



ABN 53 000 364 465

19 November 2021

Chairman's Address to Shareholders

Financial Year in Review

2021 was a transformational year for Euroz which delivered excellent outcomes for all our stakeholders.

On 1 October 2020 Euroz completed our transaction with Hartleys Limited through the issue of approximately 33 million shares. The merger of these significant brands created Euroz Hartleys which is now Western Australia's largest wealth management business.

We are pleased to report that the completion of this merger of equals and our ongoing cultural and brand alignment has been well received by our clients. This is the direct result of the significant efforts of our major asset – our staff, who have embraced this merger and worked tirelessly to ensure its success.

Euroz Limited reported a record audited result of \$52.5 million net profit after tax attributable to members for the financial year ended 30 June 2021. The Group's profitability consisted of "cash" profit after tax of \$34.9 million and \$17.6 million in "non-cash" after tax profit from the mark to market on our investments.

Underlying cash profitability was driven by a strong performance from Euroz Hartleys which delivered 76 separate Equity Capital Market raisings of \$2 billion (versus \$1.05 billion last year). Our Wholesale and Private Wealth teams generated significant brokerage revenues of \$31.1 million, up 90% on the previous corresponding period.

Euroz Hartleys Funds Under Management ("**FUM**") as at 30 June 2021 was \$3.1 billion, (2020: \$1.3 billion) an increase of 130% from the previous year. Wealth Management FUM revenue increased by 59% to \$14.5 million from \$9.1 million.

Our Private Wealth team has 70 highly experienced and trusted advisers with a very significant distribution network of clients. This established team of private wealth advisers has a very diverse stream of many types of revenue, both transactional and recurring. We aim to constantly improve the structure and support we provide our advisers so that they can continue to provide exceptional outcomes for our clients.

Westoz Investment Company Limited (ASX:WIC) and Ozgrowth Limited (ASX:OZG) performed well in rising global markets with gross investment performance of 34% and 62.9% for the financial year respectively. Revenue from our Funds Management business increased by 326% to \$17.2 million from \$4.1 million in the prior year. Revenue included performance and management fees received from Westoz Funds Management ("**WFM**").

Total Group FUM as at 30 June 2021 was \$3.4 billion (2020: \$1.6 billion) an increase of 117% from the previous year.

Our strong underlying cash profitability enabled your Directors to declare and pay a final fully franked dividend of 13.5 cents per share (“cps”) which combined with the interim dividend of 2.5 cps brought the full year dividend to an exceptional 16 cps (previous year 9.5 cps).

Trading Update

We provide the following trading update for the first four months of the financial year to 31 October 2021.

Unaudited headline net profit after tax of \$10.6 million has been driven by strong contributions from Euroz Hartleys Limited and improved share prices in our investments in the Westoz Investment Company Limited (WIC) and Ozgrowth Limited (OZG). We report unaudited underlying cash profitability of \$6.5 million after tax.

Group Funds Under Management (FUM) has risen strongly to a record \$3.6 billion reflecting our important and ongoing focus on building recurring revenue streams

Summary

Euroz Group now employs 197 amazing people across all of our various businesses. Our staff remain the key element to our very deliberate strategy to be Western Australia’s largest wealth management business but to also be WA’s best wealth management business.

We are differentiated from our peers by maintaining a strong balance sheet with cash and investments at 31 October 2021 of \$171 million and zero debt.

We are proud that Euroz Limited has now paid \$266 million in fully franked dividends to shareholders across our 21-year history.

The proposed name change of Euroz Limited to “Euroz Hartleys Group Limited” today reflects the deep history of our two iconic Western Australian brands that are now one.

I would once again like to sincerely thank our staff for their significant efforts during this period of sustained change and pressure and who as our largest shareholders, remain committed to growing this proudly Western Australian wealth management company.

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