. The 2024 final dividend will be fully franked and payable on 25 September 2024.



# GROUP FINANCIAL POSITION

## SUMMARY CONSOLIDATED BALANCE SHEET

| AS AT 30 JUNE   | FY24<br>\$'000 | FY23<br>\$'000 |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| Cash and cash equivalents – corporate                     | 103,206        | 86,490         |
| Cash and cash equivalents – ORFR <sup>1</sup> -related    | 25,550         | 13,200         |
| Trade receivables and accrued income                      | 48,096         | 47,634         |
| Goodwill and intangible assets                            | 330,364        | 330,542        |
| Other assets (including managed fund investments)         | 32,646         | 34,048         |
| <b>Total Assets</b>                                       | <b>539,862</b> | <b>511,914</b> |
| <b>Liabilities</b>  |                |                |
| Trade payables and other current liabilities              | 29,241         | 22,722         |
| Borrowings – corporate                                    | 47,246         | 37,207         |
| Borrowings – ORFR <sup>1</sup> -related                   | 25,803         | 13,412         |
| Other non-current liabilities                             | 38,972         | 39,043         |
| <b>Total Liabilities</b>                                  | <b>141,262</b> | <b>112,384</b> |
| <b>Equity</b>   |                |                |
| Issued capital  | 389,044        | 384,336        |
| Reserves  | 3,081          | 2,518          |
| Retained earnings   | 9,966          | 18,532         |
| <b>Total Equity Attributable to Owners of the Company</b> | <b>402,091</b> | <b>405,386</b> |
| <b>Non-Controlling Interest</b>                           | <b>(3,491)</b> | <b>(5,856)</b> |
| <b>Total Equity</b>                                       | <b>398,600</b> | <b>399,530</b> |

<sup>1</sup> Operational Risk Financial Requirements are an APRA prudential requirement for Superannuation Funds. Refer to the below section for further information.

## BALANCE SHEET ANALYSIS

### Liquidity

The Group manages liquidity risk by:

- Preparing regular cash flow forecasts and reviewing and challenging them with management.
- Ensuring healthy liquidity buffers are available for regulatory capital and other purposes in each of the operating entities.
- Maintaining a committed credit facility with significant capacity.
- Engaging regularly with debt providers.

In FY24, cash and cash equivalents – corporate increased from \$86.5m to \$103.2m. During the same period corporate borrowings have increased by \$10.0m and amount to \$47.2m. Borrowings during the period have been utilised to fund integration activities associated with the AET business.

### Borrowings – Corporate

The Group has \$33m of committed undrawn borrowing capacity across two \$40m facilities with ANZ Bank. One of these facilities relates to general corporate purposes, while the other relates to the AET acquisition and integration.

Both facilities are unsecured and subject to the Group meeting certain financial covenants including minimum net tangible assets (NTA), a maximum ratio of gross debt to EBITDA and a minimum interest cover. The Group complied with all financial covenants during the period.



## Borrowings – ORFR Facility Loans

| ORFR RELATED ASSETS AND LIABILITIES | FY24<br>\$'000 | FY23<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>Assets</b>                       |                |                |
| Cash and cash equivalents           | 25,550         | 13,200         |
| <b>Liabilities</b>                  |                |                |
| Borrowings – principal              | 25,550         | 13,200         |
| Borrowings – accrued interest       | 253            | 212            |
|                                     | <b>25,803</b>  | <b>13,412</b>  |

The Group enters into borrowing arrangements in relation to certain superannuation trustee activities. Some superannuation funds are configured such that some or all of the Operational Risk Financial Requirements (ORFR, a superannuation prudential requirement) are held on the superannuation trustee balance sheets as Tier 1 Common Equity, rather than within the superannuation funds themselves. Where it has been determined that an ORFR will be met via capital held on the trustee balance sheet, the Group enters into special purpose, limited recourse borrowing arrangements (referred to herein as ORFR facility loans) to fund these requirements and appropriately capitalise the respective trustee entities.

The ORFR facility loans outstanding have increased during the period, reflecting drawdowns on a small number of ORFR facilities. These drawdowns were necessitated due to increasing assets under management within the underlying superannuation funds relating to these facilities. ORFR facility loans have differing maturities of between three and five years, and the arrangements provide for the replenishment of ORFR amounts in the case of an operational event resulting in a deduction to the reserves. Amounts borrowed are held as segregated cash in the respective trustee entities, the obligations are fully cash-backed, and the net interest cost is effectively neutral to Equity Trustees.

### Net Assets and Net Tangible Assets

The Group's financial position is broadly consistent with the prior comparative period. At 30 June 2024, net assets were \$398.6m, down slightly from \$399.5m at 30 June 2023.

Net tangible asset backing per share has decreased to \$2.20, from \$2.31 at 30 June 2023. The calculation of NTA backing includes right-of-use assets recognised under AASB 16 *Leases*, relating to the Group's premises leases.

### Issued Capital

Issued capital increased by 1.2%, or \$4.7m during the year, due primarily to the active Dividend Reinvestment Plan (DRP), with the remainder being shares issued under the Long-Term Incentive Plan, Employee Salary Sacrifice Share Plan and Employee Share Acquisition Plan.

### Capital Management

Equity Trustees' overarching capital management objectives are as follows:

- The Group must have a clear and sustainable capital structure that reflects the size of the organisation and supports the Group's core strategic goals and objectives.
- The Group seeks to maximise returns to shareholders over the medium term.
- The capital structure should provide flexibility to comfortably meet regulatory capital requirements as well as the flexibility to take advantage of future opportunities.
- Capital must be managed prudently in line with the Group's risk appetite and to enable the Group to withstand adverse events.

Equity Trustees maintains a conservative balance sheet with low gearing. The Group's debt to equity ratio (excluding ORFR facility loans and their related cash) at 30 June 2024 is 11.9% (30 June 2023: 9.4%), or 18.3% including the ORFR facility loans (30 June 2023: 12.7%).

The Group continually reviews funding options to ensure it is optimising both the use and mix of its capital to achieve its capital management objectives.





# CASH FLOW

## Cash Flow Analysis

The Group's capacity to generate cash continues to be strong with pre-tax operating cash flows of \$49.9m for the year. This number is up substantially on the prior year pre-tax operating cash flow of \$30.6m, and in the current year includes cash outflows associated with the AET integration and major technology initiatives, prior year cash flows also included M&A advisory costs associated with the AET acquisition.

The Group's total cash and cash equivalents have increased by \$29.1m or 29.2% on the prior year. The increase predominantly reflects the improved net operating cash inflow for the year, the drivers of which are described above and in greater detail throughout this *Directors' Report*.

The Group is required to hold a certain amount of cash and liquidity to meet regulatory capital requirements in relation to its licenced activities, a portion of which may be held in schemes managed by the Group. This can enable the Group to achieve a better than cash return on a portion of its cash holdings.

Material non-operating cash flows during the year were:

- Cash inflows from corporate borrowings of \$10.0m, and ORFR borrowings of \$12.4m. Corporate borrowings during the period have been used to fund integration activities relating to the AET acquisition.
- Cash outflows of \$1.4m arising on the sale of the Group's Ireland operations; this amount largely relates to regulatory capital cash transferred to the buyer under the sale terms.
- \$8.6m of other cash outflows associated with lease repayments, furniture and fittings, and intangible assets.
- \$23.0m of dividend payments (net of DRP of \$3.8m) to shareholders.

| FOR YEAR ENDED 30 JUNE   | FY24<br>\$'000 | FY23 <sup>1</sup><br>\$'000 |
|--|----------------|-----------------------------|
| <b>Cash from operating activities</b>                                  |                |                             |
| Receipts from customers  | 183,894        | 145,860                     |
| Payment to suppliers and employees                                     | (134,022)      | (115,280)                   |
| <b>Operating cash flow before income tax</b>                           | <b>49,872</b>  | <b>30,580</b>               |
| Income tax paid  | (10,831)       | (19,558)                    |
| <b>Net cash from operating activities after income tax</b>             | <b>39,041</b>  | <b>11,022</b>               |
| Dividends paid in cash to members of the Company                       | (23,007)       | (22,238)                    |
| Proceeds from issuance of equity securities                            | -              | 121,432                     |
| Net payments for acquisitions  | -              | (123,433)                   |
| Cash outflow on disposal of subsidiary                                 | (1,414)        | -                           |
| Net payments for other assets  | (6,499)        | (3,815)                     |
| Proceeds from borrowings – corporate facility                          | 10,000         | 27,000                      |
| Proceeds from / (repayment of) borrowings – ORFR facilities            | 12,350         | (17,805)                    |
| Net interest received  | 780            | 1,556                       |
| Other cash flows   | (2,076)        | (2,290)                     |
| <b>Net increase / (decrease) in cash and cash equivalents</b>          | <b>29,175</b>  | <b>(8,571)</b>              |
| Cash and cash equivalents at the beginning of the financial year       | 99,690         | 108,316                     |
| Exchange fluctuations on foreign cash balances                         | (109)          | (55)                        |
| <b>Cash and cash equivalents at the end of the financial year</b>      | <b>128,756</b> | <b>99,690</b>               |
| Managed scheme investments redeemable at short notice                  | 10,000         | 10,000                      |
| <b>Total liquid funds at the end of the financial year<sup>2</sup></b> | <b>138,756</b> | <b>109,690</b>              |

<sup>1</sup> Cash outflows relating to interest on corporate and ORFR facilities have been reclassified from 'Payments to suppliers and employees' to 'Net interest received'. Comparative amounts presented for FY23 have been correspondingly amended.

<sup>2</sup> The Group considers cash and cash equivalents and managed investment schemes redeemable at short notice to be liquid funds for the purposes of the above cash flow summary.





# REVIEW OF BUSINESSES

## BUSINESS UNIT PERFORMANCE – CORPORATE SUPERANNUATION AND TRUSTEE SERVICES (CSTS)

In August 2023, the Group announced its intention to combine its former Corporate Trustee Services (CTS) and Superannuation Trustee Services (STS) business units.

The rationale behind this change is that:

- There are considerable similarities between the businesses.
- There is clear alignment in the operating models of both businesses, as well as an opportunity to capitalise on the synergies and strengths of each business in a combined operating model.

This change simplifies EQT's wider business into two clear markets, the private client focused TWS and the wholesale/corporate focused CSTS.

CSTS' key products and services include:

### AUSTRALIA (CSTS-A)

- Trustee services to superannuation funds and members.
- A range of fiduciary services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real estate arrangements for corporates.

### UNITED KINGDOM AND IRELAND (CTS-EU)

- Authorised Corporate Director (ACD) services for UK-based Open-Ended Investment Companies (OEICs), and Management Company Services to Ireland-based Alternative Investment Funds (AIFs) and Undertakings in Collective Investment Transferrable Securities (UCITS) on behalf of local and international managers and sponsors.

On 30 April 2024, the Group disposed of its Ireland-based business, Equity Trustees Fund Services (Ireland) Limited. The Group's UK operations are presently being wound down, a process that will continue into FY25, and is anticipated to be completed by 31 December 2024. Key revenue, expense and profit measures are presented below separately for CSTS-A and CTS-EU to assist readers in understanding the enduring business, and the commentary places a greater focus on the enduring business.

| FINANCIAL PERFORMANCE                                    | FY24<br>\$'000  | FY23<br>\$'000  | FY22<br>\$'000  | FY24 v<br>FY23<br>\$'000 | FY24 v<br>FY23<br>% | FY24 v<br>FY22<br>\$'000 | FY24 v<br>FY22<br>% |
|--|-----------------|-----------------|-----------------|--------------------------|---------------------|--------------------------|---------------------|
| Fund governance & trustee services                       | 38,926          | 35,418          | 36,078          | 3,508                    | 9.9%                | 2,848                    | 7.9%                |
| Superannuation trustee services                          | 27,339          | 22,997          | 20,659          | 4,342                    | 18.9%               | 6,680                    | 32.3%               |
| Other income   | 5,242           | 3,629           | 640             | 1,613                    | 44.4%               | 4,602                    | 719.1%              |
| <b>Total revenue and other income – CSTS-A</b>           | <b>71,507</b>   | <b>62,044</b>   | <b>57,377</b>   | <b>9,463</b>             | <b>15.3%</b>        | <b>14,130</b>            | <b>24.6%</b>        |
| Fund governance & trustee services                       | 3,520           | 3,201           | 2,853           | 319                      | 10.0%               | 667                      | 23.4%               |
| <b>Total revenue and other income – CTS-EU</b>           | <b>3,520</b>    | <b>3,201</b>    | <b>2,853</b>    | <b>319</b>               | <b>10.0%</b>        | <b>667</b>               | <b>23.4%</b>        |
| <b>Total revenue and other income</b>                    | <b>75,027</b>   | <b>65,245</b>   | <b>60,230</b>   | <b>9,782</b>             | <b>15.0%</b>        | <b>14,797</b>            | <b>24.6%</b>        |
| Expenses – CSTS-A  | (49,768)        | (39,992)        | (32,487)        | (9,776)                  | (24.4%)             | (17,281)                 | (53.2%)             |
| Expenses – CTS-EU <sup>1</sup>                           | (9,965)         | (9,661)         | (6,600)         | (304)                    | (3.1%)              | (3,365)                  | (51.0%)             |
| <b>Total expenses</b>                                    | <b>(59,733)</b> | <b>(49,653)</b> | <b>(39,087)</b> | <b>(10,080)</b>          | <b>(20.3%)</b>      | <b>(20,646)</b>          | <b>(52.8%)</b>      |
| Business unit net profit before tax                      | 15,294          | 15,592          | 21,143          | (298)                    | (1.9%)              | (5,849)                  | (27.7%)             |
| Business unit profit margin (%)                          | 20.4%           | 23.9%           | 35.1%           | -                        | (14.7%)             | -                        | (41.9%)             |
| <b>Business unit net profit before tax (excl-CTS-EU)</b> | <b>21,739</b>   | <b>22,052</b>   | <b>24,890</b>   | <b>(313)</b>             | <b>(1.4%)</b>       | <b>(3,151)</b>           | <b>(12.7%)</b>      |
| <b>Business unit profit margin (%) (excl-CTS-EU)</b>     | <b>30.4%</b>    | <b>35.5%</b>    | <b>43.4%</b>    | <b>-</b>                 | <b>(14.5%)</b>      | <b>-</b>                 | <b>(29.9%)</b>      |



| GROWTH IN KEY DRIVERS (CSTS-A ONLY)                              | FY24                                       | FY23         | FY22  | FY24 v FY23 | FY24 v FY23 | FY24 v FY22 | FY24 v FY22 |
|--|--|--------------|-------|-------------|-------------|-------------|-------------|
|  | \$b  | \$b          | \$b   | \$b         | %           | \$b         | %           |
|  | <b>Funds under supervision (FUS) (\$b)</b> | <b>181.5</b> | 137.9 | 134.1       | 43.6        | 31.6%       | 47.4        |
| Superannuation (\$b)   | <b>66.1</b>                                | 44.8         | 34.7  | 21.3        | 47.5%       | 31.4        | 90.5%       |
| Fund Services, and Custody, Debt & Securitisation Services (\$b) | <b>115.4</b>                               | 93.1         | 99.4  | 22.3        | 24.0%       | 16.0        | 16.1%       |
| <b>Clients and Schemes</b>                                       |  |              |       |             |             |             |             |
| No. Clients  | <b>133</b>                                 | 136          | 135   | (3)         | (2.2%)      | (2)         | (1.5%)      |
| No. Schemes  | <b>338</b>                                 | 342          | 336   | (4)         | (1.2%)      | 2           | 0.6%        |

<sup>1</sup> Expenses – CTS-EU includes loss on disposal of subsidiary in FY24 of \$2,978k and the write-down of goodwill, management rights, right-of-use assets and furniture and equipment totalling \$2,316k in FY23.

## Revenue

CSTS-A revenues increased by 15.3%, or \$9.5m on the PCP reflecting a combination of good organic growth, funds flow, new client wins, and a contribution from investment markets. CSTS revenue (including CTS-EU) increased by 15.0%, or \$9.8m on the PCP.

Fund Governance and Trustee Services revenue has increased by 9.9% on the PCP. This reflects good organic growth across these revenue streams, a reasonably strong contribution from global investment markets (refer below), offset by the loss of a significant investment within one supervised fund. While this investment loss has resulted in a \$1.3m reduction in revenue relative to the PCP, the portfolio is now less exposed to significant client concentration risk.

Fund Governance and Trustee Services revenues are 40% to 50% linked to prevailing market levels, particularly global markets. The Group has historically used the daily level of the MSCI All-World Index to assess the market contribution to Fund Governance and Trustee Services revenue, however as the sector weighting of the client portfolio has changed, and in particular the observed growth of defensive assets and alternatives, some caution should be applied in using this measure. The average of the daily level of the MSCI All-World Index was up 20.0% on the PCP. This has provided an approximate \$2.4m contribution to revenue during the period. It should be noted however that global investment market performance, under the influence of continued significant geopolitical tension, is likely to remain highly volatile in the period ahead, which may have consequential impacts on revenue growth for CSTS-A.

Funds under supervision (FUS) relating to Fund Governance and Trustee Services have increased by 24.0% on the PCP, reflecting organic growth and healthy new business activity, offset by the aforementioned large investment loss.

CSTS has continued to process a strong Fund Governance and Trustee Services new business pipeline, with 81 schemes (62 generating revenue in FY24) commenced during the current year. New business activity has been pronounced over the past twelve months and while the majority of funds are seeded with minimal capital, the impacts of this elevated level of new fund commencements are starting to positively impact revenue growth.

Superannuation Trustee Services revenue increased by 18.9% on the PCP to \$27.3m. Revenue growth was primarily driven by new appointments as trustee during the first half of the financial year, and funds flow into the existing fund range. New appointments included Future Super Fund, Guild Retirement Fund and Clearview Retirement Plan.

During the period the Group completed the re-pricing of the Group's Small APRA Fund (SAF) offering. The Group now serves as trustee to approximately 350 SAFs, a number which has reduced materially since the AET acquisition, following the re-pricing. The FY24 result includes a full twelve-month revenue contribution from the SAF offering, relative to seven-months in the PCP.

Superannuation Trustee Services related revenue is approximately 20% to 30% linked to the performance of the average daily ASX 200 Index, the market continues to have a relatively modest impact on these revenues.

Total Superannuation Trustee Services related FUS was up 47.5% to \$66.1b when compared to FY23. FUS growth reflects solid underlying net fund inflows, new appointments, plus a relatively modest contribution from investment markets.



## Expenses

CSTS-A expenses have increased by 24.4% or \$9.8m on the PCP. This increase reflects a full twelve-months of operating expenses for the SAF business relative to the PCP. Expense growth is also driven by the aforementioned wage inflation impacting the wider Group, and continued investments in resourcing and technology necessary to capture the significant pipeline of opportunity across all CSTS-A revenue lines, along with the addition of the SAF business.

It has been necessary to ensure that investment in people and technology keeps pace with the increasingly complex regulatory environment. Excellence in governance, particularly in relation to regulatory matters is critical to underpinning the long-term sustainability and success of the CSTS-A business. The previously announced transformation project to develop and introduce a single operating model for CSTS-A is now largely complete, and attention is now turning to the implementation of enabling technology to improve productivity, and to enhance the management of the large volumes of information managed within this business.

CSTS-A has also experienced an uptick in remediation costs this year, including a penalty announced and imposed by APRA in June 2024. The CSTS-A results include both the expense and the recovery (as flagged at the time) of this penalty, which reflects the Group's expectations in relation to the conclusion of this matter with the relevant fund administrator.

## Outlook

The outlook for CSTS is positive with strong organic growth activity during the year, and evidence of this effort flowing into top-line growth for the period. New business opportunities, particularly as they relate to CSTS-A's Fund Governance and Trustee Services continues to be very strong. Eighty-one new schemes were launched or are in the progress of launching in FY24, and the pipeline beyond this is also encouraging. The pipeline of new opportunities also remains healthy for Superannuation Trustee Services revenue, evidenced by recent appointments to the Guild Retirement Fund and the Clearview Retirement Plan, although long lead times are typically required for due diligence and to finalise appointments, and the regulatory load is expected to continue to increase.

CSTS-A continues to enjoy leadership positions in its key lines of business. For Fund Governance and Trustee Services, interest in listed funds continues to be strong and global fund managers continue to have an appetite to launch product in the Australian market. CSTS-A is Australia's leading specialist, independent superannuation trustee, and its unconflicted, specialist proposition is seeing increasing interest from a variety of participants across the industry.

During the period, one fund manager client experienced a material redemption from a scheme as their underlying client reorganised their investment portfolio, resulting in a one-off impact to Fund Governance and Trustee Services revenue. While investment losses such as this, or conversely, investment wins, can have an immediate positive impact on business performance, the underlying portfolio is highly diversified both in terms of client concentration risk as well as asset class and geographic exposure. The business is selective about which appointments it will take on, and which strategies it will support, which also contributes to the overall health of the portfolio.

The superannuation industry has historically seen remarkable growth underpinned by its compulsory nature and the rising rate of contributions. While these drivers will continue, albeit overall growth will taper over time as draw-downs increase, there is also increasing regulatory intensity and scrutiny, along with significant pressure on fees across the industry.

At the time of writing, equity markets remain volatile but at historical highs, and present risks and opportunities to growth in the period ahead. Notwithstanding more volatile markets and a less certain economic outlook, government-mandated superannuation, ongoing fund innovation and a leading CSTS client proposition support an encouraging outlook over the medium to long term. While equity markets remain volatile, the funds' management industry is highly innovative and new fund activity continues to be strong. Rising interest rates and downward pressure on equity markets are seeing interest in fixed income, credit, private equity and infrastructure products continuing to grow.



## BUSINESS UNIT PERFORMANCE – TRUSTEE & WEALTH SERVICES (TWS)

Key products and services include:

- Philanthropy services, perpetual charitable trusts and living donors and investment management for not-for-profit organisations.
- Wealth and asset management advice and services.
- Estate planning advice and the management of deceased estates.
- Trustee administration and services including personal, compensation and community trusts.

Revenues for TWS are grouped into the following categories of services:

- Private client trustee services.
- Other services.

Within each category, services with similar performance obligations have been grouped; the basis upon which revenues are measured is also similar.

|   | FY24          | FY23          | FY22          | FY24 v<br>FY23 | FY24 v<br>FY23 | FY24 v<br>FY22 | FY24 v<br>FY22 |
|---|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| <b>FINANCIAL PERFORMANCE</b>  | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>%</b>       | <b>\$'000</b>  | <b>%</b>       |
| Private Client Trustee Services revenue                                       | 85,361        | 64,676        | 46,766        | 20,685         | 32.0%          | 38,595         | 82.5%          |
| Other services revenue  | 11,983        | 9,917         | 4,203         | 2,066          | 20.8%          | 7,780          | 185.1%         |
| Other income  | 1,732         | 1,451         | 394           | 281            | 19.4%          | 1,338          | 339.6%         |
| <b>Total revenue and other income</b>   | <b>99,076</b> | <b>76,044</b> | <b>51,363</b> | <b>23,032</b>  | <b>30.3%</b>   | <b>47,713</b>  | <b>92.9%</b>   |
| Expenses  | (69,087)      | (50,236)      | (34,271)      | (18,851)       | (37.5%)        | (34,816)       | (101.6%)       |
| <b>Business unit net profit before tax</b>                                    | <b>29,989</b> | <b>25,808</b> | <b>17,092</b> | <b>4,181</b>   | <b>16.2%</b>   | <b>12,897</b>  | <b>75.5%</b>   |
| Business unit profit margin (%)   | 30.3%         | 33.9%         | 33.3%         | -              | (10.8%)        | -              | (9.0%)         |
|   | FY24          | FY23          | FY22          | FY24 v<br>FY23 | FY24 v<br>FY23 | FY24 v<br>FY22 | FY24 v<br>FY22 |
| <b>GROWTH IN KEY DRIVERS</b>  | <b>\$b</b>    | <b>\$b</b>    | <b>\$b</b>    | <b>\$b</b>     | <b>%</b>       | <b>\$b</b>     | <b>%</b>       |
| <b>Funds under management, advice, administration and supervision (FUMAS)</b> | <b>17.7</b>   | <b>16.3</b>   | <b>9.1</b>    | <b>1.4</b>     | <b>8.6%</b>    | <b>8.6</b>     | <b>94.5%</b>   |
| Philanthropy  | 4.2           | 3.7           | 2.5           | 0.5            | 13.5%          | 1.7            | 68.0%          |
| Asset Management  | 5.3           | 4.8           | 4.3           | 0.5            | 10.4%          | 1.0            | 23.3%          |
| Trusts & Estates  | 7.6           | 5.8           | 1.5           | 1.8            | 31.0%          | 6.1            | 406.7%         |
| Wealth Advice   | 0.6           | 2.0           | 0.8           | (1.4)          | (70.0%)        | (0.2)          | (25.0%)        |

### Revenue

Equity Trustees is a leader in the provision of philanthropic, trustee executor and investment services. The TWS business unit contains the Group's foundational services and has been trusted by Australians to provide these services for over 140 years.

TWS revenues increased by 30.3% to \$99.1m during the year. This above trend growth was attributable to a range of factors including:

- A full twelve-month contribution from the AET business, relative to a seven-month contribution in the PCP.
- The realisation of \$3.9m of revenue synergies relating to AET in FY24 (annualised revenue synergies of \$5.9m are expected to be realised in FY25).
- Good organic growth across most product lines within TWS.
- With the addition of AET, TWS is 50% to 60% (previously 60% to 70%) exposed to investment markets, as measured by the average daily performance of the ASX 200 Index. During the FY24 year the average daily ASX 200 was up 4.8% compared to the average daily ASX 200 for the prior year, providing a slightly positive impact to revenue growth relative to the prior year.

TWS has also benefitted from a number of significant one-off revenue items in FY24. These include:



- Revenues of approximately \$1.5m from the AET platforms business which was discontinued during the FY24 year and will not provide any future benefit (note that there is a net cost saving on the exit of the platforms business of approximately \$2.6m, but this will only be partially realised during the FY25 year once the related organisational restructure is complete).
- One-off establishment fees for a small number of large trusts of \$0.8m. While these do occur from time-to-time, their timing is infrequent and their reoccurrence in the future cannot be reliably determined.
- Completion of the back-book of estates acquired as part of the AET business, contributing approximately \$1.4m in FY24, but that also will not provide any future recurring benefit.

FUMAS increased 8.6% to \$17.7b, reflecting good organic growth across other TWS lines of business. Declines to Wealth Advice FUMAS predominantly relate to the exit of the AET platforms business.

## Expenses

Expenses for the year were up 37.5% on the prior year. This increase reflects a full twelve-month impact of the AET cost base (relative to seven-months in the prior year), the filling of vacant roles, generally higher replacement costs for departed staff, and other inflationary pressures.

## Outlook

The acquisition of AET has significantly enhanced the geographic footprint and scale in various lines of business for TWS. The combined TWS product offering and client proposition has been materially strengthened and is expected to position the business well for improved growth in the medium term.

Major technology implementations underway in TWS are well advanced and are aimed at significantly enhancing the future client and employee experience and operational efficiency. The Group's investment in these activities will continue into the FY25 financial year but is expected to moderate in the second half of FY25.

The pipeline of new business activity remains healthy, with the enhanced client experience from the new digital solutions is expected to further support organic growth momentum over time.

The fundamentals underpinning the TWS business continue to be encouraging. We expect traditional trustee services will continue to benefit from an ageing demographic and increasing levels of intergenerational wealth transfer.

The outlook for TWS in the period ahead is positive. Continued, higher interest rates and associated cash management returns have made a positive contribution, as have investment markets which remain at historical highs. Volatility in investment markets and their associated risks to revenue growth remains high, and could either be supportive, or provide headwinds to revenue growth in the period ahead.



# BUSINESS RISKS

The primary risks facing the EQT Group relate to the appropriate execution of our fiduciary responsibilities in the various contexts in which we act. Central to this is ensuring the interests of our investors, members and beneficiaries are put before all other interests. Failure to do so may lead to financial loss but much more damaging will be the reputational impact and erosion of trust and confidence that is at the heart of the Trustee role and the success of Equity Trustees' business.

The contexts in which we act can be complex. These typically involve the application of judgement, within the bounds of the governing documents, while balancing the needs of investors, members or beneficiaries, both current and future. As a result, there are times when the decisions made may be unpopular for some beneficiaries today. This is an inherent part of the role, but can increase the potential for reputational risk.

To ensure the application of trustee judgement in a considered and consistent manner requires strong governance processes, which are at the heart of Equity Trustees' operating model. A core element of these governance processes is the Risk Management Framework (RMF), comprising the totality of systems, processes, structures, policies and people involved in identifying, assessing, mitigating and monitoring risks. The key elements of the RMF are set out below.



## RISK AND COMPLIANCE CULTURE

Our Risk Culture is the system of values and behaviours that supports good risk and compliance management and determines our collective ability and commitment to identify, understand, openly discuss and act on our current, emerging and future risks and obligations whilst operating consistently within our Risk Appetite.

The Group strives to foster a Risk Culture aligned to its Values:

- We make risk-informed decisions in line with our risk appetite (Trusted).
- Everyone feels safe to raise issues and incidents and ask for help if they don't know (Trusted and Empowering).
- We are accountable and identify, address and learn from breaches and incidents rather than avoiding them (Accountable).
- We are pragmatic in our approach to identifying and managing risk rather than ticking a box (Accountable).



## SUPPORT AND MONITORING OF THE RISK CULTURE

The EQT Group assesses and monitors its Risk Culture through:

- An annual Risk Culture Survey.
- The use of a risk maturity model and metrics aligned to key attributes of culture.
- Key Risk Indicator monitoring and reporting to Management and Board Committees.
- The development of a range of governance, risk and compliance frameworks, policies and procedures that clearly define risk and compliance responsibilities and expectations.
- Ongoing mandatory compliance training.
- Several governance committees to oversee risk and compliance matters and practices.

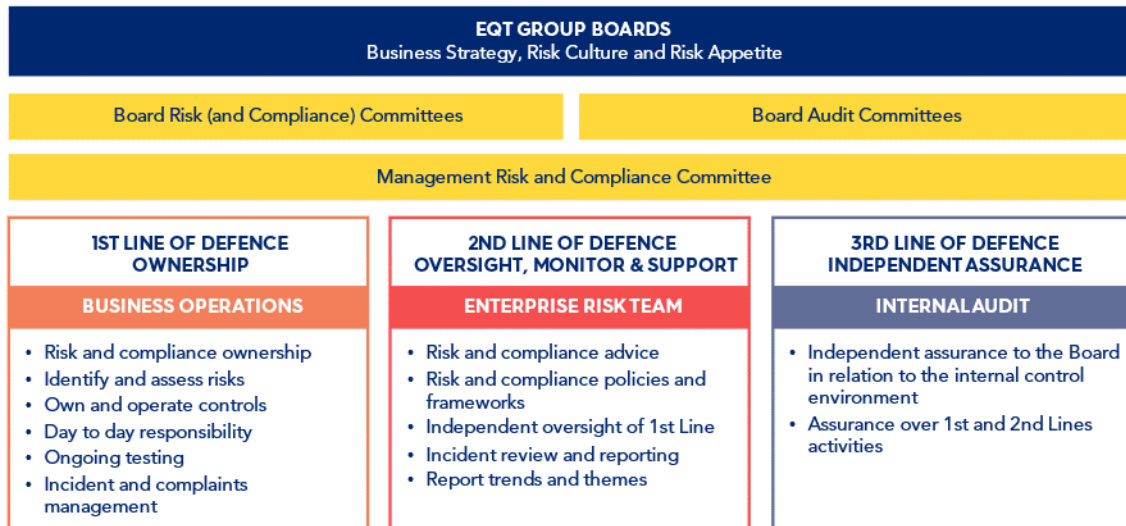
## THREE LINES OF DEFENCE

Equity Trustees operates the three lines of defence governance model to ensure clear accountability and responsibility for governance, risk management and compliance. The model ensures appropriate structures are in place for:

- Taking and managing risk.
- Meeting compliance obligations.
- Provision of advice accompanied by challenge and oversight in the risk management process.
- Assurance in control design and operating effectiveness.

The three lines of defence also have independent reporting lines running through Executive Management and into Group Boards and Committees, with unfettered access to Directors to ensure appropriate checks and balances are built into our operating model.

## RISK AND COMPLIANCE: ROLES AND RESPONSIBILITIES







## BUSINESS RISKS

As described above, the primary risk for a trustee is the appropriate execution of our fiduciary responsibilities. In order to do so, it is important the organisation continues to attract high quality employees with the skills and experience to exercise judgement. Significant management attention is focussed on ensuring that complex operational issues that may occur from time to time within the funds, schemes and trusts for which we are responsible, are navigated in the best interests of our investors, members and beneficiaries. Beyond this the major risks navigated by the business during the course of the financial year have centred on:

- Ensuring the operational and cultural integration of the AET business into the Group post completion of the acquisition on 30 November 2022.
- Ensuring the execution of the decision to exit the UK and Ireland businesses is managed effectively and efficiently.
- Managing and responding to increasing regulatory demands including regulatory changes and the evolving expectations and supervisory demands of the regulators.
- Managing the risks arising from the growth of the business.
- Ensuring our information management and cyber security controls continue to keep pace in a rapidly evolving environment.

EQT strives to both recognise the risks within the business early and ensure they are managed in a structured and systematic manner within the Board's risk appetite. This includes taking risk in a considered manner where we believe the opportunity presents for appropriate return. We continue to invest in our people, systems and processes to evolve and mature our risk management practice.

## REGULATORY DEVELOPMENTS

A significant body of regulatory reform is currently in progress along with the ongoing elevation of supervisory intensity by the regulators. The regulatory reform includes:

- The introduction of APRA's CPS 511 – Remuneration (and the pending Financial Accountability Regime).
- The introduction of APRA's CPS 230 – Operational Risk Management.
- The introduction of APRA's CPS 190 – Recovery and Exit Planning.
- The introduction of APRA's CPS 900 – Resolution Planning.
- Privacy Legislation Amendment (Enforcement and Other Measures) 2022.
- ASIC's revised guidance on Target Market Determinations.
- The introduction of mandatory ESG reporting under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024. This will impact both the corporate entity and managed investment schemes and funds that meet the reporting criteria.

In addition there are currently Government reviews focused on the regulatory framework for managed investment schemes by Treasury, and the future foundations of giving by the Productivity Commission which will potentially impact EQT's business. APRA and ASIC's supervisory priorities are focused on:

- Continued focus on improved member outcomes, reducing unacceptable underperformance in the annual performance test and addressing substandard practices.
- Examining trustees' implementation of the retirement incomes covenant.
- Improved cyber and operational resilience.
- Poor design, pricing and distribution of financial products.
- Misleading conduct in relation to sustainable finance including greenwashing.
- Misconduct in the superannuation sector.
- Misleading and deceptive conduct relating to the marketing of managed investment schemes.

While Equity Trustees is supportive of measures designed to improve governance, and the outcomes for members, investors and beneficiaries, the reforms represent a complex and substantive body of work. The body of work is a significant impost that leads to higher industry costs to be borne by clients and shareholders. Similarly given the scale and nature of EQT's business, typically the majority of industry thematic review activities undertaken by the regulators will include EQT.





## KEY RISKS

Key risks faced by the Group are categorised with reference to the Group's Risk Management Framework (RMF), as follows:

| RISK CATEGORY      | DESCRIPTION   | KEY CONTROLS AND MITIGANTS   |
|--------------------|---|--|
| <b>Strategic</b>   | <p>There is a risk that the assumptions underlying the Group's strategic decisions are (or prove to be) incorrect or that the conditions underpinning those decisions may change. Also, one or more of the Group's strategic initiatives may prove to be too difficult or costly to execute. Opportunities that are pursued may change the Group's risk profile and/or capital structure.</p>   | <ul style="list-style-type: none"> <li>• Articulated Group strategy.</li> <li>• Regular reviews of the Group's business model.</li> <li>• Executive KPIs aligned to Group strategic objectives.</li> <li>• Dedicated business development and referral channels.</li> <li>• Review of the risk profile following new or changed strategic initiatives.</li> </ul>  |
| <b>Operational</b> | <p>Operational risks are a core component of doing business, arising from the day-to-day operational activities of the Group as well as projects and business change activities. A substantial operational risk event may give rise to losses, including financial losses, fines, penalties, personal injuries, reputational damage, loss of market share, theft of property, customer redress and litigation.</p>  | <ul style="list-style-type: none"> <li>• Detailed policies and procedures.</li> <li>• Defined roles and responsibilities for staff.</li> <li>• Information security policy and Group privacy framework.</li> <li>• Incident and breach management policy.</li> <li>• Business continuity management policy and annual testing program.</li> <li>• A Group controls-monitoring program, which includes quarterly attestations from external service providers, and targeted testing.</li> </ul> |
| <b>Financial</b>   | <p>Financial risks encompass liquidity, foreign exchange, interest rate, credit and balance sheet management risks, which, if not managed well, could have a significant adverse impact on the Group.</p> <p>Financial risks also encompass the preparation of financial statements for the Group and the entities for which the Group acts as Responsible Entity or Trustee. Should the estimates and assumptions adopted in preparation of the financial statements be found to be incorrect, there could be an impact on the Group's performance, reputation and position.</p> | <ul style="list-style-type: none"> <li>• Forecasting and budgeting process.</li> <li>• Oversight by Board Audit Committees.</li> <li>• Annual business unit strategy and plan reviews.</li> <li>• Regular cost control and improvement initiatives.</li> <li>• Group capital management policy.</li> <li>• Detailed financial policies and procedures.</li> <li>• Independent audits by reputable accounting firms.</li> </ul>   |
| <b>People</b>      | <p>The success of Equity Trustees relies on its ability to attract, motivate and retain people who have the necessary skills and experience to help achieve the Group's goals. The loss of key personnel could disrupt our operations in the short term. While our incentives program is designed to align key personnel interests with the Group's goals, there is no guarantee of their continued employment.</p>   | <ul style="list-style-type: none"> <li>• Succession planning for key roles.</li> <li>• Employee engagement monitoring and action plans.</li> <li>• Wellness program.</li> <li>• Remuneration benchmarking.</li> <li>• Risk Culture training and annual Risk Culture surveys.</li> <li>• Clearly articulated corporate values.</li> </ul>   |



| RISK CATEGORY                    | DESCRIPTION  | KEY CONTROLS AND MITIGANTS  |
|----------------------------------|--|---|
| <b>Outsourcing</b>               | <p>Equity Trustees relies on several third-party service providers for various fund administration, investment management, accounting, custody, market data, market indices, promotion and other distribution and operational needs. The failure of one or more of those service providers to fulfil its obligations could lead to operational and regulatory impacts to the Group. Equity Trustees actively manages its key third-party service providers and vendor relationships.</p> | <ul style="list-style-type: none"> <li>• Outsourcing and vendor management framework.</li> <li>• Monitoring of third-party performance against service level agreements.</li> <li>• Use of standardised contracts wherever possible.</li> <li>• Partnering with reputable organisations.</li> <li>• Thorough legal and due diligence processes.</li> </ul>  |
| <b>Investment</b>                | <p>Equity Trustees' and its clients' investment portfolios are subject to normal market risks, such as interest rates and equity market volatility. These risks can affect investment valuations and income volatility. Equity Trustees actively manages its clients' investments and capital in line with our and their risk appetites, and Equity Trustees' investment and capital management policies.</p>  | <ul style="list-style-type: none"> <li>• Oversight by management and Board sub-committees.</li> <li>• Detailed investment governance and selection frameworks.</li> <li>• Regular monitoring of mandate limits and investment performance.</li> </ul>   |
| <b>Governance and Compliance</b> | <p>Entities controlled by Equity Trustees hold several licences and operate in a highly regulated environment. If the entities that hold those licences fail to comply with the general obligations and conditions, this could impact the ability to operate key parts of the Company's business, which could potentially lead to a material adverse effect on either business or financial performance.</p>   | <ul style="list-style-type: none"> <li>• Maintenance of a Group obligations register.</li> <li>• Governance and compliance frameworks.</li> <li>• A Group controls-monitoring program, which includes quarterly attestations from external service providers, and targeted testing.</li> <li>• Regular compliance reporting to management and Board sub-committees.</li> <li>• Three lines of defence model.</li> </ul> |



## OUTLOOK

The past financial year has seen the Group progress a number of major initiatives designed to simplify and better position itself for the future. These initiatives include progress made on the AET integration, major technology transformation projects, and the exit from the UK and Ireland markets. The investment in these initiatives has been significant over FY23 and FY24 and will remain so over the first half of FY25. These changes reshape EQT to focus on its core markets, where it holds leading positions, or in markets where the opportunities for growth remain high and our capabilities provide us with a strong competitive position. Investment in key systems across the Group will allow our people to be productive and access scale benefits and will allow us to communicate with clients (both current and future) in new and effective ways.

Non-financial measures of success, such as our client satisfaction and employee engagement remain high, and the learnings from these initiatives are used to continuously improve both our client service and employee propositions.

Equity Trustees is the leading independent trustee company in Australia, and the benefits of our specialist, independent trustee model along with the deep experience and capability of our employees are increasingly evident to clients and we are well positioned to pursue growth opportunities in all of our business units.

The regulatory environment and compliance obligations attached to the Group's services necessitate continued investment in our people, systems and capabilities, however this investment also enables the Group to deliver quality services to its clients, and uphold high standards of governance befitting a long-established trustee company.

With a predominance of asset-based fees our revenues are approximately 50% to 60% correlated with Australian and global equity markets. Geo-political tensions remain heightened, particularly with ongoing conflict in the Middle East and Ukraine, however Australia's relationship with China appears to be slowly improving. Globally and in Australia, persistent inflation continues to be a challenge and along with many factors is contributing to economic uncertainty and a certain amount of equity market volatility.

Notwithstanding this less certain and challenging economic outlook, the fundamentals of the Group's business are solid. Our balance sheet is strong, our client proposition is attractive, and we continue to see opportunities to grow across the broad spectrum of our trustee services. We are preparing for future opportunities with our investment in people and new technology.

The Equity Trustees proposition is supported by the long-term structural dynamics of an ageing demographic, combined with government-mandated superannuation, and an unprecedented intergenerational wealth transfer. Equity Trustees' independent, unconflicted specialist trustee model is well placed to provide clients with products and services that are highly valued in this environment.

Over the medium to longer term, Equity Trustees' 140-plus year fiduciary heritage, well capitalised balance sheet, and favourable industry dynamics position the Group well for the challenges of the future. Coupled with the enhanced capability and scale afforded by the acquisition of AET, our market-leading, specialist focus on trusteeship and targeted further investment in our core trustee capabilities are expected to underpin a positive outlook for the Group.

## ENVIRONMENTAL REGULATION

The activities of the consolidated entity are not subject to any particular environmental regulation by authorities in Australia or in other jurisdictions within which the Group operates.

## EVENTS SUBSEQUENT TO BALANCE DATE

On 29 July 2024 the Group finalised the transfer of the ANZ Private will bank from ANZ ILP Pty Ltd. This transfer has resulted in the Group adding approximately 5,000 wills to its existing will bank. The transfer occurred for no consideration.

Other than as described above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

## CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the consolidated entity other than as previously described in this Directors' Report.

## FUTURE DEVELOPMENTS

Apart from matters disclosed elsewhere in this Directors' Report, disclosure of information regarding likely developments in the operations of the Group in future financial years, and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.



# MESSAGE FROM THE REMUNERATION, HUMAN RESOURCES & NOMINATIONS COMMITTEE

The Remuneration Human Resources and Nominations Committee of the Board is pleased to present the Group's FY24 Remuneration Report.

## YEAR IN REVIEW

In FY24, the team made meaningful progress against EQT's growth priorities, made material progress on its transformation agenda and importantly invested in its organisational culture and ways of working.

Specifically, significant progress was made on the AET integration, on the exit of the Group's UK and Ireland operations, and on a number of major technology transformation activities underway.

The operating and financial results in FY24 highlight the benefits of these initiatives.

## FY24 REMUNERATION OUTCOMES

The remuneration outcomes for FY24 reflect the intended operation of the remuneration framework and align with business performance and shareholder experience.

The STI outcomes include payments awarded under the standalone AET Integration Strategic Incentive Plan (the Plan). The Board approved the Plan given the strategic importance of the AET acquisition, and the imperative to integrate successively the business over a two-year period.

Earnings Per Share (EPS) growth for the three-year measurement period ending 30 June 2024 was 6.4% per annum on an underlying basis and the Board determined that Awards to eligible Executives for the relevant series in our Long-Term Incentive (LTI) Plan vested at 51%.

## CULTURE AND ACCOUNTABILITY

One of the key objectives of our remuneration framework and policy is to encourage behaviour which aligns with EQT Group's values and supports the prevention and mitigation of conduct risk. We are committed to trusted relationships and doing the right thing for our clients, beneficiaries, members, people, communities and shareholders.

Effective 1 July 2023 changes were made to our remuneration and governance framework to meet the requirements of APRA Prudential Standard CPS-511 (Remuneration) for Specified roles (including some KMP) for the superannuation part of our business. Specified roles are effectively key roles undertaking the Superannuation trustee role. These changes further strengthen our governance, remuneration and accountability practices in assessing remuneration outcomes for our Executives. The RSE Licensee Boards now have discretion to adjust the variable remuneration apportioned to Specified roles for the Superannuation Business to zero in accordance with our consequence management framework.

In line with our longstanding remuneration approach, specified roles received some downward adjustment to their short-term incentive outcome as a result of the compliance assessment in FY24.

Our Risk and Compliance Culture is a core element of our approach to performance, from setting expectations to assessing outcomes. Our focus on risk management continues to be strong across the group and we believe this delivers better outcomes for beneficiaries, members and clients.



## GENDER PAY GAP REPORTING

In February 2024 the Workplace Gender Equality Agency (WGEA) published national gender pay gaps of all private organisations for the first time. Our median total remuneration pay gap is 18.4% which compares favourably to both the Industry Comparator (26.8%) and the Australian wide median (19%). From a pay equity perspective, i.e. equal pay for equal or comparable valued work across genders; we have achieved pay parity for 'like for like' roles with the analysis showing that on average women were paid 2% more than men in those comparable roles.

Our internal review of our gender pay gap found the main driver is due to a higher proportion of men in senior leadership roles which pay higher remuneration versus a larger proportion of our female workforce in administration roles.

We have committed to achieving our Gender diversity target of 40:40:20 at the ELT and Senior leadership level which will materially impact this result and we have targeted to reduce our pay gap by at least 5% or lower than the Australian average gender pay gap before 2030.

Your Board recommends the FY24 Remuneration Report to you and as always, we welcome security holder feedback.

A blue ink handwritten signature, appearing to read 'Tim Hammon', written over a faint, light blue grid background.

**Tim Hammon**

The Chair Remuneration, Human Resources & Nominations Committee



# REMUNERATION REPORT

This report details the remuneration framework and outcomes for Key Management Personnel of Equity Trustees for the year ended 30 June 2024. It aims to communicate our remuneration practices and their link to the creation of shareholder value in a concise and transparent way.

The information in this Remuneration Report has been audited in accordance with section 308(3C) of the Corporations Act 2001.

## REMUNERATION OVERVIEW

### Who is Covered by this Report?

This report covers Equity Trustees' Key Management Personnel (KMP). KMP are the people who have authority and responsibility for the planning, directing and controlling of activities of the Group, and includes all Non-Executive Directors, the Managing Director and Executives.

| NAME                           | POSITION   | TERM AS KMP |
|--------------------------------|--|-------------|
| <b>NON-EXECUTIVE DIRECTORS</b> |  |             |
| C Schwartz                     | Chair, Independent Non-Executive Director                              | Full year   |
| R Dalton <sup>1</sup>          | Independent Non-Executive Director                                     | Part year   |
| K Eley                         | Independent Non-Executive Director                                     | Full year   |
| T Hammon                       | Independent Non-Executive Director                                     | Full year   |
| K O'Dwyer                      | Independent Non-Executive Director                                     | Full year   |
| C Robson                       | Independent Non-Executive Director                                     | Full year   |
| DG Sedgwick                    | Independent Non-Executive Director                                     | Full year   |
| <b>EXECUTIVES</b>              |  |             |
| M O'Brien                      | Managing Director  | Full year   |
| A Godfrey                      | Executive General Manager, Corporate & Superannuation Trustee Services | Full year   |
| I Westley                      | Executive General Manager, Trustee & Wealth Services                   | Full year   |
| <b>FORMER EXECUTIVES</b>       |  |             |
| R Beasley <sup>2</sup>         | Executive General Manager, Corporate Trustee Services                  | Part year   |
| P Gentry <sup>3</sup>          | Chief Financial Officer and Chief Operating Officer                    | Part year   |

<sup>1</sup> Appointed 2 September 2023.

<sup>2</sup> No longer defined as KMP due to a change in responsibilities effective 14 August 2023.

<sup>3</sup> Retired effective 6 June 2024.



## Key Changes for FY24

| KEY QUESTION  | EQT RESPONSE  | FURTHER INFORMATION |
|---|---|---------------------|
| What changes were made to the remuneration framework in FY24?           | <p>EQT has reviewed the design of variable remuneration and has introduced two new metrics to the Long-Term Incentive Plan (one financial (relative Total Shareholder Return (TSR)) and one non-financial (customer centric)). This is to align with EQT's strategic plan, shareholder and proxy adviser feedback, and to ensure compliance with CPS 511.</p> <p>The Awards will be subject to the performance conditions described later in the report that will be measured over the three-year measurement period of 1 July 2023 – 30 June 2026.</p>   | Page 50             |
| Were any changes made to Non-Executive Director Fees in FY24?           | <p>Shareholder approval was sought at the October 2023 AGM to increase the maximum aggregate amount per annum that may be paid as fees to Non-Executive Directors (NED) (Fee Pool) from \$1,250,000 to \$1,500,000 (being an increase of \$250,000), with effect from 1 September 2023. The last increase to the Fee Pool was approved by Shareholders at the 2014 Annual General Meeting.</p> <p>A fee review was completed with the Board Committee fees increased for FY24, effective 1 September 2023.</p>  | Page 45             |
| What changes were made to the Executive KMP for FY24?                   | <p>Mr P Gentry, Chief Financial and Operating Officer advised the Board of his intention to step down from his role at EQT. After an extensive search process over several months that assessed a strong field of candidates, Ms J Platt was appointed to the role of Chief Financial Officer, commencing on 22 July 2024.</p> <p>Mr R Beasley, Executive General Manager, Corporate Trustees Services advised the Managing Director of his intention to transition to retirement which aligned with the restructure of the business combining the Superannuation business with our Corporate Trustee Services business unit, appointing Mr A Godfrey to Executive General Manager, Corporate &amp; Superannuation Trustees Services.</p> | Page 44             |
| Were there any changes to Executive remuneration in FY24?               | <p>EQT introduced a Strategic Incentive Plan to reward and recognise employees who contributed to the transition and implementation of AET. This was in reflection of the significance and scale of the project and the objective to reward additional workload, incentivise delivery of the project and ensure retention of key people. The payments made to KMP are detailed in the Summary – Executive Remuneration table.</p>   | Page 50             |
| Were any changes made to Non-Executive Directors' terms and conditions? | <p>EQT has introduced a Non-Executive Director Share Plan for FY25.</p> <p>Directors will be able to elect to sacrifice 10% to 100% of their annual Board fee on a pre-tax basis, in exchange for an equivalent amount in Rights, which convert to Shares on a one-for-one basis. Shares under this plan will be purchased on-market.</p>   |                     |
| What impact does CPS 511 and FAR have on EQT?                           | <p>CPS 511 applies and FAR will apply to our Equity Trustees Registrable Superannuation Entity licensees. In line with this new legislation a Remuneration and Consequence Management framework has been introduced to ensure we apply best practices to our reward and recognition programs.</p>   | Page 44             |



# REMUNERATION FRAMEWORK

## Remuneration Principles



Align with EQT Holdings Limited's strategy and performance.



Align rewards to building shareholder value over the long-term.



Ensure appropriate focus on leadership, culture, values, compliance and trustee decision making.



Assess rewards against short and long-term Company targets.



Ensure short-and long-term components of remuneration are 'at risk'.



Attract and retain high-calibre Executives.



Be market competitive with rewards and remuneration.

Unless otherwise stated in this section, reference to remuneration includes remuneration for Managing Director and Executives. The Board's policy on Executive remuneration is designed to attract and retain high-calibre staff and to reward Executives for achieving financial and other business goals which, in turn, increases shareholder value.

## Remuneration Framework

### Fixed Total Employment Costs (TEC)

#### Purpose

Provides market competitive remuneration to attract and retain high quality talent while reflecting role scope and accountabilities.

#### Description

Based on employee's level of responsibility, experience, skills and performance, reviewed annually against market remuneration benchmarks.

#### Includes

- Salary: fixed annual remuneration.
- Non-monetary: eligible salary sacrifice items and Fringe Benefits Tax (FBT), where applicable.
- Long-term employee benefits: long-service leave.
- Post-employment: Superannuation Guarantee Charge (SGC).

### Short-Term Incentive (STI)

#### Purpose

To reward executives for their contribution towards achieving the Group strategy outcomes, which will enable the achievement of long-term goals.





### Description

Variable remuneration that is the ‘at risk’ component based on Group, business unit and individual annual performance achievement. Each Executive has a unique scorecard comprising of Group and role specific Key Performance Indicators (KPIs) to reflect Group and individual accountabilities.

Executives have a maximum opportunity applied with a balanced scorecard with material weighting to financial and non-financial outcomes linked to our T4 targets across client satisfaction, employee engagement, leadership, strategy execution and shareholder measures.

### Long-Term Incentive (LTI)

#### Purpose

To align remuneration with our long-term strategies to enhance customer and shareholder outcomes.

#### Description

Delivered in equity awards (and shares at vesting) based on prescribed performance hurdles. Aligned to long-term growth strategy.

Remuneration Committee considers and recommends LTI participation to the Board.

Executive KMP continue to have a significant portion of their remuneration linked to performance and at risk. The *Executive Remuneration Incentive Plans* section below provides further details on the remuneration mix if target variable elements are fully achieved for the Managing Director and Executive KMP.

## GOVERNANCE AND OBJECTIVES

The role of the Remuneration HR and Nominations Committee (RHRNC, or the Remuneration Committee) is to assist the Board of Directors of the Group in fulfilling its responsibilities regarding human resources matters, including remuneration, and to seek and nominate qualified candidates for election or appointment to the Holding Company’s Board of Directors.

The RHRNC acts on behalf of the Board and shareholders to provide non-executive oversight of the Group’s remuneration and human resource policies and practices in the following areas:

| REMUNERATION   | NOMINATION  | HUMAN RESOURCES  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Reviews and recommends the Group’s remuneration framework and policies to the Board to ensure effectiveness and compliance.</li> <li>• Oversees superannuation arrangements of all employees and equity-based remuneration plans.</li> <li>• Ensures remuneration information meets public disclosure requirements.</li> <li>• Reviews and recommends a process for evaluating the performance of employees.</li> </ul> | <ul style="list-style-type: none"> <li>• Reviews Board and Executive succession planning.</li> <li>• Establishes the process for recruiting a new Director and the appointment and re-election of Directors.</li> <li>• Ensures induction and continued professional development of Directors.</li> <li>• Develops and implements a process for evaluating the performance of the Board, its Committees and Directors.</li> </ul> | <ul style="list-style-type: none"> <li>• Oversees and reviews the Group’s people strategy.</li> <li>• Oversees equal employment opportunity and diversity and inclusion policies.</li> <li>• Oversees and reviews workplace health and safety matters, as well as incidents and breaches of the Group’s Code of Conduct.</li> <li>• Oversees and reviews the adequacy of the Group’s training arrangements.</li> <li>• Oversees implementation of workforce changes aligned to <i>Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022</i>.</li> </ul> |

At the RHRNC’s invitation, the Managing Director and Executive General Manager, People attend Committee meetings, except where matters associated with their own performance evaluation, development and remuneration are considered.

To assist in performing its duties and making recommendations to the Board, the RHRNC seeks and considers advice from independent, external remuneration consultants on various remuneration-related matters and



annually considers market related comparator remuneration information. The Committee also considers input from the Chairs of the Board Audit Committee, Board Risk Committee and Responsibility Entity Compliance Committee, where appropriate, or other advisers as needed.

The remuneration framework and policy were reviewed in line with the introduction of CPS 511. The EQT Holdings Limited Board will retain governance of the Remuneration Framework with the Equity Trustees Superannuation Limited and HTFS Nominees Pty Limited Boards approving Total Variable Remuneration design and outcomes for the apportioned component of Specified Roles. The design of the LTI Plan has been reviewed to ensure the design of total Variable Remuneration complies with CPS 511 for Specified Roles. Specified Roles are senior managers, executive directors or material risk takers in respect of the Superannuation business.

## SUMMARY – EXECUTIVE REMUNERATION

The following table shows the Executives of the Group during the year, who have been determined to be Key Management Personnel, together with their remuneration entitlements. Unless otherwise stated, the Executives held their position for the whole of the financial year.

Remuneration entitlements of the Executives during the year consist of cash components as well as an accounting-based accrual for such items as long-term employee benefits and share-based payments shown in the following table:

| EXECUTIVE<br>KMP   | SHORT-TERM EMPLOYEE<br>BENEFITS |                               | POST<br>EMPLOY-<br>MENT<br>BENEFITS | TOTAL<br>EMPLOY-<br>MENT<br>COST<br>(TEC) | SHORT-<br>TERM<br>BONUS/<br>INCENTIVE<br><sup>6</sup> | LONG-<br>TERM<br>EMPLOYEE<br>BENEFITS | SHARE<br>BASED<br>PAYMENTS <sup>3</sup> | TOTAL     |
|--|---------------------------------|-------------------------------|-------------------------------------|---|---|---------------------------------------|---|-----------|
|  | SALARY                          | NON-<br>MONETARY <sup>1</sup> | SUPER-<br>ANNUATION <sup>2</sup>    |   |   | LONG<br>SERVICE<br>LEAVE              |   |           |
|  | \$                              | \$                            | \$                                  | \$  | \$  | \$                                    | \$                                      | \$        |
| <b>CURRENT EXECUTIVES</b>  |                                 |                               |                                     |   |   |                                       |   |           |
| M O'Brien, Managing Director   |                                 |                               |                                     |   |   |                                       |   |           |
| 2024   | 791,996                         | 15,605                        | 27,399                              | 835,000                                   | 596,500   | 26,283                                | 413,401                                 | 1,871,184 |
| 2023   | 794,103                         | 15,605                        | 25,292                              | 835,000                                   | 400,800   | 29,540                                | (156,203)                               | 1,109,137 |
| A Godfrey, Executive General Manager, Corporate & Superannuation Trustee Services <sup>7,8</sup> |                                 |                               |                                     |   |   |                                       |   |           |
| 2024   | 472,601                         | -                             | 27,399                              | 500,000                                   | 194,600   | 1,996                                 | 90,314                                  | 786,910   |
| 2023   | 135,831                         | -                             | 8,431                               | 144,262                                   | 50,000  | 369                                   | 11,670                                  | 206,303   |
| I Westley, Executive General Manager, TWS Private Clients  |                                 |                               |                                     |   |   |                                       |   |           |
| 2024   | 472,601                         | -                             | 27,399                              | 500,000                                   | 377,500   | 31,831                                | 233,705                                 | 1,143,036 |
| 2023   | 409,708                         | -                             | 25,292                              | 435,000                                   | 225,000   | 38,175                                | (97,040)                                | 601,135   |
| <b>FORMER EXECUTIVES</b>   |                                 |                               |                                     |   |   |                                       |   |           |
| P Gentry, Chief Financial Officer and Chief Operating Officer <sup>4</sup>                       |                                 |                               |                                     |   |   |                                       |   |           |
| 2024   | 414,834                         | 7,594                         | 27,399                              | 449,827                                   | 299,900   | 17,191                                | 36,743                                  | 803,661   |
| 2023   | 429,583                         | 10,125                        | 25,292                              | 465,000                                   | 204,000   | 16,692                                | (83,189)                                | 602,503   |
| R Beasley, Executive General Manager, Corporate Trustee Services <sup>5</sup>                    |                                 |                               |                                     |   |   |                                       |   |           |
| 2024   | 35,664                          | -                             | 3,177                               | 38,841                                    | 18,130  | 14,196                                | 3,388                                   | 74,555    |
| 2023   | 309,708                         | -                             | 25,292                              | 335,000                                   | 75,000  | 19,950                                | (48,546)                                | 381,404   |

<sup>1</sup> Non-monetary items include eligible salary sacrificed items and any FBT. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan plus any sacrificed amounts into the EQT Workplace Volunteering and Giving Program.

<sup>2</sup> Superannuation includes the SGC and, in some cases, additional superannuation payments that have been sacrificed from salary.

<sup>3</sup> Share-based payments relate to the value of Long-Term Incentive (LTI) Awards. The value attributable to Awards is based on the accounting cost, using the fair value at grant date. For the EPS criterion, an assessment is made of the likely achievement of performance hurdles over the three-year measurement period and the accounting cost is adjusted accordingly. The EPS criteria for Series 17 which ended on 30 June 2024 has been partially achieved (refer *Group Performance and Reward* section for further information). Where an Executive ceases employment during the year, there is a write-back of some prior year accounting costs, which can result in a negative figure in the year. A negative figure can also occur where the accounting estimate of the proportion of an EPS-based award that will be earned is revised downwards.

<sup>4</sup> Part year – departed the Group on 6 June 2024.

<sup>5</sup> Part year – no longer KMP following a change in role on 14 August 2023.

<sup>6</sup> Short-term incentive amounts included incentives awarded in relation to AET Strategic Incentive.

<sup>7</sup> Share based-payments reported for A Godfrey as at 30 June 2023 have been restated (reduced) by \$26,528 to reflect a correction made to the number of awards issued in 2023.

<sup>8</sup> Part year in FY23 – commenced on 20 February 2023.



## SUMMARY – NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Director fees are reviewed every two years by the Remuneration, Human Resources and Nominations Committee, having regard to analysis of the market and industry-based data and trends. Fees are set to attract and retain high-calibre Directors and to reflect the workload and contribution required due to the scale and complexity of the Group. A market review of Non-Executive Director fees was conducted in FY23 with the Committee fees increased to reflect the growth of the business, the increasingly complex regulatory environment and external market relativities.

To ensure that independence and impartiality are maintained, Non-Executive Directors' remuneration consists of a fixed annual fee, with no element of performance-related pay. The Chair of the EQT Holdings Limited Board is paid an all-inclusive fee whilst all other Non-Executive Directors are paid a fee for each committee. The current Board Fee Pool is \$1.5m, which was approved by shareholders at our 2023 Annual General Meeting on 26 October 2023.

The following table shows the fees for Directors, for participation as Chair or a committee member:

|        | EQTHL BOARD | AUDIT, RISK, RHRNC | STRATEGY | COMPLIANCE |
|--------|-------------|--------------------|----------|------------|
| Chair  | \$220,000   | \$20,000           | \$10,000 | \$20,000   |
| Member | \$110,000   | \$15,000           | -        | \$15,000   |

The following table shows the Non-Executive Directors of EQT Holdings Limited during the year, together with their remuneration entitlements:

| DIRECTORS                   | SHORT-TERM BENEFITS |       |                           | POST-EMPLOYMENT BENEFITS | LONG-TERM EMPLOYEE BENEFITS | SHARE-BASED PAYMENTS | TOTAL   |
|-----------------------------|---------------------|-------|---------------------------|--------------------------|-----------------------------|----------------------|---------|
|                             | FEE                 | BONUS | NON-MONETARY <sup>1</sup> | SUPERANNUATION           |                             |                      |         |
|                             | \$                  | \$    | \$                        | \$                       | \$                          | \$                   | \$      |
| <b>CURRENT DIRECTORS</b>    |                     |       |                           |                          |                             |                      |         |
| <b>C Schwartz, Chair</b>    |                     |       |                           |                          |                             |                      |         |
| 2024                        | 198,198             | -     | -                         | 21,802                   | -                           | -                    | 220,000 |
| 2023                        | 199,095             | -     | -                         | 20,905                   | -                           | -                    | 220,000 |
| <b>R Dalton</b>             |                     |       |                           |                          |                             |                      |         |
| 2024                        | 91,476              | -     | -                         | 10,062                   | -                           | -                    | 101,538 |
| <b>K Eley</b>               |                     |       |                           |                          |                             |                      |         |
| 2024                        | 129,129             | -     | 5,000                     | 14,204                   | -                           | -                    | 148,333 |
| 2023                        | 117,172             | -     | 5,000                     | 12,828                   | -                           | -                    | 135,000 |
| <b>DG Sedgwick</b>          |                     |       |                           |                          |                             |                      |         |
| 2024                        | 134,009             | -     | -                         | 14,741                   | -                           | -                    | 148,750 |
| 2023                        | 127,950             | -     | 1,009                     | 14,550                   | -                           | -                    | 143,509 |
| <b>T Hammon</b>             |                     |       |                           |                          |                             |                      |         |
| 2024                        | 129,129             | -     | 5,000                     | 14,204                   | -                           | -                    | 148,333 |
| 2023                        | 114,514             | -     | 5,000                     | 12,549                   | -                           | -                    | 132,063 |
| <b>C Robson<sup>2</sup></b> |                     |       |                           |                          |                             |                      |         |
| 2024                        | 262,427             | -     | 1,200                     | 27,573                   | -                           | -                    | 291,200 |
| 2023                        | 238,358             | -     | 1,200                     | 25,154                   | -                           | -                    | 264,712 |
| <b>K O'Dwyer</b>            |                     |       |                           |                          |                             |                      |         |
| 2024                        | 141,141             | -     | 5,000                     | 15,525                   | -                           | -                    | 161,666 |
| 2023                        | 118,761             | -     | 5,000                     | 12,995                   | -                           | -                    | 136,756 |

<sup>1</sup> Non-monetary items include eligible salary-sacrificed items and any FBT. This includes any sacrificed amounts into EQT shares in accordance with the EQT Salary Sacrifice Share Plan plus any sacrificed amounts into the EQT Workplace Volunteering and Giving Program.

<sup>2</sup> Remuneration for Ms C Robson includes amounts relating to her appointments as Chair to Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd.



## GROUP PERFORMANCE AND REWARD

A core component of the Group's strategy is to generate sustainable profits and maximise value to shareholders over the long term. The following table summarises the key value creation measures relevant to shareholders for the year ended 30 June 2024, along with comparative information covering the previous four years.

|   | 30 JUNE<br>2024<br>\$'000 | 30 JUNE<br>2023<br>\$'000 | 30 JUNE<br>2022<br>\$'000 | 30 JUNE<br>2021<br>\$'000 | 30 JUNE<br>2020<br>\$'000 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue   | 173,982                   | 141,366                   | 111,513                   | 101,040                   | 95,430                    |
| Net profit before tax (NPBT)                            | 32,167                    | 30,852                    | 37,203                    | 30,311                    | 30,313                    |
| Underlying net profit before tax (UNPBT) <sup>1,5</sup> | 52,727                    | 47,343                    | 41,134                    | 35,359                    | 33,806                    |
| Net profit after tax (NPAT) statutory                   | 20,711                    | 18,833                    | 24,228                    | 21,528                    | 19,212                    |
| Underlying net profit after tax (UNPAT) <sup>1,5</sup>  | 37,880                    | 33,273                    | 28,158                    | 25,620                    | 24,711                    |

|                              | 30 JUNE<br>2024<br>\$ | 30 JUNE<br>2023<br>\$ | 30 JUNE<br>2022<br>\$ | 30 JUNE<br>2021<br>\$ | 30 JUNE<br>2020<br>\$ |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Share price at start of year | 25.92                 | 26.20                 | 27.40                 | 24.75                 | 29.60                 |
| Share price at end of year   | 32.00                 | 25.92                 | 26.20                 | 27.40                 | 24.75                 |

|  | 30 JUNE<br>2024<br>CPS | 30 JUNE<br>2023<br>CPS | 30 JUNE<br>2022<br>CPS | 30 JUNE<br>2021<br>CPS | 30 JUNE<br>2020<br>CPS |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Interim dividend <sup>2</sup>                    | 51                     | 49                     | 48                     | 44                     | 47                     |
| Final dividend (paid or payable) <sup>2,3</sup>  | 53                     | 50                     | 49                     | 47                     | 43                     |
| Total dividends for the year <sup>2,3</sup>      | 104                    | 99                     | 97                     | 91                     | 90                     |
| Earnings per share (statutory) <sup>4</sup>      | 77.84                  | 73.94                  | 113.94                 | 102.03                 | 92.95                  |
| Earnings per share (underlying) <sup>1,4,5</sup> | 142.37                 | 130.63                 | 132.42                 | 121.41                 | 118.38                 |

<sup>1</sup> Operating and Financial Review of the Directors' Report where underlying measures are described in further detail.

<sup>2</sup> All dividends are fully franked at the 30% corporate income tax rate.

<sup>3</sup> The final dividend is determined after balance date and is not reflected in the financial statements as at 30 June for each year.

<sup>4</sup> Earnings per share in FY22 and earlier periods has been restated to reflect the rights issue in August/September 2022.

<sup>5</sup> Underlying measures for all comparative periods presented have been restated to exclude the operating losses associated with the Group's UK and Ireland operations, which are currently subject to disposal.

FY24 has been a successful year for Equity Trustees, in which the Group has maintained course on growth, and made material progress on its transformation agenda.

The results for the financial year include a full twelve-months' worth of revenues and costs associated with the Australian Executor Trustees (AET) business, relative to seven-months in the prior year. The AET business has made a valuable contribution to earnings growth in FY24, including revenue synergies of \$3.9m. The Group presently expects to achieve long-term revenue synergies of at least \$5.9m per annum, fully achieved in FY25 and thereafter, and to achieve expense synergies. The AET acquisition has been a valuable addition to the business, and while its integration (described further below) into EQT has been a significant undertaking, it results in a combined business with excellent market share and positioning, geographical breadth, and provides a strong platform for future growth.

With regard to transformation, the Group has now completed the second of a three-year elevated period of investment in integration and transformation activities. The key categories of activity include:

- AET business integration, including the exit and restructure of the AET platforms business. Integration activities are on track and are anticipated to complete in the first half of FY25, by which time the restructure associated with the platforms business will also be complete.
- The exit of the Group's UK and Ireland operations. The Ireland operations were sold on 30 April 2024, and as at 30 June 2024, only a small number of clients remain in the UK business. It is anticipated that these clients will exit in Q1 of FY25, following which the operations will be wound up.
- Finally, the Group has a number of major technology transformation initiatives underway. These include replacement of the Group's core financial system and HR platform with *Workday*. These implementations are well advanced and are also due to be largely completed in FY25.



These transformation activities are all important for different reasons. The AET integration is important as the benefits (particularly the expense synergy realisation) will only occur when the TWS business completes the transition to a single operating model, and once the loss-making platforms business restructure has been completed. Exit of the UK and Ireland operations will, once fully completed, improve Group profitability and allow the Group to focus on its successful Australian operations. Lastly, other major technology implementations will help improve staff productivity, improve data management across the organisation, and facilitate new ways of engaging with current and future clients.

These investments, which will create benefits and growth for the Group in the future, have weighed on the short-term results of the Group. In the current period, statutory NPBT is up 4.3% on FY23, and statutory NPAT is up 10.0% on FY23. After adjusting for the aforementioned initiatives, underlying NPBT and NPAT are up 11.4% and 13.8% respectively on FY23, and up 28.2% and 34.5% respectively on FY22. With the aforementioned significant initiatives underway, these underlying measures provide a clearer view of the operating performance of the business. Lastly, the Group's five-year TSR is 24.3% calculated on a dividends accrued basis, demonstrating long-term value creation for shareholders.

A final declared dividend of 53 cents per share (cps) brings the total dividends for the year to 104 cps, up 5.1% on the prior comparative period. The performance of the Group has allowed the Board to steadily grow the dividend over recent years, and total dividends for the year are now the highest they have been for more than 10 years. The financial performance of the Group, including details of individual business unit performance, and other key measures, is described more fully in the *Operating and Financial Review* section of the Directors' Report.

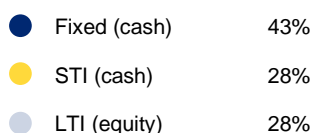
Short-term incentives awarded to the Managing Director and Executives during FY24 appropriately reflect the result for the year, and the significant transformation load being delivered, and are aligned with the shareholder FY24 experience. Approximately 81% (2023: 70%) of the target short-term incentive opportunity has been awarded to the Managing Director and eligible Executives, with a range of 60% to 94%. The amounts awarded to individuals gave consideration to a range of Group, business unit and personal measures, which are described in further detail below.

Series 17 of the Long-Term Incentive Plan ended on 30 June 2024. The Group achieved 6.4% EPS growth per annum (calculated on underlying results, however losses associated with the UK/Ireland operations) were included over the three-year measurement period. This results in an award of 51% of the Series 17 plan to the Managing Director and Executives.

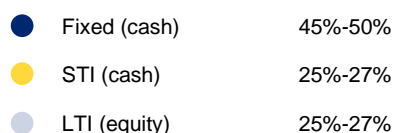


## EXECUTIVE REMUNERATION INCENTIVE PLANS

### MANAGING DIRECTOR



### EXECUTIVE KMP<sup>1</sup>



<sup>1</sup> Chart presented assumes maximum performance on variable incentives.

### Executive KMP Short-Term Incentive Plan

|                                     |   |                      |
|-------------------------------------|---|----------------------|
| Purpose                             | Provides market competitive remuneration to attract and retain high quality talent while reflecting role scope and accountabilities.  |                      |
| Instrument                          | Cash  |                      |
| Participants                        | Executives  |                      |
| Opportunity                         | 0% – 65% of TEC   |                      |
| Performance Measures and Weightings | Each ELT member has an individual scorecard of financial and non-financial KPI's. They are set based on the Group and business unit specific strategy for the financial year.   |                      |
|                                     | <b>FINANCIAL</b>  | <b>NON-FINANCIAL</b> |
|                                     | 50%   | 50%                  |
|                                     | 40%   | 60%                  |
|                                     | 50%   | 50%                  |
|                                     | 45%   | 55%                  |
| Risk and Values Assessment          | <p>All STI payments are subject to two triggers being satisfied:</p> <ul style="list-style-type: none"> <li>• Achievement of at least 91% of the budgeted Group NPBT.</li> <li>• Satisfactory adherence to compliance requirements.</li> </ul> <p>The Compliance measure acts as a pre-requisite for any STI payment and the gate will not be achieved if there is a compliance breach that results in a material impact to profit, reputation or the risk profile of the organisation.</p> <p>All employees are assessed against our values.</p> |                      |
| Deferral                            | Deferrals of Awards may be required for specified roles to ensure adherence with APRA Prudential Standard CPS 511.  |                      |



At the beginning of each financial year, the Board agrees on the balanced scorecard goals for Equity Trustees' and each business unit for the coming year. The scorecard is considered "balanced" because it includes a range of financial and non-financial measures. In FY24, these measures included Group and business unit profit before tax (PBT), new business, expense control, client satisfaction, member outcomes, employee engagement, service delivery, project delivery, leadership and compliance (including trustee decision making for the revenue business units). The weightings varied according to the specific responsibilities of the Executives. Adherence to the EQT Risk Management and Compliance Framework is a gate to eligibility for a short-term performance incentive.

| MEASURE                                  | FY24 KPIs % WEIGHTING |                         | RANGE OF RESULTS AGAINST KPIs |     |          |
|--|-----------------------|-------------------------|-------------------------------|-----|----------|
|  | MANAGING DIRECTOR     | CFO/COO and REVENUE BUS | Partially Met                 | Met | Exceeded |
| Group PBT <sup>1</sup>                   | 35                    | 20-30                   |                               |     |          |
| Business unit PBT <sup>1</sup>           | -                     | 15-20                   |                               |     |          |
| New business <sup>1</sup>                | 15                    | 15-20                   |                               |     |          |
| Expenses <sup>1,2</sup>                  | -                     | 0-10                    |                               |     |          |
| Staff satisfaction                       | 10                    | 5-10                    |                               |     |          |
| Service delivery (internal)              | -                     | 0-10                    |                               |     |          |
| Client satisfaction (external)           |                       | 0-5                     |                               |     |          |
| Project delivery                         | 15                    | 0-20                    |                               |     |          |
| Member outcomes                          | -                     | 0-15                    |                               |     |          |
| Leadership                               | 15                    | 10                      |                               |     |          |
| Compliance (and trustee decision making) | 10                    | 10                      |                               |     |          |
| <b>Group PBT<sup>1</sup></b>             | <b>100</b>            | <b>100</b>              |                               |     |          |

<sup>1</sup> Measure is assessed against budget. An acceptable result for PBT (allowing for all non-operating expenses) is a gate to eligibility for a short-term performance incentive.

<sup>2</sup> Expense measure applies to the CFO/COO only.

These performance criteria were chosen to provide a suitable incentive for Executive performance for the benefit of shareholders and other stakeholders. Each criterion is given a threshold eligibility target for the minimum incentive and a stretch threshold representing an excellent achievement, for which the target incentive is paid. In all cases, the Remuneration Committee confirms the appropriateness of the criteria and thresholds and, at the conclusion of the measurement period, the level of achievement. Short-term incentives are normally paid in cash through the payroll system.



At the end of the performance period, short-term incentive targets were assessed by the Board in respect of the Managing Director, and the Managing Director assessed the performance of the Executives. The Remuneration Committee (with input from the Board Risk, Board Audit and Compliance Committees) and the Board considered and approved these incentives. The outcome of each assessment is set out below:

| EXECUTIVE KMP | 2024 TEC<br>\$ | 2024 STI OPPORTUNITY<br>\$ | 2024 STI AWARDED<br>\$ | PERCENTAGE OF OPPORTUNITY AWARDED<br>% | AET INTEGRATION STI<br>\$ | 2024 TOTAL STI AWARDED<br>\$ |
|---------------|----------------|----------------------------|------------------------|--|---------------------------|------------------------------|
| M O'Brien     | 835,000        | 542,750                    | 496,300                | 91                                     | 100,200                   | 596,500                      |
| P Gentry      | 480,000        | 288,000                    | 225,500                | 78                                     | 74,400                    | 299,900                      |
| A Godfrey     | 500,000        | 250,000                    | 194,600                | 78                                     | -                         | 194,600                      |
| I Westley     | 500,000        | 300,000                    | 283,000                | 94                                     | 94,500                    | 377,500                      |

Short-term incentives for the year for some KMP include amounts relating to the successful completion of project milestones for the Australian Executor Trustees integration program. The above table summarises KMP STI achievement including and excluding the AET related incentive.

## Executive Long-Term Performance Incentives

Long-term incentives (LTI) provide Executives with remuneration delivered in equity if conditions are met over a three-year period. LTI awards are granted annually, which provides ongoing benefits to Executives for increasing shareholder value and is a retention mechanism. The LTI awards (Awards) confer the right to acquire shares at no cost, subject to meeting prescribed performance hurdles. The accounting cost of long-term performance incentives is spread over the measurement (or vesting) period. The structure of the Plan, approved by the Remuneration Committee, forms part of the remuneration structure of eligible Executives, in particular the long-term incentive component of remuneration. The following is an overview of the key features of the Plan as determined by the Remuneration Committee, approved by the Board and communicated to shareholders in this Annual Report.

### Key Terms and Conditions

The following table shows the basis of measurement, hurdle(s) and vesting schedule for the LTI series ending 30 June 2024, as well as the current active series:

| SERIES (YEAR OF AWARD)                        | BASIS OF MEASUREMENT         | TERMS OF AWARD  |                                |
|---|------------------------------|---|--------------------------------|
|   |                              | HURDLE  | VESTING SCHEDULE               |
| <b>Series 19 (1 July 2023 – 30 June 2026)</b> | EPS                          | 4% p.a.<br>4% to 10% p.a.<br>>10% p.a.  | 20%<br>Pro Rata<br>100%        |
|   | Relative TSR                 | <50 <sup>th</sup> %ile<br>50 <sup>th</sup> %ile<br>50 <sup>th</sup> to 75 <sup>th</sup> %ile<br>> 75 <sup>th</sup> %ile | Nil<br>50%<br>Pro Rata<br>100% |
|   | Customer Satisfaction (CSAT) | 3 yr ave satisfaction of 80% or above   | 100%                           |
| <b>Series 18 (1 July 2022 – 30 June 2025)</b> | EPS                          | 4%p.a.<br>4% to 10% p.a.<br>>10% p.a.   | 20%<br>Pro Rata<br>100%        |
| <b>Series 17 (1 July 2021 – 30 June 2024)</b> | EPS                          | 4%p.a.<br>4% to 10% p.a.<br>>10% p.a.   | 20%<br>Pro Rata<br>100%        |





## Long-Term Incentive

|                                    |  |
|------------------------------------|--|
| <b>Instrument</b>                  | Performance Rights   |
| <b>Participants</b>                | Executives   |
| <b>Opportunity</b>                 | 40% – 65%<br>Is calculated by dividing the value of the Award by the volume weighted average price of EQT Holdings Limited shares traded during the three-month period to 30 June of each year.  |
| <b>Performance Hurdles</b>         | <p>Earnings Per Share (EPS) growth (60%)</p> <ul style="list-style-type: none"> <li>• 4% growth p.a. = 20% vesting</li> <li>• 10% growth p.a. = 100% vesting</li> <li>• Pro-rata between 4% p.a. and 10% p.a.</li> </ul> <p>Relative Total Shareholder Return (rTSR) 20%<br/>rTSR percentile ranking against ASX 300 Diversified Financial Industry Group with a market capitalisation below \$10b.</p> <ul style="list-style-type: none"> <li>• Less than the 50<sup>th</sup> percentile = Nil vesting</li> <li>• Equal to the 50<sup>th</sup> percentile = 50% vesting</li> <li>• Between the 50<sup>th</sup> and 75<sup>th</sup> percentile = 50% to 100% vesting determined on a straight-line basis</li> <li>• Equal to the 75<sup>th</sup> percentile or above = 100% vesting</li> </ul> <p>Client Focused Customer metric (20%)</p> <ul style="list-style-type: none"> <li>• Three-year average customer satisfaction rating (of most recent experience) at 80%.</li> </ul> |
| <b>Performance Period</b>          | Three years  |
| <b>Additional Deferrals</b>        | Deferrals of vested Awards past three years may be required for specified roles to ensure adherence with APRA Prudential Standard CPS 511.   |
| <b>Calculations of Awards</b>      | The value of the Award is determined by the Remuneration Committee, and the number of share entitlements issued to each participant for a particular Series is calculated by dividing the value of the Award by the volume weighted average price of EQT Holdings shares (EQT) traded during the three-month period to 30 June of each year.   |
| <b>Share Entitlements</b>          | <p>Each share entitlement converts to one ordinary share of EQT on exercise. No amounts are paid or payable by participants on receipt of the share entitlements. The number of share entitlements on issue is adjusted for any capital reconstructions during the measurement period.</p> <p>Holders of share entitlements do not have a right, by virtue of the entitlements held, to participate in any new share issue of the Company.</p>   |
| <b>Dividends and Voting Rights</b> | The share entitlements carry neither rights to dividends nor voting rights. Dividends are received by participants once Awards are issued into shares.   |
| <b>Forfeiture and Disposal</b>     | <p>Shares are subject to forfeiture conditions during the three-year measurement period. Participants are able to nominate a disposal restriction period of up to 12 years from the issue date of the shares following the initial three-year measurement period. The use of hedging or derivative techniques is not permitted until shares are released from the forfeiture condition. If hedging or derivative techniques are used during the period when there is still a forfeiture condition in place, then the shares are forfeited.</p> <p>The Group Securities Dealing Policy also makes reference to the prohibition on hedging or derivative techniques and applies to all Group employees.</p>  |
| <b>Board Discretion</b>            | The Board has absolute and unfettered discretion under the Plan, including in a change of control situation.   |
| <b>Cessation of Employment</b>     | Other than in exceptional circumstances, the participant must be employed within the Group for the duration of the measurement period to exercise any share entitlements.  |
| <b>Clawback and Malus</b>          | <p>The Board retains discretion to adjust remuneration outcomes (including to zero) to ensure that Awards are not provided where it would be inappropriate or would provide unintended outcomes.</p> <p>The Board intends to exercise such discretion in a manner that is consistent with supporting sound and effective risk management, protecting Equity Trustees' reputation and aligned with the creation of long-term shareholder value. If this discretion was applied in any year, it would be clearly disclosed and explained.</p>  |

In accordance with the Plan, variations to the above features may apply, where approved by the Board.



The following unvested share-based payment arrangements under the LTI were in existence during the period:

| AWARD SERIES <sup>1</sup>                   | ISSUED AT GRANT DATE | EXERCISED | FORFEITED / LAPSED | NUMBER OUTSTANDING AT 30 JUNE 2024 | GRANT DATE | VESTING DATE <sup>3</sup> | EXERCISE PRICE | FAIR VALUE AT GRANT DATE | MAXIMUM POTENTIAL ACCOUNTING VALUE OF GRANT <sup>2</sup> |
|---|----------------------|-----------|--------------------|------------------------------------|------------|---------------------------|----------------|--------------------------|--|
|   |                      |           |                    |                                    |            |                           | \$             | \$                       | \$   |
| 2023/24 Series 19 (MD only) <sup>4</sup>    | 20,429               | -         | -                  | <b>20,429</b>                      | 26/10/2024 | 30/06/2026                | Nil            | 16.65 to 21.65           | 1,488,045  |
| 2023/24 Series 19 (Executives) <sup>4</sup> | 68,555               | -         | 10,840             | <b>57,715</b>                      | 5/01/2024  | 30/06/2026                | Nil            | 14.80 to 22.88           | 421,858  |
| 2022/23 Series 18 EPS (MD only)             | 18,659               | -         | -                  | <b>18,659</b>                      | 31/10/2022 | 30/06/2025                | Nil            | 22.66                    | 422,813  |
| 2022/23 Series 18 EPS (Executives)          | 64,101               | -         | 18,844             | <b>45,257</b>                      | 16/09/2022 | 30/06/2025                | Nil            | 23.57                    | 1,510,861  |
| 2021/22 Series 17 EPS (MD only)             | 18,750               | -         | 9,188              | <b>9,563</b>                       | 15/11/2021 | 30/06/2024                | Nil            | 22.67                    | 425,063  |
| 2021/22 Series 17 EPS (Executives)          | 58,052               | -         | 32,537             | <b>25,515</b>                      | 15/10/2021 | 30/06/2024                | Nil            | 25.45                    | 1,477,423  |
| <b>Totals</b>                               | <b>248,546</b>       | <b>-</b>  | <b>71,408</b>      | <b>177,138</b>                     |            |                           |                |                          | <b>5,746,063</b>   |

<sup>1</sup> The difference between the number of Awards outstanding at 30 June 2024 and the balance of Awards outstanding for KMP at 30 June 2024 relates to Awards issued to Group executives not deemed to be KMP.

<sup>2</sup> The potential minimum accounting value of each Grant series is nil.

<sup>3</sup> The expiry date is seven-years following the relevant vesting date.

<sup>4</sup> Series 19 awards measured using the rTSR hurdle have a fair value of \$16.65 and \$14.80 for the Managing Director and Executives respectively. Series 19 awards measured using EPS or non-financial hurdles are valued at \$21.65 and \$22.88 for the Managing Director and Executives respectively.



The following is a summary of movements in Awards in respect of Executives:

|                              | BALANCE OF AWARDS AT 1 JULY 2023 | AWARDS GRANTED AS COMPENSATION | AWARDS EXERCISED INTO SHARES | AWARDS FORFEITURE D/LAPSED | BALANCE OF AWARDS AT 30 JUNE 2024 | AWARDS VESTED & EXERCISABLE (EXCLUDING THOSE ALREADY EXERCISED) | BALANCE OF AWARDS NOT VESTED AT 30 JUNE 2024 <sup>1</sup> | VESTED DURING 2024 YEAR |
|------------------------------|----------------------------------|--------------------------------|------------------------------|----------------------------|-----------------------------------|---|---|-------------------------|
|                              | NO.                              | NO.                            | NO.                          | NO.                        | NO.                               | NO.   | NO.   | NO.                     |
| <b>CURRENT EXECUTIVE KMP</b> |                                  |                                |                              |                            |                                   |   |   |                         |
| M O'Brien                    | 37,409                           | 20,429                         | -                            | 9,188                      | 48,651                            | 9,563   | 39,088  | 9,563                   |
| I Westley                    | 19,390                           | 11,292                         | -                            | 4,868                      | 25,814                            | 5,066   | 20,747  | 5,066                   |
| A Godfrey                    | 2,971                            | 9,410                          | -                            | -                          | 12,381                            | -   | 12,381  | -                       |
| <b>FORMER EXECUTIVE KMP</b>  |                                  |                                |                              |                            |                                   |   |   |                         |
| R Beasley                    | 14,036                           | 7,565                          | -                            | 3,182                      | 18,418                            | 3,311   | 15,107  | 3,311                   |
| P Gentry                     | 19,661                           | 10,840                         | -                            | 25,813                     | 4,688                             | 4,688   | -   | 4,688                   |
| <b>Totals</b>                | <b>93,466</b>                    | <b>59,936</b>                  | <b>-</b>                     | <b>43,050</b>              | <b>109,952</b>                    | <b>22,629</b>   | <b>87,323</b>   | <b>22,629</b>           |

<sup>1</sup> The balance of Awards not vested at 30 June 2024 does not necessarily represent Awards that will be vested in the future. The balance will remain until the respective measurement periods have been completed and a final assessment is made.

<sup>2</sup> Awards reported for A Godfrey as at 30 June 2023 have been restated (reduced) by 6,035 to reflect a correction made to the number of awards issued in 2023.



## EMPLOYMENT AGREEMENTS

The employment agreements for the Managing Director and Executives are ongoing, permanent, full-time agreements that do not have a stipulated fixed term.

The designated notice period for the Managing Director is six months. For the Executives, the designated notice period ranges between three and six months.

### Director and Executive KMP Equity Holdings

Director and Executive relevant interests in fully paid ordinary shares of EQT Holdings Limited for the financial year are as follows:

|                          | BALANCE AT<br>1 JUL 2023 | RECEIVED ON<br>EXERCISE OF<br>SHARE RIGHT | NET OTHER<br>CHANGE <sup>1</sup> | BALANCE AT<br>30 JUN 2024 |
|--------------------------|--------------------------|---|----------------------------------|---------------------------|
| DIRECTORS                | NO.                      | NO.                                       | NO.                              | NO.                       |
| <b>CURRENT DIRECTORS</b> |                          |   |                                  |                           |
| C Schwartz               | 11,888                   | -   | 434                              | 12,322                    |
| R Dalton                 | -                        | -   | 1,700                            | 1,700                     |
| K Eley                   | 148,265                  | -   | 197                              | 148,462                   |
| DG Sedgwick              | 19,468                   | -   | 4,032                            | 23,500                    |
| T Hammon                 | 5,068                    | -   | 197                              | 5,265                     |
| C Robson <sup>2</sup>    | 5,153                    | -   | 3,889                            | 9,042                     |
| K O'Dwyer                | 3,972                    | -   | 1,212                            | 5,184                     |
| M O'Brien                | 119,215                  | -   | 19,596                           | 138,811                   |

|                           | BALANCE AT<br>1 JUL 2023 | RECEIVED ON<br>EXERCISE OF<br>SHARE RIGHT | NET OTHER<br>CHANGE <sup>1</sup> | BALANCE AT<br>30 JUN 2024 |
|---------------------------|--------------------------|---|----------------------------------|---------------------------|
| EXECUTIVE KMP             | NO.                      | NO.                                       | NO.                              | NO.                       |
| <b>CURRENT EXECUTIVES</b> |                          |   |                                  |                           |
| A Godfrey                 | -                        | -   | -                                | -                         |
| I Westley                 | 20,197                   | -   | -                                | 20,197                    |
| <b>FORMER EXECUTIVES</b>  |                          |   |                                  |                           |
| R Beasley                 | 3,062                    | -   | (3,062)                          | -                         |
| P Gentry                  | 26,070                   | -   | (26,070)                         | -                         |
| <b>Totals</b>             | <b>362,258</b>           | <b>-</b>                                  | <b>2,125</b>                     | <b>364,483</b>            |

<sup>1</sup> Net Other Change refers to additions or reductions in shareholdings although also includes shares held by departed Directors or Executives at the time of departure. In the current period *Net Other Change* also includes shares held by Executives deemed not to be KMP.

<sup>2</sup> Shares held by C Robson as at 30 June 2023 have been restated to reflect 194 shares issued under the Dividend Reinvestment Program (DRP) that were previously not included.

There were no shares granted during FY24 as compensation.



## Employee Share Acquisition Plan

The Employee Share Acquisition Plan (ESAP) is a taxed up-front plan. That is, a participant is required to declare the difference between the market value of the shares issued and the price paid by the participant (“the discount”) in his or her current year tax return. As the shares are issued at no cost to the participant, the discount is equal to the market value of the shares issued.

Where a participant’s adjusted taxable income is \$180,000 or less (including the full market value of the shares issued) the taxable discount is reduced by up to \$1,000 per year per employee. Where a participant’s adjusted taxable income is over \$180,000 (including the full market value of the shares issued) the taxable discount is not eligible for reduction and the full value of the shares will be included as taxable income.

Excluding KMP and LTI participants, only permanent staff members who have been employed for at least six months and are not undergoing formal performance management when invitations are issued are eligible to participate.

The ESAP is a highly valued benefit by employees and, like the *Executive Performance Share Plan*, is designed to align their interests with shareholders.



## ADDITIONAL INFORMATION

### INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the Group paid a premium in respect of a contract insuring the Directors, Company Secretaries and Officers of the Group against a liability incurred as a Director, Company Secretary or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the coverage and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify a Director, a Company Secretary, an Officer or Auditor of the Group or any related body corporate against a liability incurred as such a Director, Company Secretary, Officer or Auditor.

### ROUNDING-OFF OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016 and, in accordance with the Corporations Instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars unless otherwise indicated.

### NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 34 to the Financial Statements.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 54 of the Financial Report.

On behalf of the Directors,

A handwritten signature in black ink, appearing to read 'Carol Schwartz', with a long, sweeping flourish extending to the right.

**Carol Schwartz AO**  
Chair

22 August 2024

22 August 2024

The Board of Directors  
EQT Holdings Limited  
Level 1, 575 Bourke Street  
Melbourne, VIC 3000

Dear Board Members,

#### Auditor's Independence Declaration to EQT Holdings 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 EQT Holdings Limited.

As lead audit partner for the audit of the financial report of EQT Holdings Limited for the year ended 30 June 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 audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully,

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Lani Cockrem*

Lani Cockrem  
Partner  
Chartered Accountants



# DIRECTORS' DECLARATION

EQT Holdings Limited  
ABN 22 607 797 615

## DIRECTORS' DECLARATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Directors declare that:

- a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- b) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in the statement of compliance to the financial statements.
- c) 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.
- d) In the Directors' opinion, the Consolidated Entity Disclosure Statement accompanying the financial statements is true and correct.
- e) The Directors have received from the Managing Director and the Chief Financial Officer the declarations required by Section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785* applies, as detailed in Note 33 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

**Carol Schwartz AO**  
Chair

22 August 2024





# **FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2024**



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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

|  | NOTE | 2024<br>\$'000 | 2023<br>\$'000 |
|--|------|----------------|----------------|
| Revenue and other income   | 1    | 173,982        | 141,366        |
| Expenses   | 2    | (129,847)      | (102,295)      |
| Finance costs  | 2    | (4,588)        | (2,796)        |
| Depreciation and amortisation  | 7, 9 | (7,380)        | (5,423)        |
| <b>Profit before income tax expense</b>                                |      | <b>32,167</b>  | <b>30,852</b>  |
| Income tax expense   | 4    | (13,101)       | (13,535)       |
| <b>Profit for the year</b>   |      | <b>19,066</b>  | <b>17,317</b>  |
| <b>Other comprehensive income</b>                                      |      |                |                |
| <i>Items that may be reclassified subsequently to profit and loss:</i> |      |                |                |
| Foreign exchange translation differences for foreign operations        |      | 313            | 294            |
| <b>Total comprehensive income for the year</b>                         |      | <b>19,379</b>  | <b>17,611</b>  |
| <b>Profit for the year attributable to:</b>                            |      |                |                |
| Equity holders of the Company  |      | 20,711         | 18,833         |
| Non-controlling interests  |      | (1,645)        | (1,516)        |
| <b>Profit for the year</b>   |      | <b>19,066</b>  | <b>17,317</b>  |
| <b>Total comprehensive income attributable to:</b>                     |      |                |                |
| Equity holders of the Company  |      | 20,996         | 19,528         |
| Non-controlling interests  |      | (1,617)        | (1,917)        |
| <b>Total comprehensive income for the year</b>                         |      | <b>19,379</b>  | <b>17,611</b>  |
| <b>Earnings per share</b>  |      |                |                |
| Basic (cents per share)  | 5    | 77.84          | 73.94          |
| Diluted (cents per share)  | 5    | 77.56          | 73.66          |

Expected credit losses previously classified as expenses have been reclassified to finance costs. Comparatives have been restated where applicable.

The above statement should be read in conjunction with the accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

|   | NOTE | 2024<br>\$'000 | 2023<br>\$'000 |
|---|------|----------------|----------------|
| <b>Current assets</b>                               |      |                |                |
| Cash and cash equivalents                           | 19   | 128,756        | 99,690         |
| Trade and other receivables                         | 20   | 15,875         | 20,601         |
| Prepayments   |      | 4,884          | 4,871          |
| Accrued income                                      |      | 27,156         | 20,437         |
| Other financial assets                              | 21   | 10,000         | 10,000         |
| Current tax receivable                              | 4    | -              | 3,815          |
| <b>Total current assets</b>                         |      | <b>186,671</b> | <b>159,414</b> |
| <b>Non-current assets</b>                           |      |                |                |
| Trade and other receivables                         | 20   | 181            | 1,725          |
| Furniture, equipment and leasehold                  | 9    | 5,932          | 4,991          |
| Deferred tax assets                                 | 4    | 9,571          | 7,831          |
| Right-of-use assets                                 | 10   | 7,143          | 7,411          |
| Intangible assets                                   | 7    | 149,053        | 149,231        |
| Goodwill  | 8    | 181,311        | 181,311        |
| <b>Total non-current assets</b>                     |      | <b>353,191</b> | <b>352,500</b> |
| <b>Total assets</b>                                 |      | <b>539,862</b> | <b>511,914</b> |
| <b>Current liabilities</b>                          |      |                |                |
| Trade and other payables                            | 22   | 4,958          | 4,260          |
| Provisions  | 11   | 19,812         | 13,587         |
| Borrowings  | 15   | 499            | 419            |
| Other current liabilities                           | 12   | 4,341          | 4,875          |
| Current tax payable                                 | 4    | 130            | -              |
| <b>Total current liabilities</b>                    |      | <b>29,740</b>  | <b>23,141</b>  |
| <b>Non-current liabilities</b>                      |      |                |                |
| Provisions  | 11   | 5,629          | 5,513          |
| Borrowings  | 15   | 72,550         | 50,200         |
| Other non-current liabilities                       | 12   | 6,714          | 7,076          |
| Deferred tax liabilities                            | 4    | 26,629         | 26,454         |
| <b>Total non-current liabilities</b>                |      | <b>111,522</b> | <b>89,243</b>  |
| <b>Total liabilities</b>                            |      | <b>141,262</b> | <b>112,384</b> |
| <b>Net assets</b>                                   |      | <b>398,600</b> | <b>399,530</b> |
| <b>Equity</b>                                       |      |                |                |
| Issued capital                                      | 16   | 389,044        | 384,336        |
| Reserves  | 17   | 3,081          | 2,518          |
| Retained earnings                                   |      | 9,966          | 18,532         |
| <b>Equity attributable to owners of the Company</b> |      | <b>402,091</b> | <b>405,386</b> |
| Non-controlling interest                            |      | (3,491)        | (5,856)        |
| <b>Total equity</b>                                 |      | <b>398,600</b> | <b>399,530</b> |

The above statement should be read in conjunction with the accompanying notes to the financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

|  | FULLY PAID<br>ORDINARY<br>SHARES | RETAINED<br>EARNINGS | OTHER<br>RESERVES | CURRENCY<br>TRANSLATION | ATTRIBUTABLE<br>TO EQUITY<br>HOLDERS OF<br>THE COMPANY | NON-<br>CONTROLLING<br>INTEREST | TOTAL<br>EQUITY |
|--|----------------------------------|----------------------|-------------------|-------------------------|--|---------------------------------|-----------------|
|  | \$'000                           | \$'000               | \$'000            | \$'000                  | \$'000   | \$'000                          | \$'000          |
| <b>Balance as at 1 July 2022</b>                                 | <b>257,558</b>                   | <b>25,688</b>        | <b>2,265</b>      | <b>(237)</b>            | <b>285,274</b>   | <b>(3,939)</b>                  | <b>281,335</b>  |
| Profit/(loss) for the year                                       | -                                | 18,833               | -                 | -                       | 18,833   | (1,516)                         | 17,317          |
| Foreign exchange translation differences for foreign operations  | -                                | -                    | -                 | 695                     | 695  | (401)                           | 294             |
| <b>Total comprehensive income for the year</b>                   | <b>-</b>                         | <b>18,833</b>        | <b>-</b>          | <b>695</b>              | <b>19,528</b>  | <b>(1,917)</b>                  | <b>17,611</b>   |
| Foreign exchange translation differences for foreign operations  | -                                | (123)                | (1)               | 3                       | (121)  | -                               | (121)           |
| Shares issued under Employee Salary Sacrifice Share Plan         | 75                               | -                    | -                 | -                       | 75   | -                               | 75              |
| Shares issued under Dividend Reinvestment Plan                   | 3,625                            | -                    | -                 | -                       | 3,625  | -                               | 3,625           |
| Shares issued under Employee Share Acquisition Plan              | 198                              | -                    | (198)             | -                       | -  | -                               | -               |
| Shares issued under Executive Share Scheme                       | 344                              | -                    | (344)             | -                       | -  | -                               | -               |
| Shares issued for Australian Executor Trustees (AET) acquisition | 125,113                          | -                    | -                 | -                       | 125,113  | -                               | 125,113         |
| Share issue costs  | (3,681)                          | -                    | -                 | -                       | (3,681)  | -                               | (3,681)         |
| Related income tax   | 1,104                            | -                    | -                 | -                       | 1,104  | -                               | 1,104           |
| Equity remuneration expense                                      | -                                | -                    | 335               | -                       | 335  | -                               | 335             |
| Payment of dividends   | -                                | (25,866)             | -                 | -                       | (25,866)   | -                               | (25,866)        |
| <b>Balance at 30 June 2023</b>                                   | <b>384,336</b>                   | <b>18,532</b>        | <b>2,057</b>      | <b>461</b>              | <b>405,386</b>   | <b>(5,856)</b>                  | <b>399,530</b>  |

The above statement should be read in conjunction with the accompanying notes to the financial statements.

\*Continued on the next page.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

|  | NOTE | FULLY PAID<br>ORDINARY<br>SHARES | RETAINED<br>EARNINGS | OTHER<br>RESERVES | CURRENCY<br>TRANSLATION | ATTRIBUT<br>ABLE TO<br>EQUITY<br>HOLDERS<br>OF THE<br>COMPANY | NON-<br>CONTROLLING<br>INTEREST | TOTAL<br>EQUITY |
|--|------|----------------------------------|----------------------|-------------------|-------------------------|---|---------------------------------|-----------------|
|  |      | \$'000                           | \$'000               | \$'000            | \$'000                  | \$'000  | \$'000                          | \$'000          |
| <b>Balance as at 1 July 2023</b>   |      | <b>384,336</b>                   | <b>18,532</b>        | <b>2,057</b>      | <b>461</b>              | <b>405,386</b>  | <b>(5,856)</b>                  | <b>399,530</b>  |
| Profit/(loss) for the year   |      | -                                | 20,711               | -                 | -                       | 20,711  | (1,645)                         | 19,066          |
| Foreign exchange translation differences for foreign operations          |      | -                                | -                    | -                 | 285                     | 285   | 28                              | 313             |
| <b>Total comprehensive income for the year</b>                           |      | -                                | 20,711               | -                 | 285                     | 20,996  | (1,617)                         | 19,379          |
| Foreign exchange translation differences for foreign operations          |      | -                                | (4)                  | -                 | (37)                    | (41)  | (235)                           | (276)           |
| Derecognition of accumulated losses with the disposal of subsidiary      | 14   | -                                | -                    | -                 | -                       | -   | 1,615                           | 1,615           |
| Acquisition of additional interest in Equity Trustees (UK & Europe) Ltd. |      | -                                | (2,424)              | -                 | (178)                   | (2,602)   | 2,602                           | -               |
| Shares issued under Employee Salary Sacrifice Share Plan                 |      | 68                               | -                    | -                 | -                       | 68  | -                               | 68              |
| Shares issued under Dividend Reinvestment Plan                           |      | 3,839                            | -                    | -                 | -                       | 3,839   | -                               | 3,839           |
| Shares issued under Employee Share Acquisition Plan                      |      | 382                              | -                    | (382)             | -                       | -   | -                               | -               |
| Shares issued under Executive Share Scheme                               |      | 437                              | -                    | (437)             | -                       | -   | -                               | -               |
| Share issue costs  |      | (24)                             | -                    | -                 | -                       | (24)  | -                               | (24)            |
| Related income tax   |      | 6                                | -                    | -                 | -                       | 6   | -                               | 6               |
| Equity remuneration expense  |      | -                                | -                    | 1,312             | -                       | 1,312   | -                               | 1,312           |
| Payment of dividends   |      | -                                | (26,849)             | -                 | -                       | (26,849)  | -                               | (26,849)        |
| <b>Balance at 30 June 2024</b>   |      | <b>389,044</b>                   | <b>9,966</b>         | <b>2,550</b>      | <b>531</b>              | <b>402,091</b>  | <b>(3,491)</b>                  | <b>398,600</b>  |

The above statement should be read in conjunction with the accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

|   | NOTE | 2024<br>\$'000 | 2023<br>\$'000 |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>   |      |                |                |
| Receipts from customers   |      | 183,894        | 145,860        |
| Payments to suppliers and employees   |      | (134,022)      | (115,280)      |
| Income tax paid   |      | (10,831)       | (19,558)       |
| <b>Net cash provided by operating activities</b>  | 6    | <b>39,041</b>  | 11,022         |
| <b>Cash flows from investing activities</b>   |      |                |                |
| Interest and managed fund distributions received  |      | 4,625          | 3,722          |
| Payment for furniture, equipment, leasehold and right-of-use assets                                   |      | (3,441)        | (905)          |
| Payment for intangible assets   |      | (3,058)        | (2,910)        |
| Disposal of subsidiary  | 14   | (1,414)        | -              |
| Payment for acquisition   |      | -              | (123,433)      |
| <b>Net cash used in investing activities</b>  |      | <b>(3,288)</b> | (123,526)      |
| <b>Cash flows from financing activities</b>   |      |                |                |
| Proceeds from issues of equity securities   |      | -              | 125,113        |
| Interest paid   |      | (3,845)        | (2,166)        |
| Proceeds from borrowings – corporate facility   |      | 10,000         | 27,000         |
| Proceeds from / (repayment of) borrowings – Operational Risk Financial Requirement facilities         |      | 12,350         | (17,805)       |
| Repayment of lease liabilities  |      | (2,051)        | (2,290)        |
| Payments for share issue costs  |      | (25)           | (3,681)        |
| Dividend paid to members of the parent entity (net of shares issued under dividend reinvestment plan) |      | (23,007)       | (22,238)       |
| <b>Net cash (used in) / provided by financing activities</b>  |      | <b>(6,578)</b> | 103,933        |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   |      | <b>29,175</b>  | (8,571)        |
| <b>Cash and cash equivalents at beginning of the financial year</b>                                   |      | <b>99,690</b>  | 108,316        |
| Exchange fluctuations on foreign cash balances  |      | (109)          | (55)           |
| <b>Cash and cash equivalents at end of the financial year</b>   | 19   | <b>128,756</b> | 99,690         |

Interest expense previously classified as operating cash flows have been reclassified to financing cash flows. Comparatives have been restated where applicable.

The above statement should be read in conjunction with the accompanying notes to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## GENERAL INFORMATION

EQT Holdings Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "EQT"), incorporated in Australia, and operating in Australia and the United Kingdom.

The Company's registered office and its principal place of business is Level 1, 575 Bourke Street, Melbourne, Victoria. EQT Holdings Limited and its subsidiaries (refer to Note 32) are referred to as 'the Group' in the notes to the financial statements. The principal activities of the Group are described in Note 3.

## STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group and the Company comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 22 August 2024.

## GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and accordingly, have adopted the going concern basis of accounting in preparing the financial statements.

## BASIS OF PREPARATION

The consolidated financial statements have been prepared based on historical cost, except for the revaluation of certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted. Details of functional currencies within the Group are set out in Note 32.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument (Corporations Instrument)*, 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.

## CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are 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 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.

The following are the critical judgements and key sources of estimation uncertainty used in preparing the financial statements that significantly impact the amounts recognised in the consolidated financial statements.

### **Estate administration revenue (a component of 'Other services revenue') (Note 1)**

Revenue associated with estate administration activities is recognised over time as the relevant services are provided, taking into consideration the stage of completion of each individual estate. The estate administration process is complex and includes a number of legal milestones that must occur until the point at which an estate is distributed to its beneficiaries. A percentage of completion approach is taken to estate administration revenue recognition, whereby a portion of the transaction price is recognised at the point that certain legal milestones are achieved.





### **Useful lives of intangible assets (Note 7)**

The useful lives of intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

The Group gives regard to any observed attrition across its client portfolio over the past 12 months, and uses this information to back test assumptions made regarding the useful life (finite or indefinite) adopted for categories of intangible assets. In the current financial year, the Group has determined that no change to the previously determined useful lives (as set out in Note 7) is required (2023: no change).

### **Impairment of goodwill, indefinite life management rights, customer contracts and brand assets (Notes 7 and 8)**

Determining whether goodwill, indefinite life management rights, customer contracts and brand assets are impaired requires an estimation of the value-in-use of the cash generating units to which goodwill, indefinite life management rights and brand assets have been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, including the determination of revenue, expense, terminal growth, and discount rates in order to calculate present value.

The Group is required to test goodwill, indefinite life management rights, customer contracts and brand assets annually for impairment, irrespective of whether indicators of impairment are present. The Group also considers changes in market and economic volatility where relevant in selecting the discount rate to be applied for impairment testing, and in the stress testing of the model on an overall basis.

At 30 June 2024, the carrying amount of goodwill is \$181,311k, management rights and customer contract intangibles is \$137,699k (2023: \$181,311k goodwill and \$140,318k management rights and customer contract intangibles), and brand assets is \$5,300k (2023: \$5,300k). No impairment has been identified (2023: Goodwill of \$1,941k and customer contract intangibles of \$185k associated with the Corporate Trustee Services – Europe (CTS-EU) cash generating unit (CGU) were fully impaired).



## PERFORMANCE

### 1 Revenue and Other Income

The following is an analysis of the Group's income and revenue for the year:

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Revenue</b>   |                |                |
| Private Client Trustee Services  | 85,361         | 64,676         |
| Superannuation Trustee Services  | 27,339         | 22,997         |
| Fund Governance and Trustee Services   | 42,446         | 38,619         |
| Other services   | 11,983         | 9,917          |
| Revenue from service activities  | 167,129        | 136,209        |
| Interest and managed fund distributions  | 4,992          | 3,932          |
|  | 172,121        | 140,141        |
| <b>Other income</b>  |                |                |
| Recoveries   | 1,982          | 1,231          |
| Foreign currency gain/(loss)   | (121)          | (6)            |
| <b>Total revenue and other income</b>  | 173,982        | 141,366        |
| <b>The following is an analysis of investment revenue earned on financial assets by category of asset:</b> |                |                |
| At fair value through profit or loss (FVTPL) – managed funds   | 490            | 853            |
| At amortised cost – cash and cash equivalents  | 4,502          | 3,079          |
| <b>Total investment income for the year</b>  | 4,992          | 3,932          |

### Accounting Policies

Revenue is recognised on an accruals basis, as services are transferred to a customer or performance obligations are satisfied (if it is highly probable that a significant reversal is unlikely to occur), at the fair value of the consideration specified in the contract.



Revenue recognition for each of the Group's core revenue streams is as follows:

| REVENUE STREAM  | INCLUDES   | PERFORMANCE OBLIGATION   | TIMING OF RECOGNITION  |
|---|--|--|--|
| Private Client Trustee Services   | Traditional trustee services for philanthropy, health and personal injury trusts, continuing trusts, community trusts and investment mandates. | Governance and oversight of trusts, portfolios, mandates and their related investments.                | Over time as the relevant services are provided. Customers simultaneously receive and consume the benefits of the service as the service is provided.  |
| Superannuation Trustee Services   | Trustee services for superannuation funds.   | Governance and oversight of funds and their related investments.                                       | Revenues are determined with reference to funds under management, administration and / or supervision.   |
| Fund Governance and Trustee Services  | Fund governance and corporate trustee services.  | Governance and oversight of registered and unregistered schemes, trusts and other structured vehicles. |  |
| Other services (this category includes all residual services that do not fall into one of the above categories) | Estate administration fees.  | Estate administration and distribution.  | Over time as key milestones in the estate administration process have been achieved.<br><br>Revenues are determined with reference to funds under administration during the estate administration process.<br><br>The Group's general expectation is that the administration process will have a duration of less than 12 months for all estates. In some circumstances – and in particular for estates where litigation takes place – the duration may exceed 12 months; however, this is generally not known at the time of inception. |
|   | Estate planning fees and tax fees.   | Preparation of estate plans and tax returns.   | At a point in time, on completion of the provision of the relevant service (i.e., the delivery of a completed estate plan or tax return).<br><br>Revenues are determined with respect to the complexity of client arrangements.  |

## Interest and managed fund distributions

Interest and managed fund distribution revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Distribution revenue from investments is recognised when the Group's right to receive payment has been established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## Recoveries

From time to time, the Group may earn income when expenses paid are subsequently recovered, such as for insurance claims, legal settlements or other cost recoveries. Income earned in such cases is recognised when the Group's right to receive payment has been established.



## 2 Expenses

|  | NOTE | 2024<br>\$'000 | 2023<br>\$'000 |
|--|------|----------------|----------------|
| Salaries and related employee expenses:                  |      |                |                |
| Wages and salaries                                       |      | 82,948         | 61,929         |
| Post-employment benefits                                 |      | 6,554          | 4,865          |
| Equity-settled share-based payments                      |      | 1,312          | 334            |
| Other employment related expenses                        |      | 3,060          | 4,234          |
| Administrative and general expenses                      |      | 8,181          | 6,053          |
| Information technology expenses                          |      | 10,343         | 8,812          |
| Occupancy expenses:                                      |      |                |                |
| Minimum lease payments (short-term and low-value leases) |      | 318            | 240            |
| Outgoings and other occupancy expenses                   |      | 1,689          | 1,067          |
| Legal, consulting and regulatory expenses                |      | 7,799          | 8,773          |
| Audit and tax advice expenses                            |      | 2,551          | 1,559          |
| Insurance expenses                                       |      | 2,114          | 2,113          |
|  |      | <b>126,869</b> | <b>99,979</b>  |
| Loss on disposal of subsidiary                           | 14   | 2,978          | -              |
| Impairment of CTS-EU assets                              |      | -              | 2,316          |
| <b>Total expenses</b>                                    |      | <b>129,847</b> | <b>102,295</b> |

Expected credit losses previously classified as expenses have been reclassified to finance costs. Comparatives have been restated where applicable.

### Finance costs

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| Interest expense from lease liabilities | 300            | 311            |
| Expected credit losses                  | 250            | 20             |
| Interest expense from lease makegood    | 30             | 30             |
| Bank fees                               | 155            | 97             |
| Financing costs                         | 360            | 450            |
| Interest expense from borrowings        | 3,493          | 1,888          |
| <b>Total Finance Costs</b>              | <b>4,588</b>   | <b>2,796</b>   |

### Accounting policies

Expenses are measured at the fair value of the consideration paid or payable on an accrual basis, net of goods and services tax.

#### Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to acquisition, construction or production of qualifying assets, in which case the costs are capitalised.



### Share-based payments

The Group has two types of equity-settled share-based payments: The Long-term Incentive Awards (LTI) and the Employee Share Acquisition Plan (ESAP).

Fair value of the LTI is measured by using an adjusted form of the Black-Scholes option pricing model that incorporates a Monte Carlo simulation analysis. The model has been modified to incorporate an estimate of the probability of achieving the performance hurdle and the number of Awards vesting. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Shares issued under the ESAP are valued at fair value determined at the date of issue to employees, this amount is expensed in the income statement with a corresponding entry in issued capital.

## 3 Segment Performance

Information reported to the Group's Managing Director (chief operating decision maker) for the purpose of resource allocation and assessment of performance is focused on the categories of services provided to customers. The principal categories of services are Trustee & Wealth Services, Corporate & Superannuation Trustee Services – Australia (CSTS-A), and Corporate Trustee Services – Europe. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Information historically provided for the Superannuation Trustee Services (STS) and Corporate Trustee Service (CTS) segments has been combined, resulting in a single segment named Corporate & Superannuation Trustee Services (CSTS-A). Prior year amounts have been restated to enhance comparability.

The Group's reportable segments, as determined in accordance with AASB 8 *Operating Segments*, are as follows:

### TRUSTEE & WEALTH SERVICES (TWS)

Provides a range of private client and philanthropic services including estate planning and management, charitable, compensation, community and personal trust services, and wealth management and advice. TWS operates within Australia.

### CORPORATE & SUPERANNUATION TRUSTEE SERVICES – AUSTRALIA (CSTS-A)

Provides a range of global fiduciary services for managed investment schemes on behalf of local and international fund managers and sponsors, as well as specialised trustee services for debt, securitisations, custody and real estate arrangements for corporates. Also, provides trustee, custody and investment management services for superannuation funds.

### CORPORATE TRUSTEE SERVICES – EUROPE (CTS-EU)

Provides Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) services for funds on behalf of local and international managers and sponsors. CTS-EU operates within the United Kingdom and until 30 April 2024, within the Republic of Ireland.

On 14 August 2023, the Group announced its decision to exit its UK and Ireland operations – represented by the CTS-EU segment. On 30 April 2024, sale of the Ireland operations completed.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. These operating segments also constitute the major categories of services offered by the Group.



|   | 2024           | 2023    |
|---|----------------|---------|
|   | \$'000         | \$'000  |
| <b>Segment revenue</b>  |                |         |
| Trustee & Wealth Services:  |                |         |
| Private Client trustee services                                       | 85,361         | 64,676  |
| Other services  | 11,983         | 9,917   |
| Interest and managed fund distributions                               | 1,664          | 1,311   |
| Recoveries  | 68             | 140     |
|   | <b>99,076</b>  | 76,044  |
| Corporate & Superannuation Trustee Services – Australia:              |                |         |
| Fund governance and trustee services                                  | 38,926         | 35,418  |
| Superannuation trustee services                                       | 27,339         | 22,997  |
| Interest and managed fund distributions                               | 3,328          | 2,621   |
| Recoveries  | 1,914          | 1,008   |
|   | <b>71,507</b>  | 62,044  |
| Corporate Trustee Services – Europe:                                  |                |         |
| Fund governance and trustee services                                  | 3,520          | 3,201   |
|   | <b>3,520</b>   | 3,201   |
|   | <b>174,103</b> | 141,289 |
| Unallocated   | (121)          | 77      |
| <b>Total revenue and other income per statement of profit or loss</b> | <b>173,982</b> | 141,366 |

Segment revenue includes expense recoveries that directly relate to the activities of each business unit.

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (2023: nil).

No single customer accounts for 10% or more of the Group's revenue.

|  | 2024          | 2023     |
|--|---------------|----------|
|  | \$'000        | \$'000   |
| <b>Segment net profit/(loss) before tax</b>                        |               |          |
| Trustee & Wealth Services  | 29,989        | 25,808   |
| Corporate & Superannuation Trustee Services – Australia            | 21,739        | 22,052   |
| Corporate Trustee Services – Europe                                | (6,445)       | (6,460)  |
|  | <b>45,283</b> | 41,400   |
| Unallocated <sup>1</sup>   | (13,116)      | (10,548) |
| <b>Total net profit before tax per statement of profit or loss</b> | <b>32,167</b> | 30,852   |

<sup>1</sup> Unallocated includes amounts relating to the integration of AET, exit of UK and Ireland operations, and major technology system replacement costs (2023: includes amounts relating to M&A legal and advisory costs associated with the acquisition of AET, and major technology system replacement costs.).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the contribution earned by each segment without the allocation of certain non-operating expenditure (including projects and acquisition-related expenditure) or income tax. These are the measures used by the chief operating decision maker for the purpose of resource allocation and assessing segment performance.

For monitoring performance, the chief operating decision maker reviews balance sheet items for the Group as a whole. The Group's assets and liabilities are not allocated to the reportable segments for management reporting purposes.



## 4 Income Taxes

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>Income tax expense comprises:</b>  |                |                |
| Current income tax expense  | 11,469         | 13,655         |
| Prior year tax adjustments recognised in the current year   | (245)          | 194            |
| Deferred tax adjustments relating to the origination and reversal of temporary differences                                    | 1,877          | (314)          |
| <b>Total income tax expense</b>   | <b>13,101</b>  | <b>13,535</b>  |
| <b>The income tax expense for the year can be reconciled to accounting profit as follows:</b>                                 |                |                |
| Profit before tax from continuing operations  | 32,167         | 30,852         |
| Income tax expense calculated at 30%  | 9,650          | 9,255          |
| Unrecognised CTS-EU operating losses  | 2,591          | 2,273          |
| Non-deductible expenses   | 1,111          | 1,837          |
| Non-assessable income   | (6)            | (24)           |
|   | <b>13,346</b>  | <b>13,341</b>  |
| Prior period adjustments and other deferred tax adjustments relating to the origination and reversal of temporary differences | (245)          | 194            |
| <b>Total income tax expense</b>   | <b>13,101</b>  | <b>13,535</b>  |

The tax rate used in the above 2024 and 2023 reconciliations is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The Group's UK operations are subject to a corporate tax rate of 25%. The Group's Irish operations, disposed of in FY24, were subject to a corporate tax rate of 12.5%.

In 2024, the UK and Irish operations generated a combined comprehensive loss of \$8,635k (2023: \$7,658k, including impairment losses) before tax, but including loss on disposal of subsidiary. No deferred tax assets have been recognised in relation to unused tax losses (2023: nil).

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>Income tax expense/(credit) recognised directly in equity:</b>                             |                |                |
| <b>Current tax:</b>   |                |                |
| Share issue expenses deductible over 5 years  | (228)          | (19)           |
| <b>Deferred tax:</b>  |                |                |
| Arising on transactions with equity participants:   |                |                |
| Share issue expenses deductible over 5 years  | 222            | (1,085)        |
| <b>Total income tax recognised directly in equity</b>   | <b>(6)</b>     | <b>(1,104)</b> |
| <b>Current tax asset:</b>   |                |                |
| Income tax receivable   | -              | 3,815          |
| <b>Current tax liabilities:</b>   |                |                |
| Income tax payable  | 130            | -              |
| <b>Deferred tax balances are presented in the statement of financial position as follows:</b> |                |                |
| Deferred tax assets   | 9,571          | 7,831          |
| Deferred tax liabilities  | (26,629)       | (26,454)       |



| <b>DEFERRED TAX ASSETS</b>                                 | <b>OPENING<br/>BALANCE</b> | <b>CHARGED TO<br/>INCOME</b> | <b>CHARGED<br/>TO EQUITY</b> | <b>OTHER</b>  | <b>CLOSING<br/>BALANCE</b> |
|--|----------------------------|------------------------------|------------------------------|---------------|----------------------------|
|  | <b>\$'000</b>              | <b>\$'000</b>                | <b>\$'000</b>                | <b>\$'000</b> | <b>\$'000</b>              |
| <b>2024</b>  |                            |                              |                              |               |                            |
| <b>Temporary differences</b>                               |                            |                              |                              |               |                            |
| Provisions   | 5,716                      | 2,010                        | -                            | -             | <b>7,726</b>               |
| Expenditure deductible over<br>5 years                     | 1,339                      | (24)                         | (222)                        | -             | <b>1,093</b>               |
| Furniture, equipment, leasehold<br>and right-of-use assets | 682                        | 70                           | -                            | -             | <b>752</b>                 |
| Unearned revenue   | 94                         | (94)                         | -                            | -             | -                          |
|  | <b>7,831</b>               | <b>1,962</b>                 | <b>(222)</b>                 | <b>-</b>      | <b>9,571</b>               |

|  |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>2023</b>  |              |              |              |              |              |
| <b>Temporary differences</b>                               |              |              |              |              |              |
| Provisions   | 3,868        | 339          | -            | 1,509        | 5,716        |
| Expenditure deductible over<br>5 years                     | 551          | (297)        | 1,085        | -            | 1,339        |
| Furniture, equipment, leasehold<br>and right-of-use assets | 85           | (235)        | -            | 832          | 682          |
| Unearned revenue   | -            | (63)         | -            | 157          | 94           |
|  | <b>4,504</b> | <b>(256)</b> | <b>1,085</b> | <b>2,498</b> | <b>7,831</b> |

| <b>DEFERRED TAX<br/>LIABILITIES</b> | <b>OPENING<br/>BALANCE</b> | <b>CHARGED TO<br/>INCOME</b> | <b>CHARGED<br/>TO EQUITY</b> | <b>OTHER</b>   | <b>CLOSING<br/>BALANCE</b> |
|-------------------------------------|----------------------------|------------------------------|------------------------------|----------------|----------------------------|
|                                     | <b>\$'000</b>              | <b>\$'000</b>                | <b>\$'000</b>                | <b>\$'000</b>  | <b>\$'000</b>              |
| <b>2024</b>                         |                            |                              |                              |                |                            |
| <b>Temporary differences</b>        |                            |                              |                              |                |                            |
| Intangible assets                   | (26,454)                   | (175)                        | -                            | -              | <b>(26,629)</b>            |
|                                     | <b>(26,454)</b>            | <b>(175)</b>                 | <b>-</b>                     | <b>-</b>       | <b>(26,629)</b>            |
| <b>2023</b>                         |                            |                              |                              |                |                            |
| <b>Temporary differences</b>        |                            |                              |                              |                |                            |
| Intangible assets                   | (21,305)                   | (58)                         | -                            | (5,091)        | (26,454)                   |
|                                     | <b>(21,305)</b>            | <b>(58)</b>                  | <b>-</b>                     | <b>(5,091)</b> | <b>(26,454)</b>            |

## Accounting policies

Income tax expense represents the sum of the tax currently payable and deferred tax.





### **Tax consolidation**

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. EQT Holdings Limited is the head entity in the tax-consolidated group and the other members are identified in Note 32. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets, and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group, are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by each member of the tax-consolidated group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. The Company and each of the entities in the tax-consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for the tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

Subsidiaries operating in the United Kingdom do not consolidate into a tax-consolidated group.

### **Investment in tax-consolidated group**

Under Australian tax law, the taxable profit made by a tax-consolidated group in relation to an entity leaving the Group depends on a range of factors, including the tax values and/or carrying values of assets and liabilities of the leaving entity, which vary in line with the transactions and events recognised in each entity. The taxable profit or loss ultimately made on any disposal of the investments within the tax-consolidated group will therefore depend upon when each entity leaves the tax-consolidated group and the assets and liabilities that the leaving entity holds at that time.

Because the consolidated entity has no current intention to dispose of any subsidiaries within the Australian Group, a deferred tax liability has not been recognised in relation to investments within the tax-consolidated group.



## 5 Earnings Per Share

The Company has one class of ordinary shares.

|  | 2024<br>CENTS PER<br>SHARE | 2023<br>CENTS PER<br>SHARE |
|--|----------------------------|----------------------------|
| <b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b> |                            |                            |
| Basic earnings per share                             | <b>77.84</b>               | 73.94                      |
| Diluted earnings per share                           | <b>77.57</b>               | 73.66                      |

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>               |                |                |
| Net profit after tax attributable to equity holders of the Company | <b>20,711</b>  | 18,833         |

|   | 2024<br>NO. '000 | 2023<br>NO. '000 |
|---|------------------|------------------|
| Weighted average number of ordinary shares for the purposes of basic earnings per share   | <b>26,608</b>    | 25,472           |
| Shares deemed to be issued for no consideration in respect to employee share entitlements | <b>92</b>        | 95               |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | <b>26,700</b>    | 25,567           |

### Accounting policies

Basic earnings per share is calculated by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding for the year.

Diluted earnings per share is calculated by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding for the year, adjusted for shares deemed to be issued for no consideration, in respect to employee share entitlements.



## 6 Notes to the Consolidated Statement of Cash Flows

### Reconciliation of profit for the year to net cash flows provided by operating activities

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| Profit for the year                                | 19,066        | 17,317        |
| Income tax expense recognised in profit and loss   | 13,101        | 13,535        |
| Depreciation of non-current assets                 | 4,114         | 3,392         |
| Amortisation of non-current assets                 | 3,266         | 2,031         |
| Impairment of furniture and equipment              | -             | 27            |
| Impairment of right-of-use assets                  | -             | 163           |
| Impairment of management rights                    | -             | 185           |
| Impairment of goodwill                             | -             | 1,941         |
| Equity-settled share-based payments                | 1,380         | 410           |
| Interest income received and receivable            | (4,502)       | (3,932)       |
| Loss on disposal of subsidiary                     | 2,978         | -             |
| Interest paid and payable                          | 3,765         | 2,269         |
| Foreign currency (gain)/loss                       | 121           | 6             |
|  | <b>43,289</b> | <b>37,344</b> |
| <b>Movements in working capital</b>                |               |               |
| Decrease/(Increase) in trade and other receivables | 5,385         | (6,869)       |
| Decrease/(Increase) in other assets                | (6,960)       | (2,592)       |
| Increase/(Decrease) in trade and other payables    | 1,945         | 424           |
| Increase/(Decrease) in other provisions            | 6,213         | 2,273         |
| <b>Cash provided by operating activities</b>       | <b>49,872</b> | <b>30,580</b> |
| Income taxes paid                                  | (10,831)      | (19,558)      |
| <b>Net cash provided by operating activities</b>   | <b>39,041</b> | <b>11,022</b> |

Interest expense previously classified as operating cash flows have been reclassified to financing cash flows. Comparatives have been restated where applicable.

### Non-cash financing activities

Non-cash financing activities during the year were dividend reinvestments of \$3,839k (2023: \$3,625k).

### Accounting policies

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.



## OPERATING ASSETS AND LIABILITIES

### 7 Intangible Assets

|   | COMPUTER<br>SOFTWARE<br>\$'000 | MANAGEMENT<br>RIGHTS<br>\$'000 | BRAND<br>\$'000 | TOTAL<br>\$'000 |
|---|--------------------------------|--------------------------------|-----------------|-----------------|
| <b>Gross carrying amount</b>                    |                                |                                |                 |                 |
| <b>Balance at 1 July 2022</b>                   | 10,066                         | 88,914                         | -               | 98,980          |
| Additions                                       | 2,926                          | 65,500                         | 5,300           | 73,726          |
| Effect of foreign currency exchange differences | -                              | 13                             | -               | 13              |
| Impairment                                      | -                              | (185)                          | -               | (185)           |
| Disposals                                       | (1,166)                        | -                              | -               | (1,166)         |
| <b>Balance at 30 June 2023</b>                  | 11,826                         | 154,242                        | 5,300           | 171,368         |
| Additions                                       | 3,016                          | -                              | -               | 3,016           |
| Disposals                                       | (218)                          | -                              | -               | (218)           |
| <b>Balance at 30 June 2024</b>                  | <b>14,624</b>                  | <b>154,242</b>                 | <b>5,300</b>    | <b>174,166</b>  |
| <b>Accumulated amortisation and impairment</b>  |                                |                                |                 |                 |
| <b>Balance at 1 July 2022</b>                   | 8,987                          | 12,285                         | -               | 21,272          |
| Disposals                                       | (1,166)                        | -                              | -               | (1,166)         |
| Amortisation expense                            | 392                            | 1,639                          | -               | 2,031           |
| <b>Balance at 30 June 2023</b>                  | 8,213                          | 13,924                         | -               | 22,137          |
| Disposals                                       | (218)                          | -                              | -               | (218)           |
| Amortisation expense                            | 575                            | 2,619                          | -               | 3,194           |
| <b>Balance at 30 June 2024</b>                  | <b>8,570</b>                   | <b>16,543</b>                  | -               | <b>25,113</b>   |
| <b>Net book value</b>                           |                                |                                |                 |                 |
| As at 30 June 2023                              | 3,613                          | 140,318                        | 5,300           | 149,231         |
| <b>As at 30 June 2024</b>                       | <b>6,054</b>                   | <b>137,699</b>                 | <b>5,300</b>    | <b>149,053</b>  |

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| Aggregate amortisation recognised as an expense during the year: |                |                |
| Amortisation of computer software assets                         | 575            | 392            |
| Amortisation of management right assets                          | 2,619          | 1,639          |
| Amortisation of other assets                                     | 72             | -              |
| <b>Total amortisation expense</b>                                | <b>3,266</b>   | 2,031          |

Amortisation expense is included in the line item 'depreciation and amortisation expenses' in the consolidated statement of profit or loss and other comprehensive income.



## Significant intangible assets

The Group holds the following significant management rights, brand and customer contract intangibles. All of these are externally generated intangible assets.

|                 | 2024           | 2023           |
|-----------------|----------------|----------------|
|                 | \$'000         | \$'000         |
| Indefinite life | 89,812         | 89,812         |
| Finite life     | 53,187         | 55,806         |
|                 | <b>142,999</b> | <b>145,618</b> |

The indefinite and fixed life intangibles in the above table have been allocated for impairment testing purposes to the TWS and CSTS cash-generating units. Details of cash-generating units, the value-in-use calculation of the recoverable amounts and key assumptions are contained in note 8. Management has reviewed the useful life of the intangibles and has determined that these indefinite life intangibles continue to have indefinite lives.

In undertaking this review, management has considered the economic, competitive and regulatory environment in relation to the Group, the contractual rights and contractual relationships in relation to these indefinite life intangibles, and the ability of the indefinite life intangibles to continue to have value into the foreseeable future.

## Accounting policies

### Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (for finite life intangibles) and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### Management rights and customer contract intangibles

Management rights and customer contract intangibles arising in relation to acquisitions are carried at cost as non-current intangible assets. Where the management rights and customer contract intangibles have an indefinite useful life, they are not amortised but are subject to an ongoing impairment test. Where the management rights and customer contract intangibles have a finite useful life, they are recorded at cost less accumulated amortisation and accumulated impairment. Amortisation is charged on a straight-line basis over their estimated useful lives.

### Useful lives of finite life intangible assets

The following useful lives are used in the calculation of amortisation expense:

|   |              |
|---|--------------|
| Software  | 1 – 10 years |
| Management rights and customer contract intangibles | 1 – 25 years |

## 8 Goodwill

|   | 2024           | 2023           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| Cost  | 183,252        | 183,252        |
| Accumulated impairment losses                   | (1,941)        | (1,941)        |
|   | <b>181,311</b> | <b>181,311</b> |
| Balance at beginning of the financial year      | 181,311        | 127,541        |
| Amounts recognised during the year              | -              | 55,563         |
| Impairment losses for the year                  | -              | (1,941)        |
| Effect of foreign currency exchange differences | -              | 148            |
|   | <b>181,311</b> | <b>181,311</b> |

During FY24 the Group assessed the recoverable amount of goodwill and determined that no impairment had occurred (2023: the Group determined that goodwill of \$1,941k allocated to CTS-EU was impaired).



## Allocation of goodwill to cash-generating units

The carrying amount of goodwill was allocated to the following cash-generating units:

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| Corporate Trustee Services – Australia (CTS-A) | 3,680          | 3,680          |
| Superannuation Trustee Services (STS)          | 13,124         | 13,124         |
| Corporate Trustee Services – Europe (CTS-EU)   | -              | -              |
| Trustee & Wealth Services (TWS)                | 164,507        | 164,507        |
|  | <b>181,311</b> | <b>181,311</b> |

### Corporate Trustees Services – Australia (CTS-A)

The recoverable amount of the CTS-A cash-generating unit (CGU) is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the CTS-A CGU utilise year-on-year EBITDA growth rates of between 9.5% and 12.3% over the forecast period. These cash flows are discounted using a pre-tax rate of 13.10% (2023: 12.94%), and a terminal growth rate of 2.5%. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CTS-A cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth in ongoing services revenue, growth in one-off advisory services, basis point fee levels, and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.

### Superannuation Trustees Services (STS)

The recoverable amount of the STS cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the STS CGU utilise year-on-year EBITDA growth rates of between 11.3% and 14.2% over the forecast period. These cash flows are discounted using a pre-tax rate of 13.10% (2023: 12.94%), and a terminal growth rate of 2.5%. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the STS cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth in ongoing services revenue, growth in one-off advisory services, basis point fee levels, and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.

### Corporate Trustees Services – Europe (CTS-EU)

During FY23 the Group identified indicators of impairment associated with the CTS-EU cash-generating unit. A recoverability analysis was subsequently prepared in which it was determined that the carrying value of goodwill and related management right intangible assets were written down to nil. These amounts continue to be carried at nil at 30 June 2024.

During FY24 the Group disposed of its Irish operations and is in the process of winding up the United Kingdom operations. Remaining asset balances relating to CTS-EU consist of cash and working capital balances only, which management has assessed as recoverable in accordance with AASB 9 *Financial Instruments* as at 30 June 2024.

### Trustee & Wealth Services (TWS)

The recoverable amount of the TWS cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on management's forecast covering a five-year period, together with a terminal value based on management's view of an appropriate rate of growth. Cash flow projections for the TWS CGU utilise year-on-year EBITDA growth rates between 9.0% and 9.4% over the forecast period, and a terminal growth rate of 2.5%. These cash flows are discounted using a pre-tax rate of 13.10% (2023: 12.94%). Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the TWS cash-generating unit.

The key assumptions used in the value-in-use calculations are the growth in ongoing services revenue, growth in one-off advisory services and expense growth rate. These assumptions are evaluated each year to ensure their ongoing appropriateness.



### Sensitivity to changes in key assumptions

CTS-A, TWS and STS have been assessed as having no impairment in the current and prior years. CTS-EU has been assessed as having no impairment in the current year, however, was subject to an impairment of its assets in FY23. The Group has evaluated the sensitivity of cash-generating unit recoverable amounts, and their related headroom over the carrying value of cash-generating unit assets, to consider reasonably possible changes in key assumptions.

Consideration has been given to current economic and market conditions, and the Group's view of future cash flows and growth rates. Adjustments have been made to recoverable amount calculations where appropriate to take these factors into account.

The following changes to headroom are reasonably possible, while holding all other assumptions constant:

| INPUT                | REASONABLY POSSIBLE MOVEMENT | CTS-A  | STS  | TWS  |
|----------------------|------------------------------|--|--|--|
| WACC                 | +50 basis points             | Reduces headroom by \$14,231k, no impairment | Reduces headroom by \$6,756k, no impairment  | Reduces headroom by \$27,557k, no impairment |
| Terminal growth rate | -50 basis points             | Reduces headroom by \$11,446k, no impairment | Reduces headroom by \$5,443k, no impairment  | Reduces headroom by \$22,158k, no impairment |
| Revenue growth rate  | -100 basis points            | Reduces headroom by \$13,871k, no impairment | Reduces headroom by \$11,267k, no impairment | Reduces headroom by \$34,281k, no impairment |

The combined effect of the above reasonably possible changes results in a further reduction of headroom for CTS-A, STS and TWS, but does not result in the carrying amount exceeding the recoverable amount.



## 9 Furniture, Equipment and Leasehold

|  | COMPUTER<br>HARDWARE &<br>EQUIPMENT AT<br>COST<br>\$'000 | LEASEHOLD<br>IMPROVEMENTS<br>AT COST<br>\$'000 | OFFICE<br>FURNITURE &<br>EQUIPMENT AT<br>COST<br>\$'000 | TOTAL<br>\$'000 |
|--|--|--|---|-----------------|
| <b>Gross carrying amount</b>                       |  |  |   |                 |
| <b>Balance at 1 July 2022</b>                      | 2,573  | 8,035  | 1,218   | 11,826          |
| Additions  | 624  | 413  | 74  | 1,111           |
| Impairment   | (126)  | -  | (53)  | (179)           |
| Disposals  | (1,251)  | (392)  | (232)   | (1,875)         |
| <b>Balance at 30 June 2023</b>                     | 1,820  | 8,056  | 1,007   | 10,883          |
| Additions  | 683  | 1,771  | 284   | 2,738           |
| Disposals  | (113)  | (1,804)  | (62)  | (1,979)         |
| <b>Balance at 30 June 2024</b>                     | <b>2,390</b>   | <b>8,023</b>                                   | <b>1,229</b>  | <b>11,642</b>   |
| <b>Accumulated depreciation and impairment</b>     |  |  |   |                 |
| <b>Balance at 1 July 2022</b>                      | 2,040  | 3,680  | 666   | 6,386           |
| Disposals  | (1,251)  | (392)  | (232)   | (1,875)         |
| Impairment   | (107)  | -  | (44)  | (151)           |
| Effect of foreign currency<br>exchange differences | 7  | -  | 2   | 9               |
| Depreciation expense                               | 457  | 926  | 140   | 1,523           |
| <b>Balance at 30 June 2023</b>                     | 1,146  | 4,214  | 532   | 5,892           |
| Disposals  | (113)  | (1,804)  | (62)  | (1,979)         |
| Depreciation expense                               | 713  | 861  | 223   | 1,797           |
| <b>Balance at 30 June 2024</b>                     | <b>1,746</b>   | <b>3,271</b>                                   | <b>693</b>  | <b>5,710</b>    |
| <b>Net book value</b>                              |  |  |   |                 |
| As at 30 June 2023                                 | 674  | 3,842  | 475   | 4,991           |
| <b>As at 30 June 2024</b>                          | <b>644</b>   | <b>4,752</b>                                   | <b>536</b>  | <b>5,932</b>    |

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| Aggregate depreciation recognised as an expense during the year: |                |                |
| Computer hardware and equipment                                  | 713            | 457            |
| Leasehold improvements   | 861            | 926            |
| Office furniture and equipment                                   | 223            | 140            |
| Right-of-use assets (Note 10)                                    | 2,317          | 1,869          |
| <b>Total depreciation expense</b>                                | <b>4,114</b>   | <b>3,392</b>   |

No depreciation was capitalised.

Depreciation expense is included in the line item 'depreciation and amortisation' in the consolidated statement of profit or loss and other comprehensive income.





## Accounting policies

### Useful lives used in the calculation of depreciation

The following useful lives are used in the calculation of depreciation:

|                                 |              |
|---------------------------------|--------------|
| Computer hardware and equipment | 1 – 6 years  |
| Office furniture and equipment  | 1 – 10 years |
| Leasehold improvements          | 2 – 10 years |
| Right-of-use assets (Note 10)   | 2 – 10 years |

## 10 Leases

The Group's material lease arrangements relate predominantly to its operating premises throughout Australia and in London, United Kingdom.

### Right-of-use assets

The carrying amount of assets acquired under lease arrangements is as follows:

| RIGHT-OF-USE ASSETS AT COST                     |               |
|---|---------------|
|   | \$'000        |
| <b>Gross carrying amount</b>                    |               |
| Balance at 1 July 2022                          | 12,597        |
| Additions                                       | 1,488         |
| Acquired leases                                 | 2,044         |
| Disposals                                       | (865)         |
| Impairment                                      | (581)         |
| Balance at 30 June 2023                         | 14,683        |
| Additions                                       | 2,049         |
| Disposals                                       | (1,179)       |
| <b>Balance at 30 June 2024</b>                  | <b>15,553</b> |
| <b>Accumulated depreciation and impairment</b>  |               |
| Balance at 1 July 2022                          | 5,808         |
| Impairment                                      | (417)         |
| Effect of foreign currency exchange differences | 12            |
| Depreciation expense                            | 1,869         |
| Balance at 30 June 2023                         | 7,272         |
| Disposals                                       | (1,179)       |
| Depreciation expense                            | 2,317         |
| <b>Balance at 30 June 2024</b>                  | <b>8,410</b>  |
| <b>Net book value</b>                           |               |
| As at 30 June 2023                              | 7,411         |
| <b>As at 30 June 2024</b>                       | <b>7,143</b>  |



## Lease related liabilities

Liabilities recognised as a result of the Group's lease arrangements are as follows:

|                                     | 2024         | 2023         |
|-------------------------------------|--------------|--------------|
|                                     | \$'000       | \$'000       |
| <b>Current</b>                      |              |              |
| Lease-related liabilities (Note 12) | 2,409        | 2,863        |
| <b>Non-current</b>                  |              |              |
| Lease-related liabilities (Note 12) | 6,679        | 6,952        |
|                                     | <b>9,088</b> | <b>9,815</b> |

Amounts recognised in the profit or loss for leases in the current and prior year are:

|  | 2024         | 2023         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Depreciation expense on right-of-use assets    | 2,317        | 1,869        |
| Interest expense on lease liabilities          | 327          | 285          |
| Expense relating to short-term leases          | 243          | 208          |
| Expense relating to leases of low-value assets | -            | 122          |
|  | <b>2,887</b> | <b>2,484</b> |

The total cash outflow for leases amounted to \$3,090k (2023: \$3,280k).



## Accounting policy

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as personal computers, office furniture and printing equipment). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost, less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented separately in the consolidated statement of financial position.

As a practical expedient, AASB 16 permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts containing a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

## 11 Provisions

|                             | 2024<br>\$'000 | 2023<br>\$'000 |
|-----------------------------|----------------|----------------|
| <b>Current</b>              |                |                |
| Employee benefits (Note 25) | 13,235         | 11,892         |
| Other provisions            | 6,577          | 1,695          |
|                             | <b>19,812</b>  | <b>13,587</b>  |
| <b>Non-current</b>          |                |                |
| Employee benefits (Note 25) | 4,661          | 4,576          |
| Leasehold makegood          | 968            | 937            |
|                             | <b>5,629</b>   | <b>5,513</b>   |

|                                      | MAKEGOOD<br>\$'000 | OTHER<br>PROVISIONS<br>\$'000 | EMPLOYEE<br>BENEFITS (NOTE 25)<br>\$'000 | TOTAL<br>\$'000 |
|--------------------------------------|--------------------|-------------------------------|--|-----------------|
| <b>Balance at 1 July 2023</b>        | 937                | 1,695                         | 16,468                                   | 19,100          |
| Net additional provisions recognised | 31                 | 6,348                         | 9,713                                    | 16,092          |
| Decrease arising from payments       | -                  | (1,466)                       | (8,285)                                  | (9,751)         |
| <b>Balance at 30 June 2024</b>       | <b>968</b>         | <b>6,577</b>                  | <b>17,896</b>                            | <b>25,441</b>   |

The leasehold makegood provision represents the present value of the Directors' best estimate of the future outflow of economic benefits that will be required to settle the Group's obligations to make good its leased premises at the end of the leases.

Other provisions includes the Directors' best estimate of amounts required to meet audit, regulatory and contract break costs relating to the wind-up of the Group's UK operations. Other provisions also include restructuring costs associated with the wind-up of the AET platforms business.

Employee benefits includes provisions for annual leave, long service leave and bonuses.



## 12 Other Liabilities

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>At amortised cost</b>                   |                |                |
| <b>Current</b>                             |                |                |
| Corpus commission collected but not earned | 64             | 311            |
| Lease-related liabilities                  | 2,409          | 2,863          |
| Other liabilities                          | 1,868          | 1,701          |
|  | <b>4,341</b>   | <b>4,875</b>   |
| <b>Non-current</b>                         |                |                |
| Lease-related liabilities                  | 6,679          | 6,952          |
| Corpus commission collected but not earned | 35             | 35             |
| Other liabilities                          | -              | 89             |
|  | <b>6,714</b>   | <b>7,076</b>   |

## 13 Business Combinations

### Acquisition of businesses

#### Year ended 30 June 2024

No acquisitions were made in the year ended 30 June 2024.

#### Year ended 30 June 2023

##### *Acquisition of Australian Executor Trustees Limited (AET)*

On 22 August 2022, the Group announced that it agreed to acquire 100% of the shares of AET and its subsidiary AET PAF Pty Ltd from SFG Australia Limited, a subsidiary of Insignia Financial Limited (ASX: IFL). AET is a traditional trustee company, headquartered in Adelaide, South Australia, with operations in South Australia, Western Australia, and to a lesser extent in Victoria, Queensland and New South Wales. The acquisition adds further scale, expertise and geographic breadth to the TWS segment, with approximately \$7.2b in funds under management, administration and supervision. The acquisition completed on 30 November 2022. AET forms part of the TWS and CSTS operating segments. Refer to the financial statements for the year ended 30 June 2023 for further information.

## 14 Disposal of Subsidiary

#### Year ended 30 June 2024

##### *Disposal of Equity Trustees Fund Services (Ireland) Limited (ETFSI)*

On 14 August 2023, the Group formally announced its decision to exit its UK and Ireland based businesses. This decision followed a strategic review of the businesses, which identified that intensifying local regulatory environments and structural changes to the market and competitions had led to increased costs and pricing pressures in the local operating environment. The Group considers that these factors will have an ongoing impact on the UK and Ireland businesses, which would necessitate further ongoing investment and an extended period of unprofitability.

On 30 April 2024, the Group completed the sale of its share of the Irish business, ETFSI, as planned. The business was sold, inclusive of its required minimum regulatory capital, for a nominal sum.



The net assets of Equity Trustees Fund Services (Ireland) Limited at the date of disposal were as follows:

| <b>ASSETS AND LIABILITIES DISPOSED AT THE DATE OF DISPOSAL</b>               |  | <b>ETFSI</b>   |
|--|--|----------------|
|  |  | <b>\$'000</b>  |
| <b>Assets</b>  |  |                |
| Cash and cash equivalents  |  | 1,507          |
| Trade and other receivables  |  | 688            |
| Prepayments  |  | 46             |
| Accrued income   |  | 182            |
| <b>Liabilities</b>   |  |                |
| Trade and other payables   |  | (802)          |
| Provisions   |  | (229)          |
| Other liabilities  |  | (135)          |
| <b>Net assets</b>  |  | <b>1,257</b>   |
| <hr/>  |  |                |
| Derecognition of non-controlling interests accumulated losses                |  | 1,615          |
| Derecognition of foreign exchange translation differences                    |  | 199            |
| <b>Net assets disposed of</b>  |  | <b>3,071</b>   |
| <hr/>  |  |                |
| <b>Loss on disposal included in expenses for the year ended 30 June 2024</b> |  | <b>(2,978)</b> |
| <b>Total consideration</b>   |  | <b>93</b>      |
| <hr/>  |  |                |
| <b>Net cash outflow arising on disposal:</b>                                 |  |                |
| Consideration received in cash and cash equivalents                          |  | 93             |
| Less: cash and cash equivalents disposed of                                  |  | (1,507)        |
|  |  | <b>(1,414)</b> |

A loss of \$2.98m arose on the disposal of the Ireland operations, representing the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets, along with the reclassification of accumulated losses previously attributed to non-controlling interests in ETFSI.

#### **Year ended 30 June 2023**

No disposals were made in the year ended 30 June 2023.



## CAPITAL STRUCTURE

### 15 Borrowings

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Unsecured, at amortised cost</b>                      |               |               |
| Corporate facility                                       | 47,246        | 37,207        |
| Operational Risk Financial Requirement (ORFR) facilities | 25,803        | 13,412        |
|  | <b>73,049</b> | <b>50,619</b> |

#### Corporate facility

| LENDER   | FACILITY TERM | FACILITY LIMIT | AMOUNT USED   |
|--|---------------|----------------|---------------|
|  |               | \$'000         | \$'000        |
| <b>2024</b>                                    |               |                |               |
| Australian & New Zealand Banking Group Limited | 3 Years       | 40,000         | 22,000        |
| Australian & New Zealand Banking Group Limited | 3 Years       | 40,000         | 25,000        |
|  |               | <b>80,000</b>  | <b>47,000</b> |
| <b>2023</b>                                    |               |                |               |
| Australian & New Zealand Banking Group Limited | 3 Years       | 40,000         | 22,000        |
| Australian & New Zealand Banking Group Limited | 2 Years       | 40,000         | 15,000        |
|  |               | 80,000         | 37,000        |

The weighted average effective interest rate on the corporate facility drawn down loans is 6.0% per annum (2023: 5.6%).

#### Operational Risk Financial Requirement (ORFR) facilities

The Group enters into borrowing arrangements in relation to certain superannuation trustee activities. Some superannuation funds are configured such that some or all of the Operational Risk Financial Requirements (ORFR, a superannuation prudential requirement) are held on the superannuation Trustees' balance sheets as Tier 1 common equity, rather than within the superannuation funds themselves.

Where it has been determined that an ORFR will be met via capital held on the Trustees' balance sheets, the Group may enter into special purpose, limited recourse borrowing arrangements to fund these requirements and appropriately capitalise the respective trustee entities. At 30 June 2024, of the total cash held of \$128,756k, \$25,550k was held for ORFR-related purposes (30 June 2023: total cash of \$99,690k, \$13,200k held for ORFR purposes).



| LENDER   | FACILITY TERM | FACILITY LIMIT<br>\$'000 | AMOUNT USED<br>\$'000 |
|--|---------------|--------------------------|-----------------------|
| <b>2024</b>  |               |                          |                       |
| Resolution Life Australasia Facility 1 (AMP Life) <sup>1</sup> | 5 Years       | 6,600                    | 5,400                 |
| Centric <sup>1</sup>   | 5 Years       | 11,500                   | 9,500                 |
| Resolution Life Australasia Facility 2 (CMLA) <sup>1</sup>     | 5 Years       | 9,000                    | 6,800                 |
| Platformplus   | 3 Years       | 2,000                    | 600                   |
| ClearView  | 3 Years       | 3,500                    | 3,250                 |
| HUB24  | 3 Years       | 15,000                   | -                     |
|  |               | <b>47,600</b>            | <b>25,550</b>         |
| <b>2023</b>  |               |                          |                       |
| Resolution Life Australasia Facility 1 (AMP Life) <sup>1</sup> | 5 Years       | 6,600                    | 5,400                 |
| Centric <sup>1</sup>   | 5 Years       | 5,000                    | 1,000                 |
| Resolution Life Australasia Facility 2 (CMLA) <sup>1</sup>     | 5 Years       | 9,000                    | 6,800                 |
| HUB24  | 3 Years       | 15,000                   | -                     |
|  |               | 35,600                   | 13,200                |

<sup>1</sup> Amounts repaid in relation to this facility cannot be reborrowed.

The weighted average effective interest rate on all drawn down loans is 7.5% per annum (2023: 5.7%).

### Reconciliation of liabilities arising from financing activities

|  | 2023<br>\$'000 | CASH<br>FLOWS<br>\$'000 | NON-CASH<br>CHANGES<br>\$'000 | 2024<br>\$'000 |
|--|----------------|-------------------------|-------------------------------|----------------|
| Corporate facility                                       | 37,207         | 10,039                  | -                             | 47,246         |
| Operational Risk Financial Requirement (ORFR) facilities | 13,412         | 12,391                  | -                             | 25,803         |
| Lease liabilities (Note 10)                              | 9,815          | (2,051)                 | 1,324                         | 9,088          |
| Total liabilities from financing activities              | 60,434         | 20,379                  | 1,324                         | 82,137         |

|  | 2022<br>\$'000 | CASH<br>FLOWS<br>\$'000 | NON-CASH<br>CHANGES<br>\$'000 | 2023<br>\$'000 |
|--|----------------|-------------------------|-------------------------------|----------------|
| Corporate facility                                       | 10,046         | 27,161                  | -                             | 37,207         |
| Operational Risk Financial Requirement (ORFR) facilities | 31,013         | (17,601)                | -                             | 13,412         |
| Lease liabilities (Note 10)                              | 9,441          | (2,290)                 | 2,664                         | 9,815          |
| Total liabilities from financing activities              | 50,500         | 7,270                   | 2,664                         | 60,434         |



## 16 Issued Capital

|  | 2024    | 2023    |
|--|---------|---------|
|  | \$'000  | \$'000  |
| 26,677,815 fully paid ordinary shares (2023: 26,505,899) | 389,044 | 384,336 |

|  | 2024          | 2024           | 2023     | 2023    |
|--|---------------|----------------|----------|---------|
|  | NO. '000      | \$'000         | NO. '000 | \$'000  |
| <b>Fully paid ordinary shares</b>                                |               |                |          |         |
| Balance at beginning of financial year                           | 26,506        | 384,336        | 21,126   | 257,558 |
| Shares issued under employee share scheme                        | 14            | 382            | 8        | 198     |
| Shares issued under executive share scheme                       | 17            | 437            | 12       | 344     |
| Shares issued under employee salary sacrifice                    | 3             | 68             | 3        | 75      |
| Shares issued under dividend reinvestment plan                   | 138           | 3,839          | 144      | 3,625   |
| Shares issued for Australian Executor Trustees (AET) acquisition | -             | -              | 5,213    | 125,113 |
| Share issue costs net of tax                                     | -             | (18)           | -        | (2,577) |
| <b>Balance at end of financial year</b>                          | <b>26,678</b> | <b>389,044</b> | 26,506   | 384,336 |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### Share awards

In accordance with the provisions of the EQT Holdings Limited Executive Performance Share Plan 1999 (the Plan), as at 30 June 2024, eligible executives have share entitlements over 120,341 ordinary shares (2023: 161,779) in aggregate. Further details of the Plan are contained in the Remuneration Report within the Directors' Report.

## 17 Reserves

|                                | EMPLOYEE EQUITY-<br>SETTLED BENEFITS<br>RESERVE | CAPITAL<br>RESERVE | CURRENCY<br>TRANSLATION | TOTAL        |
|--------------------------------|---|--------------------|-------------------------|--------------|
|                                | \$'000  | \$'000             | \$'000                  | \$'000       |
| Balance at 1 July 2023         | 1,707   | 350                | 461                     | 2,518        |
| Shares issued                  | (819)   | -                  | -                       | (819)        |
| Movement in reserve            | 1,312   | -                  | 70                      | 1,382        |
| <b>Balance at 30 June 2024</b> | <b>2,200</b>                                    | <b>350</b>         | <b>531</b>              | <b>3,081</b> |

### Employee equity-settled benefits reserve

The employee equity-settled benefits reserve arises on the granting of share entitlements to eligible employees under the EQT Holdings Limited Executive Performance Share Plan 1999 (LTI Plan, or the Plan – refer to the Remuneration Report in the Directors' Report for details) and on the provision for shares to be issued to staff under the Employee Share Acquisition Plan (ESAP). The ESAP is in place to allow eligible employees to participate in share allotments as approved by the Board on an ongoing basis as deemed appropriate. There is \$465,000 provided for ESAP in 2024 (2023: \$435,000). The balance of the reserve relates to entitlements under the LTI Plan.





## Capital reserve

Certain entities within the Group hold capital reserves, which were formerly required in relation to their Registrable Superannuation Entity (RSE) licence requirements. These capital reserves were an interim measure until the superannuation funds for which these entities act as RSE had fully established their Operational Risk Financial Requirement reserves. These reserves remain in place should they be required for any future ORFR related purpose.

## 18 Dividends

| FULLY PAID ORDINARY SHARES            | DATE OF PAYMENT   | CENTS PER SHARE | TOTAL \$'000 |
|---------------------------------------|-------------------|-----------------|--------------|
| <b>Recognised amounts</b>             |                   |                 |              |
| <b>2024</b>                           |                   |                 |              |
| Interim 2024 dividend (fully franked) | 3 April 2024      | 51              | 13,580       |
| <b>2023</b>                           |                   |                 |              |
| Interim 2023 dividend (fully franked) | 31 March 2023     | 49              | 12,950       |
| Final 2023 dividend (fully franked)   | 9 October 2023    | 50              | 13,269       |
| <b>Unrecognised amounts</b>           |                   |                 |              |
| <b>2024</b>                           |                   |                 |              |
| Final 2024 dividend (fully franked)   | 25 September 2024 | 53              | 14,139       |

|  | 2024 \$'000   | 2023 \$'000   |
|--|---------------|---------------|
| Franking account balance at 1 July   | 30,648        | 22,175        |
| Tax paid   | 10,831        | 19,558        |
| Franking credits received  | -             | -             |
| Franking credits attached to interim and final dividends                   | (11,386)      | (11,085)      |
| <b>Franking account balance at 30 June</b>                                 | <b>30,093</b> | <b>30,648</b> |
| Franking credits that will arise from income tax payable at reporting date | 1,442         | 1,532         |
| Franking credits to be attached to dividends declared but not recognised   | (6,060)       | (5,680)       |
| <b>Adjusted franking account balance</b>                                   | <b>25,475</b> | <b>26,500</b> |

## CASH AND WORKING CAPITAL

### 19 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the consolidated statement of financial position as follows:

|                           | 2024 \$'000 | 2023 \$'000 |
|---------------------------|-------------|-------------|
| Cash and cash equivalents | 128,756     | 99,690      |

### Operational Risk Financial Requirement (ORFR) cash

Certain group subsidiaries are obliged to have, on issue, specified amounts of Common Equity Tier 1 (CET1), to meet a portion of the total Operational Risk Financial Requirement reserves of superannuation funds for which those subsidiaries act as the Registrable Superannuation Entity (RSE) Licensee. These issuances of CET1 capital are backed by equivalent cash holdings, which are held in segregated bank accounts and are solely for the purpose of meeting any operational risk events of those particular superannuation funds. CET1 issued for the purpose of meeting ORFR requirements at 30 June 2024 is \$25,550k (2023: \$13,200k). The cash amounts associated with this capital form part of the total cash and cash equivalents disclosed in this note.



## 20 Trade and Other Receivables

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>Current</b>  |                |                |
| Trade receivables   | 14,010         | 15,922         |
| Loss allowance on trade receivables                       | (286)          | (36)           |
| Other receivables   | 2,151          | 4,715          |
|   | <b>15,875</b>  | <b>20,601</b>  |
| <b>Non-current</b>  |                |                |
| Other receivables   | 181            | 1,725          |
|   | <b>181</b>     | <b>1,725</b>   |
| <b>Trade receivables – ageing of past due receivables</b> |                |                |
| Under 30 days   | 910            | 950            |
| 30 –60 days   | 869            | 1,161          |
| Over 60 days  | 3,151          | 1,891          |
|   | <b>4,930</b>   | <b>4,002</b>   |

The following table sets out the movement in lifetime expected credit losses (ECL) that has been recognised for trade receivables in accordance with the simplified approach adopted under AASB 9.

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Movement in expected credit losses</b>  |                |                |
| Balance at beginning of the year   | (36)           | (16)           |
| Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement (collectively assessed) | (844)          | (36)           |
| Amounts written off (individually assessed)  | 344            | -              |
| Amounts subsequently recovered (individually assessed)   | 250            | 16             |
| <b>Balance at end of year</b>  | <b>(286)</b>   | <b>(36)</b>    |

### Accounting policies

Trade receivables are classified as at amortised cost and include any attributable goods and services tax (GST). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables as appropriate.

The terms of payment for all trade receivables is 14 days from invoice date. All accounts receivable outstanding more than 30 days are monitored and actively managed. No interest is charged on trade receivables.

Before accepting significant new clients, the credit worthiness of these clients is assessed by either Executive Management, the Due Diligence Committee (DDC), and/or the board of the subsidiary entity intended to provide the service, depending on the type of client. Other new client credit worthiness is assessed by business managers as is appropriate to the size and nature of those clients and whether the client has funds deposited with the Group from which the Group is permitted to withdraw payment of its fees.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). For the Trustee & Wealth Services segment, the Group has recognised a loss allowance of 100% against all receivables over 90 days past due, because historical experience has indicated that these receivables are generally not recoverable. For the Corporate Superannuation and Trustee Services segment, a loss allowance is recognised for receivables equal to lifetime ECL. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.



Other receivables include managed scheme distributions and interest receivable. These receivables are with Australian banks, Australian managed investment schemes and client accounts administered by the Group. These amounts are all considered recoverable.

The concentration of credit risk is generally considered to be limited due to the customer base being large and unrelated. Accounting policies relating to impairment of financial assets are further described in Note 23.

## 21 Other Financial Assets

|  | 2024          | 2023          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| <b>Classified as at fair value through profit or loss (FVTPL):</b> |               |               |
| Managed investment schemes   | 10,000        | 10,000        |
|  | <b>10,000</b> | <b>10,000</b> |

As at 30 June 2024 and 30 June 2023, the Group held an investment in the EQT Wholesale Mortgage Income Fund, a managed fund for which a Group subsidiary acts as Responsible Entity. The investments are held to allow the Group to obtain a more competitive rate of return on excess cash held for regulatory capital requirements.

## 22 Current Trade and Other Payables

|                                | 2024         | 2023         |
|--------------------------------|--------------|--------------|
|                                | \$'000       | \$'000       |
| Trade payables                 | 1,507        | 2,106        |
| Goods and services tax payable | 573          | 910          |
| Other payables                 | 2,878        | 1,244        |
|                                | <b>4,958</b> | <b>4,260</b> |

### Accounting policies

Trade payables are initially recognised at fair value, inclusive of any attributable GST.

The Group's policy regarding trade payables is to pay all invoices by the due date. No interest charges have been incurred on trade payables.

## RISK MANAGEMENT

### 23 Financial Risk Management

#### a) Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to continue on a going concern basis while balancing the achievement of shareholder returns with prudent management of resources, achieving its long-term strategy, meeting the financial requirements imposed by regulatory authorities and maintaining financial covenants required by lenders.

Entities in the Group hold Australian Financial Services Licences (AFSL) and Registrable Superannuation Entity (RSE) Licences, as well as authorisations from the Financial Conduct Authority in the UK ('the Licenced Entities'). Licenced Entities are subject to regulatory financial requirements in relation to their licenses and authorisations. The Group is also subject to financial covenants in relation to its borrowings. Apart from the foregoing, there are no other externally imposed capital requirements for the Group.

For the 2024 financial year, the Licenced Entities must maintain minimum levels of capital in accordance with the conditions that apply under their individual licenses. In Australia, these requirements include minimum net tangible asset (NTA) requirements; in the UK, these requirements include minimum levels of capital adequacy. All capital requirements also contain a minimum requirement for liquidity. The Group continuously monitors the capital position of each Licenced Entity.



The Group's capital management strategy generally is to maintain a conservative balance sheet with low gearing. The Group continually reviews funding options to ensure it is optimising both the use and mix of its capital to achieve its capital management objectives. As at 30 June 2024, the gearing percentage (debt to equity), excluding Operational Risk Financial Requirement (ORFR) facility borrowings, was 11.9% (2023: 9.4%). Including ORFR facility borrowings, the gearing percentage (debt to equity) was 18.2% (2023: 12.7%).

The Group's policy is to fund its normal activities from operating cash flows. Any substantial requirements such as a major business acquisition shall be funded using a suitable mix of accumulated cash surpluses, debt facilities, and equity funding raised through the issue of ordinary shares in the listed holding company, EQT Holdings Limited. This policy is regularly reviewed considering the Group's long-term strategy, prudent management of resources, dividend policy, market conditions, changing regulatory requirements in relation to its regulatory licences, and achieving shareholder returns.

#### b) Categories of financial instruments

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Financial assets</b>                                      |                |                |
| Cash and cash equivalents                                    | 128,756        | 99,690         |
| At amortised cost – trade receivables                        | 13,724         | 15,886         |
| At amortised cost – other receivables                        | 2,332          | 6,440          |
| At fair value through profit or loss (FVTPL) – managed funds | 10,000         | 10,000         |
|  | <b>154,812</b> | <b>132,016</b> |
| <b>Financial liabilities</b>                                 |                |                |
| At amortised cost – trade payables                           | 1,507          | 2,106          |
| At amortised cost – other payables                           | 2,878          | 1,244          |
| At amortised cost – borrowings                               | 73,049         | 50,619         |
| At amortised cost – lease liabilities                        | 9,088          | 9,840          |
|  | <b>86,522</b>  | <b>63,809</b>  |

During the 2024 financial year, there were no financial assets or liabilities designated as at fair value through other comprehensive income for either the Group or the Company (2023: nil). No financial assets have been pledged as collateral for either liabilities or contingent liabilities (2023: nil). No assets are held as collateral (2023: nil).

#### (c) Financial risk management objectives

The Group's main financial instrument risk exposures relate to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group manages financial instrument risk through a combination of Executive management monitoring key financial risks and the use of management and Board committees that manage and monitor particular activities and their related financial risks. The Board Risk Committee is responsible for overseeing the risk profile and risk management of the Group. The Board is ultimately responsible for the Group's Risk Management Framework (RMF), and overall risk management within the Group.

Executive management and management committees report to the Board on a regular basis regarding their activities and the related financial risks. The Group has a number of management committees in place covering a broad spectrum of activities. These include committees that review risk and compliance issues across the business, new business proposals including the risks associated with counterparties, and reviewing and managing the Group's investment portfolio and its associated financial risks. Boards of Group subsidiary companies also escalate issues to the Group Board as required.

The liquidity position of the Group and Company are continuously monitored by Executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets is considered before the transaction being approved.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group's investment policy is to hold financial instruments for the long-term to support capital and NTA requirements. The asset allocation of the portfolio is conservative and complies with regulatory requirements. The AFSL conditions include holding a required minimum level of NTA in liquid assets, with 50% of this amount in cash or cash equivalents. The Group does not use hedging to manage its financial risks.



#### (d) Market risk management

The Group's primary risk exposure in relation to financial instruments and cash holdings is to interest rate risk. The exposure primarily arises in relation to the Group's investment portfolio (held to support NTA requirements) and borrowings. The Group retains a modest exposure to currency risk via its UK-based subsidiaries, which are presently being exited. The Group does not currently use derivatives to manage market risks, as Executive management do not believe these risks currently warrant the use of derivatives due to their nature and relatively low level of risk.

The Group's market risks in relation to financial instruments and cash holdings are managed by Executive management and the Management Investment Committee (MIC). In relation to interest rate risk, the MIC provides guidance regarding the management of the Group's investment portfolio. In relation to currency risk, the Group continuously monitors the balance sheets of entities whose functional currency is not the Australian Dollar, along with the value of foreign currency intercompany loans and receivables to manage overall foreign currency exposure.

There has been no significant change from the previous year to the Group's exposure to market risk or the way these risks are managed.

#### (d)(i) Interest rate risk management

The Group is exposed to interest rate risk in relation to its financial instruments as funds are invested at variable interest rates. The Group's borrowings are at fixed interest rates. The Group has a policy of placing interest-bearing investments with Australian banks and other counterparties with strong credit ratings. This minimises the risk of default and also ensures that the Group continues to meet its capital adequacy requirements. Within these parameters, the Group seeks to make interest-bearing investments at the best available rates with Australian banks and other counterparties that meet its credit rating and security criteria. These investment processes and reviews are overseen by the MIC.

#### Interest rate sensitivity analysis

A sensitivity analysis in relation to the Group's exposure to interest rate movements is set out below. Management has assessed the reasonably possible change in interest rates to be plus/minus 100 basis points for 2024 (2023: plus/minus 100 basis points) based on a review of market conditions. This assumes both long- and short-term interest rates will have the same basis point movement.

The sensitivity analysis is calculated using the end of year balance of the financial instrument where this balance is representative of the balance throughout the year. If the end of year balance is not representative of the balance throughout the year, then the sensitivity analysis is calculated using the average balance (calculated on a quarterly basis) held throughout the year.

|                                | CARRYING<br>AMOUNT AT<br>30 JUNE 2024<br>\$'000 | INTEREST RATE RISK |                  |                  |                  |
|--------------------------------|---|--------------------|------------------|------------------|------------------|
|                                |   | -1%                |                  | +1%              |                  |
|                                |   | PROFIT<br>\$'000   | EQUITY<br>\$'000 | PROFIT<br>\$'000 | EQUITY<br>\$'000 |
| Cash and cash equivalents      | 128,756   | (1,288)            | -                | 1,288            | -                |
| At amortised cost – borrowings | (73,049)  | 730                | -                | (730)            | -                |
| At FVTPL – managed funds       | 10,000  | (100)              | -                | 100              | -                |
|                                | <b>65,707</b>                                   | <b>(658)</b>       | -                | <b>658</b>       | -                |

|                                | CARRYING<br>AMOUNT AT<br>30 JUNE 2023<br>\$'000 | INTEREST RATE RISK |                  |                  |                  |
|--------------------------------|---|--------------------|------------------|------------------|------------------|
|                                |   | -1%                |                  | +1%              |                  |
|                                |   | PROFIT<br>\$'000   | EQUITY<br>\$'000 | PROFIT<br>\$'000 | EQUITY<br>\$'000 |
| Cash and cash equivalents      | 99,690  | (997)              | -                | 997              | -                |
| At amortised cost – borrowings | (50,619)  | 506                | -                | (506)            | -                |
| At FVTPL – managed funds       | 10,000  | (100)              | -                | 100              | -                |
|                                | <b>59,071</b>                                   | <b>(591)</b>       | -                | <b>591</b>       | -                |



#### (d)(ii) Currency risk

The Group is exposed to currency risk arising from its UK-based subsidiaries (Note 32). The operations of the Group's overseas businesses are predominantly denominated in British Pounds (GBP). As a result, the Group has some exposure to currency risk arising from:

- Fluctuations in future cash flows relating to the foreign currency-denominated operations of the Group's overseas-based subsidiaries.
- Fluctuations in the fair value of financial assets and liabilities held by the Group's UK-based subsidiaries.

Currency risk also arises on intercompany loans and receivables owing between the Australian Group and overseas-based subsidiaries.

As the Group's overseas-based operations currently contribute a non-significant amount to the Group's financial results and balance sheet, no currency hedging is currently used to manage these risks. Executive management continue to monitor the Group's overall exposure to foreign currency and should the need arise, will consider the modest use of derivatives to manage the Group's currency exposure.

It is expected that the Group will have completed the exit of its UK-based operations in the financial year ahead, following which the Group anticipates an overall reduction in its currency risk.

#### Foreign currency sensitivity analysis

A sensitivity analysis in relation to the Group's exposure to foreign exchange rate movements is set out below. Management has assessed the reasonably possible change in foreign exchange rates to be plus/minus 10% for 2024 (2023: plus/minus 10%) based on a review of market conditions.

The sensitivity analysis is calculated using the end of year balance of each financial instrument where this balance is representative of the balance throughout the year. If the end of year balance is not representative of the balance throughout the year, then the sensitivity analysis is calculated using the average balance (calculated on a quarterly basis) held throughout the year.

|                           | CARRYING<br>AMOUNT AT<br>30 JUNE 2024<br>\$'000 | FOREIGN CURRENCY RISK |                  |                  |                  |
|---------------------------|---|-----------------------|------------------|------------------|------------------|
|                           |   | -10%                  |                  | +10%             |                  |
|                           |   | PROFIT<br>\$'000      | EQUITY<br>\$'000 | PROFIT<br>\$'000 | EQUITY<br>\$'000 |
| Cash and cash equivalents | 2,541   | -                     | (254)            | -                | 254              |
| Trade receivables         | 176   | -                     | (18)             | -                | 18               |
| Trade payables            | (130)   | -                     | 13               | -                | (13)             |
|                           | <b>2,587</b>                                    | <b>-</b>              | <b>(259)</b>     | <b>-</b>         | <b>259</b>       |

|                           | CARRYING<br>AMOUNT AT<br>30 JUNE 2023<br>\$'000 | FOREIGN CURRENCY RISK |                  |                  |                  |
|---------------------------|---|-----------------------|------------------|------------------|------------------|
|                           |   | -10%                  |                  | +10%             |                  |
|                           |   | PROFIT<br>\$'000      | EQUITY<br>\$'000 | PROFIT<br>\$'000 | EQUITY<br>\$'000 |
| Cash and cash equivalents | 3,718   | -                     | (372)            | -                | 372              |
| Trade receivables         | 656   | -                     | (66)             | -                | 66               |
| Trade payables            | (65)  | -                     | 7                | -                | (7)              |
|                           | <b>4,309</b>                                    | <b>-</b>              | <b>(431)</b>     | <b>-</b>         | <b>431</b>       |

#### (d)(iii) Other price risk management

As outlined in Note 30, included in the investment portfolio of the Company and Group are investments in a managed investment scheme where a Group subsidiary acts as the responsible entity. Although the Company has a prima facie price risk exposure from these investments, this risk is not significant due to the existence of suitable controls including monitoring by the MIC of the quality and security of these investments (2023: nil).

Other than as described above, as at 30 June 2024, the Group had no exposure to other price risk (2023: no exposure to other price risk).



### (e) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The main source of credit risk in financial instruments is from outstanding accounts receivable, and deposits and fixed interest investments with banks, borrowings from banks and investments in managed investment schemes (2023: same).

Executive management and, where applicable, the Due Diligence Committee (DDC) reviews significant new clients before the take on of these clients is approved. The review process includes establishing the credit-worthiness of the client. Other new clients are reviewed by business managers for credit-worthiness as is appropriate to the size and nature of the client. The MIC reviews and monitors the deposits and fixed interest investments with counterparties and borrowings from banks including any credit risk issues.

Accounts receivable consists of a large and diverse number of customers. Ongoing evaluation is performed on the financial condition of outstanding accounts receivable by the applicable business managers.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics (2023: nil). The credit risk on liquid funds is limited because the Group holds its liquid funds with counterparties that have high credit ratings assigned by international credit rating agencies and in managed investment schemes that have a low risk of default.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of any collateral obtained.

### (f) 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

| FINANCIAL ASSETS                   | FAIR VALUE AS AT |                | FAIR VALUE HIERARCHY | VALUATION TECHNIQUE    |
|------------------------------------|------------------|----------------|----------------------|------------------------|
|                                    | 2024<br>\$'000   | 2023<br>\$'000 |                      |                        |
| EQT Wholesale Mortgage Income Fund | 10,000           | 10,000         | Level 2              | Daily published prices |

Assets classified as Level 2 assets may involve valuation inputs other than quoted prices that are directly or indirectly observable. There were no significant unobservable inputs in relation to the fair value of the EQT Wholesale Mortgage Income Fund in 2024 (2023: same).

#### Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

### (g) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have put in place a suitable Risk Management Framework to manage the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities. The liquidity position of the Group is continuously monitored by Executive management and the impact on liquidity of any significant transaction, such as payment of a dividend, acquisition of a new business, and purchase of capital assets, is considered before the transaction being approved.

The Group does not currently have any derivative financial instruments.



## Liquidity risk table

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

|   | EFFECTIVE<br>INTEREST<br>RATE | LESS THAN 1<br>MONTH | 1 – 3<br>MONTHS | 3 MONTHS<br>TO 1 YEAR | 1 – 5<br>YEARS | 5+<br>YEARS  |
|---|-------------------------------|----------------------|-----------------|-----------------------|----------------|--------------|
|   | %                             | \$'000               | \$'000          | \$'000                | \$'000         | \$'000       |
| <b>2024</b>   |                               |                      |                 |                       |                |              |
| Non-interest-bearing – trade creditors                                | nil                           | 1,507                | -               | -                     | -              | -            |
| Borrowings – Corporate facility                                       | 6.0%                          | 235                  | 470             | 2,115                 | 58,280         | -            |
| Borrowings – Operational Risk Financial Requirement (ORFR) facilities | 7.5%                          | 160                  | 319             | 1,437                 | 33,215         | -            |
| Lease-related liabilities   | 5.5%                          | 164                  | 334             | 1,848                 | 5,598          | 1,080        |
|   |                               | <b>2,066</b>         | <b>1,123</b>    | <b>5,400</b>          | <b>97,093</b>  | <b>1,080</b> |
| <b>2023</b>   |                               |                      |                 |                       |                |              |
| Non-interest-bearing – trade creditors                                | nil                           | 2,106                | -               | -                     | -              | -            |
| Borrowings – Corporate facility                                       | 5.6%                          | 173                  | 345             | 1,554                 | 45,288         | -            |
| Borrowings – Operational Risk Financial Requirement (ORFR) facilities | 5.7%                          | 63                   | 125             | 564                   | 16,210         | -            |
| Lease-related liabilities   | 3.4%                          | 261                  | 526             | 2,406                 | 6,666          | 752          |
|   |                               | <b>2,603</b>         | <b>996</b>      | <b>4,524</b>          | <b>68,164</b>  | <b>752</b>   |

The Group has guarantee contracts in place relating to its lease obligations. At the year-end it was not probable that the counterparty to the guarantee contracts will claim under the contracts. Consequently, the amount included in the above table is nil (2023: nil). The maximum amount payable under these guarantees is \$1,866k (2023: \$1,120k).

### (h) Financing facilities

|                                  | 2024<br>\$'000 | 2023<br>\$'000 |
|----------------------------------|----------------|----------------|
| <b>Committed loan facilities</b> |                |                |
| Amount used:                     |                |                |
| Corporate facility               | <b>47,000</b>  | 37,000         |
| ORFR facilities                  | <b>25,550</b>  | 13,200         |
|                                  | <b>72,550</b>  | 50,200         |
| Amount unused:                   |                |                |
| Corporate facility               | <b>33,000</b>  | 43,000         |
| ORFR facilities                  | <b>18,650</b>  | 19,000         |
|                                  | <b>51,650</b>  | 62,000         |
|                                  | <b>124,200</b> | 112,200        |





## Accounting policies

### Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'fair value through other comprehensive income' and 'at amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the timeframe established by regulation or convention in the marketplace.

### Effective interest method

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

### Financial assets classified as at fair value through profit or loss (FVTPL)

Equities and investments in managed investment schemes held by the Group are classified as at FVTPL and are stated at fair value. Fair value is determined in the manner described in the *Basis of Preparation* to these financial statements. Gains and losses arising from changes in fair value are recognised in profit or loss. Dividends and distributions on FVTPL instruments are recognised in profit and loss when the Group's right to receive payments is established.

### Financial assets classified as at amortised cost

Trade receivables, loans, and other receivables that are held under a business model whose objective is to collect the contractual cash flows, and comprise solely of payments of principal and interest, are classified as at amortised cost. Financial assets classified as at amortised cost are measured using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### Impairment of financial assets

Financial assets, other than those classified as at fair value through profit or loss, are assessed for indicators of impairment at each reporting period.

The Group recognises a loss allowance for expected credit losses on financial assets classified as at amortised cost, which includes trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for its trade and other receivables. The expected credit losses on these financial assets are estimated using the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced using an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

## Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.



### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Other financial liabilities

The financial liabilities of the Group are classified as other financial liabilities, and include such items as sundry creditors and accrued expenses. Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or cancelled, or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## EMPLOYEE-RELATED DISCLOSURES

### 24 Key Management Personnel Remuneration

|   | 2024             | 2023             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>The aggregate compensation made to key management personnel of the Company and the Group is set out below:</b> |                  |                  |
| Short-term employee benefits  | 4,799,235        | 4,330,978        |
| Post-employment benefits (Superannuation)   | 230,884          | 234,093          |
| Other long-term benefits  | 91,498           | 76,943           |
| Share awards  | 777,552          | (502,780)        |
|   | <b>5,899,168</b> | <b>4,139,234</b> |

Prior period amounts have been restated to reflect a correction to share based payment awards issued to A Godfrey in FY23. Full details of the remuneration of key management personnel for the year ended 30 June 2024 are outlined in the Directors' Report. The share awards of key management personnel for the year ended 30 June 2024 are outlined in the Directors' Report.

### 25 Employee Benefits

The aggregate employee benefits liability (provision) recognised and included in the financial statements is as follows:

|                              | 2024          | 2023          |
|------------------------------|---------------|---------------|
|                              | \$'000        | \$'000        |
| <b>Current (Note 11)</b>     |               |               |
| Annual leave                 | 4,464         | 3,987         |
| Long service leave           | 1,027         | 991           |
| Bonus                        | 7,744         | 6,914         |
|                              | <b>13,235</b> | <b>11,892</b> |
| <b>Non-current (Note 11)</b> |               |               |
| Long service leave           | 4,661         | 4,576         |
|                              | <b>17,896</b> | <b>16,468</b> |

The above employee benefit provisions are the Directors' best estimate of the future outflow of economic benefits that will be required to settle these future payment obligations.



## 26 Employees

Average number of Group employees for the year was 496 (2023: 390).

# COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

## 27 Commitments for Expenditure

|                          | 2024<br>\$'000 | 2023<br>\$'000 |
|--------------------------|----------------|----------------|
| <b>Intangible assets</b> |                |                |
| Not longer than 1 year   | 2,420          | 1,974          |

## 28 Contingent Liabilities and Assets

At 30 June 2024, the Group has guarantee contracts in place relating to its lease obligations worth \$1,866k (2023: \$1,120k).

There are a small number of past matters that relate to third-party fund service providers. It is possible that the Group may need to make payments in relation to these matters, but it is possible that the Group will recover these costs.

There are no other contingent liabilities (2023: nil).

There are no contingent assets (2023: nil).

## 29 Subsequent Events

On 29 July 2024 the Group finalised the transfer of the ANZ Private will bank from ANZ ILP Pty Ltd. This transfer has resulted in the Group adding approximately 5,000 wills to its existing will bank. The transfer occurred for no consideration.

Other than as described above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.



## OTHER DISCLOSURES

### 30 Related Party Disclosures

#### Parent entity

The parent entity, ultimate Australian parent entity and ultimate parent entity is EQT Holdings Limited.

#### Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 32 to the financial statements. The Company does not hold any interests in associates, joint ventures or other related parties.

#### Transactions with key management personnel

##### (a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in Note 24 to the financial statements and in the Directors' Report.

##### (b) Loans to key management personnel

The Group had nil key management personnel loans as at 30 June 2024 (2023: nil).

##### (c) Director and key management personnel equity holdings

Director and key management personnel relevant interests in fully paid ordinary shares of EQT Holdings Limited are disclosed in the Directors' Report.

##### (d) Entitlements to shares of EQT Holdings Limited issued under the Executive Performance Share Plan 1999.

Details of entitlements to EQT Holdings Limited shares issued under the Executive Performance Share Plan 1999. are disclosed in the Directors' Report.

##### (e) Vested shares awards

Details of vested share awards are disclosed in the Directors' Report.

##### (f) Other transactions with key management personnel

There are no other transactions with key management personnel that meet the definition of related party transactions during the year (2023: nil).

The following arrangements in relation to some Directors and KMP are in place as at 30 June 2024, but do not meet the definition of related party transactions.

- Some Directors, key management personnel and their associates have investments in managed investment schemes (which may include listed investment trusts) for which a Group subsidiary acts as responsible entity.
- Independent Director Kelly O'Dwyer is a Director of HMC Capital (ASX: HMC) and other companies in the HMC Capital Group. Companies in the HMC Capital Group have appointed Equity Trustees Limited to act as custodian for two registered managed investment schemes for arm's length market-based fees. Ms O'Dwyer did not participate in the decision for an Equity Trustees subsidiary to accept these custody appointments for HMC. In addition, another subsidiary of EQT is assisting HMC Capital on taking steps to advance the establishment of the HMC Capital Foundation for arm's length market-based fees. Again, Ms O'Dwyer did not participate in the decision for an Equity Trustees subsidiary to accept this appointment.



## Investments in managed investment schemes

As at 30 June 2024 and 30 June 2023, the Group had investments in the EQT Cash Management Fund, a managed investment scheme where a Group subsidiary acts as responsible entity. These investments were on an arm's length basis (Note 21).

During the period the Group received distributions from managed funds investments totalling \$490k (2023: \$853k) from managed investment schemes where a Group subsidiary acts as responsible entity (Note 1).

Apart from the above, there were no other transactions with related parties.

## 31 Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as follows:

Investments in subsidiaries are accounted for at cost. Dividends received from subsidiaries are recognised in profit or loss when the right to receive the dividend is established (and it is probable that the economic benefits will flow to the parent and the amount of income can be measured reliably).

| <b>FINANCIAL POSITION</b>         | <b>2024</b>     | <b>2023</b>   |
|-----------------------------------|-----------------|---------------|
|                                   | <b>\$'000</b>   | <b>\$'000</b> |
| <b>Assets</b>                     |                 |               |
| Current assets                    | <b>32,388</b>   | 31,811        |
| Non-current assets                | <b>418,653</b>  | 407,233       |
| <b>Total assets</b>               | <b>451,041</b>  | 439,044       |
| <b>Liabilities</b>                |                 |               |
| Current liabilities               | <b>13,865</b>   | 2,767         |
| Non-current liabilities           | <b>72,550</b>   | 50,200        |
| <b>Total liabilities</b>          | <b>86,415</b>   | 52,967        |
| <b>Net assets</b>                 | <b>364,626</b>  | 386,077       |
| <b>Equity</b>                     |                 |               |
| Issued capital                    | <b>389,044</b>  | 384,336       |
| Other reserves                    | <b>2,166</b>    | 1,673         |
| Retained earnings                 | <b>(26,584)</b> | 68            |
| <b>Total equity</b>               | <b>364,626</b>  | 386,077       |
| <b>FINANCIAL PERFORMANCE</b>      |                 |               |
| <b>Profit for the year</b>        | <b>197</b>      | 25,712        |
| Other comprehensive income        | -               | -             |
| <b>Total comprehensive income</b> | <b>197</b>      | 25,712        |

Subsequent to 30 June 2024, dividends totalling \$43,800k have been determined and paid by subsidiary entities to the Parent entity.

## Contingent liabilities of the parent entity

There are no contingent liabilities (2023: nil).

There are no contingent assets (2023: nil).

## Commitments of the parent entity

The parent entity has no commitments for capital expenditure (2023: nil).



## 32 Subsidiaries

| NAME OF ENTITY   | PRINCIPAL ACTIVITY          | PLACE OF INCORPORATION AND OPERATION | PROPORTION OF OWNERSHIP INTEREST AND VOTING POWER HELD BY THE GROUP |      |
|--|-----------------------------|--------------------------------------|---|------|
|  |                             |                                      | 2024  | 2023 |
| <b>Parent entity</b>   |                             |                                      |   |      |
| EQT Holdings Limited   | Holding company             | Australia                            |   |      |
| <b>Subsidiaries</b>  |                             |                                      |   |      |
| Australian Executor Trustees Limited   | Financial services          | Australia                            | 100%  | 100% |
| AET PAF Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| Equity Trustees Limited  | Financial services          | Australia                            | 100%  | 100% |
| Equity Trustees Wealth Services Limited  | Financial services          | Australia                            | 100%  | 100% |
| Equity Trustees Superannuation Limited   | Financial services          | Australia                            | 100%  | 100% |
| EQT Responsible Entity Services Ltd  | Financial services          | Australia                            | 100%  | 100% |
| EQT International Holdings Ltd   | Financial services          | Australia                            | 100%  | 100% |
| EQT International Holdings (UK) Ltd  | Financial services          | United Kingdom                       | 100%  | 100% |
| Equity Trustees (UK & Europe) Ltd  | Financial services          | United Kingdom                       | 89%   | 76%  |
| Equity Trustees Fund Services Ltd  | Financial services          | United Kingdom                       | 89%   | 76%  |
| Equity Trustees Fund Services (Ireland) Limited (sold effective 30 April 2024) | Financial services          | Ireland                              | -   | 76%  |
| EQT Corporate Securities Limited   | Financial services          | Australia                            | 100%  | 100% |
| EQT Securitisation Services Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| EQT Australia Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| EQT Structured Finance Services Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| Equity Nominees Limited  | Financial services          | Australia                            | 100%  | 100% |
| HTFS Holdings Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| HTFS Nominees Pty Ltd  | Financial services          | Australia                            | 100%  | 100% |
| EQT Services Pty Ltd   | Corporate services          | Australia                            | 100%  | 100% |
| EQT Legal Services Pty Ltd   | Incorporated legal practice | Australia                            | 100%  | 100% |
| <b>Non-trading subsidiaries</b>  |                             |                                      |   |      |
| Equity Superannuation Management Pty Ltd                                       | Non-trading                 | Australia                            | 100%  | 100% |
| Equity Superannuation Administration Pty Ltd                                   | Non-trading                 | Australia                            | 100%  | 100% |
| Super.com Pty Ltd  | Non-trading                 | Australia                            | 100%  | 100% |
| Super.com.au Pty Limited   | Non-trading                 | Australia                            | 100%  | 100% |
| Apex Super Pty Ltd   | Non-trading                 | Australia                            | 100%  | 100% |
| Simple Wrap Pty Ltd  | Non-trading                 | Australia                            | 100%  | 100% |
| <b>Other</b>   |                             |                                      |   |      |
| Equity Trustees Limited Employee Equity Plan Trust                             | Trust                       | Australia                            |   |      |

EQT Holdings Limited is the head entity within the tax-consolidated group.

All the above Australian incorporated subsidiaries are members of the tax-consolidated group.



Information about the composition of the Group at the end of the year is as follows:

| PRINCIPAL ACTIVITY          | PLACE OF INCORPORATION AND OPERATION | NUMBER OF SUBSIDIARIES | NUMBER OF SUBSIDIARIES |
|-----------------------------|--------------------------------------|------------------------|------------------------|
|                             |                                      | 2024                   | 2023                   |
| Holding company             | Australia                            | 1                      | 1                      |
| Financial services          | Australia, United Kingdom            | 17                     | 17                     |
| Financial services          | Ireland                              | -                      | 1                      |
| Corporate services          | Australia                            | 1                      | 1                      |
| Incorporated legal practice | Australia                            | 1                      | 1                      |
| Non-trading                 | Australia                            | 6                      | 6                      |

### Functional currencies

The functional currencies of Group entities are as follows:

| LOCATION  | FUNCTIONAL CURRENCY |
|---|---------------------|
| Australian domiciled entities                         | Australian Dollar   |
| UK domiciled entities                                 | British Pound       |
| Irish domiciled entity (sold effective 30 April 2024) | Euro                |

### 33 Deed of Cross Guarantee

EQT Holdings Limited and certain wholly owned entities as listed below, have entered a Deed of Cross Guarantee, effective 27 June 2018. The effect of the Deed of Cross Guarantee is that EQT Holdings Limited has certain obligations in relation to the debts of any of the wholly owned entities in the event of a wind-up of any of those subsidiaries, in accordance with the *Corporations Act 2001*. Each of the wholly owned entities have provided a corresponding guarantee to EQT Holdings Limited, in the event of that Company's winding up.

By entering the Deed of Cross Guarantee, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under *ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785*.

The wholly owned entities subject to the Deed of Cross Guarantee are as follows:

- EQT International Holdings Limited.
- EQT Services Pty Limited.
- Equity Nominees Limited.



A consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, for each of the entities that is party to the Deed of Cross Guarantee, is as follows:

| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> | <b>2024</b>    | <b>2023</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Current assets</b>                               |                |                |
| Cash and cash equivalents                           | 3,341          | 5,432          |
| Trade and other receivables                         | 1,906          | 2,964          |
| Prepayments   | 4,669          | 4,443          |
| Other financial assets                              | 20,402         | 15,253         |
| Current tax receivable                              | -              | 3,815          |
| <b>Total current assets</b>                         | <b>30,318</b>  | <b>31,907</b>  |
| <b>Non-current assets</b>                           |                |                |
| Other financial assets                              | 73             | 461            |
| Right-of-use assets                                 | 7,143          | 6,706          |
| Deferred tax assets                                 | 9,270          | 7,741          |
| Investments in subsidiaries                         | 417,311        | 405,461        |
| <b>Total non-current assets</b>                     | <b>433,797</b> | <b>420,369</b> |
| <b>Total assets</b>                                 | <b>464,115</b> | <b>452,276</b> |
| <b>Current liabilities</b>                          |                |                |
| Trade and other payables                            | 18,731         | 6,204          |
| Provisions  | 18,647         | 12,799         |
| Borrowings  | 499            | 419            |
| Other current liabilities                           | 3,041          | 2,497          |
| Current tax payable                                 | 130            | -              |
| <b>Total current liabilities</b>                    | <b>41,048</b>  | <b>21,919</b>  |
| <b>Non-current liabilities</b>                      |                |                |
| Provisions  | 5,629          | 5,513          |
| Borrowings  | 72,550         | 50,200         |
| Other non-current liabilities                       | 6,679          | 6,895          |
| <b>Total non-current liabilities</b>                | <b>84,858</b>  | <b>62,608</b>  |
| <b>Total liabilities</b>                            | <b>125,906</b> | <b>84,527</b>  |
| <b>Net assets</b>                                   | <b>338,209</b> | <b>367,749</b> |
| <b>Equity</b>                                       |                |                |
| Issued capital                                      | 389,044        | 384,336        |
| Other reserves                                      | 2,802          | 2,472          |
| Retained earnings                                   | (53,637)       | (19,059)       |
| <b>Equity attributable to owners of the Company</b> | <b>338,209</b> | <b>367,749</b> |
| Non-controlling interest                            | -              | -              |
| <b>Total equity</b>                                 | <b>338,209</b> | <b>367,749</b> |

| <b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b> | <b>2024</b>     | <b>2023</b>   |
|--|-----------------|---------------|
|  | <b>\$'000</b>   | <b>\$'000</b> |
| Revenue  | 116,569         | 119,436       |
| Expenses   | (121,125)       | (105,724)     |
| Finance costs  | (4,259)         | (2,399)       |
| Depreciation and amortisation  | (1,668)         | (1,384)       |
| <b>Profit before income tax expense</b>  | <b>(10,483)</b> | <b>9,929</b>  |
| Income tax benefit   | 2,869           | 912           |
| <b>Profit for the period</b>   | <b>(7,614)</b>  | <b>10,841</b> |
| <b>Other comprehensive income</b>  | <b>(7,614)</b>  | <b>10,841</b> |

Subsequent to 30 June 2024, dividends totalling \$43,800k have been determined and paid by subsidiary entities to the Parent entity.





### 34 Auditors' Remuneration

| AUDITORS – DELOITTE TOUCHE TOHMATSU                                    | 2024           | 2023      |
|--|----------------|-----------|
|  | \$             | \$        |
| <b>Corporate entities</b>  |                |           |
| <b>Fees for the audit and review of financial statements</b>           |                |           |
| Group  | 125,971        | 121,351   |
| Subsidiaries   | 521,850        | 548,649   |
|  | <b>647,820</b> | 670,000   |
| <b>Fees for other services</b>   |                |           |
| Statutory assurance services   | 119,500        | 106,000   |
| Corporation tax compliance services and ad hoc tax consulting services | 106,796        | 136,000   |
| Other assurance services   | 105,500        | 108,000   |
|  | <b>331,796</b> | 350,000   |
| <b>Total remuneration for corporate entities</b>                       | <b>979,616</b> | 1,020,000 |

The 'Other assurance services' amounts paid to Deloitte Touche Tohmatsu are in accordance with the Group's auditor independence policy as outlined in the Corporate Governance Statement.

### 35 New and Amended Accounting Standards

#### Amendments to Australian Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has adopted all of the new Accounting Standards and amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and mandatorily effective for accounting periods beginning on or after 1 July 2023 and are relevant for the current year end.

#### **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

This Standard amends AASB Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. Amendments to the following Standards are most relevant to the Group:

- AASB 101 *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies.
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates.
- AASB 7 *Financial Instruments: Disclosures*, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.
- AASB 134 *Interim Financial Reporting*, to identify material accounting policy information as a component of a complete set of financial statements.
- AASB 1054 *Australian Additional Disclosures*, to reflect the updated terminology used in AASB 101.
- AASB *Practice Statement 2*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The application of AASB 2021-2 resulted in the Group performing an assessment of its disclosed accounting policies and determining that a number of accounting policy disclosures were not material and could be removed from the financial report. Other accounting policies deemed to be material continue to be disclosed in the financial report.



### **AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

This Standard makes amendments to introduce a further exception from the initial recognition exemption. Under the amendments, the Group does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying AASB 16 at the commencement date of a lease.

Following the amendments to AASB 112, the Group is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in AASB 112.

The amending standards also adds an illustrative example to AASB 112 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The application of AASB 2021-5 did not have an impact on the Group's consolidated financial statements.

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

### **Standards and Interpretations in issue not yet effective**

At the date of authorisation of the financial statements, there were a number of Standards and Interpretations that were issued but not yet effective. The Standards and Interpretations issued but not yet effective that are relevant to the Group are listed below:

| STANDARD/INTERPRETATION   | EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER | EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING |
|---|--|---|
| <i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i> | 1 January 2024   | 30 June 2025  |
| <i>AASB 18 Presentation and Disclosure in Financial Statements</i>  | 1 January 2027   | 30 June 2028  |
| <i>AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>          | 1 January 2024   | 30 June 2025  |
| <i>AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability</i>                | 1 January 2025   | 30 June 2026  |

### **AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants**

This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The Directors of the Group do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.



### **AASB 18 Presentation and Disclosure in Financial Statements**

Replaces AASB 101 *Presentation of Financial Statements*, introducing enhanced requirements for the presentation of financial statements, including:

- In the consolidated statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals ('operating profit' and 'profit before financing and income taxes').
- Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring: a reconciliation of the MPM to an IFRS-defined subtotal, an explanation of why the MPM is reported, an explanation of how the MPM is calculated, and an explanation of any changes to the MPM.
- Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or disclosed in the notes, and disclosures about items labelled as 'other'.

This Standard will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management defined performance measures, and changing the grouping of information in the financial statements.

This Standard applies to annual periods beginning on or after 1 January 2027, with earlier application permitted.

In accordance with the presentation requirements of AASB 18, the following changes are anticipated to the consolidated profit or loss and other comprehensive income:

- Introduction of the following categories: operating profit, investing profit and financing profit;
- All items in the current consolidated profit or loss and other comprehensive income to be categorised in operating profit, with exception to:
  - 'Interest and managed fund distributions' and 'foreign current gain/(loss)' in Note 2, to be categorised in investing profit.
  - 'Finance costs' in the face of the statements to be categorised in Financing profit.
  - 'Depreciation and amortisation' in the face of the statements to be categorised in 'Investing profit'.

The Directors are still in the process of assessing the full impact of the application of AASB 18 on the Group's financial statements. As a result, the above preliminary assessment is subject to change. The Directors do not intend to early adopt the standard and intend to use the full retrospective method upon adoption.

### **AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements**

This Standard amends:

- AASB 107 *Statement of Cash Flows* to require entities to provide qualitative and quantitative information about its supplier finance arrangements;
- AASB 7 *Financial Instruments: Disclosures* by adding supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

Transitional reliefs (which include not requiring the disclosure of comparative information) are available for the first annual reporting period in which an entity applies the amendments.

This Standard applies to annual periods beginning on or after 1 January 2024, with earlier application permitted.

The Directors of the Group do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.



### **AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability**

This Standard amends AASB 121 and AASB 1 to improve the usefulness of information provided to users of financial statements. The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements of AASB 121 for entities that apply AASB 1060 to ensure Tier 2 entities are not required to comply with the new disclosure requirements in AASB 121 when preparing their Tier 2 financial statements.

This Standard amends:

- AASB 1 *First-time Adoption of Australian Accounting Standards (July 2015)*.
- AASB 121 *The Effects of Changes in Foreign Exchange Rates (August 2015)*; and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities (March 2020)*.

This Standard applies to annual periods beginning on or after 1 January 2025, with earlier application permitted.

The Directors of the Group do not anticipate that the application of the Amendment in the future will have an impact on the Group's consolidated financial statements.



## CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

| ENTITY NAME  | ENTITY TYPE    | BODY CORPORATE                |                         | TAX RESIDENCY         |                      |
|--|----------------|-------------------------------|-------------------------|-----------------------|----------------------|
|  |                | PLACE FORMED AND INCORPORATED | % OF SHARE CAPITAL HELD | AUSTRALIAN OR FOREIGN | FOREIGN JURISDICTION |
| EQT Holdings Limited                               | Body corporate | Australia                     | N/A                     | Australian            | N/A                  |
| Australian Executor Trustees Limited               | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| AET PAF Pty Ltd                                    | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Trustees Limited                            | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Trustees Wealth Services Limited            | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Trustees Superannuation Limited             | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Responsible Entity Services Ltd                | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT International Holdings Ltd                     | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT International Holdings (UK) Ltd <sup>1</sup>   | Body corporate | United Kingdom                | 100%                    | Foreign               | United Kingdom       |
| Equity Trustees (UK & Europe) Ltd <sup>1</sup>     | Body corporate | United Kingdom                | 89%                     | Foreign               | United Kingdom       |
| Equity Trustees Fund Services Ltd <sup>1</sup>     | Body corporate | United Kingdom                | 89%                     | Foreign               | United Kingdom       |
| EQT Corporate Securities Limited                   | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Securitisation Services Pty Ltd                | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Australia Pty Ltd                              | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Structured Finance Services Pty Ltd            | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Nominees Limited <sup>2</sup>               | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| HTFS Holdings Pty Ltd                              | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| HTFS Nominees Pty Ltd                              | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Services Pty Ltd                               | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| EQT Legal Services Pty Ltd                         | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Superannuation Management Pty Ltd           | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Superannuation Administration Pty Ltd       | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Super.com Pty Ltd                                  | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Super.com.au Pty Limited                           | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Apex Super Pty Ltd                                 | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Simple Wrap Pty Ltd                                | Body corporate | Australia                     | 100%                    | Australian            | N/A                  |
| Equity Trustees Limited Employee Equity Plan Trust | Trust          | Australia                     | 100%                    | Australian            | N/A                  |

<sup>1</sup> Following a managed exit of the Group's UK clients the Group intends to liquidate its three UK-based subsidiaries.

<sup>2</sup> Trustee of the Equity Trustees Limited Employee Equity Plan Trust.



## **BASIS OF PREPARATION**

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are EQT Holdings Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the legal and economic interest consolidated in the consolidated financial statements.

In developing the disclosures in the statement, regard has been given to the operating jurisdiction of each entity and the location where each entity is obliged to file its taxation returns.



## Independent Auditor's Report to the Members of EQT Holdings Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of EQT Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the consolidated entity disclosure statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter   | How the scope of our audit responded to the Key Audit Matter   |
|--|--|
| <p><u>Impairment Assessment of Goodwill and Intangible assets</u></p> <p>As at 30 June 2024, goodwill, and intangible assets, including management rights, with a carrying value totaling \$330m, represent around 61% of the total assets of the Group (2023: totaling \$331m, 65% of the total assets of the Group).</p> <p>Note 8 describes how the goodwill is allocated across the four cash generating units ("CGUs"), which are tested separately for impairment.</p> <p>At 30 June 2024, management has allocated \$165m or 91% of the goodwill to the Trustee and Wealth Services ("TWS") CGU (2023: \$165m or 91%).</p> <p>Management conducts an annual impairment test to assess the recoverability of the carrying value of the CGU, including goodwill and intangible assets. This is performed using discounted cash flow models.</p> <p>There are a number of significant judgements made in determining the inputs into these impairment models including:</p> <ul style="list-style-type: none"> <li>• Revenue growth rates;</li> <li>• Operating margins and expenses; and,</li> <li>• Discount rates.</li> </ul> | <p>Our procedures relating to assessing the carrying value of TWS CGU included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• challenging management's allocation of assets and liabilities to determine the carrying value of the CGU subject to impairment assessment.</li> <li>• evaluating management's re-assessment of the useful economic lives of intangibles assets within the CGU.</li> <li>• obtaining an understanding of the key controls associated with the preparation of the discounted cash flow model used for the TWS CGU, and testing the design, implementation, and operating effectiveness of controls.</li> <li>• evaluating management's methodologies and their documented basis for key assumptions utilised in the discounted cash flow model.</li> <li>• challenging the key assumptions utilised in the discounted cash flow model including the revenue growth rates and EBITDA margins by comparing them to historical results and current economic conditions.</li> <li>• performing an independent recalculation of an appropriate discount rate to compare to the model input.</li> <li>• testing the mathematical accuracy of the discounted cash flow models.</li> <li>• agreeing budgeted cash flows to the latest board approved budget and assessing the reliability of historic forecasts by comparing to actual performance.</li> <li>• performing sensitivity analysis on key assumptions including revenue growth, EBITDA margin and discount rates. We also assessed the adequacy of the disclosures in Note 8 to the financial statements.</li> </ul> |

#### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 40 to 55 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of the Group, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Lani Cockrem*

Lani Cockrem

Partner

Chartered Accountants

Melbourne, 22 August 2024



## ADDITIONAL SHAREHOLDER INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not disclosed elsewhere in the Annual Report. This information is current as at 9 August 2024 (**Reporting Date**).

### CORPORATE GOVERNANCE STATEMENT

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any recommendations that have not been followed, and provides reasons for not following such recommendations ("the Corporate Governance Statement").

In accordance with ASX Listing Rules 4.10.3 and 4.74, the Corporate Governance Statement will be available for review on the Company's website <https://www.egt.com.au/about-us/investor-centre> and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

### NUMBER OF HOLDINGS OF EQUITY SECURITIES

As at the Reporting Date, the number of holders in each class of equity securities on issue in the Company is as follows:

| SECURITY TYPE              | NO. OF SECURITIES | NO. OF SHAREHOLDERS |
|----------------------------|-------------------|---------------------|
| Fully Paid Ordinary Shares | 26,678,303        | 3,506               |
| Performance Share Rights   | 206,233           | 9                   |

### VOTING RIGHTS

The voting rights attaching to the ordinary shares are set out in clause 41 of the Company's constitution. Voting at the Company's general meetings is now conducted by a poll. Upon a poll, every member present in person or by attorney or by proxy or by representative shall have one vote for every share held by the member.

For completeness, if voting were to occur on a show of hands, the Constitution provides that every member present in person or by attorney or by proxy or by representative shall have one vote. Where more than one proxy, representative or attorney is appointed, none may vote on a show of hands. Where a person is entitled to vote in more than one capacity, that person is entitled only to one vote.

There are no voting rights attached to the Performance Share Rights.

### DISTRIBUTION OF SHARES

| SIZE OF HOLDING   | UNITS      | NO. OF HOLDERS OF ORDINARY SHARES | %     |
|-------------------|------------|-----------------------------------|-------|
| 100,001 and over  | 18,642,511 | 23                                | 0.66  |
| 10,001 to 100,000 | 3,127,885  | 130                               | 3.71  |
| 5,001 to 10,000   | 1,554,978  | 221                               | 6.30  |
| 1,001 to 5,000    | 2,579,244  | 1,141                             | 32.54 |
| 1 to 1,000        | 773,685    | 1,991                             | 56.79 |

\*There were 90 shareholders holding less than a marketable parcel (\$500) of ordinary shares based on the closing market price of \$33.45 at 9 August 2024.



## DISTRIBUTION OF HOLDERS OF PERFORMANCE SHARE RIGHTS

| SIZE OF HOLDING   | UNITS   | NO. OF HOLDERS OF PERFORMANCE RIGHTS | %     |
|-------------------|---------|--------------------------------------|-------|
| 100,001 and over  | -       | -                                    | 0     |
| 10,001 to 100,000 | 187,180 | 7                                    | 90.76 |
| 5,001 to 10,000   | 19,053  | 2                                    | 9.24  |
| 1,001 to 5,000    | -       | -                                    | 0     |
| 1 to 1,000        | -       | -                                    | 0     |

## SUBSTANTIAL SHAREHOLDERS

As at the Reporting Date, the names of the substantial shareholders in the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are as follows:

|  | DATE OF LAST NOTICE | SHAREHOLDING | % OF ISSUED CAPITAL SHOWN IN NOTICE |
|--|---------------------|--------------|-------------------------------------|
| Australian Foundation Investment Company Limited | 29/04/2016          | 1,303,232    | 6.53                                |
| Washington H. Soul Pattinson and Company Limited | 24/05/2024          | 2,207,854    | 8.28                                |





## 20 LARGEST SECURITY HOLDERS AS AT 9 AUGUST 2024

| 20 LARGEST SHAREHOLDERS                                      |  | NO. OF SHARES     | %            |
|--|--|-------------------|--------------|
| 1  | CITICORP NOMINEES PTY LIMITED  | 3,842,407         | 14.40        |
| 2  | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                              | 3,325,195         | 12.46        |
| 3  | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                              | 1,754,118         | 6.58         |
| 4  | AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED                       | 1,647,438         | 6.18         |
| 5  | WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED                        | 1,166,054         | 4.37         |
| 6  | DJERRIWARRH INVESTMENTS LIMITED  | 1,002,318         | 3.76         |
| 7  | BNP PARIBAS NOMS PTY LTD   | 971,440           | 3.64         |
| 8  | NATIONAL NOMINEES LIMITED  | 959,052           | 3.59         |
| 9  | MIRRABOOKA INVESTMENTS LIMITED   | 532,093           | 1.99         |
| 10   | UBS NOMINEES PTY LTD   | 528,191           | 1.98         |
| 11   | BKI INVESTMENT COMPANY LIMITED   | 447,932           | 1.68         |
| 12   | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C> | 334,779           | 1.25         |
| 13   | AMCIL LIMITED  | 322,520           | 1.21         |
| 14   | BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>                | 294,152           | 1.10         |
| 15   | NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>                   | 273,824           | 1.03         |
| 16   | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA                     | 207,653           | 0.78         |
| 17   | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED                         | 190,175           | 0.71         |
| 18   | WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>                         | 185,391           | 0.69         |
| 19   | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2                      | 150,129           | 0.56         |
| 20   | PACIFIC CUSTODIANS PTY LIMITED EQT EMP SUB REGISTER                    | 135,825           | 0.51         |
| Totals: Top 20 Holders of Ordinary Fully Paid Shares (Total) |  | <b>18,270,686</b> | <b>68.49</b> |
| Total Remaining Holders Balance                              |  | <b>8,407,617</b>  | <b>31.51</b> |

### Unquoted securities

The 206,233 Performance Share Rights on issue were issued as part of an employee awards plan and are unquoted.

### Restricted securities

There were no restricted securities as at 9 August 2024.

### On-market buy-back

There is no current on-market buy-back.

### Other information

There are no issues of securities approved for the purpose of Item 7 of Section 611 of the *Corporations Act* which have not yet been completed.



# 10-YEAR FINANCIAL PERFORMANCE SUMMARY

The following table summarises the key financial performance metrics and value drivers of the Group over the past 10 years:

| FINANCIAL SUMMARY                                      | FY15     | FY16     | FY17     | FY18     | FY19     | FY20     | FY21     | FY22     | FY23      | FY24             |
|--|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------------|
|  | \$'000   | \$'000   | \$'000   | \$'000   | \$'000   | \$'000   | \$'000   | \$'000   | \$'000    | \$'000           |
| Revenue  | 84,857   | 83,696   | 79,928   | 88,456   | 92,499   | 95,430   | 101,040  | 111,513  | 141,366   | <b>173,982</b>   |
| Total expenses   | (60,699) | (64,783) | (57,662) | (59,725) | (61,163) | (65,117) | (70,729) | (74,310) | (110,514) | <b>(141,815)</b> |
| Net Profit Before Tax (NPBT)                           | 24,158   | 18,913   | 22,266   | 28,731   | 31,336   | 30,313   | 30,311   | 37,203   | 30,852    | <b>32,167</b>    |
| Reconciliation to Underlying NPBT (UNPBT) <sup>1</sup> |          |          |          |          |          |          |          |          |           |                  |
| M&A and/or project costs                               | -        | -        | -        | -        | -        | -        | 1,827    | 184      | 8,570     | <b>9,406</b>     |
| Major Technology Systems Replacement Costs             | -        | -        | -        | -        | -        | -        | -        | -        | 1,264     | <b>2,090</b>     |
| Disposals, impairment, CTS-EU losses                   | -        | -        | -        | 711      | 2,169    | 3,493    | 3,221    | 3,747    | 6,657     | <b>9,064</b>     |
| Underlying NPBT  | n/a      | n/a      | n/a      | 29,442   | 33,505   | 33,806   | 35,359   | 41,134   | 47,343    | <b>52,727</b>    |
| Net Profit After Tax (NPAT)                            | 16,959   | 13,288   | 15,437   | 19,433   | 21,369   | 18,487   | 20,508   | 22,669   | 17,317    | <b>19,066</b>    |
| Loss attributable to non-controlling interest          | -        | -        | -        | (263)    | (825)    | (725)    | (1,020)  | (1,559)  | (1,516)   | <b>(1,645)</b>   |
| NPAT attributable to equity holders of the Company     | 16,959   | 13,288   | 15,437   | 19,696   | 22,194   | 19,212   | 21,528   | 24,228   | 18,833    | <b>20,711</b>    |
| Reconciliation to Underlying NPAT (UNPAT) <sup>1</sup> |          |          |          |          |          |          |          |          |           |                  |
| M&A and/or project costs                               | 2,900    | 5,477    | 2,271    | 567      | -        | -        | 1,717    | 183      | 7,147     | <b>6,610</b>     |
| Settlement of ATO dispute                              | -        | -        | -        | -        | -        | 2,006    | (846)    | -        | -         | -                |
| Major Technology Systems Replacement Costs             | -        | -        | -        | -        | -        | -        | -        | -        | 885       | <b>1,883</b>     |
| Disposals, impairment, CTS-EU losses                   | -        | -        | -        | 711      | 2,169    | 3,493    | 3,221    | 3,747    | 6,408     | <b>8,676</b>     |
| Underlying NPAT  | 19,859   | 18,765   | 17,708   | 20,974   | 24,363   | 24,711   | 25,620   | 28,158   | 33,273    | <b>37,880</b>    |
| <b>VALUE CREATION MEASURES</b>                         |          |          |          |          |          |          |          |          |           |                  |
| Earnings Per Share (EPS) (cents)                       | 86.94    | 66.32    | 76.24    | 96.31    | 107.54   | 92.04    | 102.03   | 113.94   | 73.94     | <b>77.84</b>     |
| Underlying Earnings Per Share (EPS) (cents)            | 100.90   | 92.98    | 87.47    | 102.56   | 118.05   | 118.38   | 121.41   | 132.42   | 130.63    | <b>142.37</b>    |
| Dividends per share (cents) (paid and proposed)        | 94       | 68       | 71       | 82       | 90       | 90       | 91       | 97       | 99        | <b>104</b>       |
| Return on equity using NPAT                            | 7.0%     | 5.5%     | 6.3%     | 7.7%     | 8.1%     | 6.9%     | 7.5%     | 8.1%     | 4.3%      | <b>4.8%</b>      |
| FUMAS (\$b)  | 56.3     | 66.9     | 71.4     | 86.2     | 84.9     | 101.0    | 144.2    | 148.9    | 160.1     | <b>202.8</b>     |

<sup>1</sup> Underlying measures are used in some financial years to highlight the impact of one-off or significant transactions impacting financial results. Further information on these adjustments can be found in the EQT Holdings Limited Annual Report for the relevant financial year. Earnings per share for the prior periods shown have been adjusted to reflect the rights issue in August/September 2022 and to exclude operating losses associated with the Group's UK and Ireland operations.



**AUDITOR**

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**CORPORATE GOVERNANCE STATEMENT**

Our Corporate Governance Statement is available on our website:  
[www.eqt.com.au/investor-centre/corporate-governance](http://www.eqt.com.au/investor-centre/corporate-governance)

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