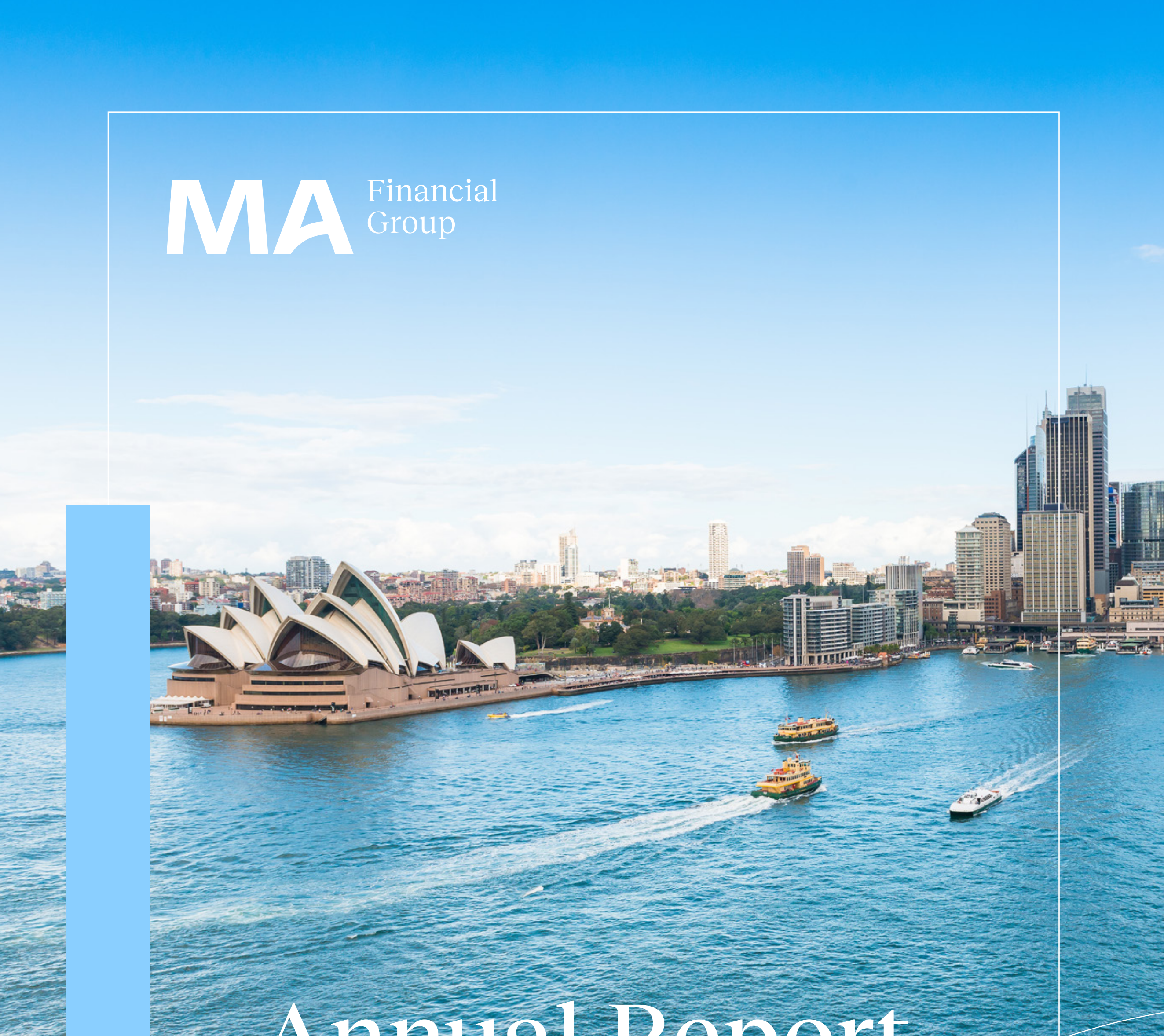

MA Financial Group

Annual Report

2024

We respectfully acknowledge the Traditional Owners of lands across Australia and pay our respects to their Elders, past and present.

Our head office is located on Gadigal land.

MA FINANCIAL GROUP LIMITED

Registered office
Principal place of business
Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000
T + 61 2 8288 5555

mafinancial.com

KEY CONTACT:

Michael Leonard
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FY24 at a glance

ASSETS UNDER MANAGEMENT	UNDERLYING REVENUE[1]	UNDERLYING RECURRING REVENUE[2]
$10.3b	**$307m**	**$190m**
12% increase from FY23	14% increase from FY23	7% increase from FY23

RECORD ASSET MANAGEMENT GROSS FUND INFLOWS[3]	CORPORATE ADVISORY FEES	UNDERLYING EBITDA[1]
$2.2b	**$50m**	**$87m**
27% increase from FY23	16% increase from FY23	7% increase from FY23

FINSURE MANAGED LOANS	MA MONEY LOAN BOOK	UNDERLYING NPAT[1]
$139b	**$2.1b**	**$42m**
26% increase on FY23	155% increase on FY23	1% increase from FY23

FULL YEAR DIVIDEND PER SHARE FULLY FRANKED (¢)	UNDERLYING EARNINGS PER SHARE[1]	UNDERLYING RETURN ON EQUITY[1,4]
20.0¢	**26.1¢**	**10.7%**
in line with FY23	1% increase from FY23	0.2% increase on FY23

1. Underlying revenue, Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA), Net Profit After Tax (NPAT), Return on Equity (ROE), Earnings Per Share (EPS) and other measures of Underlying performance are not prepared in accordance with International Financial Reporting Standards (IFRS) and are not audited. Detailed reconciliations between the Underlying and statutory measures are set out in note 3 of the 2024 Financial Report and in the Group's FY24 results presentation.
2. Underlying recurring revenue includes Asset Management recurring revenue, Finsure subscription fees and ongoing trail commissions.
3. Gross fund inflows excludes institutional funds.
4. Underlying ROE is Underlying NPAT divided by average equity for the year.

About MA

About MA Financial

We invest. We lend. We advise.

ASSET MANAGEMENT

$10.3b AUM

12% increase on FY23

MA Financial Group is a global alternative asset manager specialising in private credit, real estate, and hospitality. We lend to the property, corporate, and specialty finance sectors, in addition to providing corporate advice.

We invest in and manage $10.3 billion on behalf of our clients, oversee more than $139 billion in Managed Loans, and have advised on over $125 billion in advisory and equity capital market transactions since 2009.

Today we employ over 700 professionals across Australia, China, Hong Kong, New Zealand, Singapore, and the United States.

Our vision and purpose

Our vision is to create an environment of enterprise, optimism, and partnership. To place the interests of our clients above all else, and work together as co-creators of long-term value. Our purpose is to create sustainable, long-term value for our clients.

We believe in unlimited potential

At MA Financial, unlimited potential is more than just a perspective. It is an unwavering belief in the potential of our people and our clients. We aim to harness the best in contemporary financial thinking to deliver innovative approaches to unlock value.

Asset Management

We are a global alternative asset manager specialising in private credit, real estate, and private equity & venture capital. We also manage traditional asset classes including equities, bonds, and cash. We offer solutions for wholesale, retail and institutional investors who entrust us to manage $10.3 billion on their behalf.

Our investment teams have diverse skill sets and experience across a range of strategies and market conditions and are focused on delivering long-term growth. We seek opportunities based on sound market fundamentals, investing with discipline and rigour.

As active managers, we directly handle our real estate and hospitality assets, as well as manage loans in our Credit funds. We firmly believe that hands-on management and in-house expertise lead to improved risk management and stronger long-term asset performance for our clients.

About MA Financial

LENDING & TECHNOLOGY

$139b

Finsure Managed Loans as at 31 December 2024

CORPORATE ADVISORY & EQUITIES

$50m

Corporate Advisory fees for FY24

Lending & Technology

Our Lending & Technology division leverages our combined expertise in credit advisory and credit investment. This division includes a technology advanced Residential Lending Marketplace and a range of lending solutions for individuals and businesses in Australia and worldwide.

Residential Lending Marketplace

Founded in 2022 through the acquisition of Finsure, our Residential Lending Marketplace oversees $139 billion in loans for 400,000 borrowers. Integrated with MA Money, our residential lender, and Middle, a digital tool aiding brokers in gathering verified financial data for loan applications, the Marketplace is instrumental in achieving our goal of becoming a significant player in Australia's $2.3 trillion residential mortgage market.

MA Money is our Australian non-bank lender specialising in home loans. A data driven approach means borrowers are offered flexible and innovative solutions, and fast turn-around times. This rapidly growing business has a loan book in excess of $2.1 billion.

Corporate Advisory & Equities

In partnership with global investment bank Moelis & Company, we provide financial advice for clients across mergers and acquisitions and strategic advisory, equity and debt capital markets, capital structure advisory, equities research and trading.

Our specialised sector capabilities include real estate, credit and restructuring, resources, technology and small to mid-cap industrial companies.

We maintain a strong strategic alliance with Moelis & Company, a global investment bank listed on the NYSE, holding 10.2% of our Group's issued capital. This partnership proves mutually advantageous as it provides clients access to a worldwide network of advisory executives, fostering collaboration on cross-border or industry-specific mandates.

Independent Chair's letter

Jeffrey Browne

Independent Chair and Non-Executive Director

I am very pleased with MA Financial Group's performance in 2024. Strong momentum is evident right across our business platform. The foundations have been laid for solid and significant growth over coming years.

We are now seeing the benefits of the investment the Group has made in several strategic medium-term growth initiatives. This includes our investment in MA Money, Finsure and diversified Asset Management distribution capabilities. Our nascent US Private Credit platform, whilst representing significant investment, presents us a gateway to the world's largest credit market.

Over time, the Group has developed a successful track record of building and growing new business platforms. We are patient, disciplined investors with significant long-term growth ambitions.

In 2017 and 2018 we identified and then made a concerted effort to invest in Private Credit, a relatively untapped asset class in Australia. The attractive and consistent yield based returns that these funds are now providing our investors are proof of our faith in that investment and our forward-thinking strategy at the time. In 2024 MA Financial raised a record $2.0 billion of new client money into its Private Credit funds.

The investments that we have made are not only targeted at driving medium term earnings growth but transforming the Group's earnings profile towards a more consistent, scalable and recurring revenue model.

Whilst the Group's aggregated earnings were up marginally in 2024, the strong growth momentum I have referred to is evident with second half Underlying earnings per share (EPS) 35% higher than in the first half. This should deliver strong earnings momentum into 2025, underpinned by the significant growth in the Group's underlying operating metrics in 2024:

- Record total client inflows into our Asset Management funds
- 26% growth in Finsure's Managed Loans to $139 billion
- 155% growth in MA Money's Loan Book to $2.1 billion, moving the business into profit in 2H24; and
- 16% growth in Corporate Advisory fees as the transaction environment began to improve late in the year.

The Group's long-term strategy has been to build highly scalable businesses in deep markets.

In 2025 a focus of our strategic investment in credit will be to grow our US Private Credit platform by marketing our funds to investors in the United States. This represents an enormous opportunity in the world's largest credit market, estimated to be worth around US$9 trillion. In late 2024 our new US fund received approval from the regulator, and we have now commenced our marketing efforts in the US.

Over the years we have already made significant investment in our international distribution capability. In 2024, we focused on the establishment of our new Singapore office, which provides us with direct access to its large and rapidly growing high net worth investor market. Late in the year we appointed a new Head of Asian Distribution to be based in Singapore, highlighting our commitment to continue to tap into the significant growth potential of this region.

Balancing short-term earnings with long-term value creation has been a core achievement for MA Financial over its 15-year history. Our capacity to manage this balance is increasing, in part, derived from the increased portion of the business's revenue that is recurring in nature. In 2024, 62% of the Group's Underlying revenue was derived from sources that we consider recurring versus 48% in 2022. This highlights the significant improvement in the quality of the Group's earnings over time.

ASSET MANAGEMENT

$2.0b

Gross inflows into Private Credit fund
34% increase on FY23

UNDERLYING EPS

35%

Growth in 2H24 vs 1H24

The successful growth of both Finsure and MA Money highlights the potential opportunity of continuing to scale into Australia's $2.3 trillion mortgage market. The final piece of our Residential Lending Marketplace is our maturing investment in 'Middle', an enhanced digital experience for mortgage brokers and borrowers.

Middle gained strong momentum over 2024 and is now processing approximately $100 million of mortgage applications per day through its digital platform. Direct platform integration with its first bank partner is currently underway.

At the Group level, we undertook a number of initiatives during 2024 to increase MA Financial's brand profile. This included our first ever direct advertising campaign via several media channels, aimed at continuing to broaden the scope of our distribution channels and building broad brand awareness.

We believe the growing strength of Asset Management fund inflows in the domestic market and the successful $330 million raising for our first ASX-listed Private Credit Trust, the MA Credit Income Trust (MA1), reflect increased recognition of the trust in and strength of the MA brand.

The Group also broadened its distribution presence in the institutional funds channel with the establishment of an Australia Real Estate Credit Vehicle in partnership with highly respected global growth investor Warburg Pincus. The fund has already received $500 million in commitments and is well advanced in discussions with several large global investors to subscribe for the remaining $500 million in the initial $1 billion target for the raising.

The strength of our alternative Real Estate management capabilities was also highlighted with the strong performance of MA Marina Fund, which grew its Assets under Management to over $320 million by year end, following its launch in 2023. The Fund's defensive revenue profile, driven by strong supply and demand dynamics, has proved attractive to investors looking for consistent yield-based returns uncorrelated to economic cycles.

In Hospitality, MA Redcape Hotel Fund successfully navigated a challenging operating environment and has been increasing its quarterly distributions to unitholders backed by the strong performance of its hotel venues. The Fund completed the successful divestment of eight hotels at attractive prices during the year and redeployed the proceeds into four new high quality hotel acquisitions, with a further three new venues acquired in early 2025 subject to settlement. This highlights the continued demand for hospitality assets and our strong operating capability in the sector.

We also launched the MA Hotel Accommodation Fund with the acquisition of Four Points by Sheraton Hotel in Melbourne Docklands for $96 million in April 2024 and see further growth opportunities for the Fund as other accommodation opportunities present, in high demand locations and at considerably less than replacement value.

The Board's confidence in the outlook for the business is reflected in its declaration of a fully franked final dividend of 14 cents per share taking our full year's dividend to 20 cents per share, fully franked.

The quality of our people remains the real key to our ongoing success. We have continued to invest in the retention and development of our key personnel and talent during the year. We are a people business and attracting, developing and retaining the best people is essential to MA Financial's long-term success. We have continued to refine our remuneration structures to provide appropriate incentivisation for senior staff that aligns with positive shareholder outcomes and we are proud of the owner mindset that permeates our workplace and establishes our winning culture.

In 2024, acting on the previous year's Climate Change Action Plan, we achieved significant reductions in emissions from improving our arrangements for office energy supply. We will maintain our focus on our environmental footprint and how we report on it and will continue to invest in cybersecurity and other risk controls, corporate governance, and training.

I am extremely pleased with the composition and performance of the Board during 2024. Our independent directors bring a diverse range of skills, greatly contributing to the governance and oversight of MA Financial Group which blends well with the experienced and operational input of our very talented executive and non-independent directors.

I believe we are very well positioned as a Board, to oversee the continued growth of the business and that the results and strategic investments we have made in 2024 prove up our determination to deliver sustainable growth for our Shareholders.

I extend my gratitude to our Board, senior executives, and all employees for their continued hard work and dedication to the growth and achievements of MA Financial in 2024.

Jeffrey Browne
Independent Chair and Non-Executive Director

Joint Chief Executive Officers' letter

Christopher Wyke
& Julian Biggins

Joint Chief Executive Officers

Our financial results for 2024 underscore the success of our diversified and resilient business strategy, enabling us to invest and expand while delivering good returns for our shareholders. The result was highlighted by record Asset Management fund inflows, improved transactional activity and Corporate advisory fees, ongoing growth in Finsure and accelerating momentum in MA Money.

MA Financial Group delivered an Underlying net profit of $42.1 million, equivalent to 26.1 cents per share. This was up 1% on the 2023 result, as good growth in Underlying Revenue was partly offset by planned strategic investment in growth initiatives. These initiatives included the growth of MA Money and the Middle technology platform, the establishment of our US Private Credit capability and distribution office in Singapore plus building the profile of the MA Financial brand.

This investment represented an impact on our EBITDA of $13 million (or 6 cents per share). However, from the day we founded MA Financial in 2009 we have believed in investing today, for tomorrow. All these initiatives are anticipated to help drive the future earnings growth of the business.

All business divisions built significant momentum over the year positioning the Group well for strong growth in 2025 and future years. This resulted in significant earnings growth in second half relative to the first half of the year, with earnings per share increasing 35% half on half. This momentum was primarily driven by:

- Asset Management benefiting from record fund gross inflows of $2.2 billion over the year and improved transaction-based income in the second half.
- MA Money, which moved from a $4.6 million EBITDA loss in 1H24 to a small profit contribution in 2H24, as its loan book grew to $2.1 billion and it expanded its net interest margin (NIM) over the year.

This momentum has moved into early 2025 and bodes well for material earnings growth across the Group in 2025. We are aiming to deliver on a set of medium-term strategic targets at the end of 2026 and we believe we are demonstrating good progress on the way to achieving these.

Our Asset Management division is the major contributor to Group earnings delivering 74% of the Group's Underlying EBITDA in 2024. Record gross inflows were driven by strong investor interest in the Group's Private Credit funds. This demand has carried into early 2025 with the successful raising of $330 million for our first listed Private Credit Trust, the MA Credit Income Trust (ASX: MA1). This represents an exciting milestone for the Group, further broadening our distribution capability in the Australian market and extending the Group's reputation as a leading Private Credit asset manager. The fund will list on the ASX on 5 March 2025.

Joint Chief Executive Officers' letter

MIDDLE

$100m

Loan applications processed per day on Middle Technology

FINSURE

3,746

Brokers on the Finsure platform up 20% on FY23

Assets under Management (AUM) increased 12% over 2024 to $10.3 billion. Add to this the new AUM already raised for MA1 plus a further $500 million of committed capital from institutional investors in our new Australian Real Estate Credit vehicle and AUM is currently closer to $11 billion. This is a tenfold increase on the $1.1 billion of AUM we had at our IPO in 2017 and sees us well progressed to achieving our FY26 AUM target of $15 billion.

The development of our Residential Lending Marketplace within the Lending & Technology division continued at pace in 2024. Finsure grew its Managed Loans by 26% on the previous year to $139 billion and the number of mortgage brokers on its award-winning platform increased to 3,746, up 20% on the previous year. Middle, our proprietary technology platform that materially improves the digital data collection process for mortgage brokers and borrowers continues to gain traction. It is now processing around $100 million of loan applications per day on its digital platform.

MA Money, the Group's residential mortgage lender, demonstrated strong growth over the year delivering profitability slightly ahead of expectations. This highlights the benefit of our strategic investment philosophy, with the business now well on track to achieve its targeted $4 billion loan book in FY26 and deliver net profit after tax of $15 million to $20 million in that year.

Our Corporate Advisory & Equities division demonstrated resilience in the face of challenging market conditions for much of the year that impacted transaction timelines and equity capital market activity levels. Corporate advisory fees were up 16% on 2023, with transaction activity levels beginning to improve late in the year. This has continued in early 2025, however we remain cautious with transaction timeframes remain uncertain and elongated.

In 2025, we see potential opportunity to strategically add to the capability of our Corporate Advisory team. We have started the year by adding a new Managing Director to cover the Power & Utility sector, reflecting our ongoing confidence in the Corporate Advisory & Equities business. This follows our investment in 2023 and 2024 in hiring senior metals and mining expertise to satisfy client demand for natural resources advisory and execution. The team has started well and made a strong contribution to the business in 2024.

The Group has made excellent progress in navigating more challenging operating conditions over the last two years, whilst investing in new business platforms and scaling existing ones. This has transitioned the business to a more consistent, less cyclically dependent, earnings base off which to grow in the years ahead. We will continue to strategically invest in growth platforms where significant opportunity exists, such as our focus on growing our US Private Credit platform in 2025. However, the earnings headwind from such investment is declining as revenue scales in growth businesses such as MA Money.

We are very pleased with the Group's progress in 2024. Everything accomplished over the year was made possible by the dedication, commitment and hard work of our team, for which we express our immense gratitude. We also extend our sincere appreciation to our clients and very importantly our shareholders for their continued trust and support. We look forward to keeping you informed of our progress throughout 2025.

Christopher Wyke & Julian Biggins

Joint Chief Executive Officers

Operating and financial review

Overview

For the year ended 31 December 2024, the Group recorded total comprehensive income attributable to the owners of the Company of $44.3 million (2023: $19.0 million) and profit after income tax to the owners of the Company of $41.8 million (2023: $28.5 million). Basic earnings per share was 26.0 cents, an increase of 46% on the prior year.

Statutory results	31 Dec 2024 $'000	31 Dec 2023 $'000	Movement %
Total income	576,657	392,770	47%
Profit before tax	56,874	40,917	39%
Profit after income tax	41,793	28,517	47%
Profit after income tax attributable to ordinary equity holders	41,793	28,517	47%
Total comprehensive income attributable to ordinary equity holders	44,295	18,997	133%

Underlying results	31 Dec 2024 $'000	31 Dec 2023 $'000	Movement %
Revenue	306,613	269,876	14%
EBITDA	87,096	81,565	7%
Net profit after income tax	42,098	41,599	1%

	Statutory			Underlying		
	31 Dec 2024	31 Dec 2023	Movement	31 Dec 2024	31 Dec 2023	Movement
	cents per share		%	cents per share		%
Basic earnings per share	26.0	17.8	46%	26.1	26.0	1%
Diluted earnings per share	25.0	17.3	45%	25.2	25.2	-
Full year dividend	20.0	20.0	-			

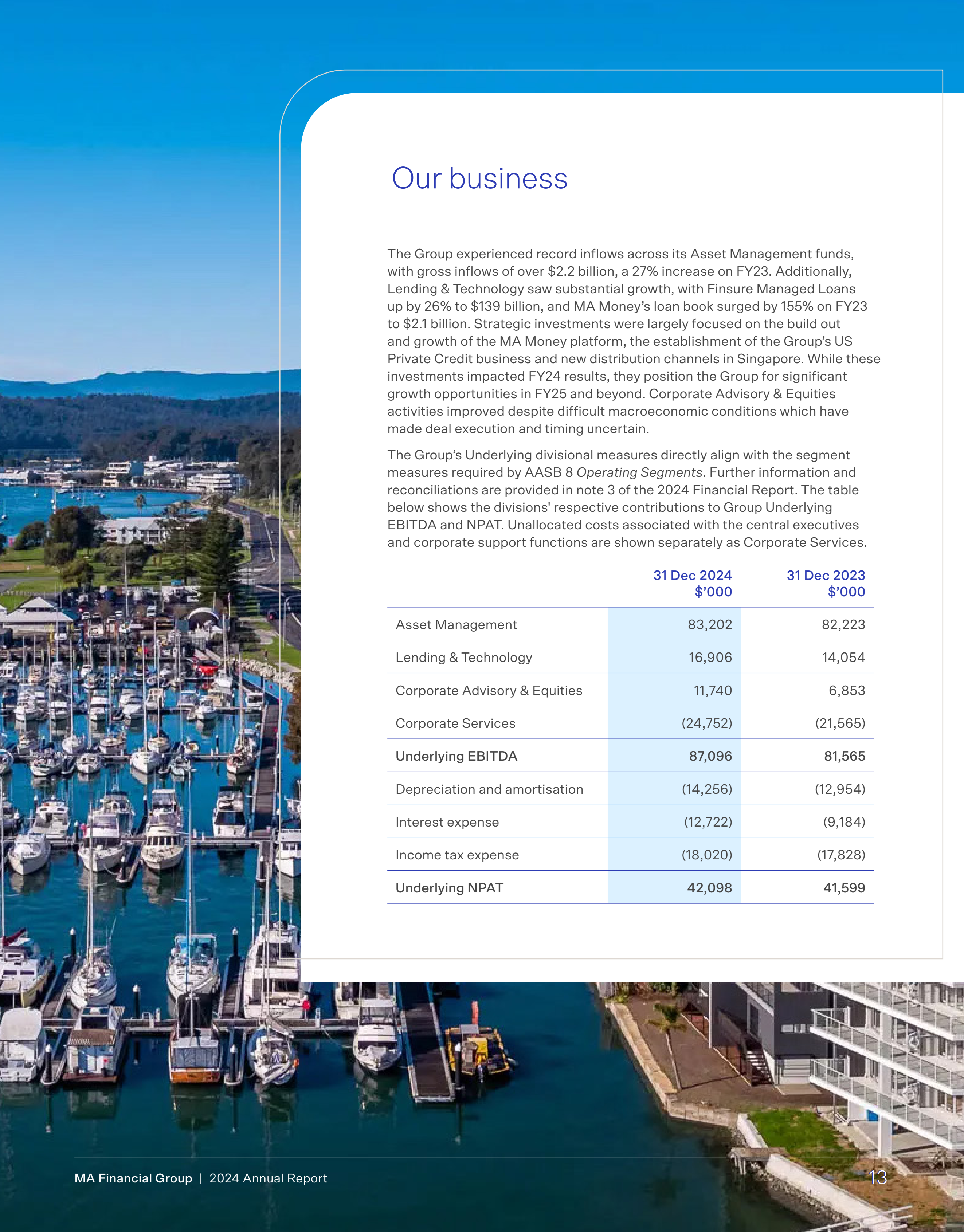
Non-IFRS Underlying results[1]

The Group also utilises non-IFRS Underlying financial information in its assessment and presentation of Group performance. When reading the Group's results, we note there are some Underlying adjustments that a reader may find useful to understand in more detail. For further information on adjustments between statutory and Underlying results, please refer to the detailed reconciliation provided in note 3 of the 2024 Financial Report and to the explanation in the Directors' report as to why the Directors believe that, when read in conjunction with the statutory results, the Underlying measures are useful to the reader.

Underlying revenue was up 14% from 2023. Recurring revenue made up 62% of the 2024 Underlying revenue compared to 66% in 2023. Expenses were up 17% on 2023 due to continued investment in strategic growth initiatives and an inflationary operating environment.

1. Non-IFRS financial information is not prepared in accordance with Australian Accounting Standards and IFRS and is not audited.

Operating and financial review (continued)



Our business

The Group experienced record inflows across its Asset Management funds, with gross inflows of over $2.2 billion, a 27% increase on FY23. Additionally, Lending & Technology saw substantial growth, with Finsure Managed Loans up by 26% to $139 billion, and MA Money's loan book surged by 155% on FY23 to $2.1 billion. Strategic investments were largely focused on the build out and growth of the MA Money platform, the establishment of the Group's US Private Credit business and new distribution channels in Singapore. While these investments impacted FY24 results, they position the Group for significant growth opportunities in FY25 and beyond. Corporate Advisory & Equities activities improved despite difficult macroeconomic conditions which have made deal execution and timing uncertain.

The Group's Underlying divisional measures directly align with the segment measures required by AASB 8 *Operating Segments*. Further information and reconciliations are provided in note 3 of the 2024 Financial Report. The table below shows the divisions' respective contributions to Group Underlying EBITDA and NPAT. Unallocated costs associated with the central executives and corporate support functions are shown separately as Corporate Services.

	31 Dec 2024 $'000	31 Dec 2023 $'000
Asset Management	83,202	82,223
Lending & Technology	16,906	14,054
Corporate Advisory & Equities	11,740	6,853
Corporate Services	(24,752)	(21,565)
Underlying EBITDA	**87,096**	**81,565**
Depreciation and amortisation	(14,256)	(12,954)
Interest expense	(12,722)	(9,184)
Income tax expense	(18,020)	(17,828)
Underlying NPAT	**42,098**	**41,599**

Operating and financial review (continued)

Asset Management

ASSET MANAGEMENT

$2.2b

Record gross fund inflows a 27% increase on FY23

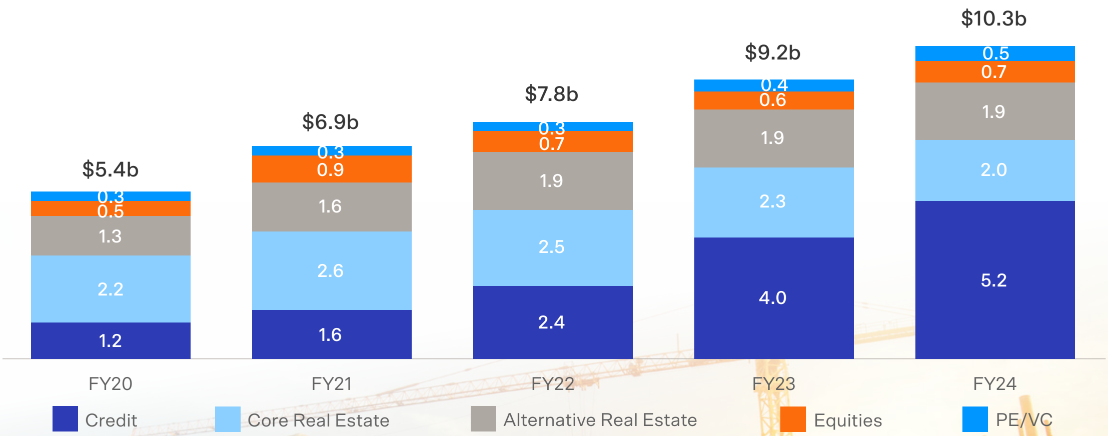
The Asset Management division reported record gross inflows of $2,247 million driven by strong demand for the Group's Private Credit funds. Assets under Management (AUM) grew by 12% over the year to $10.3 billion at 31 December 2024. Asset Management contributed 74% of 2024 Group Underlying EBITDA before Corporate Services. Underlying EBITDA of $83.2 million was up 1% from $82.2 million in 2023 as strong growth in Credit Funds income and performance fees offset a 13% increase in expenses driven largely by strategic investment in US Private Credit and Singapore distribution. The establishment of the distribution platform in Singapore provides access to a large and growing high net worth market.

Gross inflows from Domestic clients continued to build momentum, up 36% to $1,494 million (2023: $1,102 million). This is reflective of the Group's significant investment in its domestic distribution platform and strong client interest in credit and alternative asset classes.

Gross inflows from non-migration International High Net Worth (HNW) clients were up 12% to $725 million (2023: $647 million).

Strong inflows helped AUM to grow 12% over the year to $10.3 billion at 31 December 2024. In addition, the business launched a new institutional Real Estate Credit partnership with leading global investor Warburg Pincus, targeting a maximum additional $1 billion of AUM. The fund raised an initial commitment of $500 million in FY24, which is anticipated to add to AUM as it is deployed.

The key highlight for the investment strategies was the strong momentum of the Private Credit funds. The strong and consistent returns continue to resonate with investors in an elevated interest rate environment, with 91% of net flows going to Credit related strategies. AUM from Credit related strategies grew to $5.2 billion at 31 December 2024, up 30% (2023: $4.0 billion). During the year, the US Credit Platform established MA's first widely available US investment fund, the MA Specialty Credit Income Fund. The new fund received regulatory approval in December and marketing in the US is due to commence in February 2025.



Operating and financial review (continued)

The Group's Core Real Estate asset class comprises retail and diversified real estate AUM of $2.0 billion at 31 December 2024, was down from $2.3 billion on the prior year due to divestments, including the successful sale of the Direk Refrigerated Logistics Facility by MA Logistics Fund in April 2024 and valuation adjustments associated with the elevated interest rate environment.

The Alternative Real Estate asset class comprises the Group's Hospitality, Marina and Accommodation Hotel assets, with a combined AUM of $1.9 billion at 31 December 2024. Continuing demand for hospitality assets saw the MA Redcape Hotel Fund sell eight hotels for approximately $319.1 million, each at a premium to book value, and acquiring four hotels for a total consideration of $88.9 million. A further three hotels have been acquired in South East Queensland for a combined $79.0 million post balance date, as Redcape seeks to redeploy the proceeds of its recent asset sales.

The Growth Ventures (PE/VC) gross inflows were up 25% on FY23 to $95 million, largely due to positive inflows into the growth credit focused MA Sustainable Future Fund.

Underlying recurring revenue rose 3% to $158.2 million, driven by a 21% increase in Credit Funds income to $51.1 million, partly offset by a 5% decrease in base management fees to $99.2 million due to temporary fee waivers for MA Redcape Hotel Fund investors and the impact of some asset divestments. Credit Funds income includes non-base fee recurring revenue contributions from the Group's two key Credit Fund strategies, the Priority Income Fund and Real Estate Credit.

Transaction and performance-based revenue increased 49% to $30.9 million, reflective of improved equities fund performance and increased transactional activity from the MA Redcape Hotel Fund.

Operating and financial review (continued)

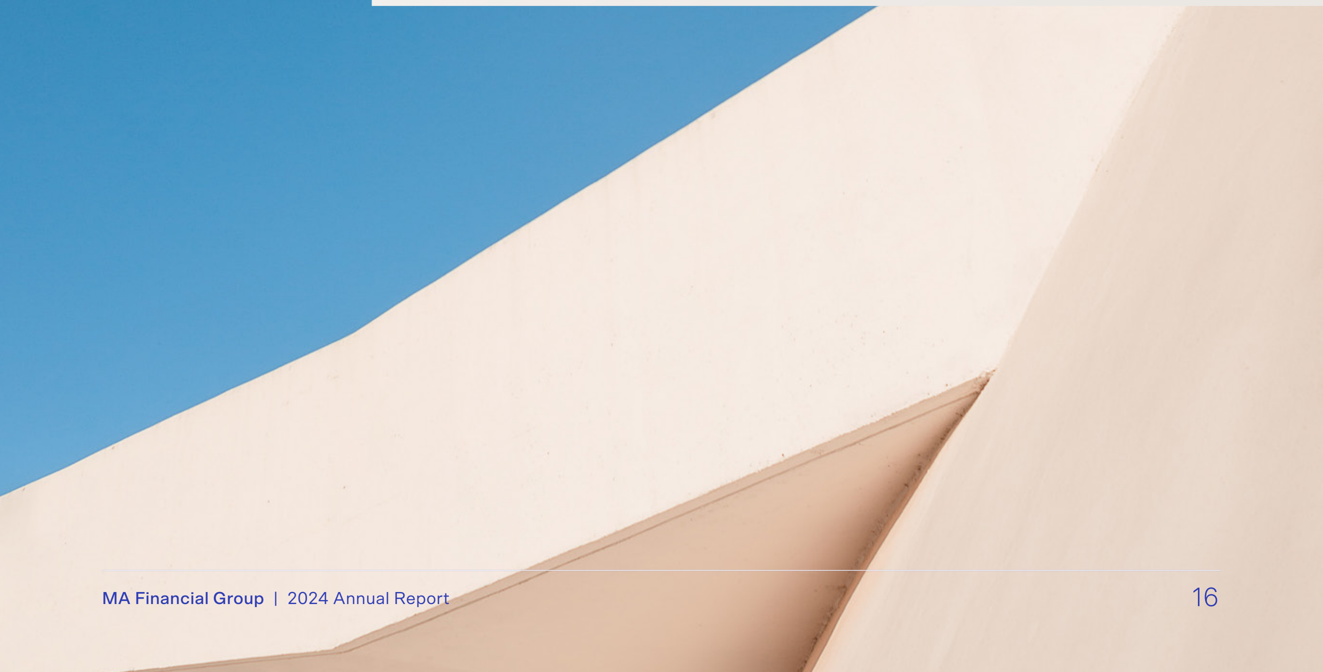
Lending & Technology

The Lending & Technology business continued to build a tech-enabled highly scalable lending ecosystem through Finsure, Middle, Specialty Finance and MA Money. Underlying revenue for the Lending & Technology division grew 36% on 2023 to $60.8 million largely due to the continued growth of Finsure's mortgage aggregation platform and MA Money Loan book as it begins to generate scale benefits. Underlying EBITDA was up 20% to $16.9 million as the Group invested in the build out of its Residential Lending Marketplace, via residential mortgage lender MA Money and its new digital mortgage broker software Middle.

Financial Technology, comprising of Finsure and Middle, delivered exceptionally strong performance in the year, growing broker numbers by 20% to 3,746 and increasing its Managed Loans by 26%, from $110 billion to $139 billion.

Financial Technology delivered FY24 Underlying revenue of $43.3 million, up 16% on FY23, underpinned by recurring subscription fees and trail commissions plus activity based upfront commissions and other fees. This resulted in Underlying EBITDA of $21.4 million, reflecting an EBITDA margin of 49.4%.

The lending platforms of MA Money and Specialty Finance grew the total loan portfolio by 130% to $2,265 million at 31 December 2024. The division's Underlying income increased by 136% to $17.5 million with MA Money turning profitable during the second half of 2024 and is well on track to deliver on its targeted $15 million to $20 million of NPAT in FY26. Whilst scale benefits are now emerging in MA Money, the Group will continue to invest in the Lending & Technology business across people, platform and technology to take advantage of the substantial opportunity for long term growth in the residential mortgage market.



Operating and financial review (continued)

Corporate Advisory & Equities

The Corporate Advisory & Equities (CA&E) division was up on earnings performance in 2024, with Underlying revenue improving 15% on the prior year, as corporate advisory activity levels began to gradually improve in the second half of 2024.

Corporate Advisory fees were up 16% to $49.9 million, underpinned by solid M&A activity, increased capital solutions advisory work, and gradually improving equity capital market activity. Revenue per executive improved to $1.0 million (2023: $0.8 million). This was below the Group's target productivity range of $1.1 to $1.3 million due to challenging operating conditions. Equities revenue was up 12% to $5.8 million, rising steadily over the year as market conditions improved.

Operating and financial review (continued)

Financial position

Statutory total assets amounted to $6,019.5 million (2023: $3,547.8 million) with net assets of $417.5 million (2023: $397.5 million) at the year ended 31 December 2024.

The statutory consolidated statement of financial position includes the consolidation of credit trusts, such as residential mortgage-backed securitisation trusts, Specialty Lending trusts and Credit Funds in the Priority Income Fund strategies that the Group manages. These special purpose funding vehicles contain liabilities which are secured only by the assets of these entities with no further recourse to the Group.

Management utilises an Operating balance sheet which predominantly excludes the special purpose funding vehicles when reviewing the Group financial position. The Operating balance sheet presents a simplified view of the total economic exposure of the Group and the capital available to management to allocate. A reconciliation of the Operating balance sheet to the statutory consolidated statement of financial position can be found in the Group's FY24 results presentation.

	31 Dec 2024 Statutory $'000	31 Dec 2023 Statutory $'000	31 Dec 2024 Operating $'000	31 Dec 2023 Operating $'000
Assets				
Cash and cash equivalents	177,734	180,319	39,998	43,108
Loans receivable	4,535,942	2,088,766	10,398	6,175
Investments	139,970	211,691	248,613	203,622
Net trail book assets	811,466	705,285	51,244	44,128
Goodwill and other intangibles	195,386	195,940	195,386	195,939
Right-of-use assets	60,345	65,983	60,345	65,983
Other assets	98,639	99,861	107,236	105,113
Total assets	**6,019,482**	**3,547,845**	**713,220**	**664,068**
Liabilities				
Borrowings	4,490,028	2,153,496	133,512	95,030
Lease liabilities	68,383	71,510	68,383	71,510
Other liabilities	1,043,545	925,303	93,799	99,992
Total liabilities	**5,601,956**	**3,150,309**	**295,694**	**266,532**
Net assets	**417,526**	**397,536**	**417,526**	**397,536**
Net tangible assets	**236,087**	**219,453**	**236,087**	**219,453**

The growth in the Group's statutory assets was predominantly driven by an increase in MA Money's residential mortgages as well as an increase in commercial loans all within the Group's consolidated credit trusts. As a result of this increase in loans receivable the Group's also recognised offsetting increases in statutory borrowings within the Group's consolidated credit trusts. Notable movements in the Group's Operating balance sheet include the continued investment in MA Money and an increase in investments relating to Class B units in the Master Credit Trusts. This is partially offset by the increase in the Group's unsecured note borrowings.

Operating and financial review (continued)

Financial position

The Group's investments, including strategic and co-investment positions, are shown in the table below:

	31 Dec 2024 Operating $'000	31 Dec 2023 Operating $'000
Lending (MA Money & Specialty invested capital)	37,879	17,038
Co-investments	43,172	51,385
Private Credit funds	114,716	87,635
Redcape Hotel Group (RDC)	56,471	49,296
Other equity investments	6,773	4,443
Total investments	**259,011**	**209,797**

Key movements in the Group's investments relate to:

- Lending invested capital increase reflects growth of MA Money
- Co-investments decrease mainly due to the deconsolidation of MA Kincare Fund and recycling of co-investments
- Private Credit Funds increase reflects the additional investment in Class B units in USD PIF and PIFs
- Redcape change driven by statutory movements offset by distributions received
- Redcape investment valued at $76 million based on 31 December 2024 unit price of $1.5005.

Operating and financial review (continued)

Financial position

The Group manages its capital with the aim of ensuring it will be able to continue as a going concern and support growth opportunities while maximising the return to shareholders, through the optimisation of the debt and equity mix.

During the year, the Group declared an interim dividend of 6 cents per ordinary share (2023: 6 cents). Subsequent to year end, the Directors have resolved to pay a final dividend of 14 cents per share for the 2024 year (2023: 14 cents), consistent with full year dividends paid in 2023.

In April 2024, the Group successfully established the MAFG Finance Notes Program, with MAFG Note 1 ($70 million) issued between April and May 2024, and MAFG Finance Note 2 ($40 million) issued in September 2024. The proceeds were primarily used to refinance the MACI note ($30 million) and MA IV note ($40 million), which matured in May 2024 and September 2024 respectively.

The Group also has a working capital facility ($80 million) with a major domestic bank. As of 31 December 2024, the Group's working capital facility was undrawn.

The Group recognises that debt is an important component of a balanced capital structure. Whilst the Group utilises unsecured notes to fund its growth objectives, it will continue to adopt a prudent approach to the use of debt capital.

This approach to debt in conjunction with the strong level of average cash holding throughout the year is indicative of a consistent approach in managing the Group for the long term and we will remain patient and prudent when deploying capital. Fundamental to this is maintaining a strong balance sheet, which not only stands us in good stead through economic uncertainty but can also facilitate attractive investment or business opportunities.

Operating and financial review (continued)

Financial position

Risk management

The Group faces a range of risks to achieving its financial objectives, the most material of which are summarised below. This summary is not a comprehensive outline of every risk associated with the Group's financial prospects, and other risks may emerge. The Group's overall risk management framework is summarised in its Corporate Governance Statement, available on its website. As noted there, the framework is supported by a strong risk culture with an emphasis on accountability and diversity of thought.

Cyber risk

The Group depends on a range of information systems which carry a risk of unauthorised use or external compromise. This could result in the loss or disclosure of confidential information, disruption to operations, poor client service, regulatory sanctions, reputational damage and financial loss. The volume and sophistication of cyber threats facing businesses in Australia continues to grow.

The Group maintains an experienced corporate technology team which manages its core technology infrastructure and supports business operations, including by assessing proposed new systems and software. The team continually improves the maturity of the Group's cybersecurity controls, which includes penetration testing by third-party experts and continual threat monitoring. The team's work is supported by documented policies and procedures, and training for staff on related risks. A comprehensive IT Disaster Recovery Plan and a Data Breach Response Plan is in place to promote effective incident response, and the Group has direct access to a leading Sydney-based cyber incident response advisor to help it mitigate and recover from any incident it fails to prevent.

Regulatory change

The Group is subject to regulatory obligations related to its activities, including those that affect sectors in which it invests. Along with the inherent risk of breaching requirements, there is a general risk that new or changed regulations could require significant spending on compliance, contribute to a higher risk of non-compliance or impact on the profitability of certain lines of business.

The Group maintains an experienced, well-resourced team of legal and compliance professionals who work directly with the managers of the Group's businesses to help ensure these compliance requirements are met and who report on legal and regulatory risk to the Boards of our licenced entities and to the Group's governance structures. This team also keeps a watching brief for regulatory change in the jurisdictions where it operates, supported by third party advisors.

Investment risk

The Group's Asset Management division oversees institutional, wholesale and retail investments across a range of asset classes. This exposes the Group to associated operational and market risks, which can result in investment returns that compare poorly to expectations, benchmarks and peers. In turn, a poor investment track record may affect the Group's ability to attract and retain clients, which can reduce overall assets under management and materially affect long-term revenues and earnings.

The Group manages this risk through the careful selection of investment strategies, and clearly defined, effective processes for due diligence, investment review and decision making, and portfolio management. Client reporting puts investment returns in context and explains the outlook.

Credit risk

Credit risk is the risk a counterparty to a financial instrument will fail to meet its obligations when they fall due. The Group is exposed to credit risk through its treasury activities, its trade receivables, its participation in credit investment funds and its lending activities including residential mortgages. The Group has direct credit risk and indirect credit risk (for example, in relation to fund related credit risk). The Group approaches the management of direct and indirect credit risk with equal rigour. The Group's approach to credit risk appraisal and management is comprehensive and fit for purpose for the relevant activity and associated risk.

Volatility in levels of business activity

Some of the Group's lines of business are inherently subject to more revenue volatility. In particular, the level of activity in our Corporate Advisory & Equities division reflects clients' appetites to raise finance, take part in mergers and acquisitions, and engage in equities sales and trading, which is influenced by a range of factors including economic conditions and sentiment. Overall, the Group has diversified sources of income and has limited dependency on inherently volatile revenues.

Treasury risk and debt management

The Group must manage the funding needs of its overall corporate activities, its distinct businesses and also the liquidity needs of the investment funds it manages. Failure to adequately project these funding requirements and to manage working capital and debt facilities could impact business growth, performance and reputation. Conversely, effective management of this risk can produce considerable savings and enable business growth.

To control the treasury risk it faces and ensure effective debt management, the Group has built systems and processes to give appropriate visibility and oversight of funding needs and financial management across the Group.

Operational risk

The Group defines operational risk as that resulting from inadequate or failed internal processes, people and systems or from external events. Broad operational risk is present in all of the Group's activities and is managed in the first instance through the controls built into the Group's systems and processes and by the active oversight and management of business executives, supported by the Group's risk function. The Group recognises that operational risk, in its many forms, is an inherent feature of its business profile and is committed to managing it in line with its Risk Appetite Statement and through the overall risk management framework overseen by the Board and the Audit and Risk Committee.

Sustainability report

MA Financial Group and its subsidiaries (Group) recognise that integrating Environmental, Social and Governance (ESG) factors into our operations, investment decision-making and asset ownership is key to our purpose, which is to create sustainable, long-term value for our clients.

This report provides insight into our sustainability procedures and practices, progress made in FY24 and outlines focus areas for future development.

We recognises that ESG issues evolve and mature and are committed to understanding the interests and expectations of all its stakeholders. The Group tries to take a practical approach to our sustainability initiatives, which recognises its scale and growth aspirations.

Materiality assessment

The Group uses a structured Materiality Assessment exercise to identify the ESG issues which most influence decision-making and sustainability priorities. The Group last refreshed its Assessment in FY23, noting that it expects to reassess materiality every two to three years. The Materiality matrix is set out on page 33.

Stakeholder engagement

This Sustainability Report is intended for a general audience of the Group's stakeholders interested in its approach to ESG integration.

As a diversified Group, stakeholders are wide ranging and include shareholders, financers, employees, fund investors, clients, governments and regulators, and industry groups. The Group engages with these stakeholders through a range of channels.

Sustainability framework

The Group's sustainability framework contains four pillars and illustrates our approach to sustainability. Six pillars were set in FY21 and the Group has consolidated these to simplify its reporting. In doing so, the Group confirms the areas of focus remain appropriate and relevant.

We are pleased to provide an update on our approach to each of these four pillars.

STRONG GOVERNANCE AND ETHICAL BEHAVIOUR

- Creating sustainable value through effective governance, strong ethical practices and accountability
- Overseeing internal and external compliance requirements
- Embedding systemic and active risk management in our financial services and operations

SUSTAINABLE BUSINESS MODEL AND ENVIRONMENTAL IMPACT

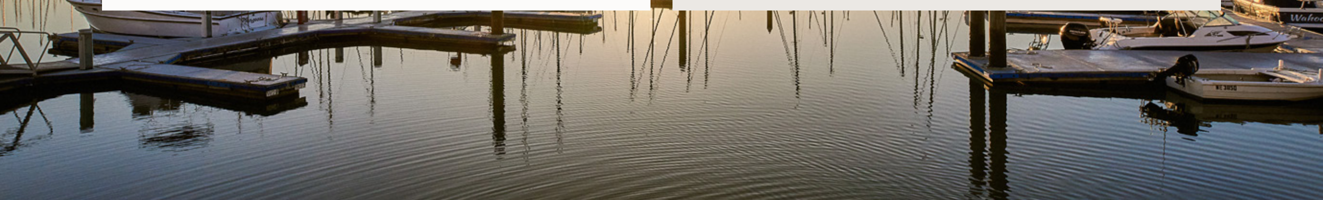
- Detail of how we consider sustainability factors in our business strategy, operations, products and services
- Measuring and reporting on our direct and indirect emissions
- Understanding the impacts of climate change
- Minimising our environmental footprint focusing on energy, waste, and water management

TALENT DEVELOPMENT, WELLBEING, DIVERSITY & INCLUSION

- Training and developing leadership capability
- Attracting, retaining, motivating, engaging and developing our workforce
- Supporting the health, safety and well-being of our people
- Promoting and maintaining a diverse and inclusive workplace

SOCIALLY RESPONSIBLE BEHAVIOUR

- Safeguarding the privacy and security of our customers
- Protecting human rights in our value chain
- Contributing to our community



Sustainability report

TALENT DEVELOPMENT, WELLBEING, DIVERSITY AND INCLUSION

Our people

Our people are our business. A combination of insight, attitude and integrity is our unique formula for success. Our four key drivers motivate our decisions and actions.

The Group has an unwavering belief in the potential of our more than 700 people. The Group is committed to providing a work environment where employees feel recognised, motivated, and have a strong sense of belonging.

In our experience, open and respectful behaviour between colleagues is critical to everyone achieving their potential.

In FY24, the Group introduced engagement scoring as part of our biennial culture review, resulting in a baseline score of 80, (which is considered high in the context of peer benchmarking).

The Group seeks to recognise the hard work and commitment of our people and provide fair and practical initiatives and benefits to support our employees. The range of benefits include:

- 24/7 access to health advice via Sonder Wellbeing and an Employee Assistance Program
- Access to gender-neutral paid primary and secondary parental leave
- Wellness leave of two paid days annually
- Salary continuance insurance supporting our staff in the event of long-term illness
- Comprehensive health checks for executives
- Annual flu vaccines
- Coffee and after-hours meal service
- Staff discounts with a range of different suppliers.

Developing our employees

In FY24, the Group built on the MA Academy programme and refined the curriculum, focusing on our emerging leaders.

The Group remains committed to fostering strong links with the student community. Our work experience, internship and graduate placements provide rewarding opportunities for high school and university students from a range of backgrounds and faculties. Supplementary to the MA Academy, select employees[1] completed a minimum of 10 hours of individual training in FY24 on topics including financial services, cyber security and data protection, and key policies. Division specific learning is also provided. Select senior executives underwent 20 hours of training.

Regular performance reviews and career development discussions ensure employees have opportunities to progress, upgrade skills and pursue their interests within the Group.

OUR FOUR KEY DRIVERS

CHARACTER MATTERS

We're powered by good people with the right attitude and values.

BETTER WAY?

We're contemporary thinkers who challenge norms, but respect experience.

EDGE HAS A FORMULA

Our edge comes from hard, dedicated, diligent work and experience.

CO-CREATORS OF VALUE

Success isn't a perfect process – we're there for the ups and downs, and when our clients win – we win.

1. Refers to eligible employees from core business divisions Asset Management, Lending & Technology, and Corporate Advisory & Equities.

Sustainability report

DIVERSITY AND INCLUSION

Diversity at MA Financial involves creating a work environment which allows all our people to meet their potential and is underpinned by respecting and valuing a wide range of differences including gender, ethnicity, disability, age, religion, sexual orientation, and educational and work experience. The Group's Diversity Policy (available on our website) outlines the diversity principles, commitment to diversity objectives and provides a framework for advancing our diversity goals.

On an annual basis, management monitors and reports to the Board on the Group's advancement against these objectives with the Board assessing the Group's progress against targets. Table 2 illustrates the Group's year-on-year movements on gender diversity at different levels of the organisation.

Our diversity principles

- Recruit, retain and develop an appropriately diverse and skilled workforce
- Leadership team proactively demonstrating a commitment to diversity through modelling inclusive behaviour
- Providing a work environment that values and fully utilises the perspectives and experiences of all employees and directors
- Ensuring all practices relating to recruitment, retention, development, promotion and pay are fair and equitable, and do not discriminate on the grounds of any protected attribute

Table 1 – Diversity objectives

Objective/quantitative targets	Baseline (2021)	2024
Achieve and retain a 30% female representation at Board level	25% female	33% female
Achieve and retain a 50% female representation in the business	48% female	45% female
Achieve and retain a 30% female representation in senior executive positions[1]	23% female	35% female
Achieve a Culturally and Linguistically Diverse (CALD) status of 40%	35%	38%[2]

Table 2 – Gender diversity across organisation

Level	Gender	2021	2022	2023	2024	YOY change
Workforce	Female	48%	48%	47%	45%	↓ 2%
	Male	52%	52%	53%	55%	↑ 2%
Senior executives	Female	25%	28%	34%	35%	↑ 1%
	Male	75%	72%	66%	65%	↓ 1%
Board	Female	25%	33%	33%	33%	0%
	Male	75%	67%	67%	67%	0%

1. Senior executives include all employees with a title of Vice-President, Executive Director, Managing Director or functional equivalent
2. Information provided by employees when onboarding or through self service in our HR Information System

Sustainability report

The Group encourages improved gender diversity and inclusive leadership practices across the sector. In FY24, the Group hosted a networking event 'Next Gen Women in Finance' inviting over 120 young female professionals to engage in discussions about inclusive culture and driving change. This followed highly successful events in FY22 and FY23.

The Group is committed to fair and equitable remuneration. Our annual remuneration review and discretionary bonus setting process includes an analysis and elimination of any identified gender pay gaps for comparable roles. The process assesses the occurrence of unusual gaps which are not accounted for by factors such as experience, skills, performance, and others and removes them as applicable.

Health and safety

The Group aims to create and maintain a safe and healthy workplace, and ensure all activities undertaken protect the health and safety of our employees, suppliers, visitors and clients as applicable. The Group's Work Health and Safety (WHS) Policy sets the fundamental principles that govern our approach to WHS management. In FY22, the Group established a Work Health and Safety Committee with a mandate to promote safety and health and to consult on issues relevant to health, safety, and the welfare of workers.

All staff undergo annual training in respectful workplace engagement, and health and safety including psychosocial safety.

Sustainability report

STRONG GOVERNANCE AND ETHICAL BEHAVIOUR

The Group is focused on delivering long-term value to its clients and partners, our people and our shareholders. As set out in our Corporate Governance Statement, the Board is responsible for overseeing the management of the Group, promoting the long-term interests of the Group and its shareholders, and setting the required standards of culture and conduct.

The Board comprises six Non-Executive Directors and three Executive Directors. Four of the six Non-Executive Directors are independent; two are not considered to be independent due to their employment by Moelis & Company Group LP which is a major shareholder of MA Financial.

The Board has established two standing committees to assist it discharge its responsibilities.

The Nomination and Remuneration Committee (NRC) assists the Board to achieve the optimal mix of skill and experience to ensure effective decision making and stewardship.

The Audit and Risk Committee (ARC) is focused on the integrity of the Group's financial statements and financial controls and its risk management framework.

The NRC and ARC are each chaired by an Independent Non-Executive Director and comprise of only Non-Executive Directors, the majority of which are Independent Non-Executive Directors.

MA Financial Group's Corporate Governance Statement is available at:

mafinancial.com/about/shareholders/corporate-governance/charters-constitutions/corporate-government-statement

Governance of ESG and risk management

MA Financial Group Limited Board
Oversees the management of ESG risks and opportunities

Impact	Policy	Risk Management	Disclosure
Oversees the strategy and management of the company, including environmental and social impact	Approves policies, including ESG and risk management policies	Annually reviews ARC recommendation on soundness of risk management framework, including ESG risks	Approves the Sustainability Report incorporated in annual reporting

The Board and the Board's two permanent standing Committees engage on ESG topics relevant to their charters
Audit and Risk Committee
Nomination and Remuneration Committee

Executive
Responsible for assessing ESG risks and opportunities, maintaining and building further a sustainable business model, managing each of the identified material topics, and reporting to the Board as appropriate

Sustainability report

The Board approves ESG-related policies and oversees the performance of the executive in terms of identifying and managing ESG risks and opportunities.

The Board has determined that with effect from FY25, the ARC will also provide oversight of ESG.

Similarly, risk management is a fundamental aspect of good governance and a regulatory responsibility. The Board is responsible for ensuring the Group maintains a risk management framework which identifies all areas of potential risk. It reviews the balance between realising business opportunities and remaining within the risk tolerances set out in its Risk Appetite Statement, which includes sustainability risks. The Board is supported by the ARC which provides an annual review assessing the adequacy of the risk management framework.

The Group's Business Leaders have executive responsibility for risk management supported by our core principle that risk management is the responsibility of everyone.

The Chief Operating Officer and Risk Director are responsible for coordinating the risk management framework, for promoting an effective risk culture, and for developing awareness of risk management across the Group. The Senior Executive Risk Committee meets to discuss key risk themes and promotes a positive risk culture.

Code of Conduct

The Code of Conduct helps support ethical behaviour and effective governance. It applies to all Directors, officers and employees of the Group and sets out expectations for how we act in the course of our business activities.

Our people confirm periodically their compliance with the Code of Conduct and are expected to abide by the highest standard of ethical conduct in their relationships with each other, investors, competitors, suppliers, regulators and the public. The Group expects senior leaders to model and positively reinforce our values. A comprehensive framework of additional policies that supplement and support the Code of Conduct can be found on our website.

MA Sustainable Future Fund

CERTIFIED RESPONSIBLE INVESTMENT (TM)

SUSTAINABLE PLUS

CERTIFIED BY RIAA

MA's Sustainable Future Fund (SFF) provides wholesale investors with exposure to a diversified portfolio of secured loans to established, growth-stage companies which support a more sustainable future through products and services aligned to the UN Sustainable Development Goals. SFF reached AUM of $136m in FY24, representing 1.32% of MA's total AUM. SFF has supported 13 borrowers spanning healthcare, education, transport and communications infrastructure including loans to a provider of electric vehicle subscription and ownership plans to rideshare drivers, and an in-home/telehealth after-hours medical care consultations provider.

In FY24, SFF was certified by the Responsible Investment Certification Program (RIAA). SFF was established in FY22 and, in addition to providing attractive risk-adjusted returns, aims to support a more sustainable future planet and society by focusing investment in businesses where commercial success creates and multiplies a positive sustainability impact, as measured against one or more of the United Nations Sustainable Development Goals (UNSDGs). A portion of the performance fees earned by the Group from SFF is also donated to further support UNSDGs, specifically those alleviating global poverty and hunger.

RIAA DISCLAIMER:

MA Asset Management Ltd in its capacity as trustee for the MA Sustainable Future Fund has been certified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details. The Responsible Investment Certification Program provides general advice only and does not take into account any person's objectives, financial situation, or needs. Neither the Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation and if the advice relates to the acquisition, or possible acquisition, of a particular financial product. Certifications are current for 24 months and subject to change at any time.

Sustainability report

SUSTAINABLE BUSINESS MODEL AND ENVIRONMENTAL IMPACT

Sustainable business model

As a diversified financial services business, the Group considers the following as key and common elements to operating a sustainable business model in each of its activities.

TRUST AND PROFESSIONAL INTEGRITY

As the Group invests, lends and advises, a high standard of professional integrity is a critical tenet to the sustainability and success of its business. Clients, investors borrowers and partners expect the Group to act lawfully, ethically and responsibly in respect of all the Group's legal. regulatory and counterparty engagements. The Group's leaders recognise their role in fostering a culture of high professional standards in our daily activities. This also extends to high standards in data security.

PRODUCT DESIGN AND DISTRIBUTION

Products which are fit for purpose, appropriately aligned to target markets, fair and value adding. This means the Group needs to design its products well and be timely in addressing any changes to circumstances with established products. The Group's activities in product design and management are directly linked to trust and professional integrity, as well as transparent, timely and accurate communication with clients.

RESPONDING TO ISSUES

This encompasses the Group's ability to assess and address emerging issues and effectively handle complaints in a straightforward, efficient and fair manner, including having effective feedback and complaints management processes which inform its product design.

DEALING WITH SUPPLIERS

The Group is dedicated to treating its suppliers fairly and transparently. The Group values the crucial role they play in promoting sustainable business practices. The Group's Supplier Code of Conduct ensures compliance with laws and regulations, requiring suppliers and their contractors to address key risks such as health and safety, cybersecurity, privacy, labour laws and human rights.

Sustainability report

The Group makes some specific observations below regarding business model sustainability factors in each of our businesses.

Asset Management

The Asset Management division specialises in providing investment management product for wholesale, retail and institutional investors across alternative assets, including private credit, real estate, equities, private equity and venture capital. In this context, it operates a sustainable business model that includes:

- The team includes product expertise to ensure the product aligns to regulatory and market practices. Many of the Group's products are externally rated to give investors independent verification of investment product attributes. Much of its product is distributed via independent financial advisors, which provides a layer of independence, ensuring the suitability of the product to the end investor.
- The Group incorporates ESG factors into its investment decision making. The Group has a Responsible Investment policy in place for each asset class which governs our approach to integration of ESG into investing and managing our assets.
- Where the Group has operational and financial control of many of its real estate assets or direct origination and management of loans, it takes a 'hands-on' approach to managing these assets. This gives us a strong position to exercise responsible stewardship by appropriate management of environmental impacts, promoting strong governance arrangements and ethical conduct towards customers, suppliers and the communities in which these assets are based.
- The Group continues to uplift its ESG policies and processes, including measurement and monitoring. The Group actively participates in benchmarking itself to industry standards through participation in the reporting process of the UN Principles for Responsible Investment.
- The Group has robust processes for governance, including incident and complaints reporting. The reporting informs the decision making, including in relation to product suitability and enhancements.

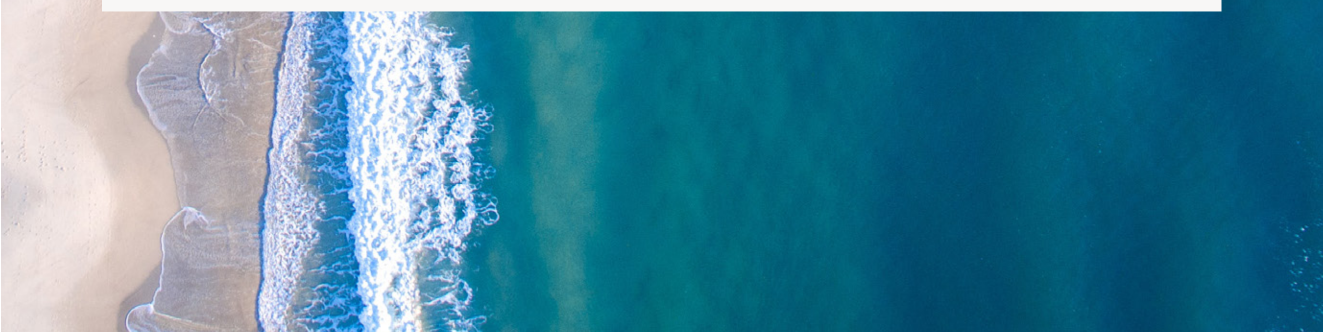
Lending & Technology

The Lending & Technology division is comprised of mortgage provider MA Money, mortgage broker services provider Finsure and Specialty Lending. Operating a sustainable business model includes:

- In MA Money, product design undergoes rigorous consumer lending analysis and advice, is benchmarked to market and continually reviewed. The Group closely monitors customer complaints. The product is distributed through brokers who provide a layer of independence and feedback on the product suitability which is incorporated into product refinement and enhancement. The Group maintains Responsible Lending, Customer Complaints and Hardship management policies.
- In Finsure, a programme of audits of broker conduct is undertaken to ensure compliance with appropriate lending practices. Major mortgage lenders conduct routine audits of broker operations to ensure compliance with their lending practices.

Corporate Advisory & Equities

The Corporate Advisory & Equities division provides financial advice for clients across mergers and acquisitions and strategic advisory, equity and debt capital markets, capital structure advisory, equities research and trading. The Group measures the sustainability of this business by the key metrics of earnings per banker, the number of repeat clients and the number of complaints received. The Group works hard to maintain a well trained, high quality team and the quality of advice provided.



Sustainability report

Environmental impact

Our commitment to sustainability

The Group believes in building a sustainable business that benefits all stakeholders – shareholders, employees, clients, and the communities it serves. Sustainability drives our long-term decisions, ensuring better outcomes for everyone involved.

As significant owners in our business, our management applies a long-term perspective to decision-making and strategy. We integrate Environmental, Social and Governance (ESG) factors into our operations, investment decisions, and asset management.

In relation to Environmental impacts, we see the key elements of our activities as:

ASSESS AND MEASURE	Integrate environmental factors into our assessment decision making, including appropriate diligence and measurement of impacts. Establish a basis for measurement of emissions impacts which aligns or exceeds regulatory requirements
REDUCE	Develop strategies for reduction of emissions
EDUCATE	Increase the awareness and capabilities of our team to contribute to a more sustainable future

For our MA Financial Group direct activities, we provide the following update

Emissions measurement and reductions

In FY23, the Group committed to two emissions reduction targets: to deliver net zero emissions by 2050 for our direct operations and reduce Scope 1 and 2 emissions intensity per employee by 50 percent by 2030.

To help achieve these targets, we completed in FY23 a Climate Change Action Plan (CCAP) and in FY24 achieved significant year-on-year emissions reductions from implementing the recommendation to transition to lower or zero-carbon energy supplies for our office energy use.

The overall emissions figure for our direct operations in Australia was 2,431 t CO_2–e. Our Scope 1 and 2 intensity per Australia-based employee was 0.068 t CO_2–e.[1]

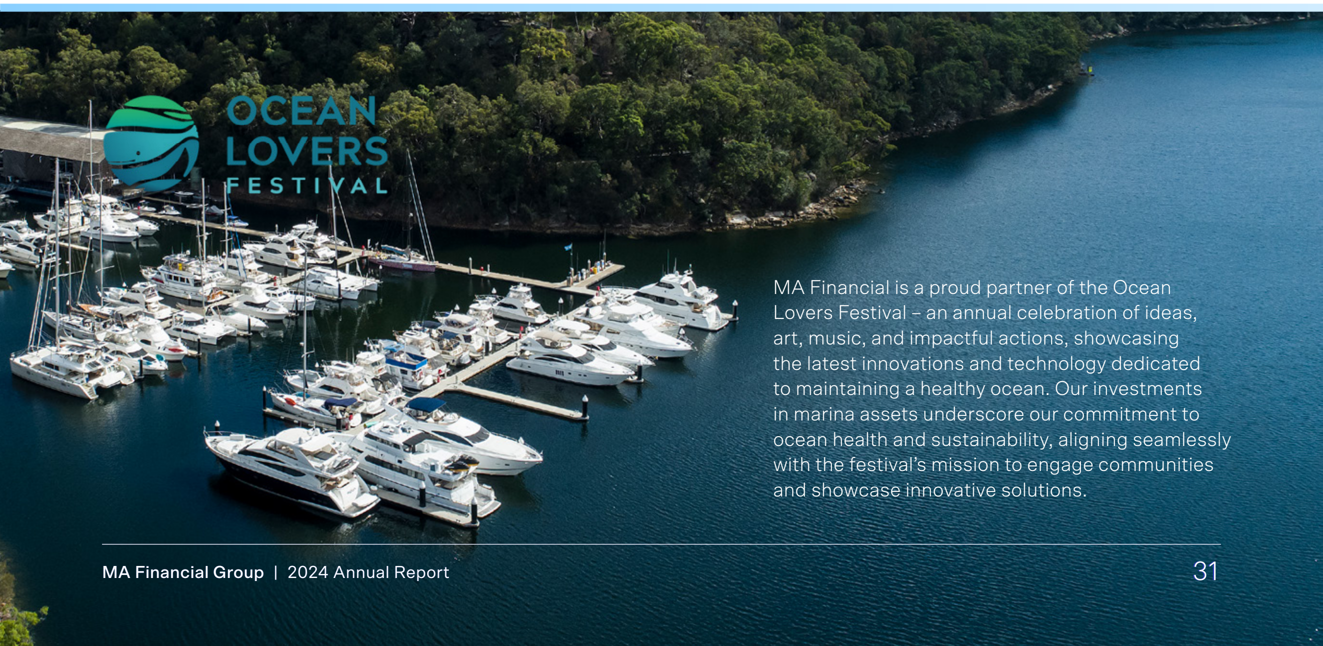
Measured emissions in overall terms are down by ~12%, reflecting our emissions reduction initiatives, particularly as relates to electricity. The intensity per employee metric has reduced year on year by ~90%.

The Group will continue to refine and act on its CCAP, in conjunction with its responsibilities under Australia's emerging regime for mandatory climate reporting.

MA Financial has closely monitored the development in Australia of this new mandatory regime for climate-related financial disclosures. The Group plans to commence reporting next year as a Group 1 entity in respect of the financial year beginning 1 January 2025.

We will advance a set of workstreams to enable compliance both for our direct operations and in respect of investment funds in scope of the standards, and to improve the scope and quality of disclosures – including emissions measurement.

1. Fuller details of the methodology and assumptions will be available in an updated version of our Emissions Disclosure.



MA Financial is a proud partner of the Ocean Lovers Festival – an annual celebration of ideas, art, music, and impactful actions, showcasing the latest innovations and technology dedicated to maintaining a healthy ocean. Our investments in marina assets underscore our commitment to ocean health and sustainability, aligning seamlessly with the festival's mission to engage communities and showcase innovative solutions.

Sustainability report

SOCIALLY RESPONSIBLE BEHAVIOUR

The Group recognises the impact we have on the communities we operate in and other external parties. Measuring our ESG impact helps us continue to increase our positive impacts and maintain consistently responsible business practices.

Our vision is to create an environment of enterprise, optimism, and partnership. We place the interests of our clients above all else, and work together as co-creators of long-term value. We know that to achieve this vision we need to be trustworthy in our conduct and decision making. We need to be consistent, responsible and responsive to stakeholder feedback. Whilst we believe this is core to our culture and daily behaviours, we call out some specific key areas of focus below.

Privacy and cybersecurity

The Group places a high value on privacy and confidentiality. We are committed to measures which protect the security of personal data and confidential information that is collected, stored, processed, or disseminated by us. The Group's Technology and Data Handling Policy established specific requirements for the use of all computing and network resources within the business in a responsible, ethical, and compliant manner. This, along with the Group's Privacy Policy, also covers the key principles of data privacy, compliance requirements, privacy and technology use guidelines within the Group. They are reviewed for relevance and accuracy annually.

High standards for privacy require more than just policies and guidance. Material improvements continue to be made to the Group's cybersecurity control environment, which is scheduled to be externally reviewed again in FY25. Physical controls are supported by ongoing employee training in cyber awareness and clear, effective arrangements for governance oversight. The firm maintains a Data Breach Response Plan to ensure a consistent quality of response in the event of a data security incident and to discharge various legal, regulatory and client obligations. We will continue to ensure our data and cyber security capabilities remain contemporary in what continues to be an evolving landscape.

Human rights

The Group conducts business to high levels of ethical and professional standards in accordance with relevant laws in the countries where we operate. We have no tolerance for any form of modern slavery within our business or supply chain.

The Group's approach to modern slavery is set out in its Modern Slavery Policy and the Modern Slavery Statement (dated June 2024), available on the Group's website.

Tier 1 risk assessments of the Group's supply chain were conducted in FY24 and have not identified any instance of modern slavery or areas of significant concern. All other objectives set out for FY24 in the Modern Slavery Statement have been met.

Responsible product offering

The Group is committed to accurately disclosing the features and risk profiles of its products. For our retail products, we design and distribute in accordance with a defined target market which we have carefully assessed. This commitment is a matter of policy and a typically also a requirement of law and regulation in the markets where we operate.

In Asset Management, a Product Governance Committee comprising of Product, Distribution, Investment and Legal & Compliance teams has been established to oversee design and distribution for all registered managed investment schemes. Its primary objective is to ensure that an appropriate target market determination (TMD) for investors for a product is agreed and that the product is designed and distributed in accordance with agreed TMD parameters. It monitors changes that may be required to a TMD during the course of a product's lifecycle.

Product offering documentation in respect of all Asset Management funds is carefully prepared and subject to robust review and verification processes which includes Legal & Compliance review. This is to ensure that the features of a product and its associated risks are appropriately disclosed.

Further, ongoing updates are provided to investors of all of our products so as to ensure that they remain informed of key developments impacting their investment(s) over the course of its lifecycle.

To the extent the Asset Management business uses distribution partners or other intermediaries, the third parties are required by contract to comply with law and any other policies issued from time to time.

Asset Management's independent compliance committee, along with its trustee/responsible entity Board, oversees the compliance framework for all registered managed investment schemes. Included in this is oversight over incidents/breaches and client complaints in relation to products for the division.

Responsible lending

The Group operates a wide range of businesses where we recognise duties to act responsibly, above and beyond our product offering responsibilities noted above.

Consumer credit: The Group is committed to responsible lending practices. For example, MA Money will only make home loans which are suitable for borrowers, having reference to their requirements and objectives and their ability to repay. MA Money also supports its customers that may be facing financial hardship, with a dedicated Hardship Team on hand to listen and provide tailored solutions based on borrowers' individual circumstances. Our Specialty Lending business is focused on the provision of legal disbursement loans. Legal disbursement loans are made available to a specific set of consumers and are not broadly distributed.

Sustainability report

Responsible conduct

Hospitality: Our Hospitality platform, Redcape Hospitality, manages several hospitality funds including Redcape Hotel Group, and recognises its obligation to ensure customers experience safe and sociable venues, and responsibly enjoy the beverage and entertainment offerings. MA Hotel Management's approach to the service of alcohol, problem gaming and harm minimisation is articulated in its Responsible Service Policy, available on the Redcape website.

Redcape also supports local communities and their initiatives through its 'Publinc Communities Programme' which has an objective of enriching local communities through lasting impact.

Community investment

At MA Financial, fairness and generosity are fundamental to our ethos. In FY18, we established the MA Foundation with a clear mission: to champion community initiatives that resonate with the values and interests shared across our Group. Our Foundation's vision, impactful partnerships, robust staff engagement, and a steadfast commitment to the broader ESG agenda, guides our community investment approach.

Sine inception, the Foundation has donated over $8.5 million to more than 35 charities. The Foundation has three Community Partners: GO Foundation, BackTrack and Mirabel Foundation. Through the collaborative efforts of our MA Foundation Committee and matched giving programs, we channel our resources towards causes that hold significant importance to our staff members.

Looking forward

We are proud of the progress we have made in FY24, and our continued focus on the pillars of our Sustainability Framework. The development of our practices and procedures within these pillars, and our disclosure around them, will continue to expand over time. We look forward to sharing our sustainability progress with our key stakeholders over future periods.

Sustainability materiality matrix

Our assessment of the most material ESG issues impacting the Group, as described on page 23 is set out below.

	ENVIRONMENTAL	SOCIAL	GOVERNANCE AND BUSINESS MODEL
MOST MATERIAL	Climate risk	Customer data protection Diversity and inclusion Stakeholder engagement and community giving Employment conditions, pay and benefits Product responsibility Responsible marketing	Cyber security and privacy Risk mitigation Anti-corruption Compliance Values, purpose and accountability Board skills and composition
MATERIAL	Waste recycling and pollution Energy and air quality Supplier environmental performance Water	Wellbeing, health and safety Anti-bullying and workplace harassment Supplier social performance Indigenous engagement, rights and reconciliations Ethical AI	Public policy
LESS MATERIAL	Nature and biodiversity	Forced and child labour Grievance and remedy	Intellectual property Fair trading


Directors'
Report

Directors' report

For the year ended 31 December 2024

The Directors of MA Financial Group Limited (Company) submit their report together with the consolidated Financial Report of the Company and its subsidiaries (Group) for the year ended 31 December 2024.

The names and details of the Directors of the Company during the financial year ended 31 December 2024 and as at the date of this report are listed below. Directors were in office for the entire year, unless otherwise stated.

Jeffrey Browne	Independent Chair and Non-Executive Director
Andrew Pridham	Group Vice Chair
Alexandra Goodfellow	Independent Non-Executive Director
Simon Kelly	Independent Non-Executive Director
Nikki Warburton	Independent Non-Executive Director
Kenneth Moelis	Non-Executive Director
Kate Pilcher Ciafone	Non-Executive Director
Julian Biggins	Joint Chief Executive Officer
Christopher Wyke	Joint Chief Executive Officer

Jeffrey Browne

Independent Chair
and Non-Executive Director
Appointed 27 February 2017

Experience and expertise

Jeffrey was a senior executive at Nine Network Australia from 2006 to 2013, including Managing Director from 2010 to 2013. He was previously Chair of Carsales.com. Jeffrey holds a Degree in Arts from La Trobe University, and a Degree in Law from Monash University, Melbourne.

Other directorships and appointments

Chair of Premoso Pty Ltd (owner of the business of Walkinshaw Automotive Group)
President of Collingwood Football Club (resigned December 2024)
Chair of Myeloma Australia (appointed November 2024)

Special responsibilities

Chair of the Board (appointed 27 February 2017)
Member of the Audit and Risk Committee (appointed 27 February 2017)
Member of the Nomination and Remuneration Committee (appointed 27 February 2017)

Interests in the Company

Shares: 150,000

Andrew Pridham AO

Group Vice Chair
Appointed 25 May 2010

Experience and expertise

Andrew has served as a Director since the formation of MA Financial Group Limited. He was Chief Executive Officer from 2009 to 2020 and has 30 years' of experience in investment banking. Andrew was one of the founders of the Company in 2009.

Other directorships and appointments

Chair of Sydney Swans Limited
Adjunct Professor at University of South Australia

Special responsibilities

Director of MA Foundation (appointed 31 October 2017)

Interests in the Company

Shares: Andrew holds 58,351 shares as well as a beneficial equity interest in 15,930,390 shares as a result of his holdings in the Existing Staff Trusts. As a result of Andrew's ownership of the Trustee of one of the Existing Staff Trusts, Andrew has a deemed relevant interest in 16,117,532 shares.
Loan Funded shares: 591,960

Directors' report (continued)

For the year ended 31 December 2024

Alexandra Goodfellow

Independent Non-Executive Director
Appointed 19 August 2020

Experience and expertise

Alexandra is Vice Chair of Korn Ferry Australasia and has 35 years' experience in executive search and human capital consulting. Advising clients at Board, CEO and C-suite level, assisting with organisational strategy, succession and assessment, executive search and leadership development.

Other directorships and appointments

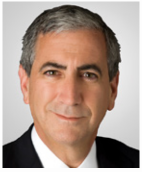
Vice Chair of Korn Ferry Australasia
Non-Executive Director of Sydney Swans Limited

Special responsibilities

Chair of the Nomination and Remuneration Committee (appointed 19 August 2020)
Member of the Audit and Risk Committee (appointed 13 December 2022)

Interests in the Company

Shares: 32,371



Kenneth Moelis

Non-Executive Director
Appointed 7 July 2010

Experience and expertise

Ken is Chair and Chief Executive Officer of Moelis & Company and has 40 years' experience as a banker and executive. Prior to founding Moelis & Company, Ken was President of UBS Investment Bank and previously, Head of Corporate Finance at Donaldson, Lufkin & Jenrette. Ken began his investment banking career at Drexel Burnham Lambert. Ken holds a Bachelor of Science in Economics and an MBA from the Wharton School at the University of Pennsylvania.

Other directorships and appointments

Chair and CEO of Moelis & Company Group LP (Moelis & Company)
Non-Executive Chair of the Board of Directors, Moelis Asset Management
Member, Wharton Board of Advisors
Member, Ronald Reagan UCLA Medical Center Board of Advisors
Member, Business Roundtable
Member, The Business Council

Special responsibilities

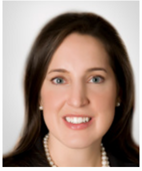
None

Interests in the Company

Ken has no deemed relevant interest in all shares held by Moelis & Company. Moelis & Company presently holds 18,500,000 ordinary shares in the Group.

Directors' report (continued)

For the year ended 31 December 2024



Kate Pilcher Ciafone

Non-Executive Director
Appointed 19 August 2020

Experience and expertise

Kate is the Chief Operating Officer and a founding member of Moelis & Company. Kate has over 20 years' experience as a banker and operating executive in investment banking. She commenced her career with UBS before joining Moelis & Company in 2007. Kate holds a B.S. in Commerce with distinction from the McIntire School of Commerce at the University of Virginia.

Other directorships and appointments

Board member of Madison Square Boys & Girls Club (appointed September 2024)

Special responsibilities

Member of the Nomination and Remuneration Committee (appointed 11 August 2021)

Interests in the Company

None

Simon Kelly

Independent Non-Executive Director
Appointed 21 April 2021

Experience and expertise

Simon has over 30 years' experience in strategic, financial and general management in Australian listed and unlisted consumer businesses. He is Chief Executive Officer of technology start-up NoahFace and has previously held C-suite level roles at Ardent Leisure, Virgin Australia, Nine Entertainment Co., Aristocrat Leisure and Goodman Fielder. Simon holds a Bachelor of Economics and Accounting with Honours, is a Member of Chartered Accountants Australia & New Zealand and Fellow of the Institute of Chartered Accountants in England and Wales.

Other directorships and appointments

None

Special responsibilities

Chair of the Audit and Risk Committee (appointed 21 April 2021)

Interests in the Company

Shares: 95,161

Nikki Warburton

Independent Non-Executive Director
Appointed 23 December 2022

Experience and expertise

Nikki has 30 years' experience as a senior marketing executive and a board director in automotive, sport, and media sectors. She is on the Board of Directors for Greater Western Sydney Giants Football Club, Car Expert and Cloudwerx, and is a Mentor for The Marketing Academy.

Other directorships and appointments

Non-Executive Director of Greater Western Sydney Giants Football Club.
Non-Executive Director of Car Expert and Chair of the Remuneration and Nominations Committee
Non-Executive Director of Cloudwerx

Special responsibilities

None

Interests in the Company

Shares: 20,300

Julian Biggins

Executive Director and Joint Chief Executive Officer
Appointed 2 February 2017

Experience and expertise

Julian was appointed Joint Chief Executive Officer in February 2020 and was one of the founders of the company in 2009. He has over 20 years' experience in investment banking and asset management leadership roles. He holds a Bachelor of Business (Real Estate) and a Bachelor of Business (Banking and Finance) from the University of South Australia.

Other directorships and appointments

Director of MA Foundation (appointed 25 July 2023)

Special responsibilities

None

Interests in the Company

Shares: Julian holds a beneficial equity interest in 5,128,167 shares as a result of his holding in the Existing Staff Trusts.
Restricted and Loan Funded Shares: 2,268,771

Directors' report (continued)

For the year ended 31 December 2024

Christopher Wyke

Executive Director and Joint Chief Executive Officer
Appointed 2 March 2020

Experience and expertise
Chris was appointed Joint Chief Executive Officer in February 2020 and was one of the founders of the company in 2009. He has 20 years' investment banking experience specialising in restructuring, M&A, equity and debt capital markets transactions. Chris has worked at J.P. Morgan and UBS in London, Singapore and Sydney. He holds a Bachelor of Economics with Honours from University College London.

Other directorships and appointments
None

Special responsibilities
None

Interests in the Company
Shares: Chris holds 124,604 shares as well as a beneficial equity interest in 4,828,172 shares as a result of his holding in the Existing Staff Trusts. As a result of Chris' ownership of the Trustee of one of the Existing Staff Trusts, Chris has deemed relevant interest in 14,850,000 shares.
Restricted and Loan Funded Shares: 2,279,598

Company secretaries' qualifications and experience

Janna Robertson

Joint Company Secretary
Appointed September 2019

Janna has over 25 years' experience in financial services, business operations and transformation. Prior to joining the Group she was a partner at Deloitte. Janna holds a Bachelor of Business from the University of Technology Sydney, is a Member of the Institute of Chartered Accountants in Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

Rebecca Ong

Joint Company Secretary
Appointed February 2020

Rebecca has over 15 years' experience as a lawyer in the financial services industry, and prior to joining the Group was Regional Counsel at UBS, advising its Asset Management business across Asia Pacific. Rebecca holds a Bachelor of Commerce (Finance)/Bachelor of Laws from the University of New South Wales.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year:

	Board meeting		Audit and Risk Committee		Nomination and Remuneration Committee	
	A	B	A	B	A	B
Jeffrey Browne	6	6	7	7	4	4
Andrew Pridham	6	6	#	#	#	#
Alexandra Goodfellow	5	6	6	7	4	4
Simon Kelly	6	6	7	7	#	#
Nikki Warburton	6	6	#	#	#	#
Kenneth Moelis	6	6	#	#	#	#
Kate Pilcher Ciafone	6	6	#	#	4	4
Julian Biggins	6	6	#	#	#	#
Christopher Wyke	6	6	#	#	#	#

A = Number of meetings attended.
B = Number of meetings held during the time the Director held office during the year.
# = Not a member of committee

Directors' report (continued)

For the year ended 31 December 2024

Principal activities

The Group is a global alternative asset manager specialising in private credit, real estate and hospitality. The Group lends to property, corporate and specialty finance sectors and provides corporate advice.

In the opinion of the Directors, there were no other significant changes to the principal activities of the Group during the financial year under review that are not otherwise disclosed in this report.

Results

The Financial Report and results for the years ended 31 December 2024 and 31 December 2023 have been prepared in accordance with Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). Total comprehensive income attributable to ordinary equity holders of the Group for the year ended 31 December 2024 was $44.3 million (2023: $19.0 million) and the profit after tax to ordinary equity holders of the Group for the year ended 31 December 2024 was $41.8 million (2023: $28.5 million).

Dividends

Subsequent to the year ended 31 December 2024, the Directors have resolved to pay a final dividend of 14 cents per share, fully franked, for the year ended 31 December 2024. The dividend is payable on 20 March 2025.

On 18 September 2024, the Company paid an interim dividend of $10.9 million (6.0 cents per share), fully franked, for the financial year ended 31 December 2024.

On 20 March 2024, the Company paid a final dividend of $24.7 million (14.0 cents per share), fully franked, for the financial year ended 31 December 2023.

State of affairs

There were no other significant changes in the state of affairs of the Group that occurred during the financial year under review that are not otherwise disclosed in this report.

Operating and financial review

Please refer to the Operating and financial review section of this Annual Report for the following in respect of the Group:

- a review of operations during the year and the results of those operations;
- likely developments in the operations in future financial years and the expected results of those operations;
- comments on the financial position;
- comments on business strategies and prospects for future financial years; and
- summary of material risks the Group faces in achieving its financial objectives, such as cyber risk, regulatory change, investment risk, credit risk, volatility in levels of business activity, treasury risk and debt management and operational risk.

Non-IFRS Underlying Results

The Group also utilises non-IFRS "Underlying" financial information in its assessment and presentation of the Group's performance. In particular, the Group references Underlying revenue, Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Underlying Earnings Per Share (EPS), Underlying Net Profit After Tax (NPAT), and Underlying Return on Equity (ROE).

Underlying EBITDA and Underlying NPAT achieved for the year ended 31 December 2024 was $87.1 million (2023: $81.6 million) and $42.1 million (2023: $41.6 million) respectively.

The Directors place great importance and value on the IFRS measures. As such, the Directors believe that, when read in conjunction with the IFRS measures, the Underlying measures are useful to the reader as:

- The Underlying measures reveal the underlying run rate business economics of the Group;
- The Underlying measures are used by management to allocate resources and make financial, strategic and operating decisions. Further, all budgeting and forecasting is based on Underlying measures. This provides insight into management decision making; and
- Unless otherwise disclosed, the Underlying adjustments have been consistently applied in all reporting periods, regardless of their impact on the Underlying result.

The Underlying financial information is not prepared in accordance with Australian Accounting Standards and IFRS and is not audited. Adjustments to the IFRS information align with the principles by which the Group views and manages itself internally and consist of both differences in classification and differences in measurement.

Differences in classification arise because the Group chooses to classify some IFRS measures in a different manner to that prescribed by IFRS.

Differences in measurement principally arise where the Group prefers to use non-IFRS measures to better:

- Align with when management has greater certainty of timing of cash flows;
- Regulate the variability in the value of key strategic assets; and
- Normalise for the impacts of one-off transaction costs.

Please refer to note 3 in the Financial Report for a detailed reconciliation between the IFRS and Underlying measures.

Likely developments

The Group continues to pursue its strategy of focusing on its core operations. In particular, the Group will continue to market its managed funds and launch new managed funds with the aim of growing assets under management.

Directors' report (continued)

For the year ended 31 December 2024

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Environmental regulation

Please refer to the Sustainability Report for details of the Group's Environmental, Social, and Governance (ESG) framework. The Group has policies and procedures in place, to identify obligations and notify material breaches, where operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. The Directors have determined that there has not been any material breach of these obligations during the financial year.

Non-audit services

The Group Audit and Risk Committee has reviewed the details of the amounts paid or payable for non-audit services provided to the Group during the year ended 31 December 2024 by the Company's auditor, KPMG.

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* (Cth).

The Directors are of the opinion that the services as disclosed in note 39 to the financial statements do not compromise the external auditor's independence, for the following reasons:

- all non-audit services were reviewed and approved in accordance with the Auditor Independence Policy, which outlines the approval process that must occur for non-audit services.
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Indemnification and insurance of Directors, officers and auditors

During the year, the Group paid a premium in respect of a contract insuring the Directors and officers of the Group against liabilities and legal expenses incurred as a result of carrying out their duties as a Director or officer. The Directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of this insurance, as such disclosure is prohibited under the terms of the contract.

The Group has agreed to indemnify all current and former Directors, company secretaries and certain officers of the Group and its controlled entities against all liabilities to persons (other than the Group or a related body corporate) which arise out of the performance of their normal duties as a Director, company secretary or officer to the extent permitted by law and unless the liability relates to conduct involving wilful misconduct, bad faith or conduct known to be in breach of law. This indemnity extends in the same fashion to individuals who serve at the specific direction or request of the Group in an equivalent position in certain investment portfolio vehicles.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding

The amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated, under the option available to the Group under *Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191.*

Auditor's independence declaration

The auditor's independence declaration is included at the end of this report and forms part of the Directors' Report for the financial year ended 31 December 2024.

Authorisation

Signed in accordance with a resolution of the Directors of MA Financial Group Limited:

Jeffrey Browne
Independent Chair and Non-Executive Director

Sydney

20 February 2025

Julian Biggins
Director and Joint Chief Executive Officer

Sydney

20 February 2025

Letter from the Chair of the Nomination and Remuneration Committee

Dear Shareholders

As Chair of the Nomination and Remuneration Committee, I am pleased to present to you the Remuneration report for the financial year ended 31 December 2024.

Our objective throughout this report is to provide a clear and thorough overview of executive remuneration, including detail on the remuneration and performance correlation and alignment to short- and long-term objectives. In setting Executive remuneration, the Board balances the retention and motivation of high performing Executives with aligning behaviours and outcomes to sustained growth and the interests of shareholders. We benefit from Executives who have a meaningful ownership interest in MA Financial which drives alignment between Executives and shareholders. With this context we also acknowledge the important role of the non-executive directors in overseeing appropriate remuneration and reward.

FY24 overview and STI outcomes

The Board is pleased with how the team is executing on the strategy to grow the business and build out our strategic investments. The underlying growth momentum before strategic investments is positive in the key performance metrics. The progress in realising strategic investment outcomes is pleasing, this year most notably evident in the MA Money investment, which started generating positive earnings contribution in H2 FY24, with meaningful growth expected into FY25. As MA seeks to deliver sustainable growth over the long term, our role as a Board is to ensure that the remuneration structure strikes the appropriate alignment between near and long-term results and we believe that we are balancing that tension effectively.

The economic environment in FY24 remained challenging as recent years' inflationary impacts continue to affect businesses. MA's results reflect a succssful naviagtion of this operating context. The MA share price grew ~11% during FY24 and has continued to experience strong appreciation since the end of the year. The FY24 earnings per share (EPS) result of 26.1 cents is in line with market expectations.

I note a few select achievements and performance metrics in FY24:

- Management performed well in continuing to drive key strategic growth areas. Asset Management delivered record fund inflows, of $2.2 billion (up 27% on FY23).
- Assets under Management grew 12% to $10.3 billion at 31 December 2024.
- The significant investment made in establishing MA Money during FY23 and the first half of FY24 was successfully realised. The business delivered a profit with its loan book growing 155% over FY24 to $2.1 billion.
- Increased Corporate Advisory activity with advisory revenue up 16% on FY23.
- MA successfully announced a strategic partnership of a Real Estate Credit fund with Warburg Pincus to provide a vehicle for institutional investors.
- MA completed a culture review during 2024 and I am pleased to report an employee engagement score of 80%.

FY24 and FY25 framework changes

Having introduced our current remuneration structure in FY21, the Board has periodically reviewed and refined the remuneration framework and terms. During FY24, in response to our strategic outlook and taking into consideration stakeholder feedback following our FY23 Remuneration report, a more comprehensive review was undertaken, including seeking expert advice and benchmarking. I also engaged with shareholders and stakeholders in relation to our remuneration practices and framework. In response, we have proposed remuneration changes which will be implemented across FY24 and FY25. Section 2 sets out the detail about our phased approach to these remuneration changes.

Our fundamental remuneration philosophy remains the same, including maintaining relatively low fixed annual remuneration levels compared with our peer group and as a percentage of total remuneration and higher at-risk remuneration, rewarding for performance and outperformance that is aligned to sustained long term growth and value creation.

We believe these changes are both appropriate and necessary to further enhance the rigour of our remuneration framework. As the Group pursues its medium- and long-term growth ambitions, we consider these changes will support the alignment between remuneration and performance and enhance the transparency of associated reporting. We thank the numerous stakeholders who have thoughtfully provided feedback which has informed our process.

Final remarks

The Board is very pleased with the Group performance over the last 12 months. I would like to thank our executive team and all MA employees for their dedication over the last 12 months as without the entire team, our achievements would not have been possible.

Looking ahead, continuing dialogue with stakeholders is important, both to hear the comparative analysis and perspectives from the market and to allow us to engage more fully and be challenged on the rationale which underpins MA's approach to remuneration. We are constantly looking to balance what the market norms are and what is right for MA's unique context.

We firmly believe that these remuneration improvements will serve the Group's next phase of growth and development and commend them to your thoughtful consideration. We thank you for your support and look forward to our ongoing engagement with you during FY25.

Yours sincerely,

Alexandra Goodfellow
Chair of the Nomination and Remuneration Committee

Contents

Remuneration report (continued)

For the year ended 31 December 2024

1. Key Management Personnel (KMP)

The Directors of MA Financial are pleased to present the Remuneration report (Report) for the Group for the year ended 31 December 2024. The Report forms part of the Directors' Report and has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (the Act).

The Report details the remuneration arrangements for the Group's key management personnel including:

- the Non-Executive Directors (NEDs)
- the Chief Executive Officers (Joint CEOs) and senior executives (collectively the Executive).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the activities of the Group.

The table below outlines the KMP of the Group for the year ended 31 December 2024 (FY24).

Table 1 – KMP

Name	Position	Term as KMP
Non-Executive Directors		
Jeffrey Browne	Independent Non-Executive Chair	Full financial year
Alexandra Goodfellow	Independent Non-Executive Director	Full financial year
Simon Kelly	Independent Non-Executive Director	Full financial year
Nikki Warburton	Independent Non-Executive Director	Full financial year
Kenneth Moelis	Non-Executive Director	Full financial year
Kate Pilcher Ciafone	Non-Executive Director	Full financial year
Executive KMP		
Julian Biggins	Executive Director and Joint CEO	Full financial year
Christopher Wyke	Executive Director and Joint CEO	Full financial year
Andrew Pridham	Group Vice Chair	Full financial year
Janna Robertson	Chief Operating Officer	Full financial year
Giles Boddy	Chief Financial Officer	Full financial year

Remuneration report (continued)

For the year ended 31 December 2024

2. Change to our remuneration framework

The Group has evolved its remuneration framework since it was established in FY21. Market conditions and stakeholder expectations have also changed during this time. In light of these changes and considering feedback received following the MA Financial Group FY23 result and the Annual General Meeting (AGM), the Board has reflected on our remuneration practice to ensure alignment with our current and future strategic direction.

Set out in Table 2 below is a summary of the key feedback received from shareholders and other stakeholders following the AGM. Additionally, the Board has considered other areas for enhancement within the remuneration framework, to ensure it continues to meet our growth objectives including:

- Improved target setting, including alignment with medium term growth and measures
- An annual review of executive remuneration arrangements, as opposed to periodically. As discussed below, this includes a re-weight of the Joint CEO remuneration mix for FY24 and FY25 to better align to our remuneration principles and peer group
- Simplification of disclosures relating to achieved performance objectives
- Rebalancing the weighting of STI performance objectives to strengthen focus on delivering against the Group's future financial strategic objectives
- Opportunity to re-orientate the short-term incentive framework to increase the opportunity to reward for outperformance

These themes have informed the executive remuneration changes spanning FY24 and proposed for FY25 (see tables 3 and 4). In considering these themes, we have sought to identify opportunities to better align our executive framework, whilst ensuring there is an appropriate balance with the business strategy and complexity for the Group.

The following table summarises key feedback received from shareholders and proxy advisers in the lead up to the 2024 Annual General Meeting relating to the FY23 Remuneration report.

Table 2 – Feedback received

Theme	Description
STI Board discretion	Improve disclosure on how Board discretion is exercised in determining outcomes
STI threshold	Include minimum STI performance measures
STI disclosure	Improve disclosure of achievement against individual performance measures
LTI prospective vote	Prospective LTI vote on the LTI award outcomes is not typical of market practice and confusing

Remuneration report (continued)

For the year ended 31 December 2024

The Board has committed to address the feedback above and some areas were enhanced in FY24 (where appropriate and practical) with the balance effective in FY25. Below is a summary of changes.

The following table provides the remuneration changes applied in FY24.

Table 3 – Remuneration changes applied in FY24

No.	Description	Feedback addressed / areas for enhancement
1	Update our FY21 remuneration peer group for benchmarking purposes and disclose the peer group list and guiding principles to the market. Refer to section 4.1 of this report	Annual review of Executive KMP remuneration
2	Adopt STI thresholds for each corporate objective. This has the effect of narrowing Board discretion. Threshold is reviewed year-over-year against our growth objectives for the Group and tested against historical actual outcomes. Refer to section 4.3 of this report.	STI threshold & Board discretion
3	Recalibration of the Joint CEOs STI target opportunity downwards to provide room for outperformance. This decrease of 22% forms part of changes which will follow in FY25 to fixed annual remuneration and the broader remuneration mix. Refer to section 4.3 of this report.	Annual review of Executive KMP remuneration and re-orientate the STI framework
4	Improve our STI disclosures of the Joint CEOs performance objectives outcomes by providing more information around the process of assessing performance achievement and disclosing on what circumstances the Board may consider exercising discretion and / or where discretion has been exercised, if any. Refer to section 5 of this report.	STI disclosure & Board discretion

Remuneration report (continued)

For the year ended 31 December 2024

The following table provides the remuneration changes for application in FY25.

Table 4 – Remuneration changes for application in FY25

No.	Description	Feedback addressed / areas for enhancement
1	Annual review of executive KMP remuneration arrangements to ensure they remain appropriately aligned to the market and our remuneration principles and framework. With effect during FY25 change to Joint CEOs current total remuneration mix to bring fixed annual remuneration (FAR) closer to our peer group and to acknowledge the Joint CEOs performance since FY21, with reorientation of variable remuneration maximums to reflect outperformance. The Joint CEO's FAR was last increased in FY21 and is well below the 25th percentile of our peer group. The Board has determined the following: • FAR increase from $600,000 to $725,00 effective 1 April 2025 • New FAR remains below the 25th percentile (aligned to MA's remuneration philosophy as detailed in section 3.3) • STI target opportunity recalibrated downward from $1,800,000 to $1,400,000 for FY24 and FY25 to reset target remuneration opportunity lower and create increased opportunity for outperformance. • LTI target is not changing but maximum is to increase by 14% to reorientate towards outperformance. For FY25, there are no planned fixed annual remuneration increases for other Executive KMP, unless there is a change in scope of role.	Annual review of Executive KMP remuneration and re-orientate the STI framework
2	Adopt a third STI Group objective to align reward outcomes with medium-term horizon of the Group strategy, weighted at 20% and aligned to growth targets. The objective will be assessed by the following two measures equally weighted at 10%: 1. Assets Under Management 2. Growth of Mortgage Loan Book These changes strengthen the link between the medium-term horizon of the MA strategy and reward. Finally, the overall weighting of these group objectives (previously called corporate objectives in FY24) is to increase from 50% to 60%. Individual performance objectives[1] will decrease from 50% to 40%.	Rebalance the STI weighting framework and strengthen focus on financial objectives
3	Enhanced and objective STI target setting of group objectives and individual performance objectives by articulating for internal purposes threshold, target and maximum achievement levels and payout opportunities, aligned to the Group strategy and considering desired future and historical business performance. Resulting in an improved and clear alignment between remuneration opportunities and required performance at threshold, target and outperformance. In addition, continue to embed disclosure improvements as to how STI awards are determined and the STI target, using a clear group and individual performance objectives framework.	STI disclosure, Improved target setting
4	Approval was received at the May 2024 AGM for the prospective FY25 LTI Grant (performance period between 1 January 2025 – 31 December 2028). The Board has determined to cease seeking prospective approval. This practice will better align our approach to market. This means we will next seek shareholder approval for a LTI grant at the 2026 AGM which will be retrospective (for grants with a performance period commencing 1 January 2026).	LTI prospective vote

1. Non-financial quantitative and qualitative measures of individual performance to assess achievement

Remuneration report (continued)

For the year ended 31 December 2024

3. How remuneration is governed

3.1 Joint CEO Structure

MA Financial established a Joint CEO structure in March 2020 following the appointments of Julian Biggins and Chris Wyke as Joint CEOs.

The Board considers the Joint CEO structure to be appropriate for MA Financial in this current phase of its growth due to the following:

- Chris Wyke and Julian Biggins are founding members of the Group. The Group operates a breadth of businesses across three divisions (Asset Management, Lending & Technology, Corporate Advisory & Equities) and MA Corporate (established to enable the business to scale), has operations across Australia, Singapore, USA, China and Hong Kong, over 700 employees, and has $10.3 billion of assets under management.
- Since the appointment of the Joint CEO structure the Group has grown, reflecting the significant broadening of our business activities. Key milestones include the acquisition of the mortgage technology marketplace Finsure, the launch of our technology business Middle, the acquisition of a New York based private credit asset manager and growth of assets under management from $6.9 billion to $10.3 billion (as at 31 December 2024).
- Having made significant advances to the Group, today we are an active manager of alternative assets. Our investment expertise spans Real Estate, Private Credit, Equities and Private Equity.
- Each CEO brings specific skills and capabilities to allow them to focus on managing and growing different parts of our diversified businesses, which we believe facilitate stronger and more sustainable growth.
- Julian is responsible for the Group's finance, investor relations and communications functions, and leading the strategy and scaling of all our Real Estate investment activities and operating businesses associated with real estate. He also leads our Equities and Capital Markets capabilities.
- Chris has responsibility for our Advisory, Lending & Technology and Credit investing activities. He also takes responsibility for our risk, legal and compliance functions.
- The Joint CEOs share equal responsibility for Asset Management and distribution capability and the Group's culture, people and strategy, including acquisitions.
- Together, the Joint CEOs are also jointly responsible for continuing to determine and drive the growth ambition of the Group.

The Board is responsible for assessing the appropriateness of the Joint CEO structure to ensure its effectiveness by assessing the joint performance of the CEOs annually in delivering strong shareholder outcomes.

3.2 Remuneration decision-making

The Board established the Nomination and Remuneration Committee (the Committee), which operates under the delegated authority of the Board.

The Committee has primary carriage of the Group's remuneration strategy, framework and principles.

The Board, Committee and the Executive work together to apply the remuneration governance framework. The remuneration governance framework is designed to support our purpose, principles, strategy, and long-term approach to creating sustainable value for our shareholders, clients and the community.

The members of the Committee are listed below. Members were in office for the entire year, unless otherwise stated.

- Alexandra Goodfellow – Independent Non-Executive Committee Chair
- Jeffrey Browne – Independent Non-Executive Committee Member
- Kate Pilcher Ciafone – Non-Independent Non-Executive Committee Member.

Remuneration practices were restructured in FY21. The approach was refined in FY22 and FY23 and in response to stakeholder feedback, we have made further refinements to our remuneration framework including STI and long-term incentives (LTI) in FY24 to ensure remuneration policies and practices remain appropriate and competitive.

The Committee has oversight of remuneration practices and, where required, will access specialist external advice about remuneration structure and levels and is utilised periodically to support the remuneration decision-making process. The Committee engaged independent and external remuneration advisers in 2024 to undertake a review of our peer group and remuneration benchmarking (the last time reviewed was during the 2021 financial year).

The Committee Charter can be found on the Corporate Governance page of the Group's website at mafinancial.com.

Remuneration report (continued)

For the year ended 31 December 2024

3.3 Remuneration principles and links to business strategy and performance

The Board recognises the important role people play in achieving the Group's long-term objectives and as a key source of competitive advantage. To grow and be successful, the Group must be able to attract, develop, motivate and retain high performing talent to drive the performance of the Group.

The Group's purpose is to deliver sustainable, long-term value to our clients. The key objectives underpinning our purpose are embedded in the Group's remuneration principles, as summarised in the following diagram. These principles serve as the guardrails for the remuneration framework.

The Board exercises significant oversight and judgement to ensure the appropriate alignment of employees, shareholders and client outcomes. In setting remuneration, the Board seeks to strike a balance between having a transparent, aligned and structured remuneration framework, whilst retaining some discretion in limited circumstances (as described in sections 4.3 and 4.4) to alter remuneration arrangements to deliver fair outcomes for Executives, clients and shareholders.

OUR CORE BELIEFS

- Our purpose is to create sustainable, long-term value for clients
- We believe in unlimited potential. It is an unwavering belief in the potential of our people and our clients
- We believe that to consistently deliver, we must be active and expert managers of risk
- Our four drivers motivate our decisions and actions:

CHARACTER MATTERS
We're powered by good people with the right attitude and values.

BETTER WAY?
We're contemporary thinkers who challenge norms, but respect experience.

EDGE HAS A FORMULA
Our edge comes from hard, dedicated, diligent work and experience.

CO-CREATORS OF VALUE
Success isn't a perfect process – we're there for the ups and downs, and when our clients win – we win.

REMUNERATION PRINCIPLES

- Attract, motivate and retain a high performance Executive team to drive the performance of the Group relative to peers.
- Align Executive performance outcomes as a collective and individually to deliver both short, medium and long term Group results and sustainable value creation
- Align Group outcomes with shareholder interest through an 'owner's mentality' and long-term delivery of earnings per share
- Promote and reinforce active and appropriate risk management culture ensuring alignment to the Group's four drivers
- Strive for a remuneration framework that is clear, transparent and easy to understand

Remuneration report (continued)

For the year ended 31 December 2024

Table 5 – Executive KMP remuneration framework

<table>
<tr><th rowspan="2"></th><th rowspan="2">Fixed Annual Remuneration (FAR)</th><th colspan="2">At-risk</th></tr>
<tr><th>Short-term Incentive</th><th>Long-term Incentive</th></tr>
<tr><td>Purpose</td><td>To pay for meeting the core responsibilities of the role in accordance with contractual terms and conditions of employment</td><td>To reward in line with annual performance achievement incorporating short-term execution of our medium and long-term strategy and creation of sustainable shareholder value.</td><td>To reward for execution of the long-term strategy and value creation of sustainable long-term shareholder value and reinforce an ownership.</td></tr>
<tr><td>Structure</td><td>Base salary, compulsory superannuation and other non-monetary benefits.</td><td>Delivered as:
• 65% paid as cash
• 35% deferred into shares, as follows:
– One third for 1 year
– One third for 2 years
– One third for 3 years.</td><td>Annual grant of loan funded shares funded by an interest-free limited recourse loan, with vesting subject to a 4-year performance period.</td></tr>
<tr><td>Approach</td><td>Set at a comparatively low level (around 25th percentile) relative to our peer group.
FAR is a smaller proportion of the total remuneration mix.
Reviewed annually against our relevant peer group as one input into remuneration decisions.
Balanced consideration to various other factors is also given (refer to section 4.1 of this report)</td><td>Opportunity:
Joint CEOs
• Target: 233% of FAR
Other Executive KMP
• Target: 100% of FAR
Performance assessment:
Performance period: 1 year
Incentive weightings:
• 50% Corporate objectives (financial):
– Underlying EPS and ROE (25% each)
• 50% Individual performance objectives (non-financial):
– Various
In line with feedback, corporate objectives use a threshold performance achievement. Executives must meet threshold for ROE and EPS, otherwise the reward outcome results in no payout.</td><td>Opportunity:
Joint CEOs
• Target: 167% of FAR
• Maximum: 175% of FAR
Other Executive KMP
• Target: 100% of FAR
Performance assessment:
• Compound Annual Growth Rate (CAGR) EPS growth on a sliding scale</td></tr>
<tr><td>Our peer group</td><td colspan="3">A balanced list of 20 ASX listed organisations within the Financial sector, including key competitors. Our remuneration peer group is reviewed year-over-year.
In line with the Board's consideration of other areas for enhancements within the remuneration framework a review of the peer group was conducted during 2024. Full details of our benchmarking approach and peer group are included in section 4.1.</td></tr>
</table>

Remuneration report (continued)

For the year ended 31 December 2024

3.4 Key components of remuneration

Remuneration components

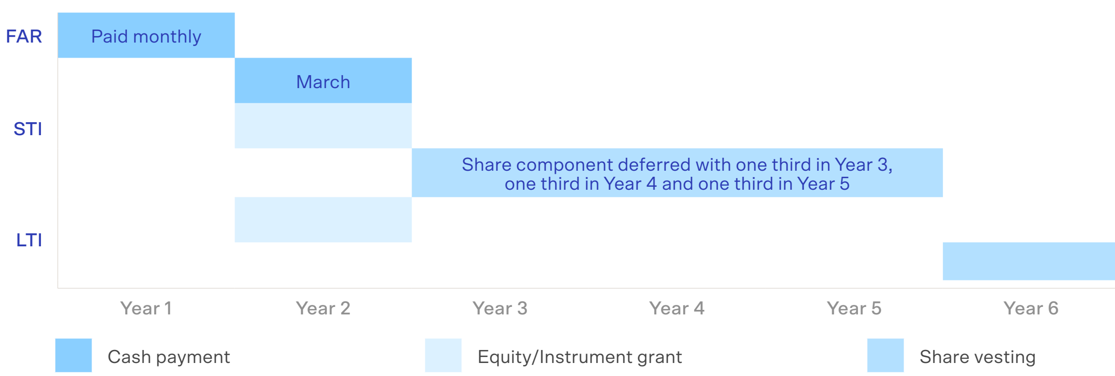
The elements of the Executive remuneration framework are summarised in the diagram below and detailed in the subsequent sections. The framework is underpinned by remuneration governance and risk management and subject to limited Board discretion (as described in sections 4.3 and 4.4). Significant emphasis is placed on variable remuneration (short and long-term incentive) and deferrals to ensure the motivation and retention of executives whilst aligning to shareholder outcomes through measured and responsible business building and growth.

Fixed Annual Remuneration (FAR): Base salary, compulsory superannuation and non-monetary benefits.

Short-term Incentive (at risk) (STI): At risk, with 65% delivered as cash, with 35% deferred into restricted shares vesting over 3 years. Opportunity is set as a % of FAR.

Long-term Incentive (at risk) (LTI): At risk, with annual grant of loan funded shares funded by an interest-free, limited recourse loan (subject to a 4-year performance period measured against Underlying EPS CAGR between 7.5% and 12% per annum). Opportunity is set as a % of FAR.

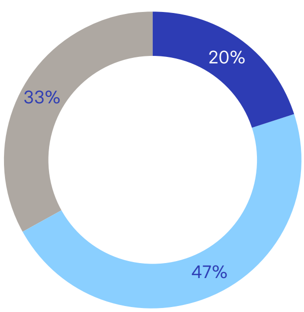
Remuneration delivery



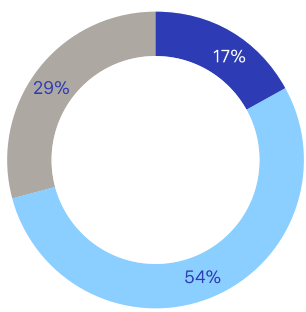
Remuneration mix

The remuneration mix for the Joint CEOs delivers a high proportion of total remuneration as variable 'at risk' remuneration.

Remuneration mix at target opportunity



Remuneration mix at maximum opportunity



Fixed remuneration STI LTI

Remuneration report (continued)

For the year ended 31 December 2024

4. Executive remuneration policy and practices

4.1 Remuneration benchmarking and peer group

Since FY21 (the last time we undertook benchmarking) the business and market has significantly changed and we have grown in size. Our AUM has grown from $6.9 billion to $10.3 billion, and we have acquired Finsure and built MA Money. To ensure the Board understands our talent market and to make sure the Group's remuneration framework and components remains competitive to attract, retain and motivate executive talent for our continued growth and expansion we have decided to undertake benchmarking annually, no longer periodically. This does not automatically mean there will be yearly changes to remuneration as benchmarking is used as one input into remuneration decisions.

The Board obtained external independent advice and has considered the composition of the FY24 benchmarking peer group carefully to ensure it is appropriate for establishing fixed, variable and total remuneration for executives. Recognising that MA Financial Group operates a unique combination of diversified business activities and size for which there are few direct ASX listed comparators, the Board considered companies with similarities which overlap to the Group's characteristics as follows:

- Financial size, geography, complexity and operations across alternative asset management, lending & technology and corporate advisory & equities
- Market capitalisation (3-month average)
- Total revenue
- Total assets
- Net income
- Other comparative characteristics such as pricing-earnings-ratio and EPS CAGR

The use of multiple data points ensures a robust peer group, reflective of our size and complexity.

Having considered these characteristics and with the support of external independent advice, the Board has selected a remuneration peer group that is appropriate for inclusion. This group is to be retained year-on-year for comparison. Where a peer group comparator is no longer considered relevant, or other comparators are added, we will disclose these changes.

The remuneration peer group used for benchmarking purposes in FY24 are as follows:

AMP Ltd (ASX: AMP)
Challenger Ltd (ASX :CGF)
Insignia Financial Ltd (ASX : IFL)
Bank of Queensland Ltd (ASX : BOQ)
Perpetual Ltd (ASX : PPT)
Australian Finance Group Ltd (ASX : AFG)
Liberty Financial Group (ASX : LFG)
Helia Group Ltd (ASX : HLI)
MFF Capital Investments Ltd (ASX : MFF)
Magellan Financial Group Ltd (ASX : MFG)
Pepper Money Ltd (ASX : PPM)
Latitude Group Holdings Ltd (ASX : LFS)
Centuria Capital Group (ASX : CNI)
Judo Capital Holdings Ltd (ASX : JDO)
HUB24 Ltd (ASX : HUB)
Navigator Global Investments Ltd (ASX : NGI)
Regal Partners Ltd (ASX : RPL)
Qualitas Ltd (ASX : QAL)
HMC Capital Ltd (ASX : HMC)
Pinnacle Investment Management Group Ltd (ASX : PNI)

As referenced above, remuneration benchmarking data is one input into remuneration decisions as the Board takes into account a balanced view that includes:

- Our purpose and remuneration principles
- The role scope, expertise, criticality and complexity including role accountabilities and deliverables aligned to the successful execution of the Group's business strategy
- Skills and experience of the individual
- Financial and business results
- Our Group growth trajectory
- Surrounding market conditions and macroeconomic environment

4.2 Fixed Annual Remuneration (FAR)

In FY24, the Board reviewed FAR for the Joint CEOs and other Executive KMP. There were no FAR increases made for FY24. The Joint CEOs FAR was last increased in FY21 and other KMP in FY22.

4.3 Short-term Incentive (STI) plan

The below describes the operation of the STI FY24 plan.

What is the objective of the STI plan?

The purpose of the STI plan is to recognise Executives for achieving a combination of Board-approved corporate and individual performance objectives that support the execution of the Group's strategy and create sustainable shareholder value, in a manner consistent with organisational values and risk culture.

Who is eligible?

Joint CEOs and other Executive KMP.

How is it paid?

STI awards are delivered in cash (65%) with a portion deferred into restricted shares (35%) according to the extent of the performance measures and the Executive KMP achievement.

What is the Performance Period?

STI awards are assessed over a 12-month Performance Period aligned with the Group's financial year (1 January to 31 December annually).

Remuneration report (continued)

For the year ended 31 December 2024

How much can the Executive earn?

In FY24, the Joint CEOs had a target STI opportunity of $1,400,000 and a maximum opportunity of $1,950,000. The STI target opportunity has been recalibrated for the Joint CEOs STI downwards to reorientate the STI framework to better reflect outperformance and to reposition STI target between the 50th and 75th percentiles of our remuneration peer group, rather than above the 75th. Our target position with reference to the peer group is between 50th and 75th percentile.

Other Executive KMP have an annual set STI target and no maximum opportunity.

STI award outcomes depend on the extent of achievement of the applicable corporate and individual performance objectives.

How is performance assessed and what are the performance measures?

Performance measures include corporate and individual performance objectives (50% each) that align with the Group's strategy and four-drivers.

The Board, with the assistance of the Committee, sets and assesses the performance objective measures applicable to the Joint CEOs and other Executive KMP. The outcome of the assessment determines the STI amount payable to the Joint CEOs and other Executive KMP.

The Joint CEOs set and assess the individual measures applicable to the CFO and COO. The Committee reviews the outcome of the assessment.

The Corporate objectives applicable to the Joint CEOs and the other Executive KMP for FY24, their weightings and link to our strategy are listed in table 6 below.

This year in line with the feedback received, the Board committed to putting in place clear and objective changes to measure performance and reward for continued growth.

Our targets for each corporate objective measure reflects historical outcomes, internal budgets and consensus forecasting to ensure a forward trajectory that remains realistic but stretching. Above threshold achievement is measured on a sliding scale up to target achievement of 100% payout, further incentivising for outperformance. Threshold, target and maximum measures and the corresponding pay-out sliding scale will be reviewed annually against our growth objectives for the Group.

The remaining 50% STI weighting relates to the achievement against individual performance objectives that are specific to the role and responsibilities of the Executive in the areas they control and influence. These objectives are linked to the overall strategy and success measures of the Group.

Details of the FY24 performance and reward outcomes of the Joint CEOs and other Executive KMP are detailed in section 5 of this report.

Table 6 – STI weighting framework

Objective	Weighting (% of STI)	Rationale why chosen and link to strategy
Corporate objective : Underlying EPS	25%	To incentivise profitability growth as a key driver of sustainable shareholder returns
Corporate objective : ROE	25%	Delivering long-term competitive investment returns for our investors is core to our offering
Individual performance objectives	50%	To assess individual performance on specific areas of accountability linked to the Group's strategy

Is there a deferral mechanism and why?

Yes.

35% of any STI award is deferred into ordinary restricted shares in the Company. The shares vest in equal thirds on the first, second and third anniversaries of the grant date, respectively, subject to the recipient's continued employment.

The number of shares to be allocated is equal to 35% of the STI award divided by the face value of Company shares. The calculation price is based on the 5 day-volume-weighted average price (VWAP) of shares traded on ASX in the five trading days up to and including 7 March 2024.

The deferral mechanism ensures that the impact of decisions and performance in any one year are sustained over the medium–long-term, acts as a retention mechanism, and provides the Board an opportunity to reinforce accountability through remuneration reductions if necessary.

What happens to STI awards when an Executive ceases employment?

Unless the Board determines otherwise or the Executive is a Good Leaver (see below), if the Executive ceases to be an employee of the Group during the deferral period, their deferred STI will be forfeited.

Remuneration report (continued)

For the year ended 31 December 2024

Subject to the Board's discretion to determine otherwise and any applicable laws, an Executive who is a Good Leaver will be entitled to retain a pro rata portion of their deferred STI based on the proportion of the deferral period that has elapsed as at the date on which employment ceases.

Any retained deferred STI will continue to be held subject to the rules governing the grant of the deferred STI component and will remain subject to restriction until the end of the relevant deferral period. The balance of the deferred STI will be forfeited.

Good Leaver means a participant who ceases employment due to retirement (with agreement of the Board), resignation (with agreement of the Board), ill-health, total and permanent disablement, redundancy, or death, or the sale by the Company of the business in which the participant is employed such that it is no longer a member of the Group, as determined by the Board, or such other circumstances as the Board may at any time determine.

How are dividends treated during the deferral period?

Dividends will be paid to holders of the shares during the deferral period.

What happens in the event of a change of control?

The Board has discretion to make a determination to award, partially award or adjust LTI in the event of a change of control.

Is there a malus/ clawback provision?

Yes.

Where, in the opinion of the Board, a participant has acted fraudulently, dishonestly, made a material misstatement, has engaged in serious misconduct, gross negligence, is responsible for material financial losses, has contributed to material reputational damage, is in material breach of duties, has commenced employment with a direct competitor of the Company, the Board may, deem all or some of any deferred STI to have been forfeited, adjust conditions applicable to the STI, or adjust the participant's incentive entitlements in respect of any future year.

Why does the Board consider Board discretion to be appropriate?

At all times, the Board may exercise limited discretion on STI awards. The Board acknowledges that selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the incentive does not reflect true performance and overall contributions of the Executive. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted.

Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders.

4.4 Long-term Incentive (LTI) plan

The below describes the LTI FY24 grant which received prospective shareholder approval at the 2023 Annual General Meeting and was amended at the 2024 AGM.

Why does the Board consider a LTI plan is appropriate?

The key objectives of the LTI plan is to:

- Align Executive remuneration with the creation of sustainable long-term shareholder value
- Reward Executives for share price appreciation and earnings performance over a four-year performance period
- Attract and retain key Executives
- Encourage an 'owner's mentality'
- Provide competitive remuneration aligned with general market practice of ASX-listed entities.

Who is eligible?

Joint CEOs and Executive KMP.

How is the award delivered?

The LTI award is in the form of Loan Funded Shares.

A Loan Funded Share is a share whose acquisition has been fully or partly funded by a limited recourse loan from the Company. The loan is provided for the sole purpose of participants acquiring shares in the Company. Loan Funded Shares granted to eligible participants under the LTI plan carry the same rights and entitlements as other shares on issue, including voting and dividends.

The loan is 'interest free' in that there is no annual interest charge to the participant on the loan. However, the notional value of this interest is taken into account in the overall structure of the program.

The Loan Funded Shares are subject to risk of forfeiture during the vesting/Performance Periods and while the loan remains outstanding.

How often are awards made?

LTI awards are granted on an annual basis to eligible participants. The grant date was in March 2024.

The Board has absolute discretion to determine the frequency and timing of grants under the LTI plan.

How much can the Executive earn?

The CEO LTI target opportunity is 167% of fixed annual remuneration. The maximum opportunity is 175% of fixed annual remuneration.

The other Executive KMP LTI target opportunity is 100% of FAR. The maximum opportunity is capped at 100% of FAR.

Remuneration report (continued)

For the year ended 31 December 2024

What is the quantum of the award and what allocation methodology is used?

The number of Loan Funded Shares granted to an Executive is determined by dividing the Executive's LTI award by the fair value of the Company's shares.

The fair value is calculated as the 5-day VWAP of Company shares up to and including the grant date, multiplied by the binomial pricing model valuation factor.

The model inputs for Loan Funded Shares granted during the year included:

- Share price at grant
- Binomial factor of 30%
- LTI award.

What is the performance period?

4-year performance period of 1 January 2024 to 31 December 2027.

What are the performance conditions?

Of the total number of Loan Funded Shares granted to an Executive, 100% will be subject to a Performance Condition: based on a CAGR of Underlying EPS. The award is on a sliding scale of 50%–100% award with CAGR Underlying EPS growth of 7.5% to 12%.

Why was this structure selected?

This structure was selected by the Board in consideration of the Group's strategic objectives. Specifically:

- Use of Underlying EPS aligns Executives to drive profitable growth objectives. Underlying EPS growth aligns Executives to the strategic objectives to build MA Financial as a diversified financial services group in a manner which is measured and can be sustained. This determines the size of the LTI award
- Use of the Loan Funded Share instrument aligns Executives to growth in the share price, because the share price appreciation from issue to vest determines the value of the LTI award
- Use of a sliding scale protects against a binary LTI award outcome; and
- The LTI is 100% subject to a performance hurdle, with vesting after 4 years.

The Board will review the performance conditions annually to determine the appropriate hurdles based on the Group's strategy and prevailing market practice and conditions.

What is Underlying CAGR and how is it measured?

The definition of average growth in Underlying CAGR is set out as follows:

$$\text{CAGR (\%)} = \left(\frac{\text{27EPS}}{\text{23EPS}}\right)^{\left(\frac{1}{N}\right)} - 1$$

Where:
23EPS = Underlying EPS as at 31/12/23
27EPS = Underlying EPS as at 31/12/27
N = number of years (being 4 years in the plan

The level of vesting of this component will be determined according to the following schedule:

Table 7 – LTI vesting condition

Underlying CAGR (per annum)	Percentage of Loan Funded Shares that vest
Less than 7.5%	Nil
7.5% to 12%	Pro rata between 50% and 100% vest
Greater than or equal to 12%	100% vest

What are the restrictions applying to Loan Funded Shares?

Loan Funded Shares may not be transferred, encumbered, disposed of or otherwise dealt with while they remain subject to the above performance conditions, unless permitted by the LTI plan rules or determined by the Board.

Once Loan Funded Shares vest, subject to the Company's Trading Policy and applicable law, the Executive will generally be able to sell them subject to repaying the loan applicable to those shares (or making arrangements acceptable to the Board regarding repaying of the loan).

How are dividends treated during the performance period?

Any dividends paid on the shares while the shares are restricted are applied (on a notional after-tax basis) towards repaying the loan. The balance of the dividend is paid directly to the Executive to fund their tax liability on the dividends received.

Remuneration report (continued)

For the year ended 31 December 2024

What happens to Loan Funded Shares when an Executive ceases employment?

Unless the Board determines otherwise or the Executive is a Good Leaver (see below), if the Executive ceases to be an employee of the Group during the performance period, their unvested Loan Funded Shares will be forfeited.

Subject to the Board's discretion to determine otherwise and any applicable laws, an Executive who is a Good Leaver will be entitled to retain a pro rata number of their unvested Loan Funded.

Shares based on the proportion of the performance period that has elapsed as at the date on which employment ceases. Any retained unvested LTI will continue to be held subject to LTI plan rules and relevant performance conditions, and generally the Executive will have six months to settle the loan following vesting. The balance of unvested Loan Funded Shares will be forfeited in satisfaction of the portion of the loan to which the forfeited Loan Funded Shares relate.

Good Leaver means a participant who ceases employment due to retirement (with agreement of the Board), resignation (with agreement of the Board), ill-health, total and permanent disablement, redundancy, or death, or the sale by the Company of the business in which the participant is employed such that it is no longer a member of the Group, as determined by the Board, or such other circumstances as the Board may at any time determine.

What happens in the event of a change of control?

The Board has discretion to make a determination to award, partially award or adjust LTI in the event of a change of control.

Is there a malus/ clawback provision?

Yes.

Where, in the opinion of the Board, a participant has acted fraudulently, dishonestly, made a material misstatement, has engaged in serious misconduct, gross negligence, is responsible for material financial losses, has contributed to material reputational damage, has breached any term of the Loan Agreement, is in material breach of duties, has commenced employment with a direct competitor of the Group, the Board may, deem all or some of any unvested Loan Funded Shares as forfeited, adjust conditions applicable to the Loan Funded Shares, or adjust the participant's incentive entitlements in respect of any future year.

Why does the Board consider Board discretion to be appropriate?

At all times, the Board may exercise limited discretion on vesting of LTI awards. The Board acknowledges that selected performance measures and formulaic calculations may not provide the right remuneration outcome in every situation, leading to occasions where the incentive does not reflect the true performance and overall contributions of the executive. It is at this point that discretion becomes necessary, such that the Board can adjust outcomes up or down as warranted.

Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders.

Remuneration report (continued)

For the year ended 31 December 2024

5. Performance and remuneration outcomes

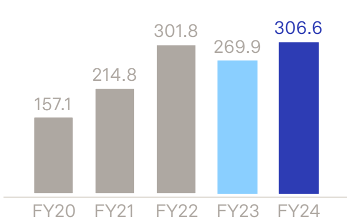
5.1 Summary of Group performance

FY24 financial performance

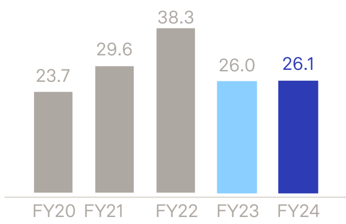
The graphs below illustrate the Group's performance over the past five financial years (including FY24). As remuneration outcomes are measured with reference to Underlying and not statutory results, only the Underlying results are presented in this section 5 of the Remuneration report. A reconciliation of Underlying results to statutory results is set out in note 3 of the Financial Report.

Additional commentary on the Group's Underlying financial performance for FY24 is provided in the Operating and Financial Review section of the Annual Report.

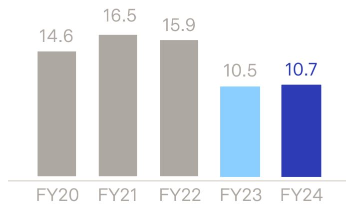
Underlying revenue ($m)



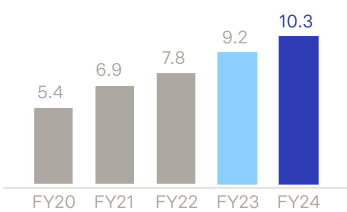
Underlying EPS (cents)



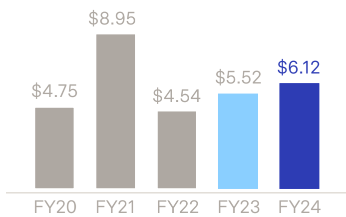
Underlying ROE (%)



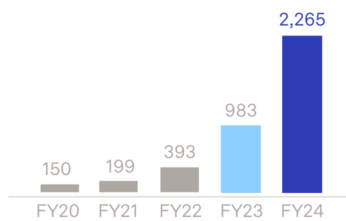
Assets under Management ($b)



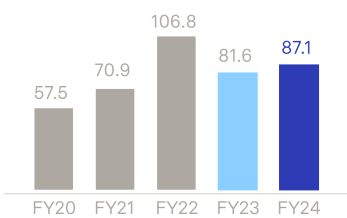
Share price ($)



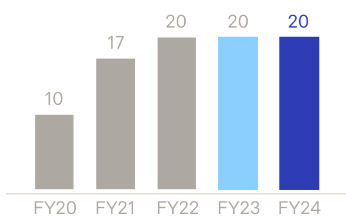
Loans under Management ($'m)



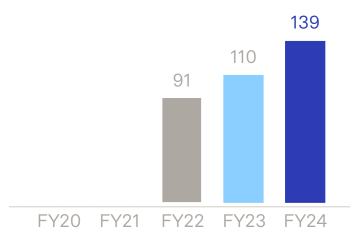
Underlying EBITDA ($m)



Dividend (cents)



Managed Loans ($'b)[1]



1. Managed Loans since Finsure acquisition in 2022.

Remuneration report (continued)

For the year ended 31 December 2024

5.2 STI performance objectives and assessment

Executive KMP performance is assessed by reference to performance objectives that include corporate and individual performance objectives aligned to the Group's strategy and four drivers. Objectives, measures and targets are set at the beginning of FY24 and approved by the Board.

For FY24, target setting had regard to:

- The wider macro-economic context, including the persistent inflationary environment, challenges in specific segments which we operate in and the Board's cautious approach in trying to forecast any macroeconomic or market recoveries
- Our progress in relation to key strategic growth initiatives and medium term growth milestones. Whilst the financial metrics we set show modest net growth for the current year, as a diversified business making strategic investments, there was greater emphasis given to the composition of earnings and progress to fully deliver on strategic investments made and to meet the previously communicated medium term targets

The financial targets set reflected an expectation of continued strong underlying growth, recognising the wider context for the growth. After planned strategic investment spend, the net EPS growth at target was 8.4%.

Targets were also reviewed post feedback received from stakeholders in relation to the FY23 Remuneration report. Importantly, The Board introduced a threshold level of achievement for each Corporate objective, which ensures no STI payout if threshold achievement is not met.

As detailed in Section 2 of this report, we have committed to improving our remuneration framework. As relates to STI targets and measures, these changes will be fully implemented in FY25.

The STI scorecard for the Joint CEOs and the Board's assessment of their performance is provided below. Where a quantitative target exists the outcome against target has been provided. Where the target is qualitative a performance rating is provided.

Table 8 – Corporate objectives

Objective	Weighting	Key metrics / achievements 2024	Result	Outcome
Underlying EPS attributable to shareholders	25%	Target: 28.3 cps Threshold achieved	26.1	63%
Underlying Return on equity (ROE)	25%	Target: 11% Threshold achieved	10.7%	81%

EPS growth in FY24 was impacted by strategic investment spend, which reduced Underlying EBITDA by $13m and Underlying EPS by approximately 6 cents. This investment spend is anticipated to help drive earnings growth through key new strategic initiatives including MA Money, the Group's US Private Credit business. Excluding this strategic investment spending, expenses were up 10%, largely reflecting inflationary pressures. The consolidated outcome resulted in EPS and ROE being marginally up on FY23. This was slightly short of our EPS and ROE targets (FY24 corporate objectives). The Board is very pleased with the result delivered: the strategic investments made are delivering and will contribute to material earnings growth in FY25 and the composition of the result aligns with delivering our medium-term growth objectives by the end of FY26.

Remuneration report (continued)

For the year ended 31 December 2024

Table 9 – Individual performance objectives

Strategic and business growth initiatives	Weighting 30%	Outcome: Partially achieved
Objective	**Key metrics / achievements FY24**	
Leadership and organisational structure	• Group Executive effectiveness • Cost base management • Finance team structure and impact • Effectiveness of organisation structure • Manila insourcing strategy implemented	
Growth of our Credit and Lending activities	• Private Credit AUM growth of 31% • 16% revenue growth in Finsure • MA Money achieved its run-rate break even in Q3. • US milestones were progressed. However integration, product launch, SEC licencing timelines were delayed and growth was not in line with strategic plans. Objective was not fully met	
Growing out Real Estate Management strategies	• Strategic partnership with Warburg Pincus • Successful reset of Hospitality strategy • Growth of Alternative Real Estate strategies was pleasing and disciplined, but did not fully meet planned growth • Core Real Estate investment environment remained subdued and did not recover in accordance with our plans	

In addition to the specific metrics set, the board also had regard to the following non-financial achievements in determining the scoring for the strategic and growth non-financial outcome:

- Progress in meeting milestones to achieve the medium-term growth targets
- Focus on recurring revenues and expansion of long-term strategic relationships
- Delivery of our distribution strategies in relation to expanding institutional relationships, platform admissions and our high net worth client engagement strategies and programs
- Consistency of fund investment performance, proactive addressing of any performance issues and quality of new investments made

Remuneration report (continued)

For the year ended 31 December 2024

ESG and risk initiatives	Weighting 10%	Outcome: Partially achieved
Objective	**Key metrics / achievements FY24**	
Leadership of the Group ESG Strategy including internal and external communication and engagement with shareholders and key stakeholders **Environment measures includes operational readiness for mandatory reporting**	Implementation plan for mandatory reporting has been developed and is in progress and on track. The MA Foundation is a key Social initiative for MA. The Foundation has donated more than $8m since inception. In FY24 a staff engagement program (membership, monthly salary sacrifice and volunteering) was launched for Australian staff, with 28.6% staff participation rate (full time permanent). Risk Culture and Management Framework related achievements include: • Positive risk appetite awareness survey outcomes • Improved Line 2 risk reporting to the Audit and Risk Committee (ARC), and uplift of the Group-wide Assurance program • Material cyber security and data protection uplift and improved NIST scoring	
In addition to the specific metrics set, the board also had regard to the following non-financial achievements in determining the scoring for ESG and Risk Initiative outcome: • Firm reputation including complaints, litigation and controversies • Effectiveness of Management's response to dealing with risk incidents and issues as they arise • Engagement with stakeholders, including shareholders, investors and strategic partners		

Leadership, employee and culture initiatives	Weighting 10%	Outcome: Achieved
Objective	**Key metrics / achievements FY24**	

Strong leadership of business, demonstrated through strong belonging and staff engagement with our culture and values, promote a strong risk culture, leadership cohesion and cross business collaboration and an effectively functioning leadership team.	MA Financial Group undertakes a comprehensive independent and externally administered review of culture on a biennial basis. The review completed in 2024 showed the following key metrics:
	• Baseline engagement score of 80%
	• Improvements in the following key measures compared with the 2022 culture review:
	  – workforce diversity
	  – staff belonging
	  – staff turnover rates
	MA Academy strategy refreshed.	

Remuneration report (continued)

For the year ended 31 December 2024

5.3 STI awarded

The following table provides the STI award for each Executive KMP for FY24 and FY23.

Table 10 – FY23 and FY24

Executive[1]	Year	Target STI	STI award	65% cash	35% deferred	STI awarded as % of target STI	STI awarded as % of maximum STI[2]
Julian Biggins	2024	1,400,000	1,100,000	715,000	385,000	79%	56%
	2023	1,800,000	1,100,000	715,000	385,000	61%	56%
Christopher Wyke	2024	1,400,000	1,100,000	715,000	385,000	79%	56%
	2023	1,800,000	1,100,000	715,000	385,000	61%	56%
Janna Robertson	2024	500,000	350,000	227,500	122,500	70%	-
	2023	500,000	350,000	227,500	122,500	70%	-
Giles Boddy	2024	500,000	350,000	227,500	122,500	70%	-
	2023	500,000	350,000	227,500	122,500	70%	-

1. The Vice Chair has requested not to participate in variable remuneration in FY24.
2. Maximum Joint CEO STI opportunity of $1,950,000.

Remuneration report (continued)

For the year ended 31 December 2024

5.4 LTI outcome

Our LTI instrument provides strong alignment with our shareholders objectives (to deliver share price growth). This, combined with the significant shareholdings of our Executives provides confidence in this team's focus on future growth and delivering on the investments we have made.

The below describes the LTI FY24 grant which received prospective shareholder approval at the 2023 Annual General Meeting and was amended at the 2024 Annual General Meeting.

Table 11 – FY24

Executive[1]	LTI award (face value)[2]	LTI award as % of FAR
Julian Biggins	$1,000,000	167%
Chris Wyke	$1,000,000	167%
Janna Robertson	$250,000	50%
Giles Boddy	$500,000	100%

1. The Vice Chair has requested not to participate in variable remuneration in FY24.
2. The LTIs granted during the financial year were allocated based on the five-day VWAP prior to grant in March 2024.

During FY24, the first tranche of the FY20 LTI Grant (a one-off LTI plan issued to select Executives who joined the Group between IPO and the grant in the form of loan funded shares) vested in March 2024. The tranche was subject to a performance condition being 8% Total Shareholder Return per annum. Each share that vested following the testing of the performance condition entitled the plan participants to one MA share. The TSR was tested at the vesting date on 12 March 2024 and the results of the vesting outcome are detailed below. The results were calculated by an external provider and approved by the Board. The second tranche is expected to vest in March 2025, subject to the performance condition.

Table 12 – FY24 Performance result

Performance period	Performance condition	% vested	% lapsed
Mar 2020 to Mar 2024	8% TSR p.a.	100%	0%

Remuneration report (continued)

For the year ended 31 December 2024

6. Executive contracts

Table 13 – Key terms of employment contracts

Executive KMP	Term of contract	Notice period from the company[1]	Notice period from the executive
Julian Biggins	Ongoing	9 months	9 months
Christopher Wyke	Ongoing	9 months	9 months
Andrew Pridham	Ongoing	3 months	3 months
Janna Robertson	Ongoing	3 months	3 months
Giles Boddy	Ongoing	3 months	3 months

1. The Group may make payment in lieu of notice and must pay statutory entitlements together with superannuation benefits. No notice period or payment in lieu of notice applies if termination was due to serious misconduct.

For further information on treatment of STI and LTI on cessation, please refer to section 4.3 and 4.4.

Remuneration report (continued)

For the year ended 31 December 2024

7. Executive remuneration tables

7.1 Statutory executive remuneration

The following table provides the statutory remuneration disclosures for each Executive KMP in FY24 which have been prepared in accordance with the Act and Australian Accounting Standards.

Table 14 – Statutory Executive KMP remuneration table in FY24

		Short-term employee benefits						Long-term benefits				Equity-based benefits				
Executive		Cash salary $	Bonus (cash component)[1] $	Allowance $	Annual leave $	Non-monetary $	Total short-term benefits $	Super-annuation $	Long service leave $	Bonus (deferred cash component) $	Total long-term benefits $	Restricted shares $	Options & rights $	Total equity-based benefits $	Total remun-eration $	Performance related remun-eration %
Julian Biggins	2024	571,334	715,000	-	(21,114)	16,787	1,282,007	28,666	6,041	-	34,706	296,464	217,279	513,743	1,830,456	67%
	2023	573,654	715,000	750	(89,296)	15,347	1,215,455	26,346	(4,148)	-	22,198	497,215	(131,982)	365,233	1,602,886	67%
Christopher Wyke	2024	571,334	715,000	-	8,989	15,875	1,311,198	28,666	6,988	-	35,654	314,006	217,279	531,285	1,878,136	66%
	2023	573,654	715,000	750	(114,916)	15,486	1,189,974	26,346	(4,079)	-	22,267	536,930	(131,982)	404,948	1,617,189	69%
Andrew Pridham	2024	571,334	-	-	(201)	15,425	586,558	28,666	9,600	-	38,265	1,837	20,506	22,343	647,166	3%
	2023	573,654	-	750	(95,586)	14,912	493,730	26,346	(3,931)	-	22,415	24,473	(19,869)	4,604	520,749	1%
Janna Robertson	2024	471,335	227,500	1,590	11,100	-	711,525	28,666	8,895	-	37,561	91,881	121,620	213,501	962,587	46%
	2023	473,654	227,500	1,170	8,499	-	710,823	26,346	1,431	-	27,777	157,103	56,172	213,275	951,875	46%
Giles Boddy	2024	471,335	227,500	1,590	22,780	-	723,205	28,666	1,929	-	30,595	42,843	84,908	127,751	881,551	40%
	2023	389,376	227,500	1,170	18,133	-	636,179	23,634	474	-	24,108	42,843	-	42,843	703,130	38%
Graham Lello[2]	2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2023	237,354	-	-	1,826	82	239,262	12,646	(69,267)	-	(56,621)	145,624	193,956	339,580	522,221	65%
Total	2024	2,656,672	1,885,000	3,180	21,555	48,086	4,614,493	143,328	33,454	-	176,781	747,030	661,593	1,408,623	6,199,896	
	2023	2,821,346	1,885,000	4,590	(271,340)	45,827	4,485,423	141,664	(79,520)	-	62,144	1,404,188	(33,705)	1,370,483	5,918,050	

1. The cash component of bonuses received in respect of FY24 is expected to be paid in March 2025.
2. The Board has exercised its discretion of classify Graham Lello as a Good Leaver. He has retained the entirety of his unvested restricted shares and unvested loan funded shares on a pro-rata basis. The initial valuation and vesting profile remains unchanged. Equity-based benefits include the accelerated amortisation of the shares and loan funded shares reained as at termination date.

Remuneration report (continued)

For the year ended 31 December 2024

8. Non-Executive Director remuneration

8.1 NED remuneration policy and fee structure

The Group's NED remuneration policy is designed to attract and retain suitably skilled Directors who can discharge their roles and responsibilities required in terms of good governance, oversight, independence and objectivity.

The Board seeks to attract Directors with different skills, experience, expertise and diversity.

Under the Group's Constitution and the ASX listing rules, the total annual fee pool for NEDs is determined by shareholders. The current maximum aggregate NED fee pool of $1,000,000 per annum was approved by shareholders at the 2020 AGM. Within this aggregate amount, NED fees are reviewed annually by the Committee and set by the Board.

The Committee reviews NED fees against comparable companies within the broader general industry and taking into account recommendations from independent remuneration advisors.

As indicated in the FY22 and FY23 Remuneration report, the Board Committee Chair fees were reviewed in late FY23 and were effective from 1 January 2024. There were no fee increases during FY24.

The table below summarises the annual Board and committee fees payable to NEDs (inclusive of compulsory superannuation).

Table 15 – NED fee structure

	Role	FY24	FY23		Role	FY24	FY23
Board fees	Chair	280,000	280,000	Committee fees	Chair	45,000	45,000
	NED	120,000	120,000		Member	-	-

The payment of Chair committee fees recognises the additional time commitment required by NEDs who serve in those positions. The Chair of the Board does not receive additional fees for being a member of any Board committee.

NEDs do not receive share options, other performance-based incentives or retirement benefits, other than their compulsory superannuation.

8.2 Total fees paid to NEDs

Table 16 – Statutory NED remuneration

	Cash salary and fees including superannuation	
Non-Executive Director	FY24 $	FY23 $
Jeffrey Browne	280,000	280,000
Kenneth Moelis	-	-
Alexandra Goodfellow	165,000	165,000
Kate Pilcher Ciafone	-	-
Simon Kelly	165,000	165,000
Nikki Warburton	120,000	120,000
Total	730,000	730,000

Remuneration report (continued)

For the year ended 31 December 2024

9. Equity instrument reporting

9.1 Shareholding Policy

In FY22 MA Financial introduced a Minimum Shareholding policy. The policy introduced a minimum level of shareholding as follows:

- Non-Executive Directors: 100% of base Directors fees
- Executive KMP / Senior Executives: 150% of FAR (excluding superannuation)

Those subject to the policy have three years from commencement of employment with the Group to achieve the minimum holding. All Non-Executive Directors, Executive KMP and Senior Executives are in compliance with the policy.

9.2 Loan Funded Shares provided to the Executive

The following table details Loan Funded Shares that have been issued to the Executive under the LTI plan (refer to section 4.4).

Table 17 – Loan Funded Shares – LTI plan

	Balance at 1 Jan 24	Granted as remuneration	Vested[1]	Vested units to be exercised	Lapsed	Balance at 31 Dec 24
Julian Biggins	1,404,901	683,957	-	-	-	2,088,858
Christopher Wyke	1,404,901	683,957	-	-	-	2,088,858
Andrew Pridham	591,960	-	-	-	-	591,960
Janna Robertson	745,193	170,989	(133,333)	133,333	-	916,182
Giles Boddy	-	341,978	-	-	-	341,978

1. The first tranche of the 10 year Anniversary LFS grant vested in March 2024.
2. LFS holders are given the opportunity to exercise their vested shares during the Group's trading windows during the year. The shares otherwise remain restricted until the loan against them has been repaid.

Remuneration report (continued)

For the year ended 31 December 2024

10. Other transactions and balances with KMP and their related parties

Transactions conducted by KMP (and their related parties) during the year with the Company and its subsidiaries, joint ventures and associates of the Group are described below.

In FY19 Mr Pridham and Mr Biggins entered into property management service arrangements with the Group on the same terms offered to third-party investors in a property managed by the Group. Total management fees payable by Mr Pridham and Mr Biggins for FY24 amounted to $52,252 and $15,538 respectively.

10.1 Movements in Executive equity holdings and deferred shares

The details of equity holdings and deferred shares in the Company held by executives (including close family members and/or any entity they, or their close family members, control, jointly control or significantly influence) are set out in Table 11 below.

There have been no changes to the terms and conditions of these awards since the awards were granted. There are no amounts unpaid on any of the shares exercised and all restricted shares and rights are exercised automatically when vested.

Table 18 – Equity holdings of Executive KMP

	Equity instrument[1]	Number at start of year	Granted during the period[2]	Vested	Acquired	Disposed	Number at reporting date
Julian Biggins	Ordinary shares	5,328,170	-	112,279	-	(312,282)	5,128,167
	Restricted shares	213,802	78,390	(112,279)	-	-	179,913
Christopher Wyke	Ordinary shares	5,028,170	-	124,604	-	(199,998)	4,952,776
	Restricted shares	236,954	78,390	(124,604)	-	-	190,740
Andrew Pridham	Ordinary shares	17,969,675	-	19,066	-	(2,000,000)	15,988,741
	Restricted shares	19,066	-	(19,066)	-	-	-
Janna Robertson	Ordinary shares	125,646	-	37,232	-	(57,232)	105,646
	Restricted shares	67,280	24,942	(37,232)	-	-	54,990
Giles Boddy	Ordinary shares	-	-	-	-	-	-
	Restricted shares	-	24,942	-	-	-	24,942

1. Ordinary share holding includes directly held shares and beneficial interests in ordinary shares as a result of holdings in the Existing Staff Trusts (as defined in the Glossary in the Additional Information section of the Annual Report).
2. Restricted shares granted as part of the FY23 short-term incentive award in March 2024.

Remuneration report (continued)

For the year ended 31 December 2024

10.2 Movements in Non-Executive Director equity holdings

The number of equity instruments in the Company held (directly and nominally) by Non-Executive Directors or their related parties (their close family members and/or any entity they, or their close family members, control, jointly control or significantly influence) are set out below.

Table 19 – Equity holdings of Non-Executive Directors

Executive	Equity instrument	Number at start of year	Granted during the year	Vested	Purchased	Disposed	Number at signing date
Jeffrey Browne	Ordinary shares	150,000	-	-	-	-	150,000
Kenneth Moelis	Ordinary shares	-	-	-	-	-	-
Alexandra Goodfellow	Ordinary shares	32,371	-	-	-	-	32,371
Kate Pilcher Ciafone	Ordinary shares	-	-	-	-	-	-
Simon Kelly	Ordinary shares	95,161	-	-	-	-	95,161
Nikki Warburton	Ordinary shares	10,000	-	-	10,300	-	20,300

11. Loans to KMP

There were no loans to KMP during the year. Loan balances under the limited recourse Loan Funded Share Plan represent a transaction with a KMP that is an in-substance option and not a loan to the KMP.

Auditor's independence declaration

For the year ended 31 December 2024

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of MA Financial Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of MA Financial Group Limited for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Shaun Kendrigan

Partner

Sydney

20 February 2025

Financial Report

Contents

Contents (continued)

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Note	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Fee and commission income	4	896,635	765,376
Fee and commission expense	5	(641,422)	(527,031)
Net fee and commission income		**255,213**	**238,345**
Share of net profits from associates	21	8,390	2,086
Interest income	6	307,873	145,051
Investment income	7	2,635	6,538
Other income		2,546	750
Total income		**576,657**	**392,770**
Finance costs	9	245,038	115,610
Employee expenses	8	182,647	166,174
Depreciation and amortisation	19,20,22	18,735	17,714
Fund administration and operational costs		15,750	8,047
Marketing and business development		14,075	13,776
Information, technology and data		13,420	10,731
Credit loss allowance	15	8,221	851
Other expenses	10	21,897	18,950
Total expenses		**519,783**	**351,853**
Profit before tax		**56,874**	**40,917**
Income tax expense	11	(15,081)	(12,400)
Profit after income tax		**41,793**	**28,517**
Other comprehensive income/(loss), net of tax			
Items that will not be subsequently reclassified to profit or loss:			
Fair value loss on investments in equity instruments designated at FVTOCI		(3,579)	(283)
Share of other comprehensive income/(loss) from associates		2,625	(6,300)
		(954)	**(6,583)**
Items that may be subsequently reclassified to profit or loss:			
Foreign exchange movements on translation	31	5,587	(2,937)
Net loss on cash flow hedges	18	(2,131)	-
		3,456	**(2,937)**
Total other comprehensive income/(loss), net of tax		**2,502**	**(9,520)**
Total comprehensive income		**44,295**	**18,997**
Profit attributable to:			
Owners of the Company		41,793	28,517
Non-controlling interests		-	-
		41,793	**28,517**
Total comprehensive income attributable to:			
Owners of the Company		44,295	18,997
Non-controlling interests		-	-
		44,295	**18,997**
Earnings per share			
From continuing operations			
Basic (cents per share)	29	26.0	17.8
Diluted (cents per share)	29	25.0	17.3

The above Statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended 31 December 2024

	Note	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Assets			
Cash and cash equivalents	12	177,734	180,319
Receivables	13	85,682	77,366
Loans receivable	14	4,535,942	2,088,766
Income tax receivable	11	-	7,192
Other financial assets	17	78,446	160,920
Contract assets	16	811,466	705,285
Property, plant and equipment	19	3,682	4,263
Investments in associates and joint ventures	21	61,524	50,771
Other assets		6,202	9,601
Restricted cash		700	700
Right-of-use assets	20	60,345	65,983
Deferred tax assets	11	2,373	739
Intangible assets	22	52,435	54,292
Goodwill	22	142,951	141,648
Total assets		**6,019,482**	**3,547,845**
Liabilities			
Trade and other payables	23	81,293	65,089
Income tax payable	11	4,110	-
Other financial liabilities	17	134,129	140,020
Derivative liabilities	18	4,392	-
Borrowings	24	4,490,028	2,153,496
Contract liabilities	16	760,222	661,158
Provisions	25	43,079	40,440
Lease liabilities	20	68,383	71,510
Deferred tax liabilities	11	16,320	18,596
Total liabilities		**5,601,956**	**3,150,309**
Net assets		**417,526**	**397,536**
Equity			
Contributed equity	28	286,149	278,737
Reserves	31	51,036	44,698
Retained earnings		80,341	74,101
Total equity		**417,526**	**397,536**

The above Statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2024

Consolidated	Note	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 January 2023		**275,087**	**54,011**	**80,489**	**409,587**
Profit after income tax		-	-	28,517	28,517
Other comprehensive income, net of tax		-	(6,583)	-	(6,583)
Foreign currency translation	31	-	(2,937)	-	(2,937)
Total comprehensive income		**-**	**(9,520)**	**28,517**	**18,997**
Payment of dividends	30	-	-	(34,905)	(34,905)
Issue of ordinary shares	28	15,346	-	-	15,346
Shares vested under deferred shares plan		10,421	(10,421)	-	-
Share buy-back		(1,027)	-	-	(1,027)
Treasury shares		(21,269)	-	-	(21,269)
Net settlement of staff equity awards		205	-	-	205
Equity transaction costs		(26)	-	-	(26)
Share-based payments		-	10,628	-	10,628
		3,650	**207**	**(34,905)**	**(31,048)**
Balance as at 31 December 2023		**278,737**	**44,698**	**74,101**	**397,536**
Balance as at 1 January 2024		**278,737**	**44,698**	**74,101**	**397,536**
Profit after income tax		-	-	41,793	41,793
Other comprehensive income, net of tax		-	(954)	-	(954)
Foreign currency translation	31	-	5,587	-	5,587
Cash flow hedge movements	31	-	(2,131)	-	(2,131)
Total comprehensive income		**-**	**2,502**	**41,793**	**44,295**
Payment of dividends	30	-	-	(35,553)	(35,553)
Issue of ordinary shares	28	14,646	-	-	14,646
Shares vested under deferred shares plan		9,575	(9,575)	-	-
Treasury shares		(19,306)	-	-	(19,306)
Net settlement of staff equity awards		2,526	-	-	2,526
Equity transaction costs		(29)	-	-	(29)
Share-based payments		-	13,411	-	13,411
		7,412	**3,836**	**(35,553)**	**(24,305)**
Balance as at 31 December 2024		**286,149**	**51,036**	**80,341**	**417,526**

The above Statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 December 2024

	Note	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Cash flows from operating activities			
Receipts from customers		786,773	669,558
Payments to suppliers and employees		(757,341)	(668,386)
Amounts advanced to third parties		(2,427,533)	(1,193,179)
Net proceeds from borrowings		2,278,343	1,164,217
Proceeds from fund unit liabilities		54,307	36,773
Net payment from settlement of derivatives		(3,443)	-
Interest received		299,381	136,452
Interest paid		(227,291)	(106,298)
Income taxes paid		(5,654)	(19,361)
Net cash (outflows)/inflows from operating activities	12	**(2,458)**	**19,776**
Cash flows from investing activities			
Net proceeds for the sale and acquisition of investments		1,874	15,420
Distributions received from investments		7,556	11,538
Net receipts from employee loans		153	495
Net proceeds from the sale, capital return and acquisition of shares in associates and joint ventures		1,697	2,444
Payments to acquire subsidiaries, net of cash acquired		-	(6,496)
Payments to acquire property, plant and equipment and intangible assets		(6,870)	(4,115)
Net cash inflows from investing activities		**4,410**	**19,286**
Cash flows from financing activities			
Share issue transaction costs		(29)	(26)
Payments for treasury shares		(4,722)	(6,101)
Share buy-back		-	(1,027)
Net (payment)/proceeds from exercise of share options		(516)	177
Net proceeds from the loan funded share plan		3,105	205
Payments of lease liabilities		(6,897)	(7,090)
Interest on lease liabilities		(4,330)	(4,354)
Net proceeds from borrowings		42,623	49,190
Dividends paid to shareholders	30	(35,553)	(34,905)
Net cash outflows from financing activities		**(6,319)**	**(3,931)**
Net (decrease)/increase in cash and cash equivalents		**(4,367)**	**35,131**
Cash and cash equivalents at the beginning of the year		180,319	144,589
Effects of exchange rate movements on cash and cash equivalents		1,782	599
Cash and cash equivalents at the end of the year	12	**177,734**	**180,319**

The above Statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2024

1 Basis of preparation and material accounting policies

MA Financial Group Limited (Company) is a listed public company limited by shares, incorporated and domiciled in Australia.

The Financial Report for MA Financial Group and its controlled entities (Group) for the year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 20 February 2025.

a Basis of preparation

This is a general purpose financial report which has been prepared in accordance, and complies, with *Corporations Act 2001* (Cth) (the Act), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Financial Report comprises the consolidated financial statements of the Group and accompanying notes. MA Financial Group Limited is a for-profit company for the purposes of preparing this Financial Report.

The Group has prepared the Financial Report on the basis that it will continue to operate as a 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.

Where necessary, comparative information has been restated to conform to any changes in presentation made in this financial report.

Unless otherwise stated, amounts in this financial report are presented in Australian dollars and have been prepared on a historical cost basis, except for financial assets that are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. The assets and liabilities disclosed in the Statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity. In the disclosure notes, the current/non-current split is between items expected to be settled within 12 months (current) and those expected to be settled greater than 12 months (non-current).

In accordance with the Act, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 36.

The principal accounting policies adopted in the preparation of this Financial Report and that of the previous financial year are set out below and disclosed individually within each of the relevant notes in the Financial Report. These policies have been consistently applied to all the financial years presented and are applicable to both the Group and the Company, unless otherwise stated.

Significant accounting judgements, estimates and assumptions

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The key estimates and assumptions that have a significant risk of causing a material adjustment to the recognised amounts are disclosed individually within each of the relevant notes to the Financial Report.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

b Rounding of amounts

Unless otherwise stated, amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars under the option available to the Group under *ASIC Corporations Instrument 2016/191*.

c Foreign currency

Both the presentation currency and the functional currency of the Company and its controlled Australian entities are Australian dollars. A number of foreign controlled entities have a functional currency other than Australian dollars.

Transactions in foreign currency are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Australian dollars at the foreign exchange rate at the Statement of financial position date.

Non-monetary assets and liabilities that are measured at historical cost in foreign currency are translated using the exchange rate as at the date of the transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated to the functional currency using exchange rates at the date when fair value was determined.

d Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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 within operating cash flows.

Notes to the financial statements (continued)

For the year ended 31 December 2024

1 Basis of preparation and material accounting policies (continued)

e Comparatives

Where necessary, for clearer presentation, comparative information has been restated to conform to any changes in presentation made in this Financial Report. These revisions were reported in note 1 of the 2024 Half-Year Financial Report and are detailed below:

- Statement of financial position, Receivables (note 13) and Loans receivable (note 14): $9.1m of interest receivable was reclassified from Receivables to Loans receivable. These reclassifications are also reflected in Interest rate risk (note 26.3.2) and Credit risk (note 26.4).
- Borrowings (note 24): $54.8m was reclassified from current to non-current for the mortgage trust notes.
- The Group adjusted its non-controlling interests to accurately reflect its level of external unit holdings. In addition, remaining non-controlling interests, reflecting all external unit holdings in the Group's consolidated credit trusts, were reclassified to other financial liabilities. Prior year balances were reclassified which resulted in changes to the previously reported financial statement line items which are set out below:

31 December 2023	As previously reported $'000	Adjustments $'000	As restated $'000
Statement of financial position			
Assets			
Other financial assets	186,939	(26,019)	160,920
Total assets	**3,573,864**	**(26,019)**	**3,547,845**
Liabilities			
Other financial liabilities	102,415	37,605	140,020
Total liabilities	**3,112,704**	**37,605**	**3,150,309**
Equity			
Non-controlling interests	63,624	(63,624)	-
Total equity	**461,160**	**(63,624)**	**397,536**

There is no impact to the net assets attributable to ordinary equity holders as at 31 December 2023.

Statement of changes in equity

Due to the reclassification of all non-controlling interests, the statement of changes in equity no longer discloses non-controlling interests. There is no impact on the Group's basic or diluted earnings per share.

Notes to the financial statements (continued)

For the year ended 31 December 2024

2 Application of new and revised Australian Accounting Standards

New accounting standards, amendments and interpretations that are effective in the current financial year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the Group's operations and mandatorily effective on or after 1 January 2024, including:

- AASB 2022–6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022–5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2023–1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*

The new and revised Standards and Interpretations adopted during the year do not materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

Accounting standards and interpretations issued but not yet effective

The AASB have released an Exposure Draft SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* on 23 October 2023. The proposed Australian Sustainability Reporting Standards (ASRS) have been issued for exposure and comment while proposed legislation has been tabled in Parliament under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth).

The effective date of the ASRS depends on the Australian Government's proposed timeline for climate-related financial disclosures to be mandated in Australia. If the proposed timeline is legislated, the effective date for the Group, as a Group 1 entity, is the year beginning 1 January 2025.

Meeting the obligations of the ASRS and broader proposed climate-related financial disclosures forms a core part of the Group's sustainability program.

The following accounting standards and interpretations have been issued but are not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2023–5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*	1 January 2025	31 December 2025
AASB 2024–2 *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*	1 January 2026	31 December 2026
AASB 2024–3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*	1 January 2026	31 December 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027	31 December 2027

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Segment information

AASB 8 *Operating Segments* requires the 'management approach' to disclose information about the Group's reportable segments. The financial information is reported on the same basis as used by senior management and the Board of Directors for evaluating operating segment performance and for deciding how to allocate resources to operating segments. The segment note is prepared on the same basis as the Group's non-IFRS (Underlying) financial measures. Please refer to the Directors' Report for an explanation of why the Directors believe the Underlying measures are useful.

The Board of Directors is considered to be the Chief Operating Decision Maker (CODM).

The Group is organised into the following business segments:

- Asset Management
- Lending & Technology
- Corporate Advisory & Equities (CA&E)

The Corporate Services segment represents the unallocated costs associated with the central executives and corporate support functions. Items of income and expenses within the Corporate Services segment also include the net result of managing the Group's liquidity and funding requirements.

3.1 Services from which reportable segments derive their revenues

The Asset Management segment incorporates the provision of asset management services, principal co-investment and strategic investments.

The Lending & Technology segment includes lending platforms for the provision of loan funding, residential mortgages and financial technology including mortgage aggregation services.

The Corporate Advisory & Equities segment provides corporate advice, underwriting and institutional stockbroking services.

The main items of profit or loss and other comprehensive income used by management to assess each business are Underlying revenue, Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Underlying Net Profit After Tax.

Information regarding these segments is presented in section 3.2. The accounting policies of the reportable segments are the same as the Group's reporting policies, with the exception of adjustments made to the Underlying results.

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Segment information (continued)

3.2 Segment results

Depreciation, amortisation and net interest expense are not disclosed by segment as they are not provided to the CODM and are only reported on a Group basis. Assets and liabilities are not disclosed as they are not provided to the CODM. The following is an analysis of segment performance:

	Asset Management $'000	Lending & Technology $'000	CA&E $'000	Corporate Services $'000	Total Underlying segment $'000	Adjustments[4] $'000	Statement of comprehensive income $'000
31 December 2024							
Revenue[1]	189,646	60,821	55,724	422	306,613	270,044	576,657
Staff costs	(83,971)	(30,906)	(37,510)	(22,354)	(174,741)	(7,906)	(182,647)
Non-staff costs	(22,473)	(13,009)	(6,474)	(2,820)	(44,776)	(28,587)	(73,363)
EBITDA[2]	**83,202**	**16,906**	**11,740**	**(24,752)**	**87,096**	**233,551**	**320,647**
Depreciation and amortisation	-	-	-	-	(14,256)	(4,479)	(18,735)
Interest expense[3]	-	-	-	-	(12,722)	(232,316)	(245,038)
Profit before tax	-	-	-	-	**60,118**	**(3,244)**	**56,874**
Income tax expense	-	-	-	-	(18,020)	2,939	(15,081)
Net profit after income tax	-	-	-	-	**42,098**	**(305)**	**41,793**
Other comprehensive income	-	-	-	-	-	2,502	2,502
Total comprehensive income	-	-	-	-	**42,098**	**2,197**	**44,295**
31 December 2023							
Revenue[1]	176,071	44,653	48,279	873	269,876	122,894	392,770
Staff costs	(75,754)	(23,198)	(34,284)	(20,535)	(153,771)	(12,403)	(166,174)
Non-staff costs	(18,094)	(7,401)	(7,142)	(1,903)	(34,540)	(17,815)	(52,355)
EBITDA[2]	**82,223**	**14,054**	**6,853**	**(21,565)**	**81,565**	**92,676**	**174,241**
Depreciation and amortisation	-	-	-	-	(12,954)	(4,760)	(17,714)
Interest expense[3]	-	-	-	-	(9,184)	(106,426)	(115,610)
Profit before tax	-	-	-	-	**59,427**	**(18,510)**	**40,917**
Income tax expense	-	-	-	-	(17,828)	5,428	(12,400)
Net profit after income tax	-	-	-	-	**41,599**	**(13,082)**	**28,517**
Other comprehensive income	-	-	-	-	-	(9,520)	(9,520)
Total comprehensive income	-	-	-	-	**41,599**	**(22,602)**	**18,997**

1. Revenue refers to total income on the Statement of profit or loss and other comprehensive income.
2. Statutory EBITDA is not an IFRS measure but has been presented to provide a comparable measure to the Underlying result.
3. Interest expense is referred to as finance costs in the Statement of profit or loss and other comprehensive income.
4. Refer to the reconciliation of the Underlying segment to statutory measures.

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Segment information (continued)

3.2 Segment results (continued)

A reconciliation of the Underlying segment measures to the statutory measures is as follows:

	Note	Revenue[1] $'000	EBITDA $'000	NPAT $'000	Comprehensive income $'000
Statutory result for the year ended 31 December 2024		576,657	320,647	41,793	44,295
Differences in measurement					
Acquisition and transaction costs	(a)	-	3,119	8,977	8,977
Adjustments relating to co-investments	(b)	1,783	1,783	1,783	2,443
Adjustments relating to associates	(c)	(7,298)	(7,298)	(7,298)	(10,671)
Adjustments relating to Lending Trusts[2]	(d)	1,095	1,095	441	2,573
Software development adjustments	(e)	-	717	(659)	(659)
Differences in classification					
Adjustments relating to Lending Trusts[2]	(d)	(236,940)	(230,410)	-	-
Credit investments	(f)	(8,220)	-	-	-
Interest income	(g)	(2,557)	(2,557)	-	-
Expense allocations	(h)	(17,907)	-	-	-
Tax on adjustments		-	-	(2,939)	(4,860)
Total adjustments		(270,044)	(233,551)	305	(2,197)
Underlying results for the year ended 31 December 2024		306,613	87,096	42,098	42,098
Statutory result for the year ended 31 December 2023		392,770	174,241	28,517	18,997
Differences in measurement					
Acquisition and transaction costs	(a)	-	5,544	10,964	10,964
Adjustments relating to co-investments	(b)	-	-	-	2,427
Adjustments relating to associates	(c)	4,024	4,024	4,024	12,838
Software development adjustments	(e)	-	4,065	3,522	3,522
Differences in classification					
Adjustments relating to Lending Trusts[2]	(d)	(107,759)	(103,669)	-	-
Credit investments	(f)	(851)	-	-	-
Interest income	(g)	(2,640)	(2,640)	-	-
Expense allocations	(h)	(15,668)	-	-	-
Tax on adjustments		-	-	(5,428)	(7,149)
Total adjustments		(122,894)	(92,676)	13,082	22,602
Underlying results for the year ended 31 December 2023		269,876	81,565	41,599	41,599

1. Revenue refers to total income on the Statement of profit or loss and other comprehensive income.
2. Lending Trusts refers to residential mortgage-backed securitisation trusts, Specialty Lending trusts and Credit Funds in the Priority Income Fund strategies that the Group manages and consolidates, excluding amounts attributable to external unit holders.

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Segment information (continued)

3.2 Segment results (continued)

Differences in measurement and classification

(a) The Underlying treatment removes acquisition costs related to the acquisition of subsidiaries and costs associated with new business transactions, including new product initiatives. This includes removing any related earn-out cash and share-based payments in the Underlying results, that are required to be recognised under IFRS as expenses. During the year $3.1 million of expenses (31 December 2023: $5.5 million) related to acquisition and transaction costs has been removed from Underlying EBITDA. Underlying NPAT also excludes the non-cash IFRS expenditure relating to the amortisation of intangible assets, recognised in a business combination, of $5.8 million (31 December 2023: $5.4 million).

(b) The Underlying treatment only recognises realised gains/losses on disposal of financial investments in Underlying Revenue. The Underlying treatment does not include unrealised gains and losses on financial investments. During the year, unrealised losses on financial investments of $6.2 million have been excluded from the Underlying result (31 December 2023: $0.5 million gain). The adjustment also removes the foreign currency translation gain for the Group's offshore entities of $5.5 million (31 December 2023: $2.9 million loss) and includes realised distributions and managements fees received from consolidated managed fund investments of $1.7 million (31 December 2023: nil).

(c) The Underlying treatment records dividends and distributions receivable from associates in Underlying Revenue as opposed to the IFRS treatment of recording the Group's share of accounting profit or loss of an associate. Underlying Revenue also recognises the realised gains/losses on any disposal of an investment in associate.

(d) The Underlying treatment records the net distributions received from the Lending Trusts in Underlying Revenue. As such interest and other expenses are reclassified to interest income to reflect this net position. The underlying treatment removes the funds managed by the Group share of the Lending Trusts expected credit loss provision and net profit after tax. Interest rate swaps used to hedge the variability in cash flows attributable to movements in interest rates in the Lending Trusts, are removed from Underlying comprehensive income.

(e) The Underlying treatment capitalises and amortises certain operational platform and software development costs that are required to be expensed per accounting standards.

(f) The Underlying expected credit loss (ECL) expenses are reclassified from Statutory expense to Underlying revenue to be consistent with how management view the movement in the value of investments.

(g) Interest income on cash and bank balances of $2.6 million (31 December 2023: $2.6 million) is reclassified to Underlying interest expense.

(h) The Underlying adjustment reclassifies revenue against those expenses that have been recovered to reflect the net nil impact to the Group.

Notes to the financial statements (continued)

For the year ended 31 December 2024

3 Segment information (continued)

3.3 Revenue for major products and services

The table below represents a disaggregation of fee and commission income by operating segment:

	Operating segment	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Fee and commission income			
Management fees	Asset Management	95,576	98,187
Distribution fees	Asset Management	3,192	6,415
Transaction fees	Asset Management	46,294	42,445
Performance fees	Asset Management	19,805	10,806
Expense recoveries	Asset Management	14,298	12,051
Upfront commission income	Lending & Technology	322,977	262,029
Trail commission income	Lending & Technology	310,901	264,433
Service fees	Lending & Technology	23,526	19,715
Corporate advisory services	CA&E	52,986	43,114
Expense recoveries	CA&E	220	122
Equity services	CA&E	6,860	6,059
Total fee and commission income		**896,635**	**765,376**

3.4 Geographical information

The Group primarily operates in Australia.

3.5 Information about major customers

No single customer contributed 10% or more to Group revenue in 2024 (2023: none).

Notes to the financial statements (continued)

For the year ended 31 December 2024

4 Fee and commission income

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Timing of revenue recognition		
At a point in time		
Success fees	45,552	37,284
Upfront commission income	322,977	262,029
Trail commission income	307,317	261,213
Other commission income	3,584	3,220
Expense recoveries	14,518	12,173
Commission and brokerage income	6,860	6,059
Facilitation and transaction fees	46,294	42,445
Total revenue earned at a point in time	747,102	624,423
Over time		
Retainer fees	7,434	5,830
Service fees	23,526	19,715
Performance fees	19,805	10,806
Distribution fees	3,192	6,415
Management fees	95,576	98,187
Total revenue earned over time	149,533	140,953
Total fee and commission income	896,635	765,376
Fee and commission income by segment		
At a point in time		
Asset Management	60,592	54,496
Lending & Technology	633,878	526,462
Corporate Advisory & Equities	52,632	43,465
Total revenue earned at a point in time	747,102	624,423
Over time		
Asset Management	118,573	115,408
Lending & Technology	23,526	19,715
Corporate Advisory & Equities	7,434	5,830
Total revenue earned over time	149,533	140,953
Total fee and commission income	896,635	765,376

Accounting policy

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations. Revenue earned by the Group from its contracts with customers primarily consists of the following categories of fee and commission income:

Management fees, performance fees and other fees from providing asset management services

The Group earns management fees, performance fees and other fees (such as distribution, transaction fees and expense recoveries) for providing asset management services for listed and unlisted funds, managed accounts and co-investment arrangements. The provision of asset management services is typically a single performance obligation.

Notes to the financial statements (continued)

For the year ended 31 December 2024

4 Fee and commission income (continued)

Accounting policy (continued)

The Group also earns management fees for providing hotel and retail property management services that are recognised on a straight-line basis throughout the year as the Group considers the performance of such services as a series of distinct services with a similar pattern of transfer.

Management and distribution fees are recognised over the life of the contract as asset management services are provided. Performance fees are based on returns in excess of a specified benchmark market return, over the contract period. The Group recognises performance fees only to the extent that it is highly probable that performance hurdles are met, and a significant reversal of cumulative fees to date will not occur.

Transaction and arranger fees are earned for successful transactions and arrangements relating to assets and funds managed by the Group. Revenue is recognised when the transaction or arrangement is completed in line with the terms within the underlying agreements.

Upfront commission, trail commission and service fees

The Group provides loan origination services and receives upfront commissions on the settlement of loans. Additionally, the lender normally pays a trail commission over the life of the loan. Upfront commissions are recognised upon the loans being settled and receipt of commission, net of clawbacks. Commissions may be clawed back by lenders in accordance with underlying contracts. These potential clawbacks are estimated based on historical data and recognised at the same time as upfront commissions.

The Group receives trail commissions from lenders on settled loans, originated by authorised brokers, over the life of the loan based on the loan balance outstanding. On initial recognition, the Group recognises a contract asset at fair value, being the expected future trail commission receivable, discounted to its net present value in line with the expected value method under AASB 15 *Revenue from Contracts with Customers* (AASB 15). On subsequent measurement, the contract asset is measured at amortised cost.

The Group earns subscription income for providing access to its proprietary loan origination platform, Infynity, and income for providing compliance and administrative services to the brokers. The Group recognises the income from these services over time as performance obligations are satisfied.

Success fees on mergers and acquisitions, advisory and underwriting fees

The Group earns revenue through its role as advisor on corporate transactions as well as its role as manager and underwriter of equity and debt issuances. The revenue from these arrangements is recognised at a point in time, and when it has been established that the customer has received the benefit of the service and the performance obligations is satisfied. This is typically at the time of closing the transaction.

Management of capital raising and underwriting of equity or debt issuances are typically satisfied on the allocation date of the underwritten securities.

Where contracts contain rights to invoice upon reaching certain milestones, the Group assesses whether distinct services have been transferred at these milestones and accordingly recognises revenue, otherwise the fee recognition is deferred until such time as the performance obligation has been completed.

Commission and brokerage income

The Group is remunerated for the provision of security trading services in line with customer contracts. The brokerage and commission income related to this service is recognised on trade date and is presented net of any rebates.

Key estimates and assumptions

Performance fees

Determining the amount and timing of performance fees to be recognised involves judgement, the use of estimates and consideration of a number of criteria relating to the fund or managed investment in which the asset(s) are held. Performance fees are recognised when it is highly probable that a significant reversal of the fee will not occur. Factors that are taken into consideration include:

- the proportion of assets already realised
- returns on assets realised to-date
- downside valuation on remaining unrealised assets and reliability of those estimates
- nature of unrealised investments and their returns.

Trail commission income

On initial recognition, the Group recognises a contract asset at fair value, which represents management's estimate of the trail commission to be received from lenders on settled loans. The use of the expected value approach of estimating trail commission income requires significant judgement as assumptions are made using a variety of inputs, including the expected loan run-off rate and the discount rate, that are determined by management (refer to note 16).

Success fees, advisory and underwriting fees

Determining the timing of fees to be recognised from the provision of advisory services involves judgement and consideration of factors, such as:

- determination of identifiable performance obligations
- any key milestones that were met and not met
- historical recognition fee revenue
- whether benefits have been passed to the customer and performance obligations have been satisfied.

Notes to the financial statements (continued)

For the year ended 31 December 2024

5 Fee and commission expense

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Lending fee and commission expense	(612,775)	(506,739)
Other fee and commission expense	(28,647)	(20,292)
Total fee and commission expense	**(641,422)**	**(527,031)**

Accounting policy

The Group remits trail commission payments to authorised brokers based on the loan balance outstanding and in accordance with the individual agreements with the authorised brokers and recognises this as a contract liability. The contract liability is initially measured at fair value, being the net present value of the expected future trail commission payable and subsequently measured at amortised cost.

Other fee and commission expense relates to rebates and commissions payable which are recognised and calculated in line with underlying agreements.

Key estimates and assumptions

Trail commission expense

On initial recognition, the Group recognises a contract liability at fair value, which represents management's estimate of the trail commission to be paid to authorised brokers on settled loans. The use of the expected value approach of estimating trail commission payable requires significant judgement as assumptions are made using a variety of inputs, including the expected loan run-off rate and the discount rate, that are determined by management (refer to note 16).

6 Interest income

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Interest income on cash and bank balances	10,016	6,891
Interest income on loans receivable – effective interest method	297,663	138,042
Interest income on loans receivable – held at FVTPL	194	102
Interest income on leases	-	16
Total interest income	**307,873**	**145,051**

Accounting policy

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. The effective interest rate is the rate that discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Notes to the financial statements (continued)

For the year ended 31 December 2024

7 Investment income

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Dividends and distributions from investments	1,502	2,683
Realised gains from disposal of investments	4,852	3,030
Net gains from financial instruments held at fair value	418	825
Net losses from derivative financial instruments	(4,137)	-
Total investment income	**2,635**	**6,538**

Accounting policy

Investment income includes gains and losses arising from changes in the fair value of investments, derivative financial instruments and debt investment securities that are classified at fair value through profit or loss (FVTPL), and dividends or distributions from these investments. Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated will flow to the Group and it can be measured reliably.

8 Employee expenses

Salary, superannuation and bonuses	149,666	140,782
Termination benefits	3,757	3,043
Amortisation of share-based payments (refer to note 32)	13,141	10,474
Payroll tax	8,754	7,764
Other employment expenses[1]	7,329	4,111
Total employee expenses	**182,647**	**166,174**

1. Includes leave entitlements, recruitment fees, workers compensation and fringe benefits tax.

9 Finance costs

Interest on unsecured notes[1]	20,259	13,102
Interest on mortgage trust notes[1]	79,583	25,998
Fund preferred unit distribution[1]	124,032	67,995
Interest on fund unit liabilities	7,055	2,562
Interest on lease liabilities	4,330	4,354
Interest on securitised borrowings	8,493	551
Other finance costs	1,286	1,048
Total finance costs	**245,038**	**115,610**

1. Refer to note 24 for more detail on the unsecured note program, fund preferred units, securitised borrowings and mortgage trust notes.

10 Other expenses

Professional services	8,937	7,556
Insurance	3,100	3,301
Occupancy and office expenses	2,865	2,956
Charitable donations[1]	302	371
Other expenses	6,693	4,766
Total other expenses	**21,897**	**18,950**

1. The charitable donations paid by the Group in 2024 and 2023 were principally made to the MA Foundation, a registered charity, and were made in response to staff elections.

Notes to the financial statements (continued)

For the year ended 31 December 2024

11 Income tax

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
11.1 Income tax expense		
Current tax expense	(16,941)	(8,302)
Deferred tax benefit/(expense)	1,860	(4,098)
Income tax expense	**(15,081)**	**(12,400)**
11.2 Reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**56,874**	**40,917**
Prima facie income tax expense at the Australian corporate tax rate of 30%	(17,062)	(12,275)
Tax effect of amounts not assessable/deductible in calculating taxable income:		
– Effect of income that is subject to/(exempt from) tax	1,604	(285)
– Non-deductible expenses	(348)	(663)
– Prior year (under)/over adjustment	(661)	95
– Foreign tax – controlled entities	1,281	567
– Franking credits	23	56
– Foreign income tax offset	82	105
Income tax expense	**(15,081)**	**(12,400)**
11.3 Income tax recognised in other comprehensive income		
Deferred tax expense		
Fair value remeasurement of investments	2,668	(793)
Share of revaluations in associates	(748)	2,556
Income tax recognised in other comprehensive income	**1,920**	**1,763**
11.4 Current tax assets and liabilities		
Income tax (payable)/receivable	(4,110)	7,192
	(4,110)	**7,192**
11.5 Deferred tax balances		
Offshore entities		
Deferred tax asset	2,373	739
Tax consolidated group		
Deferred tax asset	15,619	15,837
Deferred tax liability	(31,939)	(34,433)
Net deferred tax liability	**(16,320)**	**(18,596)**
Net deferred tax liability for the Group	**(13,947)**	**(17,857)**

Notes to the financial statements (continued)

For the year ended 31 December 2024

11 Income tax (continued)

11.5 Deferred tax balances (continued)

	Opening balance $'000	Opening balance adjustments $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Acquisitions/ disposals $'000	Closing balance $'000
31 December 2024						
Temporary differences						
Property, plant and equipment	(801)	-	413	-	-	(388)
Contract assets and liabilities	1,642	-	730	-	-	2,372
Financial assets	1,404	-	425	2,668	-	4,497
Investments in associates and joint ventures	1,135	-	(1,083)	(748)	-	(696)
Deferred revenue	(21,313)	-	(4,098)	-	-	(25,411)
Provisions	3,450	-	380	-	-	3,830
Loss allowance	431	-	34	-	-	465
Expense accruals	3,056	-	(127)	-	-	2,929
Intangible assets	(12,319)	-	6,179	-	-	(6,140)
Share-based payments	4,894	-	(2,248)	-	-	2,646
Other	564	905	480	-	-	1,949
Total	**(17,857)**	**905**	**1,085**	**1,920**	**-**	**(13,947)**
31 December 2023						
Temporary differences						
Property, plant and equipment	(1,215)	-	414	-	-	(801)
Contract assets and liabilities	-	850	792	-	-	1,642
Financial assets	2,606	-	(409)	(793)	-	1,404
Investments in associates and joint ventures	(1,716)	-	296	2,556	-	1,136
Deferred revenue	(18,429)	710	(3,595)	-	-	(21,314)
Provisions	3,844	-	(394)	-	-	3,450
Loss allowance	1,288	(189)	(668)	-	-	431
Expense accruals	5,609	-	(2,552)	-	-	3,057
Intangible assets	(13,791)	-	1,473	-	-	(12,318)
Share-based payments	5,533	-	(638)	-	-	4,895
Other	732	(111)	(60)	-	-	561
Total	**(15,539)**	**1,260**	**(5,341)**	**1,763**	**-**	**(17,857)**

Notes to the financial statements (continued)

For the year ended 31 December 2024

11 Income tax (continued)

11.5 Deferred tax balances (continued)

Accounting policy

Tax consolidation

The Company, together with eligible Australian resident wholly owned subsidiaries, comprise a tax consolidated group (Tax Group) with the Company as the head entity. As a result, the Company is subject to income tax as the head entity of the Tax Group.

Tax effect accounting by members of the tax group

The consolidated current and deferred tax amounts for the Tax Group are allocated to the members of the Tax Group using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law, the head entity has the legal obligation (or right) to those amounts.

Entities within the Tax Group have applied funding principles under which the Company and each of the members of the Tax Group agree to pay or receive tax equivalent amounts to or from the head entity based on the current tax liability or current tax asset of the member.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

Tax governance

The Board approved Tax Governance Policy for the Group outlines a tax control framework to provide guidance on how all tax risks are identified, managed and reported. The Tax Governance Policy is supported by tax related procedures and processes, which ensure the Group effectively manages its tax risk.

Key estimates and assumptions

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the financial statements (continued)

For the year ended 31 December 2024

12 Cash and cash equivalents

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Cash and bank balances	39,998	43,108
Restricted balances	137,736	137,211
Total cash and cash equivalents	**177,734**	**180,319**

12.1 Reconciliation of profit for the year to net cash flows from operating activities

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Profit after income tax	**41,793**	**28,517**
Adjustments to profit after income tax:		
Income tax expense recognised in profit or loss	15,081	12,400
Share-based payments	13,141	10,628
Non-cash interest and investment income	(1,501)	(2,168)
Share of profit of associates	(8,390)	(2,086)
Net foreign exchange gains	(2,819)	(599)
Net gains from financial instruments held at fair value	(418)	(825)
Realised gains from disposal of investments	(2,671)	(3,030)
Gains on disposal of fixed assets	-	160
Interest expense on leases	4,330	4,354
Intangible amortisation	7,337	6,272
Amortisation of right-of-use assets	9,403	9,437
Depreciation of non-current assets	1,995	1,950
Total adjustments to profit after income tax	**35,488**	**36,493**
Changes in assets and liabilities:		
Change in trade and other receivables	(8,058)	331
Change in loans receivable	(2,424,837)	(1,155,050)
Change in other assets	3,437	(473)
Change in contract assets and contract liabilities	(7,117)	(8,260)
Change in borrowings	2,343,276	1,164,216
Change in trade and other payables	16,423	(20,448)
Change in provisions	2,564	(6,189)
Change in derivatives	227	-
Total changes in assets and liabilities	**(74,085)**	**(25,873)**
Cash generated from operations	**3,196**	**39,137**
Income taxes paid	(5,654)	(19,361)
Net cash inflows from operating activities	**(2,458)**	**19,776**

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The carrying amount of cash and cash equivalents is materially equal to fair value due to the assets being highly liquid.

Restricted balances include cash and cash equivalents that are not readily available to meet the Group's short-term cash commitments.

Notes to the financial statements (continued)

For the year ended 31 December 2024

13 Receivables

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current		
Accounts receivable	11,276	11,100
Performance fee receivable	16,803	13,446
Management fee receivable	8,399	8,080
Transaction fee receivable	6,990	8,011
Commission receivable	15,545	13,104
Other receivables	9,065	8,254
Loss allowance on receivables (note 15)	-	(442)
Total receivables – current	**68,078**	**61,553**
Non-current		
Performance fee receivable	14,102	14,052
Management fee receivable	3,921	1,950
Loss allowance on receivables (note 15)	(419)	(189)
Total receivables – non-current	**17,604**	**15,813**
Total receivables	**85,682**	**77,366**

Accounting policy

Receivables are initially recognised when they are originated less any allowance for expected credit losses. To measure the expected credit losses, receivables are grouped based on days overdue.

Key estimates and assumptions

The Group has elected to use the simplified approach and has determined the loss allowance based off the lifetime expected credit loss (ECL). The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate. Refer to note 15 for further information.

Notes to the financial statements (continued)

For the year ended 31 December 2024

14 Loans receivable

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current		
Commercial loans[1]	463,842	450,709
Loans to employees	141	-
Gross loans receivable – current	**463,983**	**450,709**
Non-current		
Commercial loans[1]	1,952,969	808,117
Residential mortgages	2,128,780	833,567
Loans to employees	2,090	2,383
Gross loans receivable – non-current	**4,083,839**	**1,644,067**
Total gross loans receivable	**4,547,822**	**2,094,776**
Loss allowance (note 15)	(11,880)	(6,010)
Total loans receivable	**4,535,942**	**2,088,766**

1. Commercial loans are provided to corporate entities, small businesses, sole traders and special purpose vehicles. The loans have terms between three months and fourteen years and are either fully or partially secured against the assets of the borrowers.

14.1 Loans receivable by industry

Consolidated	Loans receivable $'000	Loss allowance $'000	Total $'000
31 December 2024			
Financial services	1,629,311	(5,247)	1,624,064
Professional services	233,656	(1,894)	231,762
Residential mortgages	2,128,780	(1,906)	2,126,874
Equipment finance	470,151	(1,795)	468,356
Other	85,924	(1,038)	84,886
	4,547,822	**(11,880)**	**4,535,942**
31 December 2023			
Financial services	1,040,353	(3,838)	1,036,515
Professional services	197,765	(1,045)	196,720
Residential mortgages	833,567	(999)	832,568
Other	23,091	(128)	22,963
	2,094,776	**(6,010)**	**2,088,766**

Accounting policy

Loans receivable are initially recognised on settlement date, when cash is advanced to the borrower and are recognised net of any credit loss allowance. A credit loss allowance for expected credit losses on loans receivable is recognised upon inception of a loan.

Key estimates and assumptions

The Group applies the ECL impairment model. The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Refer to note 15 for further information.

Notes to the financial statements (continued)

For the year ended 31 December 2024

15 Loss allowance

For financial assets measured at amortised cost, the Group bears the risk that the future circumstances of customers might change, including their ability to fulfil their contractual cash flow obligations in part or in full. The Group periodically assesses exposures to determine whether the credit risk of a financial asset has increased significantly since initial recognition.

At the reporting date, the Group undertook a review of its receivables, loans receivable and ECL. The review considered the macroeconomic outlook, counterparty credit quality, the type of collateral held and exposure at default as at the reporting date. The Group's loss allowance provisions are a determination of probabilities of default and a determination of losses that may be incurred should a default occur.

The table below presents the gross exposure and related ECL allowance for financial assets subject to the impairment requirements of AASB 9 *Financial Instruments* (AASB 9).

Consolidated	Gross exposure for asset $'000	Loss allowance $'000	Total $'000
31 December 2024			
Receivables	86,101	(419)	85,682
Loans receivable	4,547,822	(11,880)	4,535,942
	4,633,923	**(12,299)**	**4,621,624**
31 December 2023			
Receivables	77,997	(631)	77,366
Loans receivable	2,094,776	(6,010)	2,088,766
	2,172,773	**(6,641)**	**2,166,132**

15.1 Movement in credit loss allowance by asset category

Consolidated	Receivables $'000	Loans receivable $'000	Total $'000
Balance as at 1 January 2023	**(1,145)**	**(4,712)**	**(5,857)**
Credit loss allowance recognised in the Statement of profit or loss	418	(1,269)	(851)
Reclassifications and other movements	96	(29)	67
Balance as at 31 December 2023	**(631)**	**(6,010)**	**(6,641)**
Credit loss allowance recognised in the Statement of profit or loss	(267)	(7,954)	(8,221)
Reclassifications and other movements	12	(90)	(78)
Amounts written off, previously provided for	467	2,174	2,641
Balance as at 31 December 2024	**(419)**	**(11,880)**	**(12,299)**

Notes to the financial statements (continued)

For the year ended 31 December 2024

15 Loss allowance (continued)

15.2 Movement in credit loss allowance by ECL stage

Consolidated	Stage I 12-month ECL $'000	Lifetime ECL Stage II Lifetime ECL $'000	Lifetime ECL Stage III Credit impaired $'000	Total ECL $'000
Balance as at 1 January 2023	**(5,246)**	**(330)**	**(281)**	**(5,857)**
Net credit impairment charges	(726)	(105)	(20)	(851)
Reclassifications and other movements	72	300	(305)	67
Balance as at 31 December 2023	**(5,900)**	**(135)**	**(606)**	**(6,641)**
Net credit impairment charges	(5,204)	(122)	(2,895)	(8,221)
Reclassifications and other movements	(59)	-	(19)	(78)
Amounts written off, previously provided for	-	-	2,641	2,641
Balance as at 31 December 2024	**(11,163)**	**(257)**	**(879)**	**(12,299)**

Accounting policy

The Group applies the ECL model under AASB 9 for the following financial assets measured at amortised cost:

- Receivables;
- Loans receivable;
- Loan commitments; and
- Contract assets.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

Measurement of ECL

The Group collectively assesses and segments its financial assets by the class of financial asset, type of exposure and groups the assets based on shared risk characteristics.

The Group applies the following approach for measuring loss allowances:

- Modelled collective ECL;
- Post-model overlay adjustments; and
- Specific provisions.

The ECL model is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Group in accordance with the contract and cash flows that the Group expects to receive).

The ECL model incorporates a range of components. The key model inputs used by the Group in measuring the ECL includes:

- **Probability of Default (PD)**: represents the possibility of a default over the next 12 months;
- **Loss Given Default (LGD)**: expected loss if a default occurs, taking into consideration the mitigating effect of collateral assets and time value of money;
- **Exposure at Default (EAD)**: represents the estimated exposure in the event of a default; and
- **Post-model overlay adjustments**: The Group applies an economic overlay to the modelled ECL to ensure the loss provision is sufficiently responding to changes in credit risk that would not be captured in the above assumptions.

Forward-looking information (FLI) is used by the Group which includes economic indicators such as economic forecast and outlook, GDP growth, inflation, unemployment rates and interest rates.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has had a significant increase in credit risk (SICR) since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to a 12-month ECL.

The Group applies the three-stage model based on the change in credit risk since initial recognition to determine the loss allowance of its financial assets.

Notes to the financial statements (continued)

For the year ended 31 December 2024

15 Loss allowance (continued)

15.2 Movement in credit loss allowance by ECL stage (continued)

	Stage	Required provision	Provision approach
Stage I: 12-month ECL	Performing financial assets less than 30 days past due. Financial assets which are determined to have a low credit risk at reporting date.	Losses that arise from a default event in the next 12 months.	Modelled collective provision based on the PD, LGD and FLI with post-model overlay adjustments.
Stage II: Lifetime ECL	The Group determines that there has been a SICR in the asset since initial recognition but it is not considered to be credit impaired.	Loss provision equal to the expected loss over the remaining lifetime of the financial asset.	Modelled collective provision based on the PD, LGD and FLI with post-model overlay adjustments.
Stage III: Lifetime ECL – credit impaired	The Group determines a financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.	Lifetime ECL collective provision or individually assessed (specific) provision	Modelled collective provision, specific provisions with post-model overlay adjustments.

The Group has provided for loan commitments that are both drawn and undrawn. In assessing whether there has been a SICR, the Group considers the changes in risk of a default occurring on the loan to which the commitment relates. The undrawn commitment is contingent on the counterparty achieving contractual milestones. Once they are achieved, the amount can be drawn upon and expected to be met within 12 months. The Group applies a loss allowance on entire commitments based on the 12-month ECL.

For contract assets, the trail commission receivable is mainly from financial institutions with high credit ratings. Even when forward-looking assumptions are considered the ECL would not be material.

The Group applies the simplified approach for trade receivables which uses a lifetime ECL. Trade receivables are grouped based on the shared credit risk characteristics and the days past due. The ECL is calculated based on actual credit loss relating to revenue from experience over the past three years adjusted for the Group's forward looking expectations based off economic indicators. The Group performed the calculation of ECL rates separately for receivables arising from the advisory business and other asset management fees as such fees have historically been received in full.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet any of the following criteria are generally not recoverable.

- When repayments are at least 90 days past due; or
- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Write-off policy

The Group writes-off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Key estimates and assumptions

Significant increase in credit risk (SICR): The Group considers quantitative and qualitative factors, based on historical experience and informed credit assessments when assessing exposures to determine whether there has been a SICR. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

In addition to the above, the Group considers a SICR based on the number of days past due. A non-trade receivable loan is assessed to have a SICR when the number of days past due is over 90 days.

In particular, the following information is taken in account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

A financial asset is determined to have low risk if it has a low risk of default, the customer has a strong capacity to meet its contractual cash flow obligations in the short term, and adverse changes in long term economic and business conditions will

Notes to the financial statements (continued)

For the year ended 31 December 2024

15 Loss allowance (continued)

15.2 Movement in credit loss allowance by ECL stage (continued)

not necessarily reduce the ability of the customer to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a SICR and revises them as appropriate to ensure that the criteria are capable of identifying SICR before the amount becomes past due.

Probability of Default (PD): An estimate of the likelihood of default over a given time. These are estimated considering the contractual maturities and is based on current conditions, adjusted to consider estimates of future conditions that will impact PD.

Loss Given Default (LGD): An estimate of the loss arising on default. It is based on the difference between contractual cash flows due and those that the Group expects to receive, considering cash flow capacity of the customer.

Forward-looking information (FLI): The Group considers economic indicators such as economic forecast and outlook, GDP growth, inflation, unemployment rates and interest rates.

Post-model overlay adjustments: Management applies an economic overlay to ensure the Group has sufficient coverage for potential credit risk factors that are not captured in the assumptions above.

16 Contract assets and liabilities

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Contract assets		
Trail commission receivable – current	225,126	162,237
Trail commission receivable – non-current	586,340	543,048
Total contract assets	**811,466**	**705,285**
Contract liabilities		
Trail commission payable – current	210,716	152,051
Trail commission payable – non-current	549,506	509,107
Total contract liabilities	**760,222**	**661,158**

Accounting policy

Through its mortgage aggregation platform, Finsure, the Group receives trail commissions from lenders on loans that have settled and were originated by authorised brokers. The Group also makes trail commission payments to authorised brokers.

The Group's trail commission receivable is recognised at fair value on initial recognition, being the expected future trail commission receivables discounted to their net present value in line with the expected value method under AASB 15. In addition, an associated payable and expense to the relevant brokers is also recognised, initially measured at fair value being the future trail commission payable to relevant brokers discounted to their net present value.

Subsequent to initial recognition and measurement both the trail commission asset and trail commission payable are measured at amortised cost. The carrying amount of the trail commission asset and trail commission payable are reassessed at each reporting period, to reflect actual and revised estimated cash flows, by recalculating the carrying amount with reference to the present value of estimated future cash flows at the original effective interest rate. Any resulting adjustment is recognised in profit or loss.

Key estimates and assumptions

Management uses a variety of inputs including external actuarial analysis of historical information to determine trail commission receivables and its associated payable and expense. Key assumptions underlying the calculation include the expected loan run-off rate and the discount rate.

Notes to the financial statements (continued)

For the year ended 31 December 2024

16 Contract assets and liabilities (continued)

Key estimates and assumptions (continued)

The key assumptions underlying the fair value calculations of trail commission receivable and the corresponding payable to authorised brokers at the reporting date are summarised in the following table:

	31 Dec 2024 Consolidated	31 Dec 2023 Consolidated
Discount rate	4.75%	4.75%
Run-off rates[1]	Between 12.0% and 33.0%	Between 12.0% and 33.0%

1. The run-off rates refer to the expected loan book attrition rates. Run-off rates are then stratified into time-bands, by managed loan portfolio, and applied to each loan according to the age of that particular loan.

17 Other financial assets and liabilities

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Financial assets		
Current		
Financial assets held at FVTPL (equity securities)	-	619
Financial assets held at FVTOCI (equity securities)	-	1,600
Consolidated managed fund investments[1]	53,556	132,996
Total financial assets – current	**53,556**	**135,215**
Non-current		
Financial assets held at FVTPL (equity securities)	442	-
Financial assets held at FVTPL (non-equity securities)	3,142	7,588
Financial assets held at FVTOCI (equity securities)	21,306	18,117
Total financial assets – non-current	**24,890**	**25,705**
Total financial assets	**78,446**	**160,920**
Financial liabilities		
Current		
Consolidated managed fund investments[1]	40,404	103,247
Total financial liabilities – current	**40,404**	**103,247**
Non-current		
Fund unit liabilities held at FVTPL	93,725	36,773
Total financial liabilities – non-current	**93,725**	**36,773**
Total financial liabilities	**134,129**	**140,020**

1. Net consolidated managed fund investments at 31 December 2024 at $13.2 million (2023: $29.7 million) represents financial assets and liabilities of funds managed by the Group, that are deemed to be controlled by the Group at the reporting date as a result of a strategic co-investment held by the Group in the fund. Refer to further information in note 35.

Notes to the financial statements (continued)

For the year ended 31 December 2024

17 Other financial assets and liabilities (continued)

Accounting policy

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised in profit or loss.

Classification and subsequent measurement

The Group's financial assets are classified based on the business model within which the asset is held and on the basis of the financial asset's contractual cash flow characteristics.

In determining the business model, all relevant evidence that is available at the date of the assessment is used, including:

- how the performance of the business model and financial assets held is evaluated and reported to management;
- the risks that affect the performance and the way in which those risks are managed; and
- how the managers of the business are compensated; such as whether it is based on the fair value of the assets managed or on contractual cash flows collected.

A financial asset is measured at amortised cost if it meets all of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding; and
- The financial asset has not been designated at FVTPL.

The amortised cost of a financial asset is measured as:

- the amount at which the financial asset is measured at initial recognition;
- minus the principal repayments;
- plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount; and
- adjusted for any loss allowance.

Refer to note 6 for further information on the effective interest method.

A financial asset is measured at fair value through other comprehensive income (FVTOCI) if it meets all of the following conditions:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset has not been designated at FVTPL.

However, the Group may make the following irrevocable election at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met such as, if the equity instrument is not held for trading; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short term profit-taking; or
- It is a derivative.

Financial assets designated at FVTOCI are initially measured at fair value plus transaction costs. Gains and losses relating to these financial assets will be recognise in other comprehensive income. Dividends from such investments are recognised as investment income in profit or loss when the Group has the right to receive payments, unless the dividend clearly represents a recovery of part of the cost of the investment. The accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition; and
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated at FVTPL upon initial recognition if such designation if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the financial statements (continued)

For the year ended 31 December 2024

17 Other financial assets and liabilities (continued)

Accounting policy (continued)

Classification and subsequent measurement (continued)

Financial assets measured at FVTPL are classified under a three-level fair value hierarchy that reflects the significance of the inputs used in making the measurements. Any fair value gains or losses including any interest or dividend income earned on the financial asset, are recognised as investment income in profit or loss. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Refer to note 27 for further information regarding the fair value of financial assets and financial liabilities.

Financial liabilities and equity instruments

Debt or equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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 a Group entity is measured as proceeds received less 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.

Financial liabilities that are not designated at FVTPL, are subsequently measured at amortised cost using the effective interest method.

Fund unit liabilities represents the contributed funds owing to third parties in funds which the Group is deemed to control. The liabilities are recognised at fair value.

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group that are unpaid.

Key estimates and assumptions

The Group uses judgement in determining the business model at the level that reflects how groups of financial assets are managed together to achieve a particular business objective.

18 Derivative financial instruments

The Group's consolidated credit trusts use derivative financial instruments to hedge its risks associated with interest rate and foreign currency fluctuations.

	Fair value of derivatives			Change in value		Cash flow hedge reserve			
	Notional value $'000	Assets $'000	Liabilities $'000	Hedging instrument $'000	Hedged item $'000	Opening $'000	Movement $'000	Transfer to profit or loss $'000	Closing $'000
31 December 2024									
Interest rate swaps	410,940	-	2,131	2,131	(2,131)	-	1,916	215	2,131
Forward currency contracts	37,039	-	2,261	-	-	-	-	-	-
Total	447,979	-	4,392	2,131	(2,131)	00	1,916	215	2,131
31 December 2023									
Interest rate swaps	-	-	-	-	-	-	-	-	-
Forward currency contracts	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Accounting policy

All derivative financial instruments are stated at fair value. Gains or losses arising from fair value changes on derivatives that do not quality for hedge accounting are recognised in the Statement of profit or loss and other comprehensive income.

If the Group wishes to apply hedge accounting, it will formally designate and document the hedge relationship, risk management objectives and strategies on inception of the hedge relationship. The documentation includes the identification of the hedging instrument, the hedged item or

Notes to the financial statements (continued)

For the year ended 31 December 2024

18 Derivative financial instruments (continued)

Accounting policy (continued)

transaction, the nature of the risk being hedged and how it will assess the effectiveness of the instrument in offsetting the exposure to changes in the hedged item. Such hedges are assessed on an ongoing basis to determine that they have been highly effective over the period they were designated.

Cash flow hedges are hedges of the Group's exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect the Statement of profit or loss and other comprehensive income. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the Statement of profit or loss and other comprehensive income. Amounts recognised in equity are transferred to the Statement or profit or loss and other comprehensive income when the hedged transaction affects profit or loss.

19 Property, plant and equipment

The below table sets out the carrying value of the Group's property, plant and equipment:

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Office equipment – at cost	5,911	5,160
Less accumulated depreciation	(4,925)	(3,535)
Total office equipment	**986**	**1,625**
Furniture and fixtures – at cost	1,798	1,516
Less accumulated depreciation	(393)	(286)
Total furniture and fixtures	**1,405**	**1,230**
Lease improvements – at cost	2,588	2,185
Less accumulated depreciation	(1,297)	(777)
Total leasehold improvements	**1,291**	**1,408**
Total property, plant and equipment	**3,682**	**4,263**

19.1 Movement in carrying value of property, plant and equipment

The below table sets out the movement in carrying value of the Group's property, plant and equipment:

Consolidated	Office equipment $'000	Furniture and fixtures $'000	Leasehold improvements $'000	Total $'000
Assets for own use				
Balance as at 1 January 2023	**2,850**	**1,372**	**1,751**	**5,973**
Additions	258	35	90	383
Disposals	(34)	(99)	(30)	(163)
Depreciation expense	(1,449)	(78)	(423)	(1,950)
Foreign currency movement	-	-	20	20
Balance as at 31 December 2023	**1,625**	**1,230**	**1,408**	**4,263**
Additions	767	276	347	1,390
Depreciation expense	(1,414)	(106)	(475)	(1,995)
Foreign currency movement	8	5	11	24
Balance as at 31 December 2024	**986**	**1,405**	**1,291**	**3,682**

Notes to the financial statements (continued)

For the year ended 31 December 2024

19 Property, plant and equipment (continued)

19.1 Movement in carrying value of property, plant and equipment (continued)

Accounting policy

Property, plant and equipment are stated at historical cost (which includes, where applicable, costs directly attributable to the acquisition of the asset) less accumulated depreciation and, where applicable, accumulated impairment losses.

Depreciation is calculated on a straight-line basis to realise the net cost of each class of assets over its expected useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful lives are as follows:

- office equipment: 3 years
- furniture and fittings: 7 years
- leasehold improvements are amortised over the term of the lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment losses are recognised in profit or loss.

20 Right-of-use assets and lease liabilities

20.1 Right-of-use assets

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Right-of-use assets – at cost	85,551	81,854
Less accumulated amortisation	(25,206)	(15,871)
Total right-of-use assets	**60,345**	**65,983**
Balance at the beginning of the year	**65,983**	**61,773**
Additions	2,716	12,995
Additions through business combinations	-	43
Lease modification	871	614
Amortisation expense	(9,403)	(9,437)
Foreign currency movement	178	(5)
Balance at the end of the year	**60,345**	**65,983**

During the year, a commercial lease commenced for additional office premises in New York with a lease term of 10 years and new office premises in Brisbane with a lease term of 4 years.

Notes to the financial statements (continued)

For the year ended 31 December 2024

20 Right-of-use assets and lease liabilities (continued)

20.2 Lease liabilities

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current		
Lease liabilities	7,784	6,141
Total lease liabilities – current	**7,784**	**6,141**
Non-current		
Lease liabilities	60,599	65,369
Total lease liabilities – non-current	**60,599**	**65,369**
Total lease liabilities	**68,383**	**71,510**

20.2 (a) Movement in lease liabilities

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Opening balance at the beginning of the year	**71,510**	**64,952**
Interest on lease liabilities	4,330	4,354
Payment of lease liabilities	(11,227)	(11,444)
Additions through business combinations	-	43
Lease modification	865	614
Additions[1]	2,722	12,995
Foreign currency movement	183	(4)
Closing balance at the end of the year	**68,383**	**71,510**

1. Additional office premises in New York and Brisbane.

20.2 (b) Lease liabilities maturity analysis – contractual undiscounted cashflows

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Less than one year	11,819	10,344
One to five years	60,021	57,179
More than five years	12,360	23,236
Total undiscounted lease liabilities at the end of the year	**84,200**	**90,759**

Accounting policy

Right-of-use assets

The Group recognises a right-of-use asset and a corresponding lease liability at the commencement date in the Statement of financial position, except for short-term leases and leases of low value assets.

Right-of-use assets are measured at cost and comprise of the amount that corresponds to the amount recognised for the lease liability on initial recognition together with any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs and restoration-related costs. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. Amortisation of right-of-use assets starts at the commencement date of the lease and is recognised in the Statement of profit or loss and other comprehensive income.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment

Notes to the financial statements (continued)

For the year ended 31 December 2024

20 Right-of-use assets and lease liabilities (continued)

Accounting policy (continued)

Lease liabilities (continued)

made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Lease payments are recognised as amortisation expense of the right-of-use asset over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Key estimates and assumptions

Generally, the Group uses its incremental borrowing rate as the discount rate. Interest on lease liabilities is recognised in profit or loss.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

21 Investments in associates and joint ventures

21.1 Details of ownership interest

				Proportion of ownership interest and voting power held by the Group			
Investment	Classification	Principal place of business	Principal activity	2024 %	2023 %	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Redcape Hotel Group	Associate	Australia	Owner and operator of hotels	12.1%	11.7%	56,471	49,296
Other associates[1]	Associate					2,061	1,475
Cinch Technology	Joint venture	Australia	Software development	50.0%	-	2,992	-
						61,524	50,771

1. Other associates represents the aggregate of the Group's remaining associates that are not considered individually material to the Group, and therefore have not been separately disclosed.

Notes to the financial statements (continued)

For the year ended 31 December 2024

21 Investments in associates and joint ventures (continued)

21.2 Reconciliation of movements in carrying values of investments in associates and joint ventures

	Associates				Joint venture	
$'000	BE ES I LLC	BE OLD I LLC	Redcape Hotel Group	Other associates	Cinch Technology	Total
Opening balance as at 1 January 2023	**22,415**	**8,274**	**57,086**	**3,811**	**-**	**91,586**
Acquisition	4,763	-	6,432	410	-	11,605
Disposal and capital returns	(27,314)	(8,239)	(1,188)	(2,771)	-	(39,512)
Share of profit/(loss)	1,601	673	(13)	(175)	-	2,086
Share of other comprehensive loss	-	-	(8,856)	-	-	(8,856)
Less dividends/distributions received	(2,127)	(888)	(4,165)	74	-	(7,106)
Foreign currency translation reserve	662	180	-	126	-	968
Closing balance as at 31 December 2023	**-**	**-**	**49,296**	**1,475**	**-**	**50,771**
Acquisition	-	-	-	1,635	3,097	4,732
Disposal and capital returns	-	-	-	(1,222)	-	(1,222)
Share of profit/(loss)	-	-	8,317	178	(105)	8,390
Share of other comprehensive income	-	-	3,373	-	-	3,373
Less dividends/distributions received	-	-	(4,515)	(9)	-	(4,524)
Foreign currency translation reserve	-	-	-	4	-	4
Closing balance as at 31 December 2024	**-**	**-**	**56,471**	**2,061**	**2,992**	**61,524**

The Group also has interests in a number of individually immaterial associates. The cumulative unrecognised share of losses for investments in associates that have a nil carrying value as of 31 December 2024 is $16.2 million (2023: $17.9 million). This includes a share of profit of $1.7 million for the year ended 31 December 2024 (2023: $6.4 million loss)

Notes to the financial statements (continued)

For the year ended 31 December 2024

21 Investments in associates and joint ventures (continued)

21.3 Summarised financial information for the Group's material associates and joint ventures

$'000	Associates		Joint venture	
	Redcape Hotel Group	Other associates	Cinch Technology	Total
31 December 2024				
Assets and liabilities				
Current assets	241,005	564	344	241,913
Non-current assets	835,857	11,230	2,695	849,782
Current liabilities	(66,811)	(2,168)	(349)	(69,328)
Non-current liabilities	(542,905)	-	-	(542,905)
Net assets	**467,146**	**9,626**	**2,690**	**479,462**
The above net assets include the following:				
Cash and cash equivalents	36,583	236	277	37,096
Restricted cash	-	8,115	-	8,115
Revenue, expenses and results				
Revenue	180,627	(4,096)	-	176,531
Profit/(loss) for the year	75,724	(3,745)	(212)	71,767
Other comprehensive income for the year	18,576	-	-	18,576
Total comprehensive profit/(loss) for the year	94,300	(3,745)	(212)	90,343
31 December 2023				
Assets and liabilities				
Current assets	168,200	109,034	-	277,234
Non-current assets	1,018,159	518,000	-	1,536,159
Current liabilities	(191,304)	(690,860)	-	(882,164)
Non-current liabilities	(573,740)	-	-	(573,740)
Net assets/(liabilities)	**421,315**	**(63,826)**	-	**357,489**
The above net assets include the following:				
Cash and cash equivalents	38,660	104,320	-	142,980
Revenue, expenses and results				
Revenue	203,847	274,669	-	478,516
Profit/(loss) for the year	23,830	(49,293)	-	(25,463)
Other comprehensive income/(loss) for the year	(86,459)	13,112	-	(73,347)
Total comprehensive loss for the year	(62,629)	(36,181)	-	(98,810)

Notes to the financial statements (continued)

For the year ended 31 December 2024

21 Investments in associates and joint ventures (continued)

21.3 Summarised financial information for the Group's material associates and joint ventures (continued)

The following information outlines the level of control the Group has over its material associates and joint ventures and the resultant accounting treatment.

Details of investment in Redcape Hotel Group

At 31 December 2024, the Group has a 12.1% direct equity investment in Redcape Hotel Group (Redcape) and funds managed by the Group own a further 28.8% of Redcape. The Group earns trustee, asset manager, performance and hotel operator fees from Redcape, as well as investment returns on its direct investment. The Group is considered to have significant influence over Redcape as a result of participating in the financial and operating policy decisions of Redcape through its role as responsible entity, asset manager and hotel operator.

Redcape owns or operates 27 hotels in New South Wales and Queensland. During the year, the Group completed the divestment of eight hotels for total consideration of $319.1 million, and acquired four hotels for total consideration of $88.9 million. In addition, the Group has exchanged contracts for the acquisition of three hotels and divestment of three hotels, which are to be settled in the 2025 financial year. Redcape has assessed its assets for impairment as at 31 December 2024. The Group has equity accounted its share of net assets in Redcape.

Details of investment in Cinch Technology

Cinch Technology Holdings Pty Ltd is a joint venture in which the Group has joint control and a 50% ownership interest. The company was established with the purpose of developing and selling loan origination and underwriting software that will improve efficiency, speed to credit decisions and a better customer experience for residential mortgage lenders.

Accounting policy

Associates are entities over which the Group has significant influence of the entities' financial and operating policies but not control. Investments in associates are accounted for under the equity method whereby investments are carried at cost adjusted for post-acquisition changes in the Group's economic share of the net assets of the entity.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting.

The associates and joint ventures' financial reports are used to apply the equity method. The Statement of profit or loss and other comprehensive income reflects the economic share of the results of operations of associates and joint ventures.

Where there has been a change recognised directly in the associates and joint ventures' equity, the Group recognises its share of any changes in the Statement of changes in equity.

Key estimates and assumptions

An assessment is performed at each Statement of financial position date to determine whether there is any indication of impairment and whether it is necessary to recognise any impairment loss against the carrying value of the net investment in associates and joint ventures.

The Group determines the dates of obtaining or losing significant influence of another entity based on all pertinent facts and circumstances that affect the ability to significantly influence the financial and operating policies of that entity.

Notes to the financial statements (continued)

For the year ended 31 December 2024

22 Intangible assets

	Goodwill $'000	Intangible assets: Customer relationships, brand names and trademarks $'000	Intangible assets: Management rights and agreements $'000	Intangible assets: Software $'000	Total $'000
31 December 2024					
Cost					
Balance at 1 January 2024	**141,648**	**44,000**	**22,939**	**14,214**	**222,801**
Additions	-	-	-	5,480	5,480
Foreign currency movement	1,303	-	-	-	1,303
Balance at 31 December 2024	**142,951**	**44,000**	**22,939**	**19,694**	**229,584**
Amortisation and impairment losses					
Balance at 1 January 2024	**-**	**(5,175)**	**(17,513)**	**(4,173)**	**(26,861)**
Amortisation expense for the year	-	(2,700)	(3,158)	(1,479)	(7,337)
Balance at 31 December 2024	**-**	**(7,875)**	**(20,671)**	**(5,652)**	**(34,198)**
Carrying amount at 31 December 2024	**142,951**	**36,125**	**2,268**	**14,042**	**195,386**
31 December 2023					
Cost					
Balance at 1 January 2023	**128,169**	**44,000**	**22,939**	**10,499**	**205,607**
Additions through business combinations	13,877	-	-	-	13,877
Additions	-	-	-	3,715	3,715
Foreign currency movement	(398)	-	-	-	(398)
Balance at 31 December 2023	**141,648**	**44,000**	**22,939**	**14,214**	**222,801**
Amortisation and impairment losses					
Balance at 1 January 2023	**-**	**(3,405)**	**(14,034)**	**(3,150)**	**(20,589)**
Amortisation expense for year	-	(1,770)	(3,479)	(1,023)	(6,272)
Balance at 31 December 2023	**-**	**(5,175)**	**(17,513)**	**(4,173)**	**(26,861)**
Carrying amount at 31 December 2023	**141,648**	**38,825**	**5,426**	**10,041**	**195,940**

Included in the deferred tax liability of the Group as at 31 December 2024 is an amount of $6.1 million (31 Dec 2023: $12.3 million) relating to the intangible assets recognised from the acquisition of subsidiaries.

Accounting policy

Goodwill

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (CGU) to which goodwill has been allocated is tested for impairment annually, or more frequently where there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rated based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the financial statements (continued)

For the year ended 31 December 2024

22 Intangible assets (continued)

Accounting policy (continued)

Intangible assets

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).

Subsequent to their initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

For intangible assets that have a finite useful life, an assessment is made at each reporting date for indications of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Intangible assets (other than goodwill) that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Costs incurred in acquiring and developing software, that is not cloud based, that will contribute to the Group's future financial benefits are capitalised as software and are amortised over the estimated useful life on a straight-line basis. Costs capitalised include external direct costs of materials, service, consultants spent on the projects and internal costs of employees directly engaged in delivering the projects. For software in the course of development, amortisation commences once development is complete and the software is in use. Costs incurred on the maintenance of software is expensed as incurred and recognised in profit or loss. Subsequent expenditure is recognised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in profit or loss.

Costs incurred on the maintenance of software is expensed as incurred and recognised in profit or loss.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Amortisation of intangible assets

Goodwill is allocated to CGUs and is not amortised. Brand names have an indefinite useful life and are not amortised. For intangible assets which are amortised, the useful lives for the current and comparative periods are as follows:

- Management rights: the forecast profile of the profit generated
- Customer relationships and property management agreements: the expected life of the contracts
- Software and trademarks: 3 to 10 years

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Key estimates and assumptions

Impairment assessment of intangible assets

The Group assesses whether goodwill is impaired at least annually. For the purposes of impairment testing, goodwill is allocated to the Group's CGUs. The CGUs align with the Group's operating segments as disclosed in note 3 and are consistent with the comparative period. The recoverable amount of each CGU is determined based on the value in use calculations that utilise five-year cash flow projections plus a terminal value based on the financial forecasts approved by management. In determining these cash flow projections, management considers:

- current and expected performance of each CGU;
- Board and management-approved budgets and strategic plans; and
- changes in Australian and international economic and market environments.

The relevant assumptions in deriving the value in use of the CGUs are as follows:

- the budgeted net profit before tax for each CGU for each year within the cash flow projection period;
- the terminal growth rate;
- the pre-tax discount rate; and
- growth rates, which are consistent with long term trends in the industry segments in which the CGUs operate.

No impairment charge was recognised during the year as the recoverable amount of each CGU was determined to be in excess of the carrying amount.

Notes to the financial statements (continued)

For the year ended 31 December 2024

22 Intangible assets (continued)

Key estimates and assumptions (continued)

Impairment assessment of intangible assets (continued)

The following CGUs represent the carrying amounts of goodwill:

	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	Terminal growth rates		Pre-tax discount rates		$'000	$'000
Asset Management	2.8%	1.0%	12.5%	12.5%	27,466	26,163
Lending & Technology	2.8%	1.0%	13.0%	13.0%	114,159	114,159
CA&E	2.8%	1.0%	11.0%	11.0%	1,326	1,326
Total					**142,951**	**141,648**

Sensitivity analysis

Management considered, for all CGUs, that reasonable changes in key assumptions, such as an increase in the discount rate by 2.5% and a decrease in the terminal growth rate by 1%, leaving all other assumptions constant, would not result in the carrying amount exceeding the value in use for any of the CGUs. The sensitivity analysis was done on the basis that a reasonably possible change in each key assumption would not have a consequential impact on other assumptions.

23 Trade and other payables

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current		
Accounts payable and accrued expenses	18,930	16,050
Accrued commissions	20,473	16,689
Other liabilities	34,703	25,000
GST payable	1,233	1,901
Total trade and other payables – current	**75,339**	**59,640**
Non-current		
Other liabilities	5,954	5,449
Total trade and other payables – non-current	**5,954**	**5,449**
Total trade and other payables	**81,293**	**65,089**

Notes to the financial statements (continued)

For the year ended 31 December 2024

24 Borrowings

	Note	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current			
Unsecured notes	(a)(i)	-	40,000
Unsecured notes – limited recourse	(a)(ii)	-	30,030
Securitised borrowings	(c)	1,393	-
Mortgage trust notes	(d)	1,331,407	280,681
Total borrowings – current		**1,332,800**	**350,711**
Non-current			
Unsecured notes	(a)(i)	133,569	25,000
Unsecured notes – limited recourse	(a)(ii)	124,285	109,190
Fund preferred units	(b)	1,786,389	1,127,452
Securitised borrowings	(c)	474,007	14,419
Mortgage trust notes	(d)	638,978	526,724
Total borrowings – non-current		**3,157,228**	**1,802,785**
Total borrowings		**4,490,028**	**2,153,496**

Information about the Group's exposure to interest rate and liquidity risk is included in note 26.

(a) Unsecured notes programme

(i) Unsecured notes

	MA VI	MAFG Finance Note 1	MAFG Finance Note 2
Classification	Non-current	Non-current	Non-current
Issue	2022	2024	2024
Maturity date	Sep 2027	Apr 2028	Mar 2029
Face value ($m)	25.0	70.0	40.0
Carrying value ($m)	25.0	69.1	39.5
Interest rate per annum	5.75%	3m BBSW + 4.85%	8.00%
Interest payment frequency	Semi-annual	Quarterly	Semi-annual

MA IV and MA VI unsecured notes programme

Except for the obligation to pay periodic interest and repay the principal, the terms of the MA VI notes do not include any material undertakings or obligations which, if not complied with, would result in an acceleration of the amount owing.

The MA IV note, which had a four-year stated maturity, was fully redeemed on 30 September 2024.

MAFG Finance Notes unsecured notes programme

During the year, the Group raised $110.0 million (31 December 2023: nil) through the issuance of the MAFG Finance Notes . The proceeds were used for general corporate purposes including the full repayment of the MACI note that matured in May 2024 and the MA IV note that matured in September 2024.

The MAFG Finance Notes contain a covenant that requires total debt to total tangible assets (excluding right-of-use assets) of the Group to be less than 55% (based on operating balance sheet). This covenant is tested on 30 June and 31 December each year. The note may become repayable if the covenant is not met. The Group was compliant with this covenant at 31 December 2024.

Notes to the financial statements (continued)

For the year ended 31 December 2024

24 Borrowings (continued)

(a) Unsecured notes programme (continued)

(ii) Unsecured notes – limited recourse

	MACPI	MALI 2	MALI 3	MALI 4
Classification	Non-current	Non-current	Non-current	Non-current
Issue	2021	2023	2024	2024
Maturity Date	Dec 2027	Jul 2026	Mar 2027	Nov 2026
Face value ($m)	70.0	30.0	10.0	15.0
Carrying value ($m)	70.0	29.5	9.8	15.0
Interest rate per annum	RBA + 4.00%	8.10%	8.35%	12.50%
Interest payment frequency	Semi-annual	Quarterly	Quarterly	Quarterly

MACI and MACPI limited recourse notes programme

The MACPI limited recourse notes have been designed and issued principally for investors under the Significant Investor Visa (SIV) programme. The notes constitute unsecured, unsubordinated obligations of issuing special purpose Group entities (issuing entities). The issuing entities invest the proceeds of the note issuances in a diversified portfolio of financial assets. The notes have sole recourse to the assets of the relevant issuing entities and are not guaranteed by the Company.

The MACI note was fully redeemed on 16 May 2024. It had a five-year stated maturity, however could be redeemed at the option of the note holders subject to a minimum 12-month holding period following issue.

MALI limited recourse notes programme

The MALI limited recourse notes have been designed and issued principally for investors under the limited recourse, secured medium term note programme. The proceeds are used to invest in certain credit trusts managed by the Group and/or other credit portfolios where the Group co-invests as a principal. The note is limited in recourse only to the assets of the issuer. If proceeds from the underlying credit investments are insufficient to repay or redeem the notes, then there will be no further recourse to the broader assets of the Group.

During the year, $25.0 million was raised via the issuance of the MALI 3 and MALI 4 notes (year ended 31 December 2023: $40.0 million). The MALI 1 note was fully redeemed on 17 September 2024. It had a five-year stated maturity, however could be redeemed at the option of the note holder.

Notes to the financial statements (continued)

For the year ended 31 December 2024

24 Borrowings (continued)

(b) Fund preferred units

MA Priority Income Fund (PIF), MA Wholesale Priority Income Fund (WPIF) and MA USD Priority Income Fund (USD PIF)

The Group manages the PIF, WPIF (PIFs) and USD PIF. The funds provide investors with exposure to a diversified portfolio of credit investments via an investment in Class A Units (Fund Preferred Units) in MA Master Credit Trust, MA USD Master Credit Trust and MA Diversified Credit Trust (MCTs). As a co-investment, the Group holds Class B Units in the respective MCTs. The MCTs are consolidated entities of the Group.

Fund Preferred Units receive a preferential distribution from the realised profits of the MCTs. The Class B Units held by the Group and a fund managed by the Group, receive any excess distributable profits after paying the preferential distribution on the Fund Preferred Units and any MCT expenses. The Class B Units held by the Group and the fund also provides Fund Preferred Unit holders with a "first loss" capital buffer which affords the Fund Preferred Units preferential treatment on distribution and wind-up of the MCTs. The Group's maximum economic exposure is limited to the value of the Class B Unit held by the Group. The Class B Units held by a fund managed by the Group are disclosed as Fund unit liabilities held at FVTPL, disclosed in other financial liabilities in note 17.

Redemptions of the Fund Preferred Units are at the discretion of the MCTs trustee and require the consent of the Group. Therefore the units are treated as non-current liabilities as the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

	PIFs	USD PIF
Fund Preferred Units		
Classification	Non-current	Non-current
31 December 2024 ($m)	1,753.0	33.4
31 December 2023 ($m)	1,107.4	20.1
Fund Preferred Units preferential distribution	RBA cash rate + 4.00%	SOFR[1] + 3.50%
Class B Units "first loss" co-investment:	10%	10% reducing to 5%
31 December 2024		
Held by the Group ($m)	158.1	3.3
Held by external unit holders ($m)	17.5	-
Total	**175.6**	**3.3**
31 December 2023		
Held by the Group ($m)	110.7	2.0
Total	**110.7**	**2.0**

1. Secured Overnight Financing Rate

Notes to the financial statements (continued)

For the year ended 31 December 2024

24 Borrowings (continued)

(c) Securitised borrowings

$'m	Currency	Interest rate per annum	Maturity date	Face value	Carrying amount
31 December 2024					
Securitised notes	AUD	1m BBSW + 1.40%	Jul 2032	415.7	415.7
Secured bank loan 1	USD	1m SOFR + 3.75%	Mar 2025	1.4	1.4
Secured bank loan 2	AUD	3m BBSY +2.80%	Jun 2029	43.4	42.5
Secured bank loan 3	USD	1m SOFR + 3.15%	Oct 2026	16.4	15.8
Total				476.9	475.4
31 December 2023					
Secured bank loan 1	USD	1m SOFR + 3.75%	Mar 2025	14.4	14.4
Total				14.4	14.4

Securitised borrowings are held within the consolidated credit trusts and are secured against the assets of the trusts.

Securitised notes

The securitised notes represent the amounts payable to note holders of instruments issued by the Group.

Secured bank loans

The Group has a line of credit and two debt facilities with international banks.

Secured bank loan 2 has an undrawn amount of $6.6 million and contains the following covenant that requires compliance at 31 December, otherwise any drawn amounts are repayable within 12 months from reporting date. The Group was compliant with this covenant at 31 December 2024.

- Net Advances over net asset value is less than 50%

Secured bank loan 3 has an undrawn amount of $7.7 million and contains the following covenants that require compliance at each fiscal quarter, otherwise any drawn amounts are repayable within 12 months from reporting date. The Group was compliant with these covenants at 31 December 2024.

- The Asset Coverage ratio must stay above 350%
- The number of eligible investments must be eight or above
- Liquidity Ratio of at least 80%

(d) Mortgage trust notes

The Group's mortgage lending activity is funded through a combination of warehouse facilities provided by Australian and international banks, and public term securitisation transactions. The mortgage trust notes are within consolidated credit trusts and the notes issued do not contain financial covenants whereby non-compliance triggers drawn amounts to be repayable within 12 months from reporting date.

Warehouse facilities are limited recourse funding vehicles established by the Group and funded by key banking partners to originate new mortgages to customers. As at 31 December 2024, the unutilised senior capacity across all facilities is $247.0 million (31 December 2023: $997.8 million). The maturity date for these facilities is less than 12 months from reporting date. The terms of the facilities do not necessarily match the terms of the loan assets. Warehouse facilities are often established with a view to selling the assets to another funding vehicle and are renewable agreements with a rolling 12 to 24 month term.

(e) Working capital facility

The Group has an undrawn debt facility of $80.0 million with a major domestic bank. The maturity date of the facility is 15 December 2025.

Accounting policy

All borrowings are financial liabilities and are initially recognised at fair value and subsequently measured at amortised cost.

Costs associated with the issuance of notes have been capitalised against the relevant liability and are recognised in the Statement of profit or loss and comprehensive income over the life of the notes.

Notes to the financial statements (continued)

For the year ended 31 December 2024

25 Provisions

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Current		
Bonuses	30,008	28,941
Provision for annual leave	7,169	6,658
Provision for long service leave	3,737	3,196
Total provisions – current	**40,914**	**38,795**
Non-current		
Provision for long service leave	1,885	1,645
Provision for long term incentives	280	-
Total provisions – non-current	**2,165**	**1,645**
Total provisions	**43,079**	**40,440**

Accounting policy

Employee benefit liabilities represents accrued bonus, annual and long service leave entitlements and long term incentives recognised in respect of employee services up to the end of the reporting date.

Liabilities recognised in respect of short term employee benefits are measured at the amounts expected to be paid when the liabilities are settled by the Group in respect of services provided by employees up to the reporting date.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Key estimates and assumptions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management

26.1 Risk management framework

The Group's activities expose it to a variety of financial and non-financial risks. Financial risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Group's overall risk management framework operates to identify and assess all the risks to which the Group is exposed, including financial risks, with the aim of identifying options for risk treatment, maintaining the Group's exposure within the parameters set out in its Risk Appetite Statement, and to provide management information.

This framework is summarised in the Group's Corporate Governance Statement, available on its website, and in the Sustainability report. These documents outline the roles of the Board, the Audit and Risk Committee (ARC), the Group's Risk Appetite Statement and the Risk Management Statement which describes the approach to risk management.

The Board has overall responsibility for the oversight of the Group's risk management framework. It has established the ARC to assist it by monitoring the effectiveness of the framework and reporting to the Board on its activities. These risk governance arrangements are supported by documented risk management policies and procedures and by a supportive risk culture.

26.2 Capital management

The capital structure of the Group consists of net cash (cash and bank balances offset by unsecured notes and any drawn portion of the working capital facility) and equity (comprising contributed equity, retained earnings and reserves).

The Group manages its capital with the aim of ensuring that the Group will be able to continue as a going concern and support growth opportunities while maximising the return to shareholders, through the optimisation of the debt and equity mix. The Group's overall capital management strategy remains unchanged from 2023.

The Group's subsidiaries have satisfied all externally imposed capital requirements throughout the financial year, as per the requirements set out below:

- MA Moelis Australia Securities Pty Ltd, is an ASX market participant and therefore has an externally imposed capital requirement.
- Certain other subsidiaries of the Company hold an Australian Financial Services Licence (AFSL) and therefore have externally imposed separate capital requirements.
- MA Money has a contractual obligation to hold a minimum amount of capital at all times.

The Group's working capital facility was undrawn at 31 December 2024. In accordance with the terms of the working capital facility, the Group is required to comply with certain covenants. During the year ended to 31 December 2024, the Group was compliant with these covenants. Refer to note 24 for further details on the Group's borrowings, maturity dates and covenant requirements.

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.3 Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of:

- Currency risk: due to fluctuations in foreign currency exchange rates;
- Interest rate risk: due to fluctuations in market interest rates; and
- Price risk: due to fluctuations in fair value of equities and other instruments.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by management. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

26.3.1 Currency risk

The Group's investment of capital in foreign operations, for example, subsidiaries or associates with functional currencies other than the Australian dollar, exposes the Group to the risk of changes in foreign exchange rates. Variations in the value of these foreign operations arising as a result of exchange differences are reflected in the foreign currency translation reserve in equity.

The Group manages its exposure to income denominated in foreign currency when foreign currency income is recognised or received in cash. Foreign currency debtors and foreign currency bank balances are periodically reviewed relative to the Group's balance sheet and liquidity requirements. Revenue received in foreign currency may be retained in those currencies, in order to meet future foreign currency denominated expenses, and exposes the Group to unrealised foreign currency gains or losses.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Group designates the spot element of forward exchange contracts to hedge its currency risk. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of respective cash flows.

The following table details the Group's significant net exposures to foreign currency as at the reporting date in Australian dollar equivalent amounts.

	USD $'000
31 December 2024	
Assets	167,173
Liabilities	(131,200)
Forward exchange contracts	(2,261)
Net exposure in Australian dollars	**33,712**
31 December 2023	
Assets	108,494
Liabilities	(46,452)
Net exposure in Australian dollars	**62,042**

Foreign currency sensitivity analysis

The Group's exposure to foreign exchange risk is measured using sensitivity analysis. The table below presets the sensitivity of the Group's net exposure to the currencies, with the most impact to the Group, against the Australian dollar at the year end. A sensitivity of 10% continues to be applied as it remains reasonable given the current level of exchange rates and volatility. The impact to profit or loss and equity is at a post-tax rate of 30%. The risks faced and methods used in the sensitivity analysis are the same as those applied in the comparative period.

	Sensitivity	31 Dec 2024 Profit/(loss) $'000 +/-	31 Dec 2024 Change in equity $'000 +/-	31 Dec 2023 Profit/(loss) $'000 +/-	31 Dec 2023 Change in equity $'000 +/-
Currency					
United States Dollar	+/-10%	2,360/(2,360)	2,360/(2,360)	6,204/(6,204)	6,204/(6,204)

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.3 Market risk (continued)

26.3.2 Interest rate risk

Interest rate risk is the risk to the Group's earnings and equity arising from movements in market interest rates. Interest rate exposure is driven by interest rate mismatches between assets and liabilities. Positions are monitored to ensure risk levels are maintained within established limits.

The Group uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group assess whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item.

For the Group's residential mortgages, the mortgages and mortgage trust notes are both structured with variable interest rates which minimises cash flow volatility and interest rate mismatches.

The table below summarises the profile of the Group's interest-bearing financial instruments at reporting date.

	Carrying amount	
	31 Dec 2024 $'000	31 Dec 2023 $'000
Fixed rate instruments		
Loans receivable	156,684	157,830
Unsecured notes	(118,790)	(94,200)
Effects of interest rate swaps	(2,131)	-
Total	**35,763**	**63,630**
Variable rate instruments		
Loans receivable	4,379,258	1,930,936
Unsecured notes	(139,064)	(110,020)
Securitised borrowings	(475,400)	(14,419)
Fund preferred units	(1,786,389)	(1,127,452)
Mortgage trust notes	(1,970,385)	(807,405)
Total	**8,020**	**(128,360)**

Interest rate sensitivity analysis

The Group's sensitivity to movements in interest rates in relation to the value of interest-bearing financial instruments is shown in the table below. The impact on profit and equity is at a post-tax rate of 30%. The risks faced and methods used in the sensitivity analysis are the same as those applied in the comparative period.

	Change in interest rates	31 Dec 2024 Profit/(loss) $'000 +/-	31 Dec 2024 Change in equity $'000 +/-	31 Dec 2023 Profit/(loss) $'000 +/-	31 Dec 2023 Change in equity $'000 +/-
Loans receivable	+/-1%	30,655/(30,655)	30,655/(30,655)	20,797/(20,797)	20,797/(20,797)
Borrowings	-/+1%	30,599/(30,599)	30,599/(30,599)	21,535/(21,535)	21,535/(21,535)

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.3 Market risk (continued)

26.3.3 Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk). The Group is exposed to equity price risk on its holdings in equity investments.

The potential impact of movements in the market value of listed and unlisted equities is shown in the below sensitivity analysis. The impact on profit and equity is at a post-tax rate of 30%. The risks faced and methods used in the sensitivity analysis are the same as those applied in the comparative period.

Equities	Change in market prices	31 Dec 2024 Profit/(loss) $'000 +/-	31 Dec 2024 Change in equity $'000 +/-	31 Dec 2023 Profit/(loss) $'000 +/-	31 Dec 2023 Change in equity $'000 +/-
Listed equities	+/-5%	26/(26)	26/(26)	55/(55)	55/(55)
Unlisted equities	+/-5%	845/(845)	845/(845)	1,342/(1,342)	1,342/(1,342)

26.4 Credit risk

Credit risk refers to the risk that a counterparty to a financial instrument will fail to meet its contractual obligations when they fall due.

The Group mitigates its treasury-related counterparty credit risk by ensuring its cash and liquid assets are held with financial institutions of requisite credit quality.

The Group's primary credit risk exposures relate to its credit investment and lending activities. Where credit investments are originated or financed through an investment fund vehicle, the Group will only have direct exposure to credit risk to the extent it has participated in funding, underwriting the loan, or co-investing in the fund. The Group co-invests in some of its credit investment fund vehicles in various ways, including as a fund unitholder and, in some cases, as a subordinated unitholder. The Group may face indirect consequences from borrower default or other impacts of credit risk including lower fund investment returns, client dissatisfaction and the time and expense required to intensively manage the position. Note 15 details the Group's approach to recognising and measuring ECL on credit investments.

The Group engages in a range of credit investment activities, managed by its Global Credit Solutions and Real Estate Credit teams, which can include making secured loans to corporate borrowers, real estate development funding, specialty credit and asset-backed lending opportunities. The Group also undertakes direct lending through its lending platforms, including MA Money (for residential home loans) and its specialty finance business (for certain types of specialty credit where the Group is an originator of assets outside the credit investment activities it undertakes for its managed funds). In general terms, the Group controls its credit risk exposure by assessing the creditworthiness of counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with counterparties with an acceptable level of credit risk through use of a rigorous credit risk evaluation process, which may be augmented by a shadow rating process which can then be monitored over the life of the loan facility.

Maximum exposure to credit risk

The carrying amount of the Group's financial assets and contract assets reported on the Statement of financial position represents the maximum exposure to credit risk.

Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group does not require collateral in respect of trade and other receivables. At each reporting period, the Group reviews the recoverable amount of each receivable on an individual basis to ensure that adequate loss allowance is made for irrecoverable amounts.

Contract assets

The Group's contract assets relate mainly to high credit quality financial institutions. The Group bears the risk of non-payment of future trail commissions by lenders should they not maintain solvency. However, should a lender not meet its obligations as a debtor then the Group is under no obligation to pay out any future trail commissions to brokers.

Commercial loans

Where a loan is funded primarily by the Group's financial resources, it is subject to approval by the Group's Credit Investment Committee. In other cases, above de minimis levels, it requires the approval of the relevant fund or divisional Credit Investment Committee. The exact nature of the credit analysis undertaken differs depending on the nature of the lending activity and the size of the loan. In general, credit risk analysis is focused on ensuring that risks have been fully identified and

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.4 Credit risk (continued)

that the downside risk is properly understood and acceptable and can include an assessment of:

- the fundamental characteristics of the borrower, including its asset, business or commercial dynamics;
- the borrower's industry and relevant industry dynamics;
- the owner or sponsor of the borrower;
- the borrower's financial characteristics, along with commercial and qualitative performance dynamics;
- the borrower's own credit and financial risk management practices;
- ratings or internal shadow rating calculations using public information and financial information of the borrower;
- historical loan performance, nature of risk and yield;
- borrower's credit policy to ascertain their underwriting practices;
- alignment to the Group's risk appetite; and
- securitisation of assets and undertakings.

To mitigate exposure to loan defaults, security and collateral are often negotiated and documented in executed loan agreements. Ongoing monitoring of borrowers' financial performance (including arrears balances, ageing of arrears and losses incurred) are performed and any exceptions reported to senior management who use the information to review individual loan exposures, make decisions on reducing commitments, and where required refinancing options to refinance out of certain exposures no longer aligned to risk appetite.

The Group completes an assessment of whether there is a significant increase in credit risk when an amount becomes more than 90 days past due on a case by case basis due to the fact that:

- the majority of the counterparties for commercial loans made are through the Group's managed funds, and therefore the credit risk is lower compared to external counterparties; and
- historically there have been no defaults from loans described above despite being over 90 days with amounts being repaid in full within a reasonable period.

Residential mortgages

The Group manages its credit risk from residential mortgages by lending responsibly and obtaining security over residential property for each loan. In monitoring the credit risk, loans are grouped according to their credit characteristics using credit risk classifications. This includes the use of the Loan to Value Ratio (LVR) and days in arrears to assess the Group's exposure to credit risk.

The Group has a credit risk framework and credit risk policy for its residential lending that aligns to the responsible lending regulations. It includes stringent underwriting criteria and a thorough analysis of a borrower's credit worthiness. The Group's Credit Risk Council is responsible for the active management, implementation, and oversight of its credit risk framework.

Under the Group's monitoring procedures, a significant increase in credit risk is identified pre-emptively, before a default occurs. This process includes identifying exposures that become 30 days past due as a key indicator of increased risk. The Group's loan portfolio management strategies support the individual circumstances of customers in line with its hardship policies.

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.4 Credit risk (continued)

Ageing of amortised cost financial asset

The table below gives information regarding the carrying value of the Group's financial assets measured at amortised cost. The analysis splits these assets by those that are not past due and those that are past due.

		Past due				
Amortised cost financial assets	Not past due $'000	1 – 30 days $'000	31 – 60 days $'000	61 – 90 days $'000	90+ days $'000	Total $'000
31 December 2024						
Receivables[1]	64,121	356	-	-	21,205	85,682
Loans receivable	4,397,218	78,925	31,839	8,091	19,869	4,535,942
Total	**4,461,339**	**79,281**	**31,839**	**8,091**	**41,074**	**4,621,624**
31 December 2023						
Receivables	50,737	1,869	85	-	24,675	77,366
Loans receivable	2,022,467	34,150	18,246	8,294	5,609	2,088,766
Total	**2,073,204**	**36,019**	**18,331**	**8,294**	**30,284**	**2,166,132**

1. Receivables that are past due 90 days relate to performance fees that are subject to an annual fee cap. The amount represents the carried forward excess to be collected in future periods.

The table below summarises the loans receivable and the loss allowance by stage.

		Lifetime ECL		
	Stage I $'000	Stage II $'000	Stage III $'000	Total $'000
31 December 2024				
Loans receivable	4,486,887	40,187	20,748	4,547,822
Loss allowance	(10,744)	(257)	(879)	(11,880)
Total	**4,476,143**	**39,930**	**19,869**	**4,535,942**
31 December 2023				
Loans receivable	2,062,267	26,674	5,835	2,094,776
Loss allowance	(5,649)	(135)	(226)	(6,010)
Total	**2,056,618**	**26,539**	**5,609**	**2,088,766**

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.4 Credit risk (continued)

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	31 December 2024				31 December 2023			
	Less than one year $'000	One to three years $'000	More than three years $'000	Total $'000	Less than one year $'000	One to three years $'000	More than three years $'000	Total $'000
Foreign currency risk								
Forward exchange contracts								
Net exposure in Australian dollars	37,039	-	-	37,039	-	-	-	-
Average USD:AUD forward contract rate	0.64	-	-	0.64	-	-	-	
Interest rate risk								
Interest rate swaps								
Net exposure in Australian dollars	96,883	185,570	128,487	410,940	-	-	-	-
Average fixed interest rate	4.0%	4.0%	4.0%	4.0%	-	-	-	

Notes to the financial statements (continued)

For the year ended 31 December 2024

26 Financial risk management (continued)

26.5 Liquidity risk

Liquidity risk is the risk that financial obligations of the Group cannot be met as and when they fall due without incurring significant costs. The Group manages liquidity risk by monitoring forecast cash requirements, both short and longer term, against its current liquid assets.

The Group aims to ensure that it has sufficient liquidity to meet its obligations on a short, medium and long term basis. In setting the level of sufficient liquidity, the Group considers contractual obligations, minimum cash requirements, AFSL requirements, cash flow forecasts, associated reporting requirements, other liquidity risks and contingency plans.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Mortgage trust notes and securitised borrowings are excluded in the table as under such arrangements, recourse is limited to the assets of the relevant trusts to which the liability relates. For mortgage trust notes, the repayment profile of the notes is matched to the repayments collected from the loan assets.

Maturity profile of undiscounted financial liabilities	Less than 1 month $'000	1–3 months $'000	3–12 months $'000	1–5 years $'000	5+ years $'000	Total $'000
31 December 2024						
Trade and other payables	63,129	12,086	124	5,954	-	81,293
Other financial liabilities	-	-	40,404	93,725	-	134,129
Unsecured notes	-	-	-	257,854	-	257,854
Fund preferred units	-	-	-	1,786,389	-	1,786,389
Lease liabilities	985	1,970	8,864	60,021	12,360	84,200
Total financial liabilities	**64,114**	**14,056**	**49,392**	**2,203,943**	**12,360**	**2,343,865**
31 December 2023						
Trade and other payables	50,308	9,297	36	5,448	-	65,089
Other financial liabilities	-	-	140,020	-	-	140,020
Unsecured notes	-	-	70,030	134,190	-	204,220
Fund preferred units	-	-	-	1,127,452	-	1,127,452
Lease liabilities	844	1,742	7,758	57,179	23,236	90,759
Total financial liabilities	**51,152**	**11,039**	**217,844**	**1,324,269**	**23,236**	**1,627,540**

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the financial statements (continued)

For the year ended 31 December 2024

27 Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Where one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observant inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Financial instruments measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level that is significant to the fair value measurement. Items measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy as outlined below.

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date (i.e. listed securities).

Level 2 Valuation inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Valuation inputs that are not based on observable market data (unobservable inputs).

Valuation techniques

Financial assets and liabilities are accounted for in accordance with AASB 9 and comprises of the following categories.

	Basis of measurement	Note	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Financial assets				
Cash and cash equivalents	Amortised cost	12	177,734	180,319
Restricted cash	Amortised cost		700	700
Receivables	Amortised cost	13	85,682	77,366
Loans receivable	Amortised cost/FVTPL	14	4,535,942	2,088,766
Other financial assets	FVTOCI/FVTPL	17	78,446	160,920
Contract assets	Amortised cost	16	811,466	705,285
Total financial assets			**5,689,970**	**3,213,356**
Financial liabilities				
Trade and other payables	Amortised cost	23	81,293	65,089
Other financial liabilities	FVTOCI/FVTPL	17	134,129	140,020
Derivative liabilities	FVTPL	18	4,392	-
Unsecured notes	Amortised cost	24	257,854	204,220
Mortgage trust notes	Amortised cost	24	1,970,385	807,405
Securitised borrowings	Amortised cost	24	475,400	14,419
Fund preferred units	Amortised cost	24	1,786,389	1,127,452
Contract liabilities	Amortised cost	16	760,222	661,158
Total financial liabilities			**5,470,064**	**3,019,763**

Notes to the financial statements (continued)

For the year ended 31 December 2024

27 Fair value of financial assets and financial liabilities (continued)

The majority of the Group's equity securities, over-the-counter derivative financial instruments and consolidated managed investments are classified as Level 2. This recognises the availability of a quoted price but not from an active market. The carrying amount of the Group's financial assets and financial liabilities measured at amortised cost is assumed to approximate its fair value at the current and prior reporting date.

Level 3 assets consist of loans receivable classified at FVTPL and unlisted investments where a best estimate valuation approach is used. Loan valuations are sensitive to changes in credit spreads and discount rates in determining their fair value. Changes in either of these inputs would have an impact on the net profit of the Group. The valuation of unlisted investments is sensitive to variations in unobservable inputs such as cash flow projections and discount rates. An increase or a decrease to the inputs into the valuations would result in an increase or a decrease the net profit of the Group.

The Group reviewed its valuation techniques and key inputs for its level 2 and level 3 assets on the estimated fair values. The review considered the most recent independent valuations, quoted unit prices of recent equity transactions, expected duration the assets are likely to be held for and the macroeconomic outlook for the industries each asset operates in. As a result of the review, no significant change in the fair values of the assets was identified and the Group considers the fair values adopted to be appropriate.

Valuation processes

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation function that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the Chief Financial Officer. The valuation function regularly reviews significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to the Group's Audit and Risk Committee.

	Mandatorily at FVTPL $'000	Fair value – hedging instruments	FVTOCI- equity instruments $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2024								
Loans receivable	4,562	-	-	4,562	-	-	4,562	4,562
Non-equity securities	3,142	-	-	3,142	-	-	3,142	3,142
Equity securities	442	-	21,306	21,748	741	21,007	-	21,748
Consolidated managed fund investments	-	-	53,556	53,556	-	53,556	-	53,556
Total assets measured at fair value	**8,146**	**-**	**74,862**	**83,008**	**741**	**74,563**	**7,704**	**83,008**
Consolidated managed fund investments	-	-	40,404	40,404	-	40,404	-	40,404
Derivative liabilities	-	4,392	-	4,392	-	4,392	-	4,392
Fund unit liabilities held at FVTPL	93,725	-	-	93,725	-	93,725	-	93,725
Total liabilities measured at fair value	**93,725**	**4,392**	**40,404**	**138,521**	**-**	**138,521**	**-**	**138,521**
31 December 2023								
Loans receivable	5,948	-	-	5,948	-	-	5,948	5,948
Non-equity securities	7,588	-	-	7,588	-	-	7,588	7,588
Equity securities	619	-	19,717	20,336	1,087	19,249	-	20,336
Consolidated managed fund investments	-	-	132,996	132,996	-	132,996	-	132,996
Total assets measured at fair value	**14,155**	**-**	**152,713**	**166,868**	**1,087**	**152,245**	**13,536**	**166,868**
Consolidated managed fund investments	-	-	103,247	103,247	-	103,247	-	103,247
Fund unit liabilities held at FVTPL	36,773	-	-	36,773	-	36,773	-	36,773
Total liabilities measured at fair value	**36,773**	**-**	**103,247**	**140,020**	**-**	**140,020**	**-**	**140,020**

Notes to the financial statements (continued)

For the year ended 31 December 2024

27 Fair value of financial assets and financial liabilities (continued)

Reconciliation of balances in level 3 of the fair value hierarchy

During the year there were no transfers between level 1, level 2 and level 3 fair value hierarchies. The following table summarises the movements in level 3 of the fair value hierarchy for the financial instruments measured at fair value by the Group.

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Balance at the beginning of the year	**13,536**	**21,152**
Purchase, issuances and other additions	-	929
Sales, settlements and repayments	(5,823)	(8,756)
Fair value movements recognised in profit or loss	(9)	211
Closing balance at the end of the year	**7,704**	**13,536**

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not significantly change amounts recognised in profit or loss, total assets, total liabilities or total equity. There are no equity investments classified at Level 3 (2023: nil) and no gains and losses are reported in other comprehensive income.

28 Contributed equity

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Ordinary share capital	384,104	370,980
Treasury shares	(97,955)	(92,243)
Total contributed equity	**286,149**	**278,737**

	Contributed equity			
	31 Dec 2024 Number of shares	31 Dec 2023 Number of shares	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Ordinary share capital				
Balance at the beginning of the year	178,331,811	175,073,933	370,980	354,057
Ordinary shares issued	3,011,143	3,493,878	14,646	15,346
Share buy-back and cancellation	-	(236,000)	-	(1,027)
Equity transaction costs	-	-	(29)	(26)
Net settlements related to staff equity awards	-	-	2,526	205
Transfer from treasury shares on vesting of awards	-	-	(13,594)	(7,995)
Transfer from share-based payment reserve on vesting of awards	-	-	9,575	10,420
Balance at the end of the year	**181,342,954**	**178,331,811**	**384,104**	**370,980**
Treasury shares				
Balance at the beginning of the year	**(18,437,383)**	**(15,346,005)**	**(92,243)**	**(78,970)**
Ordinary shares issued for staff equity awards	(2,992,309)	(3,420,530)	(14,583)	(15,167)
On market purchases of shares	(933,755)	(1,347,789)	(4,723)	(6,101)
Shares allocated upon exercise of options	-	-	-	-
Shares allocated under employee share plans	1,877,915	1,676,941	13,594	7,995
Balance at the end of the year	**(20,485,532)**	**(18,437,383)**	**(97,955)**	**(92,243)**
Contributed equity at the end of the year	**160,857,422**	**159,894,428**	**286,149**	**278,737**

Notes to the financial statements (continued)

For the year ended 31 December 2024

28 Contributed equity (continued)

The Company had authorised share capital amounting to 181,342,954 ordinary shares at 31 December 2024 (2023: 178,331,811). Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

On 20 October 2022, the Group announced an on-market share buy-back of up to $25.0 million. The program started on 4 November 2022 and ended on 3 November 2023.

Shares purchased on-market for the purpose of an employee incentive scheme

During the year, the Company purchased 933,755 shares on-market (2023: 1,347,789 shares) in order to meet the Group's shared based payment awards. The average price of all share purchases during the year was $5.06 (2023: $4.53).

Shares issued under a Long-term Incentive Plan

During the year, the Company issued 2,992,309 (2023: 3,420,530) fully paid ordinary shares in order for eligible employees of the Group to acquire loan funded shares in the Company as part of the Long Term Incentive (LTI) plan. The average issue price of the shares was $4.87 (2023: $4.43). The purchase price of the shares acquired by eligible employees under the LTI was fully funded by a limited recourse loan provided by the Company. The shares are subject to vesting conditions, including performance conditions and continuous employment, and carry the same rights as other fully paid ordinary shares. Refer to notes 32.4 for further details.

Accounting policy

Ordinary shares are classified as equity. Issued capital in respect of ordinary shares is recognised as the fair value of the consideration received by the parent entity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Treasury shares are ordinary shares in the Company held in respect of equity incentive plan awards to employees.

Notes to the financial statements (continued)

For the year ended 31 December 2024

29 Earnings per share

	31 Dec 2024 Consolidated cents	31 Dec 2023 Consolidated cents
Basic earnings per share	26.0	17.8
Diluted earnings per share	25.0	17.3

The earnings used in the calculation of basic and diluted earnings per share is the Group's profit after tax attributable to equity holders of the Company.

	31 Dec 2024	31 Dec 2023
Weighted average number of ordinary shares (net of treasury shares) used in calculating basic earnings per share	161,035,140	160,179,835
Adjusted for potential equity shares[1]		
Share options	2,577,611	1,215,528
Share rights	760,226	430,365
Restricted shares	2,943,945	3,170,003
Salary sacrifice shares	23,947	28,091
Total potential equity shares	**6,305,729**	**4,843,987**
Total weighted average number of ordinary shares (net of treasury shares) and potential equity shares used in calculating diluted earnings per share	167,340,869	165,023,821

1. Refer to note 32 for detail of the terms and conditions of plans impacting diluted earnings per share.

Accounting policy

Basic earnings per share is calculated by dividing the Group's profit after income tax for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the Group's profit after income tax for the year attributable to equity holders of the Company, adjusted by profit attributable to all the dilutive potential ordinary shares by the weighted average number of ordinary shares and potential ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares into ordinary shares.

30 Dividends

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Details of the Group's fully franked dividend payments:		
2022 final dividend (14 cents per share paid on 22 March 2023)	-	24,256
2023 interim dividend (6 cents per share paid on 20 September 2023)	-	10,649
2023 final dividend (14 cents per share paid on 20 March 2024)	24,689	-
2024 interim dividend (6 cents per share paid on 18 September 2024)	10,864	-
Dividends paid	**35,553**	**34,905**
Franking credits		
Franking credits available for the subsequent financial year[1]	48,857	58,826

1. Calculated at a corporate tax rate of 30% (2023: 30%)

Dividends not recognised at the end of the financial year

Since the end of the financial year, the Directors have resolved to pay a fully franked dividend of 14 cents per share, payable on 20 March 2025. The aggregate amount of the proposed dividend expected to be paid from retained profits, but not recognised as a liability at the end of the year is $25.4 million. This amount has been estimated based on the number of shares eligible to participate as at 31 December 2024.

Notes to the financial statements (continued)

For the year ended 31 December 2024

31 Reserves

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Reserves		
Share-based payment reserve (refer to note 32)	43,017	39,181
Associates OCI reserve	17,749	15,124
FVTOCI reserve	(10,460)	(6,881)
Foreign currency translation reserve (FCTR)	2,861	(2,726)
Cash flow hedge reserve	(2,131)	-
Total reserves	**51,036**	**44,698**
Associates OCI reserve		
Balance at the beginning of the year	**15,124**	21,424
Share of other comprehensive income/(loss) of associates	3,373	(8,856)
Income tax relating to the revaluation of associates	(748)	2,556
Balance at the end of the year	**17,749**	**15,124**
FVTOCI reserve		
Balance at the beginning of the year	**(6,881)**	**(6,598)**
Net (loss)/gain arising on revaluation of financial assets	(6,247)	510
Income tax relating to gain/(loss) arising on revaluation of financial assets	2,668	(793)
Balance at the end of the year	**(10,460)**	**(6,881)**
Foreign currency translation reserve		
Balance at the beginning of the year	**(2,726)**	**211**
Foreign exchange movement on translation of foreign operations	5,587	(2,937)
Balance at the end of the year	**2,861**	**(2,726)**
Cash flow hedge reserve		
Balance at the beginning of the year	-	-
Effective portion of changes in fair value	(2,131)	-
Reclassified to profit or loss	-	-
Balance at the end of the year	**(2,131)**	**-**

Accounting policy

Share-based payments reserve

Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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 equity instruments 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 share-based payment reserve.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the entity obtains the goods or the counterparty renders the service.

Notes to the financial statements (continued)

For the year ended 31 December 2024

31 Reserves (continued)

Accounting policy (continued)

Foreign currency translation reserve

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into Australian dollars at the rate of exchange at the Statement of financial position date. Exchange differences arising on the retranslation are taken directly to the foreign currency translation reserve in equity.

On disposal of a foreign operation, in part or in full, the cumulative amount in the foreign currency translation reserve is recognised in the Statement of profit or loss and other comprehensive income or to non-controlling interest.

Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions pending subsequent recognition in profit or loss.

32 Share-based payments

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Share-based payment reserve		
Balance at the beginning of the year	**39,181**	**38,974**
Amortisation of share options	154	7
Amortisation of share rights	1,284	707
Amortisation of restricted shares	6,931	7,564
Amortisation of loan funded shares	2,326	439
Amortisation of share appreciation rights	2,598	1,757
Unvested salary sacrifice shares	118	155
Vesting of share-based payments	(9,575)	(10,422)
Balance at the end of the year	**43,017**	**39,181**

The component of annual bonus expected to be paid in shares has been accounted for as a share-based payment, with the amounts accruing over the expected vesting period of between 1 to 3 years. The accounting standards require the value of the share-based component to be determined when there is a shared understanding of the terms and conditions of the scheme and so the estimate of the accrual to date could change until this grant date is achieved.

32.1.1 Employee share options

The Group has granted options to certain employees of the Group. For accounting purposes, fair value of the options is amortised as an expense over the vesting period of the options.

	Number of options		Weighted average exercise price $	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	**889,937**	**1,986,413**	**3.82**	**3.53**
Forfeited during the year	-	(10,000)	-	3.35
Exercised during the year	(389,937)	(1,086,476)	3.35	3.29
Balance at the end of the year	**500,000**	**889,937**	**4.19**	**3.82**

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.1.1 Employee share options (continued)

2017 share options

Prior to the listing of the Company, a number of employees were provided the opportunity to purchase options (share option), with each share option carrying the right to acquire one share in the Company at a future date.

Each share option is exercisable for a period of one year, commencing on the first exercise date applicable to the relevant tranche (exercise window) as set out in the table below. Each share option expires if it is not exercised within the relevant exercise window. The vesting period of the share options runs from the grant date to the first exercise date as shown in the table below. Unless otherwise determined by the Board, a share option holder must continue to be employed by the Group in order to exercise the share option.

Share options do not carry any dividend entitlement. Shares issued on exercise of share options will rank equally with other shares of the Company on and from issue. There are no inherent participating rights or entitlements inherent in the share option and share option holders will not be entitled to participate in new issues of capital offered to shareholders during the life of the share option. The issue price of the share option was paid by the recipient on receipt of the share option.

The table below provides a summary of the details of the 2007 share options and movements for the year:

Number of options at beginning of year	Acquired by	Grant date share price	Exercise price of option	Issue price	Earliest date of exercise	Expiry date	Options forfeited during the year	Options exercised during the year	Number of options at year end
389,937	Employees	$2.35	$3.35	$0.01	8/4/2023	7/4/2024	-	389,937	-
389,937							-	389,937	-

Fair value of share options granted

The weighted average value of the share option at the time of grant was $0.0375.

The fair value of the share option was calculated using a Black-Scholes model, adjusted for expectations of forfeiture due to employee departures. The assumptions used in calculating the fair value are shown below and are common to all tranches of share options, unless otherwise stated:

- Dividend yield 4.0%.
- Risk-free rate 2.5%.
- Expected volatility of 30%, calculated based on the volatility of comparable listed entities.
- Expected life of option is the maximum term up to last day of the exercise window.
- Forfeiture assumptions for the options granted to employees are that 16%, 20% and 23% of Share options are forfeited for tranches 1, 2 and 3 respectively.

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.1.1 Employee share options (continued)

2020 share options

During 2020, the Group granted share options to non-Australian domiciled Group employees. The terms of the 2020 share options plan are the same as the 2017 share options plan unless otherwise stated below. The table below provides a summary of the details of the 2020 share options and movements for the year:

Number of options at beginning of year	Acquired by	Grant date share price	Exercise price of option	Issue price	Earliest date of exercise	Expiry date	Options forfeited during the year	Options exercised during the year	Number of options at year end
83,334	Employees	$3.09	$4.04	$0.00	13/3/2024	13/3/2025	-	-	83,334
83,334	Employees	$3.09	$4.04	$0.00	13/3/2025	13/3/2026	-	-	83,334
83,332	Employees	$3.09	$4.04	$0.00	13/3/2026	13/3/2027	-	-	83,332
250,000							-	-	**250,000**

The weighted average value of the 2020 share options at the time of grant was $0.85.

The fair value of the share options was calculated using a Monte-Carlo model, adjusted for expectations of forfeiture due to employee departures. The assumptions used in calculating the fair value are shown below and are common to all tranches of share options, unless otherwise stated:

- Performance hurdle of 8% per annum increase in total shareholder return.
- Risk-free rate 0.67%.
- Expected volatility of 42.78%.
- Expected life of option is the maximum term up to last day of the exercise window.
- Forfeiture assumptions for the options granted to employees are that 25% and 30% of share options are forfeited for tranches 2 and 3 respectively.

2021 share options

During 2021, the Group granted share options to non-Australian domiciled Group employees. The terms of the 2021 share options plan are the same as the 2020 share options plan unless otherwise stated below. The table below provides a summary of the details of the 2021 share options and movements for the year:

Number of options at beginning of year	Acquired by	Grant date share price	Exercise price of option	Issue price	Earliest date of exercise	Expiry date	Options forfeited during the year	Options exercised during the year	Number of options at year end
125,000	Employees	$4.40	$4.34	$0.00	10/3/2025	10/3/2026	-	-	125,000
125,000	Employees	$4.40	$4.34	$0.00	10/3/2026	10/3/2027	-	-	125,000
250,000							-	-	**250,000**

The weighted average value of the share options at the time of grant was $1.48.

The fair value of the share options was calculated using a Monte-Carlo model, adjusted for expectations of forfeiture due to employee departures. The assumptions used in calculating the fair value are shown below and are common to all tranches of share options, unless otherwise stated:

- Performance hurdle of 8% per annum increase in total shareholder return.
- Risk-free rate 0.67%.
- Expected volatility of 42.78%, based on historical MAF share price volatility over the expected term of the plan.
- Expected life of option is the maximum term up to last day of the exercise window.
- Forfeiture assumptions for the options granted to employees are that 20%, 25% and 30% of share options are forfeited for tranches 1, 2 and 3 respectively.

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.1.2 Non-employee share options

During the year the Group provided a third party, Warburg Pincus, with the right to be granted share options to acquire up to 5.0 million shares in the Company. The share options would be granted in two tranches, subject to a Real Estate Credit Vehicle (Vehicle) managed by the Group achieving targets being:

Tranche 1: 2.5 million options to be granted upon the Vehicle having received subscription commitments and committing to deploy approximately A$500 million in commitments;

Tranche 2: a further 2.5 million options to be granted upon the Vehicle having received subscription commitments and committing to deploy an additional approximately A$500 million of Vehicle commitments, taking total commitments in the Vehicle to A$1 billion.

If granted the share options exercise price is $6.00 and the exercise period would commence on the date that is two years after first close of the Vehicle and ends on the earlier of when the Vehicle has repaid investors' commitments and the term of the notes. If exercised the share options can be settled through the issue of shares in the Company and/or cash, at the election of the Group. No share options were granted during the year.

32.2 Share rights

Share rights granted as sign-on incentive

The Company has periodically granted share rights to senior employees commencing employment with the Group. The share rights are priced with reference to the trading price of the Company's shares at the time the offer of employment is made. Vesting is subject to continuous employment, with terms varying on a case by case basis. Amortisation of the expense commences on the day the employees start their employment.

Share rights granted as bonus, performance or promotion awards

From 2022, promotion and performance based awards were issued to selected employees in the form of share rights to better align their interests with shareholders. The number of share rights granted was determined by dividing the face value of the performance or promotion based equity opportunity by the 5-day volume-weighted average price (VWAP) around the time of the grant date, rounded to the nearest number. Rights granted are subject to a vesting period of three years and a service condition, unless otherwise determined by the Board. The amortising period has been assessed to commence at the grant date of the right.

The table below sets out the movement in share rights during the year:

	Number of share rights		Grant date fair value $'000	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	**433,479**	**341,964**	**5,787**	**3,684**
Granted during the year	360,251	343,699	1,762	1,536
Forfeited during the year	(30,390)	(86,843)	(175)	(440)
Vested during the year	-	(165,341)	-	1,007
Balance at the end of the year	**763,340**	**433,479**	**7,374**	**5,787**

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.3 Restricted shares

Restricted shares – staff bonus incentive scheme

From 2019, as part of the annual staff bonus incentive scheme, the share-based component of short term incentive remuneration was delivered in the form of restricted shares, issued to employees as part of their annual bonus awards. The restricted shares were priced at the 5-day VWAP of the shares in the Company at the end of the respective financial years. Restricted shares granted in relation to the 2023 bonus award were priced at the 5-day VWAP of the shares in Company around the time of the grant date. The restricted shares vest over a prescribed vesting period of 10 months to 34 months, and are conditional on continuous employment, unless otherwise determined by the Board. The amortisation period has been assessed to commence from the date employees first had an expectation of receiving an equity component to their annual bonus (being 1 January of each financial year).

	Number of restricted shares		Grant date fair value $'000	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	**3,170,003**	**2,857,404**	**16,959**	**18,017**
Granted during the year	1,395,909	1,925,130	6,856	8,298
Forfeited during the year	(44,331)	(129,666)	(212)	(690)
Vested during the year	(1,577,636)	(1,482,865)	(8,598)	(8,666)
Balance at the end of the year	**2,943,945**	**3,170,003**	**15,005**	**16,959**

Restricted shares – 2024 staff bonus incentive scheme

As at 31 December 2024, the Group has estimated short term incentive component of the expected 2024 annual bonuses, including an estimate of the amount of bonuses to be paid in cash and the share-based component, which is anticipated to be delivered in the form of restricted shares. The profit or loss impact (after tax) of the estimated share component for services received for the year ended 31 December 2024 was $2.0 million (2023: $2.0 million). The estimate of the cost of the restricted share awards could change up until the grant date is achieved.

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.4 Loan funded share plan (LFSP)

The LTI LFSP awards are granted to ensure alignment with the creation of ongoing shareholder value. Shares granted are subject to a vesting period, a service condition, unless otherwise determined by the Board, and performance conditions as set out in the tables below based on average growth in underlying EPS over the vesting period.

During 2022 and 2023 the Group granted LTI LFSP awards for senior employees including KMP, in relation to the service periods starting on 1 January 2021 and 1 January 2022 respectively. Shares granted are subject to a vesting period of five years.

During 2024, the Group issued LTI LFSP awards for senior employees including KMP under a revised plan, for the service period commencing on 1 January 2024. Shares granted are subject to a vesting period of four years to match the service period to the year in which the award is granted.

The total expense recorded for the year in respect of the retention LFSP awards and LTI LFSP awards was $2.3 million (2023: $0.4 million). The variance in P&L is due to the LFSP awards granted during the year and the higher EPS levels estimated at vesting derived from future forecasts.

	Number of loan funded shares		Grant date fair value $'000	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	**13,401,548**	**10,474,440**	**68,521**	**56,219**
Granted during the year	2,992,309	3,420,530	14,583	15,167
Forfeited during the year	(76,320)	(493,422)	(331)	(2,865)
Disposed during the year	(272,188)	-	(1,098)	-
Balance at the end of the year	**16,045,349**	**13,401,548**	**81,675**	**68,521**

Retention LFSP awards

The shares issued under the retention LFSP awards have been treated as 'in substance options' and have been valued using a Monte-Carlo pricing methodology with key inputs shown below.

	2021 Grant		2020 Grant		
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 3
Vesting period	4 years	5 years	4 years	5 years	6 years
Share price at grant date	$4.34	$4.34	$4.04	$4.04	$4.04
Expected volatility[1]	42.78%	42.78%	42.78%	42.78%	42.78%
Risk-free rate	0.67%	0.67%	0.67%	0.67%	0.67%
Fair value per security	$1.45	$1.51	$0.75	$0.86	$0.94
Performance hurdle (total shareholder return)	8% p.a.	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Forfeiture assumptions	10%	13%	N/A	25%	30%

LTI LFSP awards

The shares issued under the LTI LFSP awards have been treated as 'in substance options' and have been valued using a Black-Scholes pricing methodology with key inputs shown below.

	Service period		
	2024 LTI LFSP	2022 LTI LFSP	2021 LTI LFSP
Vesting period	4 years	5 years	5 years
Share price at grant date	$4.89	$4.43	$7.91
Expected volatility[1]	57.30%	55.22%	40.71%
Risk-free rate	3.64%	3.07%	2.73%
Fair value per security	$1.75	$1.26	$3.11
Performance hurdle (underlying EPS growth)	7.5% – 12.0%	7.5% – 12.0%	7.5% – 12.0%
Forfeiture assumptions	4.0%	20.0%	20.0%

1. Based on historical MAF share price volatility over the expected term of the plan.

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.5 Share appreciation rights plan

From 2022, Share Appreciation Rights (SAR) were granted under the LTI plan to senior executives, Managing Directors and equivalent. A SAR is an 'in substance option' which gives the holder a right to shares in the future equivalent to the uplift in the share price between the grant date and vesting date.

In 2024, the Group issued LTI SAR awards to senior executives under a revised plan to match the service period to the year in which the award is granted. The shares issued under the LTI SAR awards have been treated as 'in substance options' and have been valued using a Black-Scholes pricing methodology with key inputs shown below.

	Number of share appreciation rights		Grant date fair value $'000	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	4,285,024	1,723,133	24,702	13,612
Granted during the year	3,085,319	2,874,004	17,987	12,773
Forfeited during the year	(634,532)	(312,113)	(3,453)	(1,683)
Vested during the year	-	-	-	-
Balance at the end of the year	**6,735,811**	**4,285,024**	**39,236**	**24,702**

The SARs issued under the LTI plan have been valued using a Black-Scholes pricing methodology with key inputs shown below. The resulting value is amortised over the vesting period on a probability adjusted basis.

	2024 LTI SAR	2022 LTI SAR	2021 LTI SAR
Vesting period	4 years	5 years	5 years
Share price at grant date	$5.84	$4.43	$7.91
Expected volatility[1]	57.80%	55.09%	40.71%
Risk-free rate	3.82%	3.48%	2.73%
Dividend yield	3.42%	3.54%	2.15%
Fair value per security	$2.45	$1.26	$2.54
Forfeiture assumptions	20.0%	20.0%	20.0%

1. Based on historical MAF share price volatility over the expected term of the plan.

Notes to the financial statements (continued)

For the year ended 31 December 2024

32 Share-based payments (continued)

32.6 Salary sacrifice share plan

From 2020, all permanent full and part-time employees of the Group were invited to participate in the annual salary sacrifice share offer which allowed employees to receive up to $5,000 worth of shares in the Company by sacrificing an equivalent amount of their pre-tax salary or cash bonus award. 23,947 shares were issued under the 2024 arrangement, priced at $4.91, being the 5-day VWAP of the Company's shares on grant date (2023: 34,859 shares at $4.43). The shares are restricted from being sold by employees until at least 1 July of the year following issue or when the participant is no longer employed by the Group.

	Number of salary sacrifice shares		Grant date fair value $'000	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Balance at the beginning of the year	28,091	21,967	120	172
Granted during the year	23,947	34,859	118	152
Vested during the year	(28,091)	(28,735)	(125)	(204)
Balance at the end of the year	23,947	28,091	113	120

33 Key management personnel compensation

The aggregate compensation paid to both Executive and Non-Executive Directors and other members of Key Management Personnel (KMP) of the Company and the Group is set out below. There were 11 KMP in 2024 (2023: 12 KMP).

	31 Dec 2024 $'000	31 Dec 2023 $'000
Short-term benefits	5,323	5,487
Share-based payments	1,409	1,370
Annual leave	22	(271)
Long service leave	33	(80)
Total key management personnel compensation	**6,787**	**6,506**

34 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

34.1 Loans to related parties

	31 Dec 2024 $'000	31 Dec 2023 $'000
Loans to employees	2,231	2,383

The Group has provided interest-free loans to certain senior employees that are used for investment purposes, primarily for investment in funds managed by the Group. The investments purchased have been designated as restricted and are unable to be sold without the approval of the Group. Distributions received on the investments are allocated against the loan balance. The loans are repayable over a maximum term of five years.

34.2 Transactions with Key Management Personnel

In 2019 Mr Pridham and Mr Biggins entered into property management service arrangements with the Group on the same terms offered to third-party investors in a property managed by the Group. Total management fees payable by Mr Pridham and Mr Biggins for 2024 amounted to $52,252 and $15,538 respectively (2023: $51,872 and $11,598 respectively).

Notes to the financial statements (continued)

For the year ended 31 December 2024

34 Related party transactions (continued)

34.3 Transactions with funds managed by the Group

The Group is involved in the management of various funds, through its role as a trustee, manager, financial advisor and underwriter, and charges fees for doing so. The Group also invests in some of the funds which it manages.

34.4 Transactions with associates

Transactions between the Group and its associates and joint ventures principally arise from KMP transactions and investments in the associate and joint venture.

The amounts below for KMP are recorded at the closing price for the relevant investment in accordance with AASB 124 *Related Party Disclosures* and have not been adjusted for subsequent valuation changes.

Related party investments in associates and joint ventures

	KMP 31 Dec 2024 $'000	Group 31 Dec 2024 $'000	KMP 31 Dec 2023 $'000	Group 31 Dec 2023 $'000
Redcape Hotel Group	7,099	56,471	7,162	49,295
Other associates	485	2,061	5,417	1,476
Cinch Technology	-	2,992	-	-
	7,584	**61,524**	**12,579**	**50,771**

Related party fees from associates and joint ventures

	31 Dec 2024 $'000	31 Dec 2023 $'000
Management fees	15,006	24,858
Transaction fees	6,834	2,838
Performance fees	-	4,335
	21,840	**32,031**

Receivables from associates and joint ventures

Current		
Fees receivable from associates	4,948	14,557
Non-current		
Performance and management fees receivable from associates	17,604	14,052

35 Acquisitions and disposals of subsidiaries

35.1 Business acquisitions

There were no businesses or subsidiaries acquired during the year.

35.2 Business disposals

During the year, the Group deconsolidated the MA Kincare Fund and recognised its investment as an investment in associate.

Notes to the financial statements (continued)

For the year ended 31 December 2024

35 Acquisitions and disposals of subsidiaries (continued)

35.3 Subsidiaries

The table below presents the Group's notable subsidiaries that form the main composition of the Group as at 31 December 2024.

		Proportion of ownership interest and voting power held by the Group		
Name of subsidiary	Principal activity	Place of incorporation and operation	31 Dec 2024	31 Dec 2023
Eastern Credit Management Pty Ltd	Asset Management	Australia	100%	100%
MA Asset Management Ltd	Asset Management	Australia	100%	100%
MA Investment Management Pty Ltd	Asset Management	Australia	100%	100%
MA Master Credit Trust[1]	Asset Management	Australia	8%	9%
MAAM RE Limited	Asset Management	Australia	100%	100%
Madison Trust No. 1	Asset Management	Australia	100%	-
MA Loan Investments Pty Ltd	Asset Management	Australia	100%	100%
MA Redcape Hotel Fund RE Limited (previously known as Redcape Hotel Group Management Ltd)	Asset Management	Australia	100%	100%
Western Funds Management Pty Ltd	Asset Management	Australia	100%	100%
Beagle Finance Pty Ltd	Lending & Technology	Australia	100%	100%
Finsure Finance & Insurance Pty Ltd	Lending & Technology	Australia	100%	100%
MA Corporate Loans Trust 1	Lending & Technology	Australia	100%	-
MA Credit Portfolio Investments Pty Ltd	Lending & Technology	Australia	100%	100%
MA Money Financial Services Pty Ltd	Lending & Technology	Australia	100%	100%
MA Moelis Australia Advisory Pty Ltd	CA&E	Australia	100%	100%
MA Moelis Australia Securities Pty Ltd	CA&E	Australia	100%	100%
MAFG Operations Pty Ltd	Administration Entity	Australia	100%	100%
MAFG Finance Pty Ltd	Administration Entity	Australia	100%	100%

1. Due to contractual and structural arrangements, this entity is considered to be controlled by the Group

The subsidiaries included in the list above are identified on the basis of their ongoing contribution to the Group's assets and operating profit. Additionally, this includes the employing entities, entities that are key providers of funding to other subsidiaries and other key operating entities.

All notable subsidiaries have a 31 December reporting date. A list of entities that are consolidated in the Financial Report at the end of the financial year are included in the Consolidated entity disclosure statement.

Accounting policy

Basis of consolidation

The Financial Report reflects the financial performance and financial position of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) which the Group controls. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The determination of control is based on current facts and circumstances and is continually assessed. The Group has power over an entity when it has substantive rights that provides it with the ability to direct the entity's relevant activities, being those that significantly affect the entity's returns. If the Group determines that it has power over an entity, then it evaluates its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

Notes to the financial statements (continued)

For the year ended 31 December 2024

35 Acquisitions and disposals of subsidiaries (continued)

35.3 Subsidiaries (continued)

Accounting policy (continued)

Basis of consolidation (continued)

Controlled entities are consolidated from the date on which control is transferred to the Group and ceases to be consolidated from the date control is transferred out of the Group. The effects of all transactions between subsidiaries in the Group are eliminated in full. Non-controlling interests (NCI) represent the share in the net assets of subsidiaries attributable to equity interests not owned directly or indirectly by the Group. For a consolidated trust or fund, NCI is presented as fund unit liabilities.

The Company reviews its investment in subsidiaries for indicators of impairment at each reporting period. Where subsidiaries had indicators of impairment, the subsidiaries' carrying value was compared to its recoverable value which is determined as the higher of value-in-use and fair value less cost to sell.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration exchanged is measured as the aggregate of the acquisition-date fair values of assets transferred, equity instruments issued and liabilities incurred. Acquisition-related costs are recognised directly in the Statement of profit or loss and other comprehensive income.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the date of acquisition. The Group elects, on a transaction-by-transaction basis, to initially measure NCI either at fair value or at the NCI's proportionate share of the fair values of the identifiable assets and liabilities.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the consideration is less than the Group's share of the fair value of the identifiable net assets of the business acquired and is recognised in investment income, but only after a reassessment of the identification and measurement of the net assets acquired.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts or circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Consolidated managed fund investments

The Group regularly provides seed and growth capital to funds managed by the Group. At each reporting period investments in funds managed by the Group are assessed for control. Determining whether the Group has control over managed fund investments requires the use of judgement and is an assessment of the Group's power over the activities of the funds and exposure to significant variability in returns from the funds. Managed fund investments where such interests are interests in controlled entities are consolidated by the Group. Where it is determined that control does not exist, the Group's investments are recognised as either associates or other financial assets in the Statement of financial position.

Notes to the financial statements (continued)

For the year ended 31 December 2024

36 Parent entity disclosures

As at, and throughout, the year ended 31 December 2024 the parent entity of the Group was MA Financial Group Limited.

	31 Dec 2024 Company $'000	31 Dec 2023 Company $'000
Results of the parent company		
Profit for the year	149,242	66,259
Total comprehensive income for the year	**149,242**	**66,259**
Financial position of the parent entity		
Current assets	322,989	195,912
Non-current assets	189,824	189,951
Total assets	**512,813**	**385,863**
Total liabilities	**-**	**-**
Net assets	**512,813**	**385,863**
Total equity of the parent entity comprising of:		
Contributed equity	286,149	278,737
Reserves	42,864	36,554
Retained earnings	183,800	70,572
Total equity	**512,813**	**385,863**

The parent entity had no contingent liabilities or contractual commitments with third parties as at 31 December 2024 (2023: nil) other than those already disclosed in the financial statements.

The parent entity has entered into a Deed of Cross Guarantee with the effect the Company guarantees debts in respect of certain subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note 37.

Notes to the financial statements (continued)

For the year ended 31 December 2024

37 Deed of cross guarantee

The Company and certain wholly owned subsidiaries listed below (the Closed Group) have entered into a Deed of Cross Guarantee (Deed) effective 21 December 2022.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* (Cth) requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

The subsidiaries to the Deed are:

- Beagle Finance Pty Ltd
- Eastern Credit Management Pty Ltd
- Finsure Finance & Insurance Pty Ltd
- Finsure Holding Pty Ltd
- MAAM Holdings Pty Ltd
- MAFG Operations Pty Ltd

Set out below is the consolidated Statement of profit or loss and other comprehensive income, Statement of financial position and a summary of movements in accumulated gains/(losses) of the Company and controlled entities that are party to the Deed.

Statement of profit or loss and other comprehensive income

	31 Dec 2024 $'000	31 Dec 2023 $'000
Fee and commission income	675,454	565,067
Fee and commission expense	(611,378)	(507,652)
Net fee and commission income	**64,076**	**57,415**
Investment income	173,505	186,706
Other income	90,652	54,341
Total income	**328,233**	**298,462**
Employee expenses	170,380	143,031
Marketing and business development	11,369	11,167
Information, technology and data	8,708	6,476
Depreciation and amortisation	21,688	9,471
Finance costs	4,983	5,324
Credit loss allowance	128	(25)
Other expenses	14,109	14,635
Total expenses	**231,365**	**190,079**
Profit before tax	**96,868**	**108,383**
Income tax benefit	8,087	16,600
Profit after income tax	**104,955**	**124,983**
Other comprehensive loss, net of income tax		
Items that will not be classified subsequently to profit or loss:		
Fair value benefit on investments in equity instruments designated at FVTOCI	72	88
	72	88
Total other comprehensive income	**72**	**88**
Total comprehensive income	**105,027**	**125,071**

Notes to the financial statements (continued)

For the year ended 31 December 2024

37 Deed of cross guarantee (continued)

Statement of financial position

	31 Dec 2024 $'000	31 Dec 2023 $'000
Assets		
Cash and cash equivalents	13,552	14,784
Receivables	39,332	19,793
Loans receivable	9,823	3,392
Other financial assets	4,526	2,044
Contract assets	811,466	705,286
Property, plant and equipment	3,221	3,811
Other assets	4,861	5,412
Restricted cash	700	700
Right-of-use assets	57,412	65,179
Investments in subsidiaries, associates and joint ventures	193,237	178,007
Intangible assets	50,152	53,572
Goodwill	98,829	98,829
Total assets	**1,287,111**	**1,150,809**
Liabilities		
Trade and other payables	13,919	33,509
Borrowings	-	25,845
Contract liabilities	760,222	661,157
Lease liabilities	65,321	70,654
Provisions	40,643	38,001
Deferred tax liabilities	19,307	14,206
Total liabilities	**899,412**	**843,372**
Net assets	**387,699**	**307,437**
Equity		
Contributed equity	286,149	278,737
Reserves	43,435	39,526
Retained earnings/(losses)	58,115	(10,826)
Total equity	**387,699**	**307,437**

Summary of movements in accumulated gains/(losses)

	31 Dec 2024 $'000	31 Dec 2023 $'000
Accumulated losses at beginning of the financial year	(10,826)	(64,598)
Profit for the year	104,955	124,983
Dividends paid	(36,014)	(71,211)
Accumulated gains/(losses) at end of the financial year	**58,115**	**(10,826)**

Notes to the financial statements (continued)

For the year ended 31 December 2024

38 Structured entities

A structured entity is an entity that has been designed such that voting or similar rights are not the dominant factor in determining who controls the entity and the relevant activities are directed by means of contractual arrangements.

The Group engages with structured entities for securitisation, asset-backed financing and to invest its own capital for the purpose of seeding fund vehicles to develop a performance track record prior to external investment being received.

The Group assesses at inception and at each reporting date, whether the structured entity should be consolidated based on the Group's consolidation accounting policy (refer to note 35). Structured entities are classified as subsidiaries and consolidated when control exists.

Consolidated structured entities

The Group considers its wholly owned entities that originate residential mortgages via notes in mortgage warehouse trusts to be structured entities. These trusts are special purpose vehicles where third-party funders provide limited-recourse financing to the trusts. The facility arrangement partially transfers the risk of credit losses on loan portfolios to the capital providers of the trusts. The Group's exposure to losses is limited to its investment in the warehouse trusts and its rights to current and future residual income from its trusts.

Unconsolidated structured entities

The Group has an interest in a structured entity when it has a contractual or non-contractual involvement that exposes it to variable returns from the performance of the structured entity. The Group's interest includes investment income from it's interest and fees earned for managing the assets within these structured entities.

The following table presents, by asset class, the carrying value and maximum exposure to loss (before the benefit of collateral and credit enhancements) of the Group's interests in unconsolidated structured entities:

	Real estate $'000	Hospitality $'000	Credit $'000	Equities $'000	Total $'000
31 December 2024					
Carrying value of assets					
Financial assets held at FVTOCI	6,447	5,201	499	8,419	20,566
Financial assets held at FVTPL	-	-	3,142	442	3,584
Total carrying value of assets	**6,447**	**5,201**	**3,641**	**8,861**	**24,150**
Maximum exposure to loss					
Financial assets held at FVTOCI	6,447	5,201	499	8,419	20,566
Financial assets held at FVTPL	-	-	3,142	442	3,584
Total maximum exposure to loss	**6,447**	**5,201**	**3,641**	**8,861**	**24,150**
31 December 2023					
Carrying value of assets					
Financial assets held at FVTOCI	3,053	3,040	4,201	6,850	17,144
Financial assets held at FVTPL	-	-	7,588	619	8,207
Total carrying value of assets	**3,053**	**3,040**	**11,789**	**7,469**	**25,351**
Maximum exposure to loss					
Financial assets held at FVTOCI	3,053	3,040	4,201	6,850	17,144
Financial assets held at FVTPL	-	-	7,588	619	8,207
Total maximum exposure to loss	**3,053**	**3,040**	**11,789**	**7,469**	**25,351**

Unless otherwise specified, the Group's maximum exposure to loss is the total of its on-balance sheet positions at reporting date. There are no off-balance sheet arrangements which would expose the Group to potential losses in respect of unconsolidated structured entities.

During the year, the Group earned management fees, performance fees and other fees (such as distribution and transaction fees) of $31.5 million (2023: $11.0 million)

Notes to the financial statements (continued)

For the year ended 31 December 2024

39 Auditor's remuneration

	31 Dec 2024 Consolidated $'000	31 Dec 2023 Consolidated $'000
Audit and review services		
Auditors of the Group		
Audit and review of financial statements – Group	947	928
Audit and review of financial statements – controlled entities	464	538
Total audit and review services – auditors of the Group	**1,411**	**1,466**
Other auditors		
Audit and review of financial statements – controlled entities	189	63
Regulatory assurance services	39	-
Total audit and review services	**1,639**	**1,529**
Assurance services		
Auditors of the Group		
Regulatory assurance services	140	198
Total assurance services	**140**	**198**
Other services		
Auditors of the Group		
Advisory services	-	169
Taxation	121	134
Other services in relation to the Group	-	10
Total other services	**121**	**313**
Total auditor remuneration	**1,900**	**2,040**

40 Commitments

At 31 December 2024, the Group had undrawn loan commitments of $677.2 million (2023: $372.1 million). Subsequent to 31 December 2024, $12.7 million of these commitments were either cancelled or drawn upon.

At 31 December 2024, the Group has committed to a co-investment in class B units in the MCTs which are consolidated entities of the Group. At 31 December 2024, $161.4 million (2023: $112.7 million) has been invested by the Group in the MCTs. Refer to note 24(b) for further information.

41 Events after the reporting date

There were no material events subsequent to 31 December 2024 up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

Consolidated entity disclosure statement

For the year ended 31 December 2024

The following table includes details of the controlled entities of the Group. The entity's role as trustee or participant in a joint venture, of an entity is also disclosed if applicable.

Name of entity	Type of entity	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Tax residency
1300 Home Loan Holdings Pty Ltd	Body corporate	100%	Australia	Australia
A.C.N. 167 316 109 Pty Ltd	Body corporate	100%	Australia	Australia
Apera Hotels Holdings Pty Ltd	Body corporate	100%	Australia	Australia
Armada Funds Management Pty Limited	Body corporate	100%	Australia	Australia
Armada Property Fund	Trust	N/A	Australia	Australia
Avena Holdings Pty Ltd	Body corporate	100%	Australia	Australia
Barley Property Holdings Pty Ltd	Body corporate	100%	Australia	Australia
BE ES I LLC[3]	Body corporate	21%	United States	Australia
BE OLD I LLC[3]	Body corporate	22%	United States	Australia
BE XCAL II LLC[3]	Body corporate	22%	United States	Australia
Beagle Finance Pty Ltd	Body corporate	100%	Australia	Australia
Bendigo Hotel Fund TT Pty Ltd	Body corporate	100%	Australia	Australia
BHBB TT Pty Ltd	Body corporate	100%	Australia	Australia
Brunswick Hotel TT Pty Ltd	Body corporate	100%	Australia	Australia
Commission Now Trust	Trust	N/A	Australia	Australia
CRE CT Unitholder Pty Ltd	Body corporate	100%	Australia	Australia
Deacon Health, Inc[3]	Body corporate	22%	United States	Foreign – United States
Eastern Credit Management Pty Ltd	Body corporate	100%	Australia	Australia
Finsure Domain Names Pty Ltd	Body corporate	100%	Australia	Australia
Finsure Finance & Insurance Pty Ltd	Body corporate	100%	Australia	Australia
Finsure Holding Pty Ltd	Body corporate	100%	Australia	Australia
Finsure New Zealand Ltd	Body corporate	100%	New Zealand	Australia
Global Wealth Aged Care Pty Ltd	Body corporate	100%	Australia	Australia
Global Wealth Residential Pty Ltd	Body corporate	100%	Australia	Australia
Grassroots Childcare Developments Holdings Pty Ltd	Body corporate	100%	Australia	Australia
Grassroots Childcare Developments Pty Ltd	Body corporate	100%	Australia	Australia
MA Asset Management (Hong Kong) Limited	Body corporate	100%	Hong Kong	Foreign – Hong Kong
MA Asset Management Ltd[1]	Body corporate	100%	Australia	Australia
MA Asset Management US LLC	Body corporate	100%	United States	Australia
MA Bendigo TT I Pty Ltd	Body corporate	100%	Australia	Australia
MA Bendigo TT II Pty Ltd	Body corporate	100%	Australia	Australia

Consolidated entity disclosure statement (continued)

For the year ended 31 December 2024

Name of entity	Type of entity	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Tax residency
MA Brunswick Hotel Fund	Trust	N/A	Australia	Australia
MA Childcare Fund	Trust	N/A	Australia	Australia
MA China AMC Equity Fund	Trust	N/A	Australia	Australia
MA Corporate Loans 1 Pty Ltd	Body corporate	100%	Australia	Australia
MA Corporate Loans Trust 1	Trust	N/A	Australia	Australia
MA Corporate Loans Trust 2	Trust	N/A	Australia	Australia
MA Credit Asset Management US LLC	Body corporate	100%	United States	Australia
MA Credit Investments Pty Ltd	Body corporate	100%	Australia	Australia
MA Credit Nominees Pty Ltd	Body corporate	100%	Australia	Australia
MA Credit Portfolio Investments Pty Ltd	Body corporate	100%	Australia	Australia
MA Diversified Credit Trust	Trust	N/A	Australia	Australia
MA Eagle Holdings Fund	Trust	N/A	Australia	Australia
MA Eagle I LLC	Body corporate	100%	United States	Foreign – United States
MA Eagle II Holdings Fund	Trust	N/A	Australia	Australia
MA Eagle II LLC[3]	Body corporate	30%	United States	Foreign – United States
MA Eagle III Holdings Fund	Trust	N/A	Australia	Australia
MA EL Acquisition Trust	Trust	N/A	Australia	Australia
MA Financial Group Pte. Ltd	Body corporate	100%	Singapore	Foreign – Singapore
MA Financing LLC	Body corporate	100%	United States	Australia
MA Foundation Pty Ltd	Body corporate	100%	Australia	Australia
MA Global Private Credit Fund	Trust	N/A	Australia	Australia
MA Investment Management Pty Ltd	Body corporate	100%	Australia	Australia
MA Loan Investments Pty Ltd	Body corporate	100%	Australia	Australia
MA Master Credit Trust	Trust	N/A	Australia	Australia
MA Moelis Australia Advisory Pty Ltd	Body corporate	100%	Australia	Australia
MA Moelis Australia Securities Pty Ltd	Body corporate	100%	Australia	Australia
MA Money Collections Trust	Trust	N/A	Australia	Australia
MA Money Financial Services Pty Ltd	Body corporate	100%	Australia	Australia
MA Money Residential Securitisation Trust 2023-1	Trust	N/A	Australia	Australia
MA Money Residential Securitisation Trust 2024-1	Trust	N/A	Australia	Australia
MA Money Risk Retention Funding No. 1 Pty Ltd	Body corporate	100%	Australia	Australia
MA Money Risk Retention Funding No. 2 Pty Ltd	Body corporate	100%	Australia	Australia

Consolidated entity disclosure statement (continued)

For the year ended 31 December 2024

Name of entity	Type of entity	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Tax residency
MA Money Risk Retention Funding No. 3 Pty Ltd	Body corporate	100%	Australia	Australia
MA Money Securitisation Trust No. 3	Trust	N/A	Australia	Australia
MA Money Securitisation Trust No. 4	Trust	N/A	Australia	Australia
MA Money Securitisation Trust No. 5	Trust	N/A	Australia	Australia
MA Money Securitisation Trust No. 6	Trust	N/A	Australia	Australia
MA Money Securitisation Trust No. 7	Trust	N/A	Australia	Australia
MA Money Securitisation Trust No. 8	Trust	N/A	Australia	Australia
MA Partners LLC	Body corporate	100%	United States	Australia
MA Redcape Hotel Fund RE Limited	Body corporate	100%	Australia	Australia
MA Specialty Credit Income Fund	Trust	N/A	United States	Foreign – United States
MA Specialty Funding Trust	Trust	N/A	Australia	Australia
MA UK Operations Limited	Body corporate	100%	United Kingdom	Australia
MA UK LDF Limited	Body corporate	100%	United Kingdom	Australia
MA UK LPF Limited	Body corporate	100%	United Kingdom	Australia
MA UK SLF Limited	Body corporate	100%	United Kingdom	Australia
MA UK Top Co Limited	Body corporate	100%	United Kingdom	Australia
MA USD Master Credit Trust	Trust	N/A	Australia	Australia
MA Wholesale Global Private Credit Fund	Trust	N/A	Australia	Australia
MAAM Commercial Consulting (Shanghai) Co. Ltd	Body corporate	100%	China	Australia
MAAM EL Credit Pty Ltd[1]	Body corporate	100%	Australia	Australia
MAAM GP Pty Ltd	Body corporate	100%	Australia	Australia
MAAM Holdings Pty Ltd	Body corporate	100%	Australia	Australia
MAAM RE Ltd[1]	Body corporate	100%	Australia	Australia
MAAM TT (Figtree) Pty Ltd	Body corporate	100%	Australia	Australia
MAAM TT (Marion Advertising) Pty Ltd	Body corporate	100%	Australia	Australia
MAAM TT (Marion) Pty Ltd	Body corporate	100%	Australia	Australia
MAAM TT Credit Pty Ltd[1]	Body corporate	100%	Australia	Australia
MAAM TT Pty Ltd	Body corporate	100%	Australia	Australia
MACDF TT Pty Ltd	Body corporate	100%	Australia	Australia
Madison Trust No. 1	Trust	N/A	Australia	Australia
MADT Corporate Pty Ltd[1]	Body corporate	100%	Australia	Australia
MAF Credit NZ Pty Ltd	Body corporate	100%	Australia	Australia
MAF Credit Pty Ltd	Body corporate	100%	Australia	Australia
MAFG Finance Pty Ltd	Body corporate	100%	Australia	Australia

Consolidated entity disclosure statement (continued)

For the year ended 31 December 2024

Name of entity	Type of entity	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Tax residency
MAFG Holdings Pty Ltd	Body corporate	100%	Australia	Australia
MAFG Operations (Manila) Inc	Body corporate	100%	Philippines	Australia
MAFG Operations Pty Ltd	Body corporate	100%	Australia	Australia
MAFG Share Plan Pty Ltd	Body corporate	100%	Australia	Australia
MAGV Nominee Pty Ltd	Body corporate	100%	Australia	Australia
MAKM Holdings Pty Ltd[2]	Body corporate	100%	Australia	Australia
Middle Technology Australia Pty Ltd	Body corporate	100%	Australia	Australia
Middle Technology Holdings Pty Ltd	Body corporate	100%	Australia	Australia
MOE Diesel Trust	Trust	N/A	Australia	Australia
MOE Disbursements Trust	Trust	N/A	Australia	Australia
Mystro Crm Pty Ltd	Body corporate	100%	Australia	Australia
Redcape Hospitality Pty Ltd	Body corporate	100%	Australia	Australia
Retpro Management Pty Ltd	Body corporate	100%	Australia	Australia
Retpro Pty Ltd	Body corporate	100%	Australia	Australia
Taylor Square TT Pty Ltd	Body corporate	100%	Australia	Australia
TMASL Finance Pty Ltd	Body corporate	100%	Australia	Australia
Western Funds Management Pty Ltd	Body corporate	100%	Australia	Australia
WFM Financial Holdings Pty Ltd	Body corporate	100%	Australia	Australia
Wikibroker Pty Ltd	Body corporate	100%	Australia	Australia

1. Trustee of a trust in the consolidated Group
2. Participant of a joint venture in the consolidated Group
3. Due to contractual and structural arrangements, these entities are considered to be controlled by the Group

Key estimates and assumptions

Section 295 (3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997* (Cth). The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: the consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.
- Trusts: Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Directors' declaration

For the year ended 31 December 2024

In accordance with a resolution of the Directors of MA Financial Group Limited (Company), we declare that, in the opinion of the Directors:

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) the financial statements and notes of MA Financial Group Limited and its controlled entities (Group) are in accordance with the *Corporations Act 2001* (Cth) including:

  (i) complying with the Australian Accounting Standards, and

  (ii) giving a true and fair view of the Company's and the consolidated Group's financial positions as at 31 December 2024 and of its performance for the financial year ended on that date;

(c) the financial statements and notes of the Group also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, which is disclosed in note 1(a);

(d) the consolidated entity disclosure statement required by section 295 (3A) of the *Corporations Act 2001* (Cth) is true and correct;

(e) there are reasonable grounds to believe that the Company and the group entities identified in note 37 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*; and

(f) this declaration has been made after receiving declarations from the joint Chief Executive Officers and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* (Cth) and as recommended by the ASX Corporate Governance Principles and Recommendations.

On behalf of the Board

Jeffrey Browne
Independent Chair and Non-Executive Director

Sydney
20 February 2025

Julian Biggins
Director and Joint Chief Executive Officer

Sydney
20 February 2025

Independent auditor's report

For the year ended 31 December 2024

KPMG

Independent Auditor's Report

To the shareholders of MA Financial Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of MA Financial Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 31 December 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 31 December 2024;
- Statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 31 December 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditor's report (continued)

For the year ended 31 December 2024

KPMG

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Advisory success fees revenue recognition; and
- Trail Commission

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of 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.

Advisory success fees revenue recognition ($45.5m)	
Refer to Note 4 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

Advisory success fees revenue recognition is a key audit matter due to the:
• significance of this revenue to the Group's results; and
• the judgement required with respect to assessing the timing of revenue recognition, specifically when the Group satisfied its performance obligation as stipulated by the conditions of the underlying contracts, which may vary.
In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the macroeconomic environment in which it operates.
	Our procedures included:
	• assessing the Group's revenue recognition policy against AASB 15 *Revenue from Contracts with Customers* requirements;
	• obtaining an understanding of processes, systems and controls for advisory success fee revenue. We also tested key controls such as the manual review and approval by management of key revenue calculations and customer invoices;
	• for a sample of transactions recognised on a non-accrual basis, checking recorded revenue to evidence of deal completion, customer invoices, bank statements and the relevant features of the underlying signed customer contracts;
	• for a sample of transactions recognised on an accrual basis, checking:
	  • the timing of fee revenue recorded against evidence of fulfilment of performance obligations, and signed customer contracts;
	  • the accuracy of the fee when compared to rates contained in the contracts;
	• evaluating deal income recognised in January 2025 to understand whether it was

Independent auditor's report (continued)

For the year ended 31 December 2024

	recognised in the appropriate reporting year; and • assessing the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.
Trail Commission contract assets ($811.5m) and contract liabilities ($760.2m)	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

The Group recognises a contract asset using the expected value method representing the net present value of future trail commission receivable under AASB 15 *Revenue from Contracts with Customers*.
The Group also recognises a corresponding trail commission payable under AASB 9 *Financial Instruments* as representation of the net present value of trail commission payments to brokers.
This is a key audit matter due to
• significance of the contract assets and contract liabilities on the Group's balance sheet; and
• the significant judgement applied to assess the Group's estimation of the value of trail commissions receivable and payable. We focused on the key inputs and assumptions the Group applied in their Net Present Value ("NPV") model, including:
  ◦ discount rates, which are judgemental in nature and may vary between different underlying cohorts of trail commissions;
  ◦ percentage of commissions paid to brokers; and
  ◦ loan book run off rate assumptions, reflecting the expected loan attrition rate of the portfolio over time, which is subject to change.
In assessing this key audit matter, we involved our valuation specialists in assessing management's NPV model.
	Our procedures included:
	• evaluating the Group's processes and testing key controls such as the review and approval of assumptions used in the Group's NPV model for estimating the value of the trail commissions receivable and payable;
	• assessing the completeness and accuracy of the loan data and commission percentage used in the Group's NPV model by testing a sample of the data to external underlying documents such as lender commission statements and contracts with brokers;
	• assessing the appropriateness of the methodology adopted in the Group's NPV model against accepted industry practice and the requirements of the accounting standards;
	• recalculating the trail commission receivable and payable;
	• assessing the key assumptions by:
	  ◦ independently developing discount rate ranges considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group;
	  ◦ comparing the loan book run-off rate assumptions to contracted maturities in the relevant portfolio and then further challenging the run-off rate by comparing to historical internal information, available industry market

Independent auditor's report (continued)

For the year ended 31 December 2024

KPMG

	data, and using our knowledge of the current economic environment; • evaluating the sensitivity of the NPV model calculations by considering reasonably possible changes to the discount rate and loan book run-off rate; and • assessing the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in MA Financial Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing 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 in compliance with *Australian Accounting* and the *Corporations Regulations 2001;*
- implementing necessary internal control to enable the preparation of a 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 that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

For the year ended 31 December 2024

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of MA Financial Group Limited for the year ended 31 December 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited sections 1 to 11 of the Remuneration Report included in the Directors' report for the year ended 31 December 2024.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Shaun Kendrigan

Partner

Sydney

20 February 2025

Additional Information

Investor information

Dividend details

MA Financial Group Limited generally pays a dividend on its fully paid ordinary shares once a year following its full-year financial results announcement.

The payment date for the dividend following the announcement of the 2024 results is 20 March 2025.

20 largest holders

The following information is correct as at 16 February 2025.

Registered holder	Number of ordinary shares held	% of ordinary shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	30,769,025	16.97%
MAGIC TT PTY LTD <ACCOUNT 1>	16,117,532	8.89%
MAFG SHARE PLAN PTY LTD <LFSP A/C>	16,045,349	8.85%
MAGIC TT 2 PTY LTD <ACCOUNT 2>	14,850,000	8.19%
CITICORP NOMINEES PTY LIMITED	12,198,902	6.73%
MOELIS & COMPANY LLC	12,000,000	6.62%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,330,631	6.25%
MOELIS & CO INTERNATIONAL HOLDINGS LLC	6,500,000	3.58%
NATIONAL NOMINEES LIMITED	3,509,742	1.94%
TOUCHARD PTY LTD <MONAGHAN FAMILY NO 2 A/C>	3,037,853	1.68%
MAFG SHARE PLAN PTY LTD <SHARE PLAN ALLOCATED A/C>	2,952,478	1.63%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,945,473	1.62%
BNP PARIBAS NOMS PTY LTD	1,933,176	1.07%
UBS NOMINEES PTY LTD	1,900,852	1.05%
RICHARD GERMAIN AND NINA GERMAIN <GERMAIN FAMILY A/C>	1,724,677	0.95%
ANDREW MARTIN AND KATHERINE MARTIN <NITRAM SUPER FUND A/C>	1,595,616	0.88%
JILL ADORA PTY LTD	1,524,602	0.84%
MAFG SHARE PLAN PTY LTD <SHARE PLAN UNALLOCATED A/C>	1,472,291	0.81%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,072,561	0.59%
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,008,901	0.56%

Distribution of shareholders

Holding	Number of shareholders	Number of ordinary shares	% of ordinary shares
1 – 1,000	1,621	766,603	0.42%
1,001 – 5,000	1,909	5,112,858	2.82%
5,001 – 10,000	669	4,907,623	2.71%
10,001 – 100,000	681	17,330,969	9.56%
100,001 and over	56	153,224,901	84.49%

Investor information (continued)

Unmarketable parcels

There were 95 shareholders (representing 976 shares) who held less than a marketable parcel.

Substantial shareholders

Name	Number of ordinary shares	% of ordinary shares
MA FINANCIAL GROUP LIMITED	20,470,118	11.29%
MOELIS & COMPANY LLC	18,500,000	10.20%
MAGIC TT PTY LTD <ACCOUNT 1>	16,117,532	8.89%
MAGIC TT 2 PTY LTD <ACCOUNT 2>	14,850,000	8.19%
FIL LIMITED[1]	13,058,699	7.20%

1. Number of shares based on the last reported substantial shareholder notification as at 16 February 2025.

Voting rights

At meetings of members or classes of members, each member may vote in person or by proxy, attorney or (if the member is a body corporate) corporate representative. On a show of hands, every person present who is a member or a proxy, attorney or corporate representative of a member has one vote and on a poll every member present in person or by proxy, attorney or corporate representative has one vote for each fully paid share held by the member.

Share options

The table below sets out the number of share options, with each share option carrying the right to acquire one share in the Company at a future date, outstanding as at 16 February 2025:

Size of holding	Number of holders	Share options
Under 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	2	500,000
Total share options	**2**	**500,000**

Glossary

Term	Definition
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
ASIC	Australian Securities & Investment Commission
ASX	Australian Securities Exchange of ASX Limited (ABN 98 008 624 691) and the market operated by ASX Limited.
AUM	Assets under management
Board	The Board of Directors of MA Financial Group Limited
CA&E	Corporate Advisory & Equities
CAGR	Compound Annual Growth Rate
CGU	Cash generating unit
Company	MA Financial Group Limited (ABN 68 142 008 428), a company limited by shares
Corporations Act	Corporations Act 2001 (Cth)
Directors	The Directors of the Company as at the date of this Report
EBITDA	Earnings before interest, tax, depreciation and amortisation
EAD	Exposure at default
ECL	Expected credit loss
ECM	Equity capital markets
Employees	Employees of the Group
EPS	Earnings per share
Existing Staff Trusts	Trusts established prior to the initial public offering of the Company, which hold shares on behalf of current and former employees of the Group.
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY23	For the financial year ended 31 December 2023
FY24	For the financial year ended 31 December 2024
Group	The Company and its subsidiaries
GST	Goods and services tax
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
KMP	Key management personnel

Glossary (continued)

Term	Definition
LFSP	Loan funded share plan
LGD	Loss given default
LTI	Long term incentive
MA	The Company and/or its subsidiaries as the context requires
MA Financial Group	The Company and/or its subsidiaries as the context requires
NPAT	Net profit after tax
PD	Probability of Default
PIF	Priority Income Fund
RBA	Reserve Bank of Australia
ROE	Return on Equity
SAR	Share Appreciation Rights
Shareholder	The holder of a share
Shares	Fully paid ordinary shares in the capital of the Company
Share options	Options over unissued shares
Share rights	Rights to receive shares at some point in the future
SICR	Significant increase in credit risk
SIV	Significant investor visa
STI	Short term incentive
VWAP	Volume-weighted average price

Directory

Directors

Jeffrey Browne (Chair)
Andrew Pridham (Group Vice Chair)
Alexandra Goodfellow
Simon Kelly
Nikki Warburton
Kenneth Moelis
Kate Pilcher Ciafone
Julian Biggins
Christopher Wyke

Company secretary

Janna Robertson
Rebecca Ong

Registered office

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