24 September 2024

EP1 Proposed Voluntary Delisting From ASX

ASX Announcement

E&P Financial Group Limited (ASX:EP1) (**E&P** or **Company**) announces that it has submitted a formal request to the Australian Securities Exchange (**ASX**) to be removed from the official list of ASX (**Official List**) in accordance with ASX Listing Rule 17.11 (**Proposed Delisting**). This formal request follows the Company obtaining in-principle approval from ASX in relation to the Proposed Delisting, subject to the satisfaction of certain conditions as set out in this announcement, including the Company obtaining shareholder approval for the Proposed Delisting at an Extraordinary General Meeting (**EGM**).

The Proposed Delisting is expected to be put forward for shareholder approval at an EGM to be held on 24 October 2024. If the conditions for the Proposed Delisting are satisfied, including shareholder approval, and the Proposed Delisting proceeds, E&P's securities would no longer be quoted on ASX. The Proposed Delisting would be expected to take effect on or around 12 December 2024. On the same date as this announcement, the Company has separately released a Notice of Meeting and Explanatory Statement in respect of the EGM (**NoM**) on the ASX announcements platform.

1. Reasons for E&P seeking removal from the Official List

E&P's Board of Directors (**Board**) considers that the Proposed Delisting is in the best interests of the Company for a number of reasons, which are set out below. Further details can be found within the NoM.

(a) The EP1 trading price does not reflect the Company's underlying value

The Board considers that the trading price of the Company's shares (**Shares**) in recent years implies a valuation that has been (and remains) consistently and materially below the Board and management's view of the Company's fundamental value and significantly below the Company's peers.

(b) Limited trading volumes and liquidity

Despite the Company's listing on ASX in 2018, the Company's shareholder base (**Shareholders**) remains concentrated and trading in Shares has been relatively illiquid, limiting the Company's ability to meaningfully broaden its institutional ownership. It has also been relatively difficult for existing EP1 investors to access liquidity through the sale of Shares, without the risk of a disproportionate impact on the EP1 Share price.

(c) Cost savings

The Company believes that the ongoing administrative, compliance and direct costs associated with maintaining the listing of the Company's Shares on ASX are disproportionate to the benefit obtained by

remaining listed. The Company estimates that delisting its Shares would save in the order of approximately $2.5 million per annum in direct costs over time, with the potential for additional, indirect cost savings.[1]

(d) No significant current requirement for capital in the ordinary course, while any future capital raising would be highly dilutive

Outside of the Convertible Notes issue separately announced today by the Company, there is currently no significant need for capital by the Company in the near-to medium-term in the ordinary course and while listed on ASX. Accordingly, the ability to conduct equity capital raisings within the ASX-listed environment is not a present nor foreseeable benefit for the Company.

(e) Strategic and corporate opportunities

The Board considers that the Company will have greater flexibility to pursue and execute value enhancing strategic opportunities and corporate transactions following the proposed Delisting.

(f) Employees

The Board believes that the disconnect between EP1's Share trading price and the Board's view of fundamental value could potentially impact the Group's ability to attract and/or retain high quality employees. The proposed Delisting may improve the Company's perception as a more attractive employer and promote employee retention, given the impact an underperforming share price and illiquidity can have on an employee's decision to join or remain at a company and the attractiveness and value of any incentive arrangements.

2. Conditions of ASX's in-principle approval of the Proposed Delisting

The ASX's in-principle decision notified E&P that ASX would be likely to remove the Company from the official list on a date to be determined by ASX in consultation with EP1, subject to the Company's compliance with the following conditions:

(a) the request for removal of the Company from the official list is approved by a special resolution of ordinary Shareholders;
(b) the notice of meeting seeking Shareholder approval for the Company's removal from the official list must include the following information:
    (i) a timetable of key dates, including the time and date at which the Company will be removed from the ASX official list if that approval is given;
    (ii) a statement to the effect that the removal will take place no earlier than one month after Shareholder approval is granted;
    (iii) a statement to the effect that if Shareholders wish to sell their Shares on ASX , they will need to do so before the Company is removed from the official list, and, if they do not, details of the processes (if any) that will exist after the Company is removed from the ASX official list to allow Shareholders to dispose of their holdings and how they can access those processes; and
    (iv) the information prescribed in section 2.11 of ASX Guidance Note 33, Removal of entities from the ASX official list;
(c) the removal from the official list must not take place any earlier than one month after Shareholder approval is obtained so that Shareholders have at least that period to sell their shares should they wish to do so;
(d) the Company must apply for its Shares to be suspended from quotation at least two (2) business days before its proposed removal date; and

[1] Estimate includes c. $0.8 million in direct public company costs, c. $1.2 million in accounting, audit fees, and insurances and c.$0.5 million in other costs. The Company is not aware of any material additional ongoing expenses which it is likely to incur as a result of Delisting.

(e) the Company releases the full terms of the ASX decision to the market upon making a formal application to the ASX for its removal from the official list.

The Company intends to fully comply with the above conditions.

The full text of ASX's in-principle approval is set out in Annexure A to this announcement.

The purpose of the condition that the Proposed Delisting must not take place any earlier than one month after Shareholder approval has been obtained, is so that Shareholders have at least that period to sell their EP1 shares on ASX should they wish to do so.

3. Consequences of the Proposed Delisting for the Company and its Shareholders

In the event the Proposed Delisting proceeds, the key consequences for the Company and its Shareholders would include:

(a) Trading of Shares

The Company's Shares will cease to be quoted and traded on ASX. Shareholders will have their CHESS holdings converted to the certified sub-register on the Company's register and Shareholders will receive certificates for their Shares. No action will be required by Shareholders to effect this conversion.

(b) Sales via off-market transactions

The Company's Shares will only be capable of sale via off-market private transactions which will require the Company's Shareholders to identify and agree terms with potential purchasers of Shares in accordance with the Company's constitution and the Corporations Act. The Company does not have any present intention to list any securities of the Company on any financial market following the Delisting. The Company can provide no assurances or guarantees that a liquid market for the Company's securities will exist. While the Company expects to consider potential mechanisms to provide Shareholders with periodic access to liquidity following the Proposed Delisting and consider ongoing capital management initiatives to provide periodic access to liquidity, there is no assurance that any such mechanisms or initiatives will be available or able to be implemented.

(c) Raising new capital

As an unlisted public company, the Company will no longer be able to raise capital by issuing securities to investors by means of a limited disclosure fundraising document or through the cleansing notice regime.

Should the Company seek to raise capital following the Proposed Delisting, it will be required to offer Shares pursuant to a full prospectus, offer information statement or by way of a disclosure-exempt placement under section 708 of the Corporations Act, including but not limited to, for example, to sophisticated, professional or experienced investors or for a "small scale offering", for which a disclosure document is not required.

(d) Ongoing Compliance Obligations

The Company will no longer be required to comply with the ASX Listing Rules, nor adopt the ASX Corporate Governance Principles and Recommendations on an 'if not why not?' basis.

As part of this change, Shareholders will no longer be required to provide notices of initial substantial holding positions (ASIC Form 603) and substantial holding movements (ASIC Form 604), and directors will no longer

have to notify ASX of their dealings in securities of the Company (Appendix 3Y), including notice of any initial director interests in securities (Appendix 3X).

The Company will however continue to be governed by its Constitution and by the Corporations Act in a number of respects, including the following:

(i) for as long as the Company has more than 50 members, it will continue to be subject to the "takeover" provisions in Chapter 6 of the Corporations Act (**Chapter 6**) and, as such, increases in voting power in the Company will continue to be regulated by Chapter 6 for Shareholders who hold between 20% and 90% of the voting power in the Company;
(ii) for as long as the Company has at least 100 members, it will be subject to the continuous disclosure obligations in section 675 of the Corporations Act (which require lodgement of certain material information with ASIC) and will be an unlisted 'disclosing entity' subject to half-yearly and annual reporting. As noted in Section 4 of ASC Guidance Note 33, these obligations are substantively the same as those imposed under ASX Listing Rule 3.1; and
(iii) the Company will still be required to hold an AGM each year.

While the Company's constitution may be amended in the future to reflect the Company no longer being listed on ASX, Shareholders will continue to have the right to:

(i) exercise voting rights attached to Shares;
(ii) receive notices of meetings and other notices issued by the Company; and
(iii) receive any dividends paid by the Company from time to time.

4. Arrangements for Shareholders to sell shares

If Shareholders wish to sell their shares, they may do so on ASX prior to the removal of the Company from the official list, or after removal of the Company from the official list through an off-market private transaction, as described above. The proposed date of removal is set out in Annexure B.

The Company also intends to provide the following liquidity mechanisms for Shareholders.

(a) Buy-Back

If Shareholders approve the Proposed Delisting, the Company recognises that there will be some Shareholders who either do not want to remain on the Company's register in an unlisted environment, or who want to remain but with a reduced holding.

In order to provide pre-delisting liquidity for those Shareholders wishing to exit the Company's register or reduce their holding, the Company will seek Shareholder approval at the EGM to conduct an equal access buy-back of up to $25 million (**Buy-Back**). The Buy-Back will be subject to and conditional upon Shareholders approving the Proposed Delisting at the EGM. It is intended that the Buy-Back will be funded through a conditional placement of Convertible Notes (with attached options), a committed short-term debt facility (**Debt Facility**), and (if required) available cash. The Company today released a separate announcement regarding the placement.

The Buy-Back will be conducted at $0.52 per share, representing an 18% premium to the three month volume weighted average price (**VWAP**) of $0.442 per share and a 27% premium to the last close of $0.41 per share as at 19th September 2024. The Company has applied to ASIC and been granted relief to conduct the Buy-Back as an equal access buy-back, subject to a $30,000 Scale Back Threshold. In the event the Buy-Back is oversubscribed, scale back will only apply to such part of the participating Shareholder's tender that is in

excess of the Scale Back Threshold. Further details on the terms of the Buy-Back are included in the Buy-Back Booklet contained as an appendix to the Company's Notice of Meeting and Explanatory Statement lodged with ASX today.

The Buy-Back will provide Shareholders with a pre-delisting opportunity to partially or wholly exit their investment at a premium to the prevailing price and recent VWAP of the Shares traded on the ASX as well as at a premium to net asset value per share. The Buy-Back will not proceed if the Proposed Delisting is not approved by Shareholders.

The Company's largest Shareholder, Mercury Capital, and Company Directors David Evans, Josephine Linden, Sally McCutchan, Anthony Johnson and Ben Keeble have confirmed to the Company that they do not intend to participate in the Buy-Back.

(b) Non-Marketable Parcel Share Sale Facility

In parallel with the Proposed Delisting, the Company intends to establish a Non-Marketable Parcel Share Sale Facility under which Shareholders holding Shares with a market value of less than $500 at a specified record date will have their Shares sold without having to act through a broker or pay brokerage or handling fees. The Company will pay the costs associated with the sale and transfer of Shares through the Non-Marketable Parcel Share Sale Facility (excluding any tax consequences on the sale).

A market announcement will be released by the Company on ASX prior to commencement of the Non-Marketable Share Sale Facility. Eligible Shareholders will have the ability to elect to "opt-out" of the facility by completing and submitting a retention form to the Company in accordance with instructions to be released at a future date. The Non-Marketable Share Sale Facility will be completed by the Company irrespective of whether the Proposed Delisting is approved by Shareholders.

5. Arrangements for Shareholders to Buy More Shares

Subject to the amount drawn down under the debt facility referred to in 4(a) above, the Company intends to explore a potential future capital raising following the Proposed Delisting. This is currently expected to be in the form of an entitlement offer which may be launched following release of the Company's H1 FY25 results for a minimum of $5 million and up to a maximum of $12.5 million, with the capital raised to be applied towards repayment of the Debt Facility.

6. Timetable

Annexure B includes the proposed timetable for completion of the Proposed Delisting. The Proposed Delisting would not occur any earlier than one month following Shareholder approval. Shares may continue to be traded on ASX up until close of trade on the date that is two trading days prior to the proposed date of delisting, after which trading will be suspended until the delisting is implemented.

7. Remedies available to Shareholders

(a) Part 2F.1 of the Corporations Act

In circumstances where a Shareholder considers the Delisting to be contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or discriminatory against a Shareholder or Shareholders, that Shareholder may apply to the court for an order under Part 2F.1 of the Corporations Act.

The court can make any order under section 233 of the Corporations Act that it considers appropriate in relation to the Company. This may include an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

(b) Part 6.10 Division 2 Subdivision B of the Corporations Act

In circumstances where a Shareholder considers that the Delisting involves "unacceptable circumstances", that Shareholder may apply to the Takeovers Panel to make a declaration of unacceptable circumstances or orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (see also Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel).

Pursuant to section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable under section 657A of the Corporations Act, it may make any order (except for an order directing a person to comply with a requirement of Chapter 6, 6A, 6B or 6C of the Corporations Act) that it thinks appropriate to (among others) protect the rights or interests of any person or group of persons where it is satisfied that those rights or interests have been or are being affected, or will be or are likely to be affected, by the circumstances.

8. Announced Parliamentary Inquiry

The Company notes that on 17 September 2024, the Australian Senate agreed to a motion referring the following matter to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry and report by the last sitting day in March 2025:

"The reasons for the collapse of wealth management companies, and the implications for the establishment of the Compensation Scheme of Last Resort (CSLR) and challenges to its ongoing sustainability, with particular reference to Dixon Advisory & Superannuation Services Pty Limited (Dixon Advisory) as an example,.."

A full copy of the motion is available at https://www.aph.gov.au/~/media/CCE2638C2522498AA2DF44665A198F10

The motion is relevant to E&P as it references E&P subsidiary Dixon Advisory & Superannuation Services Pty Limited (subject to deed of company arrangement) as an example. The Company has no further detail on the proposed inquiry and is unaware of the extent to which it may or may not be involved in the inquiry.

This announcement has been authorised for release by the Board of E&P Financial Group Limited.

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About E&P Financial Group Limited

E&P Financial Group is an Australian Securities Exchange listed financial services group. In E&P Wealth we service approximately 7,400 clients, representing $29.4 billion in funds under advice. In E&P Capital we are an advisor to many leading Australian institutions through the provision of research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services. In E&P Funds, we manage $2.2 billion of assets across international equities and private equity.

Annexure A – ASX in-principle decision

ASX's formal decision is as follows:

"In-principle Confirmation Decision

1. *Subject to resolution 2, and based solely on the information provided, on receipt of an application for the removal of E&P Financial Group Limited ('EP1') from the official list of ASX Limited ('ASX') pursuant to Listing Rule 17.11, ASX would be likely to remove EP1 from the official list, on a date to be determined by ASX in consultation with EP1, subject to compliance with the following conditions.*

    1.1. *The request for removal of EP1 from the official list is approved by a special resolution of ordinary security holders of EP1.*

    1.2. *The notice of meeting seeking security holder approval for EP1's removal from the official list must include the following information, in form and substance satisfactory to ASX:*

        1.2.1. *a timetable of key dates, including the time and date at which EP1 will be removed from ASX if that approval is given;*

        1.2.2. *a statement to the effect that the removal will take place no earlier than one month after approval is granted;*

        1.2.3. *a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the official list; and if they do not, details of the processes that will exist after EP1 is removed from the official list to allow security holders to dispose of their holdings and how they can access those processes; and*

        1.2.4. *the information prescribed in section 2.11 of ASX Guidance Note 33.*

    1.3. *The removal of EP1 from the official list must not take place any earlier than one month after security holder approval is obtained so that security holders have at least that period to sell their securities should they wish to do so.*

    1.4. *EP1 must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.*

    1.5. *EP1 releases the full terms of this decision to the market upon making a formal application to ASX to remove EP1 from the official list of ASX.*

2. *Resolution 1 only applies to 19 October 2024 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.*

3. *ASX has considered Listing Rule 17.11 only and makes no statement as to EP1's compliance with other Listing Rules.*

Basis for in-principle Confirmation Decision

Listing Rule 17.11

1. *ASX may remove an entity from the official list of ASX at the request of an entity. Removal from the official list at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX to act on the request. ASX's power not to agree to*

requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to security holders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These conditions may include: (i) seeking security holder approval for delisting by way of a special resolution; (ii) giving advanced notice of an amount of time which is adequate to the particular circumstances; or (iii) providing alternative arrangements for security holders to exit their investment before or after delisting.

Facts/Reason for providing the In-Principle Confirmation

2. *The circumstances faced by the entity are those to which section 2.7 of Guidance Note 33 applies. Where an entity requests removal from the official list of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the official list by way of a special resolution.*

Annexure B – Indicative timetable

Key Event	Key Dates
Formal Application for proposed Delisting submitted to ASX	Tuesday, 24 September 2024
Announcement to ASX of proposed Delisting	Tuesday, 24 September 2024
Notice of EGM and Explanatory Statement dispatched to Shareholders	Tuesday, 24 September 2024
Extraordinary General Meeting held to approve the proposed Delisting	Thursday, 24 October 2024
Results of EGM announced to ASX	Thursday, 24 October 2024
Launch of Buy-Back	Friday, 25 October 2024
Record date of Buy-Back	Thursday, 31 October 2024
Tender Period of Buy-Back Opens	Tuesday, 5 November 2024
Tender Period of Buy-Back Closes	Tuesday, 3 December 2024
Completion of Buy-Back	Monday, 9 December 2024
Suspension from quotation	Monday, 9 December 2024
Removal of the Company from the Official List	Thursday, 12 December 2024

All times and dates in the above timetable are references to the time and date in Sydney, New South Wales, Australia, are indicative only and may be subject to change by the Company or ASX. The Key Dates above are linked to the resolutions included within the NoM and accordingly are conditional on approval by Shareholders. Any material changes will be announced by the Company to the ASX.