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Letter from the Managing Director and CEO

Against a less certain market and economic backdrop, the diversity of Macquarie's activities and the expertise of our teams ensured we maintained strong performance in FY2023. Our teams around the world, guided by Macquarie's purpose and backed by our proven risk culture and strong capital and funding position, continued to adapt to uncertain times and the ongoing needs of our clients and communities.

The Americas region contributed the largest share of our income and accounts for the greatest proportion of assets under management. Towards the end of the financial year, we hosted investors and analysts in Philadelphia, New York and Houston for our first investor tour, during which we sought to provide a deeper understanding of our businesses in the Americas region and the significant opportunities we see in the world's largest capital market, in which we are well-positioned for further growth.

For the year ended 31 March 2023, Macquarie delivered a record profit of \$A5,182million, up 10% on the prior year, with all four of our Operating Groups delivering solid net profit contributions.

Banking and Financial Services (BFS) delivered a net profit contribution of \$A1,201 million, up 20 % from \$A1,001 million in FY2022. BFS benefitted from growth in the loan portfolio and BFS deposits, together with improved margins. This was partially offset by higher credit impairment charges due to deterioration in the

macroeconomic outlook and increased technology investment, additional headcount to support business growth, and compliance and regulatory initiatives.

Commodities and Global Markets (CGM) delivered an exceptionally strong net profit contribution of \$A6,007 million, up 54% from \$A3,911 million in FY2022. The result reflected an increased contribution across Commodities, primarily from inventory management and trading and risk management activities. Inventory management and trading increased substantially, driven by trading gains from regional supply and demand imbalances, primarily in North American Gas and Power markets. Risk management revenue increased across the platform, particularly in Gas and Power, Global Oil and Resources, driven by increased client hedging and trading activity as a result of elevated volatility and price movements in commodity markets. CGM saw increased contribution from Financial Markets with continued strong performance across major products and markets, particularly in foreign exchange, interest rate and credit products income driven by increased client hedging and financing activity. Asset Finance's contribution decreased due to the gain in the prior year from the partial sale of the UK Meters portfolio of assets.

Macquarie Asset Management (MAM) delivered a net profit contribution of \$A2,342 million, down 23 % from \$A3,029 million in FY2022. The decrease was driven by significant income from the disposition of assets in Macquarie Infrastructure Corporation (MIC) in the prior year, and lower gains on asset realisations in the green energy sector, partially offset by higher performance fees.

Macquarie Capital delivered a net profit contribution of \$A801 million, down 47% from \$A1,521 million in FY2022. Mergers and acquisitions fee income was down on a strong prior year and the capital markets fee income was lower due to weaker market activity. Additionally, Macquarie Capital saw slightly lower investment-related income driven by negative asset revaluations and fewer material asset realisations, partially offset by an increase in net interest income from the private credit portfolio.

All of these results were delivered by addressing important areas of unmet need in our communities to create value that is shared between our clients, community stakeholders, our employees and our shareholders. This report provides examples of key areas of activity in FY2023.

Our longstanding commitment to driving practical climate solutions

Despite meaningful energy supply and energy security challenges over the past 12 months, decarbonisation remains a key priority for governments and businesses globally. The global energy transition withstood its greatest test to date in the face of a global energy crisis. Consistent with our longstanding view, there is general recognition that a managed glidepath is essential to delivering an orderly transition, while ongoing investment in clean energy capacity represents the best long-term solution to the energy trilemma of supply, affordability, and emissions.

At Macquarie, we have been driving practical climate solutions for more than two decades, with climate-related activities firmly embedded across our businesses. We believe that maximising our investment in green energy technology is the most meaningful climate action we can take, and we continue to play a key role in rapidly scaling proven green energy technologies such as wind and solar.

Further, we have stepped up our work in emerging areas of opportunity such as hydrogen, carbon capture, utilisation and storage, and energy storage, as well as addressing emissions beyond energy in agriculture, transportation, real estate, waste and industry. This is alongside our activity to support clients and portfolio companies in achieving their own decarbonisation ambitions, including those in traditionally hard to abate sectors, where finding meaningful solutions can be more complex.

Diversity, Equity and Inclusion

As a services business and a global organisation, the diversity of our people and teams around the world is one of our greatest strengths. During FY2023, we continued our focus on achieving equitable outcomes by removing barriers to progression and valuing differences, enabling all colleagues to be included and to reach their full potential at Macquarie.

Racial equity continues to be a focus, and we made progress in each region, including launching our inaugural Reconciliation Action Plan in Australia, which is a public and formal commitment to reconciliation with First Nations people, and working with organisations in the US to grow the talent pipeline of Black and Latinx students. We know that change is incremental and requires commitment from all of us to drive meaningful outcomes. Our work to advance diversity, equity and inclusion across our organisation and across the many aspects of diversity is ongoing and enduring.

A focus on social impact and shared value

Our people and the Macquarie Group Foundation (the Foundation) together contributed over \$A52 million in funding and thousands of hours of time to community organisations globally in FY2023. A total of over \$A570 million has now been contributed to philanthropic causes by our people and the Foundation since it was established in 1985.

Driving social impact across our business and through our philanthropic efforts, during the year the Foundation continued to invest for social impact, making investments in organisations that look to catalyse ongoing access to funding and drive economic empowerment to communities.

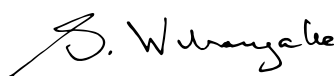
As part of its shared value strategy, which aligns social impact and commercial value, the Foundation launched the Macquarie Social Impact Award in memory of our former Managing Director and Executive Chairman, David Clarke AO (1942 – 2011). The award will recognise a Macquarie team driving significant social impact through a business-led shared value project, with the winner to be announced later in May 2023.

External outlook

We believe global growth is likely to be subdued over the course of the coming year, as the full impact of tighter monetary policy and financial conditions flows through. With this in mind, we continue to maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment.

We have provided an outline of the factors impacting the short-term outlook for each of our businesses in FY2024. Overall, Macquarie remains well-positioned to deliver superior performance in the medium term, due to its diverse business mix across annuity-style and markets-facing businesses; deep expertise across diverse sectors in major markets with structural growth tailwinds; patient adjacent growth across new products and new markets; ongoing technology and regulatory spend to support the Group; a strong and conservative balance sheet; and a proven risk management framework and culture. These factors all enable us to empower people to innovate and invest for a better future.

On behalf of Macquarie's management team, I would like to thank our people around the world for their dedication in delivering this result in uncertain times, and to thank our clients and shareholders for their ongoing support.



Shemara Wikramanayake
Managing Director and Chief Executive Officer

Sydney
5 May 2023