CENTREPOINT
ALLIANCE

BUSINESS UPDATE

NOVEMBER MASTERCLASS

agenda

Results – FY 24

Adviser numbers across industry

Adviser centred strategy framework

FAM Acquisition

Managed accounts

Adviser Cloud

Partner Summit

CENTREPOINT ALLIANCE

Key highlights for FY23

The Group is well positioned with strong earnings and balance sheet to capitalise on the positive changes occurring in the industry

- Strong FY23 result with revenue and profit growth
- Strong balance sheet
- Final dividend 2 cents (full year 3 cents)
- Clear number three in the market
- Scalable and efficient business post integration
- New initiatives are building momentum, Lending as a Service and Managed Accounts
- Industry is showing signs of growth returning
- $10m debt facility secured to assist with organic growth or M&A

Snapshot of FY23 results

$271.6m
Gross revenue
$43m
+19%
on FY22

$7.6m
EBITDA (normalised)
Excludes asset sales,
LTI and one-off costs
$0.4m
+5.6%
on FY22

$32.5m
Gross profit
$1.3m
+4%
on FY22

$6.6m
Profit before tax
$4m
+154%
on FY22
Primarily $1.8m from asset sales (Ventura) and $0.4m increased EBITDA

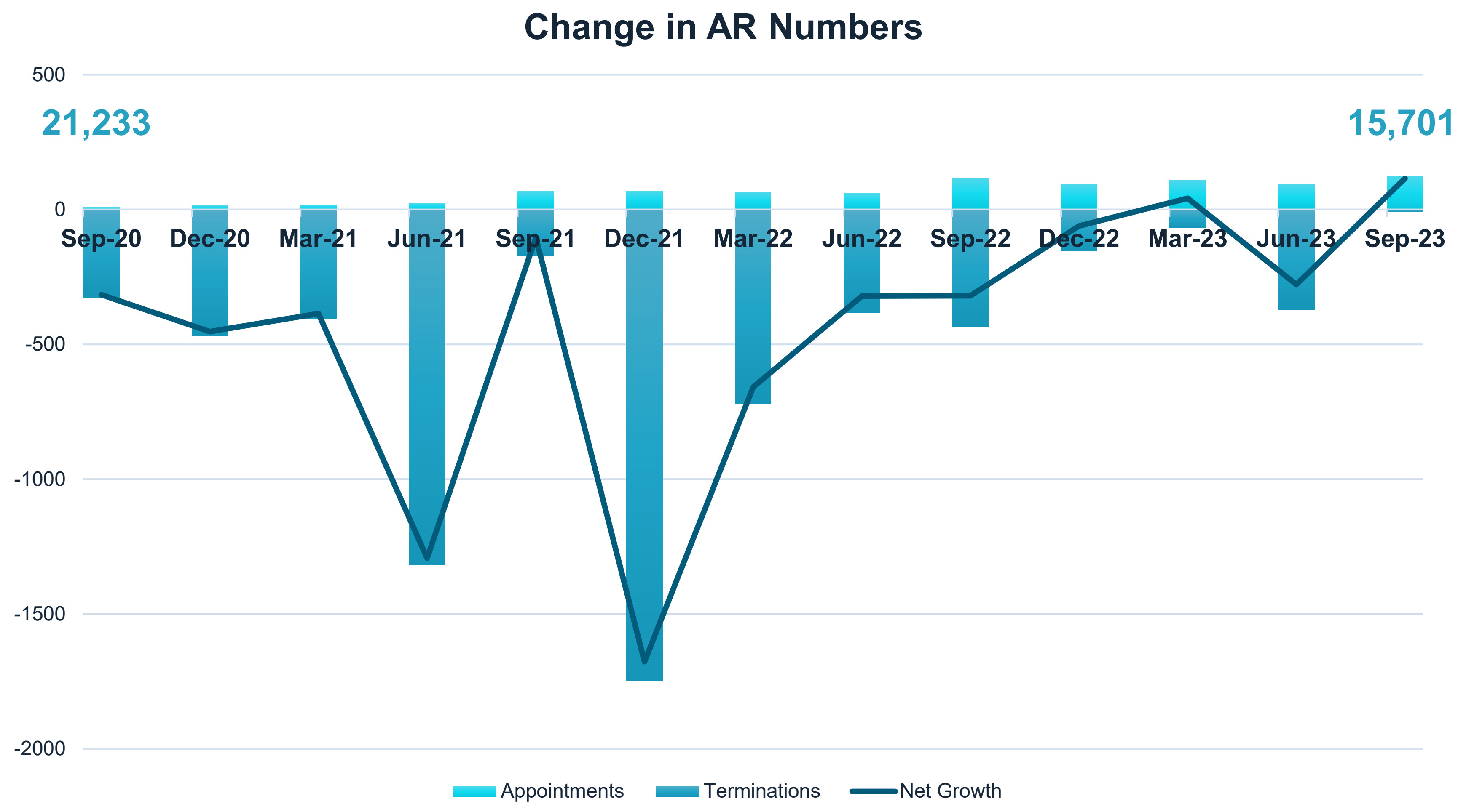
$15.6m
Cash
at 30 June 2023
6%
on 30 June 22

Dividend
Fully franked to be paid
29 Sept 2023
2¢ +

Fully franked paid
17 March 2023
1¢ Interim
0.5c ordinary
+ 0.5c special

Adviser numbers have stabilised and there are ‘green shoots’

CHANGE IN AR NUMBERS[1]



AR numbers have stabilised in the last 4 quarters (after large falls for the prior 16 quarters)

Professional Year graduate numbers are growing off a small base

‘Experience Pathway’[2] will retain advisers and may result in advisers re-entering

1. Wealthdata / ASIC
2. Experience Pathway is legislation that recognises prior experience exempting advisers from new education standards

Centrepoint – stability in a sea of turmoil

CHANGES IN ADVISER NUMBERS BY LICENSEE 1/7/2021 TO 30/06/2023

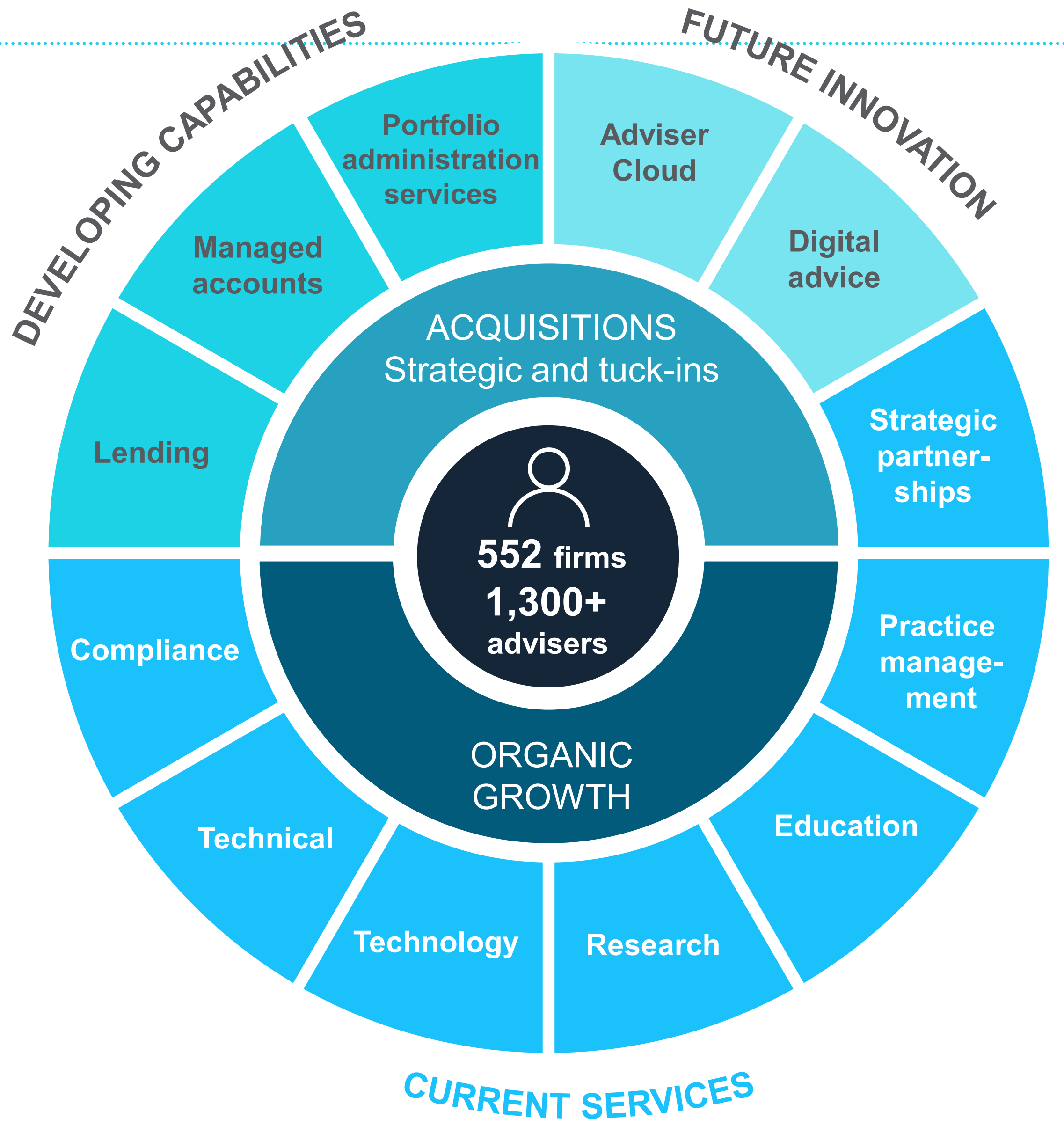
RANK	LICENSEE GROUP	NUMBER OF ARS[1]	APPOINTMENTS	RESIGNATIONS	NET CHANGE	
1	Insignia Financial	975	196	653	-457	Adviser losses continue, advice business being spun out from Group
2	AMP	901	145	528	-383	Class action, adviser losses continue, questions over future business model
3	CENTREPOINT ALLIANCE	510	172	160	**12**	
4	wealthtoday	428	93	303	-210	Large adviser losses, still integrating Synchron, pre-vetting all advice
5	diverger	396	92	233	-141	Takeover by Count, rival offer from COG, it will be sold question is to who
6	CountPlus	378	132	161	-29	In a bidding war with COG for Diverger, still integrating Affinia
7	sequoia WEALTH MANAGEMENT	316	107	145	-38	
8	Lifespan FINANCIAL PLANNING	255	76	71	**5**	
9	Capstone FINANCIAL PLANNING	253	71	74	-3	EU against former adviser, working through remediation program
10	NTAA	246	25	445	-420	Specialises in licensing accountants, this market is still shrinking

1 Authorised Representatives
Source: Wealthdata. Note appointments and resignations of ARs of entities purchased by the Licensee Group during the period are included in the statistics.

We are very positive about the business outlook

- Business is in good shape – integration complete, uniform pricing and efficient operating model
- Industry attrition of advisers has bottomed out post FASEA and showing signs of growth
- Regulatory change has shifted to practical changes to reduce compliance burden
- Adviser recruitment has started strongly with 30 new advisers joining the group since 1 July
- New initiatives (Lending / Managed Accounts) building momentum
- On track to replicate earnings for core business $7.5m to $8m EBITDA

Advisers are at the centre of Centrepoint Alliance's strategy



BUSINESS SNAPSHOT

Funds under advice **$65b**[1]

Insurance in force premiums **1b**[2]

Licensed Advisers
- Firms **356**
- Advisers **511**

Self-Licensed Advisers
- Firms **196**
- Advisers **797**

Advised clients **~150,000+**[3]

Managed accounts **$295m**

Mortgage broking
- Brokers **80**
- Loan book **$3.4b**

Lending as a Service
- Participating firms **30**

Source: 1. CAF Estimate 1308 advisers x average FUA $50m = $65b
2. CAF Estimate based on total commission paid
3. CAF estimate 1308 advisers x 120 clients = 156,960
All numbers as at 30 June 2023 unless stated

Acquisition of Financial Advice Matters (FAM)

- Entered into a binding agreement to acquire 100% of Brisbane-based financial planning business FAM
- FAM is one of the largest corporatised financial planning groups in Queensland
- Established in current form in 2015
- FAM provides financial planning services to 1,450 household clients
- Funds under advice in excess of $1 billion
- 8 offices throughout Queensland
- FAM has been a Corporate Authorised Representative of Alliance Wealth since 2015
- The acquisition will boost Centrepoint's salaried advice network to 19 advisers
- Strong strategic and cultural fit
- Consistent with our strategy to accelerate earnings growth

FINANCIAL ADVICE MATTERS
Achieving your goals

+

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Key transaction details

- FAM $6.1 million in FY23
- Full year EBIT contribution to Centrepoint in the range of $1.1 million to $1.5 million in first twelve months of operations
- Total potential consideration of $10 million cash funded from Centrepoint's existing cash reserves and newly established $10 million debt facility with National Australia Bank
- 80% of consideration paid upfront and remaining 20% subject to deferred incentives and performance hurdles over a 12-month period based on a minimum EBIT contribution of $1.5 million
- Completion expected by 1 December 2023 (subject to fulfilment of closing conditions)

FINANCIAL ADVICE MATTERS
Achieving your goals

CENTREPOINT ALLIANCE

Lending as a Service ('LaaS') has been enthusiastically embraced by advice firms

37 firms participating, **30** firms in pipeline

75 leads in October

More than **90** loans settled

More than **40** loans in progress

Over **100** loan prospects in the pipeline

3rd salaried broker appointed

ABOUT LaaS

A unique solution for advisers to deliver credit advice to clients

- Enable advisers to build a lending business by operating as authorised representatives under our credit licence
- Advisers retain ownership of clients, it is their business
- Advisers leverage our infrastructure partner with our in-house lending specialists
- We manage the end-to-end lending process
- Launched September 2022

Managed Accounts update

We have been working with platforms to bring Research- based SMAs – IQ Portfolios

- Requires significant due diligence due to our structure
- Has been delayed several times due to the complexity of the model
- Have selected an Asset Consultant to work with our Research Team

iQ Portfolios

Model Name	Potential Risk Profiles
IQ Portfolios, Core and Satellite	G50, G70, G85
IQ Portfolios, Income	G30, G50

Research Models are available currently on:

- Ventura Managed Account Portfolios (VMAPS) – Low-cost and Active
- FirstChoice

Where and when will the Research-based SMAs be available

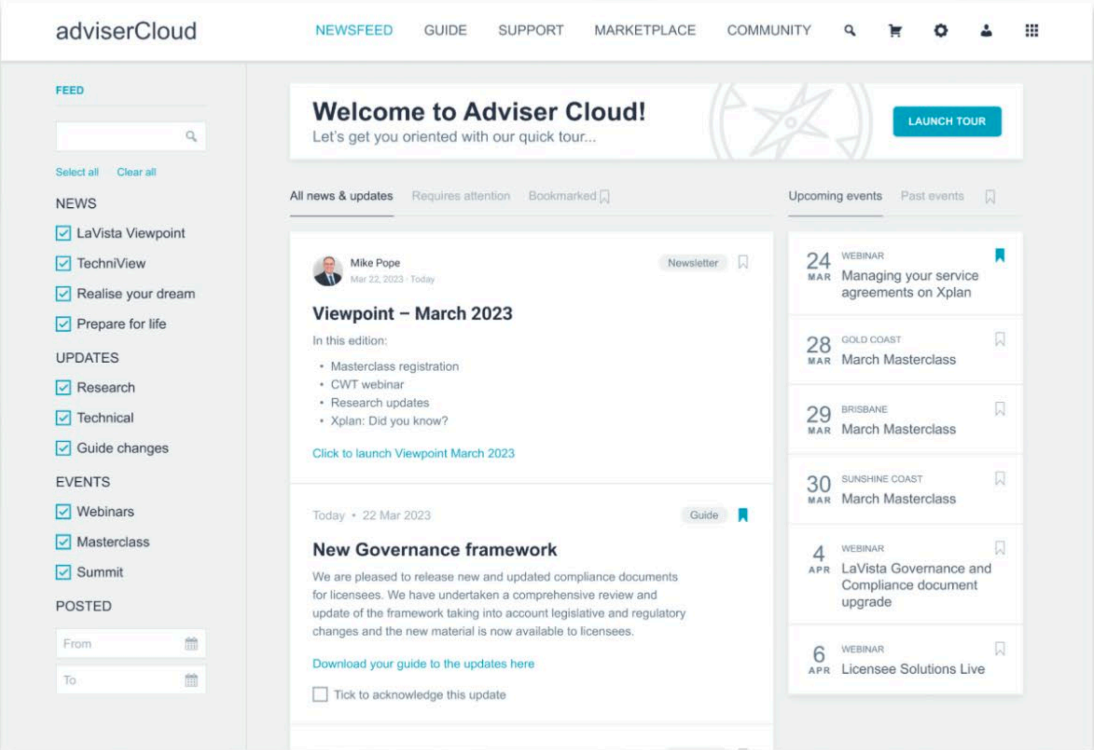
- Macquarie Manager – December/January
- Hub24 – January/February
- BT Panorama – January/March
- CFS Edge – February/March
- **Please note there is no guarantee we will be able to add models to all these platforms, nor are the dates certain**

Future Developments:

- Investigating the opportunity for us to
    - Provide Bespoke SMAs through internal mechanisms
    - Provide Bespoke SMAs on selected platforms
- Considering various models

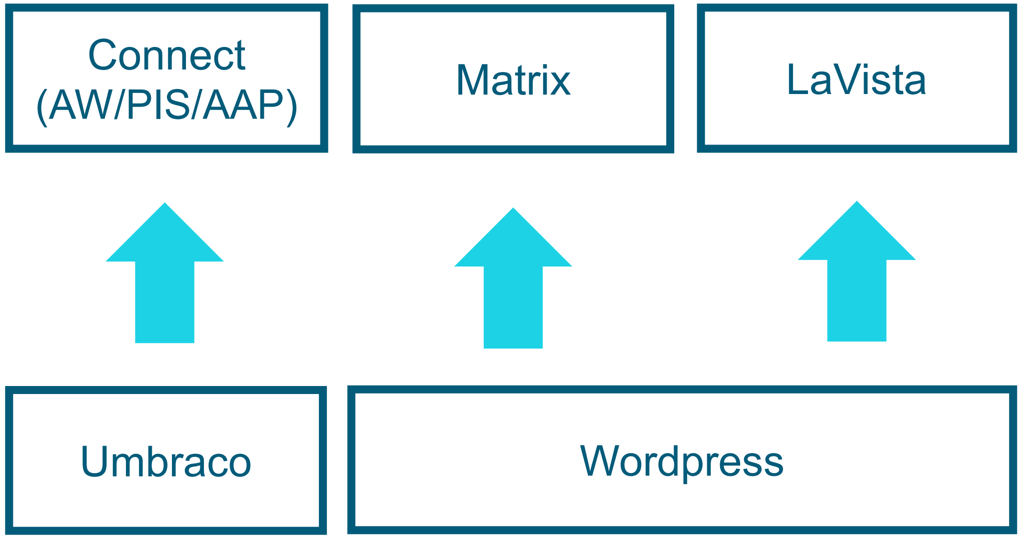
Adviser Cloud

All you need to manage your legal and regulatory obligations, provide sound advice, and run an effective and efficient business.



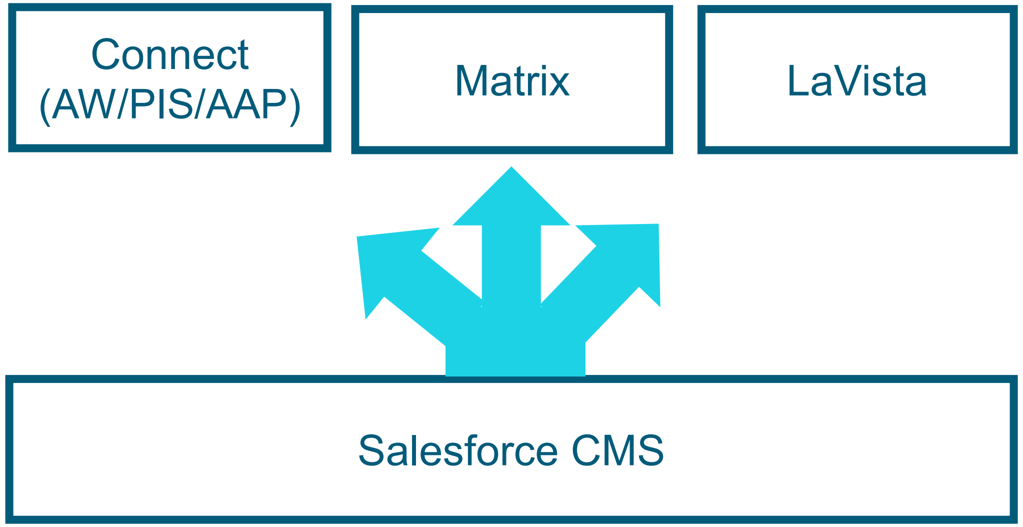
ADVISER CLOUD – CURRENT VS FUTURE STATE

Current



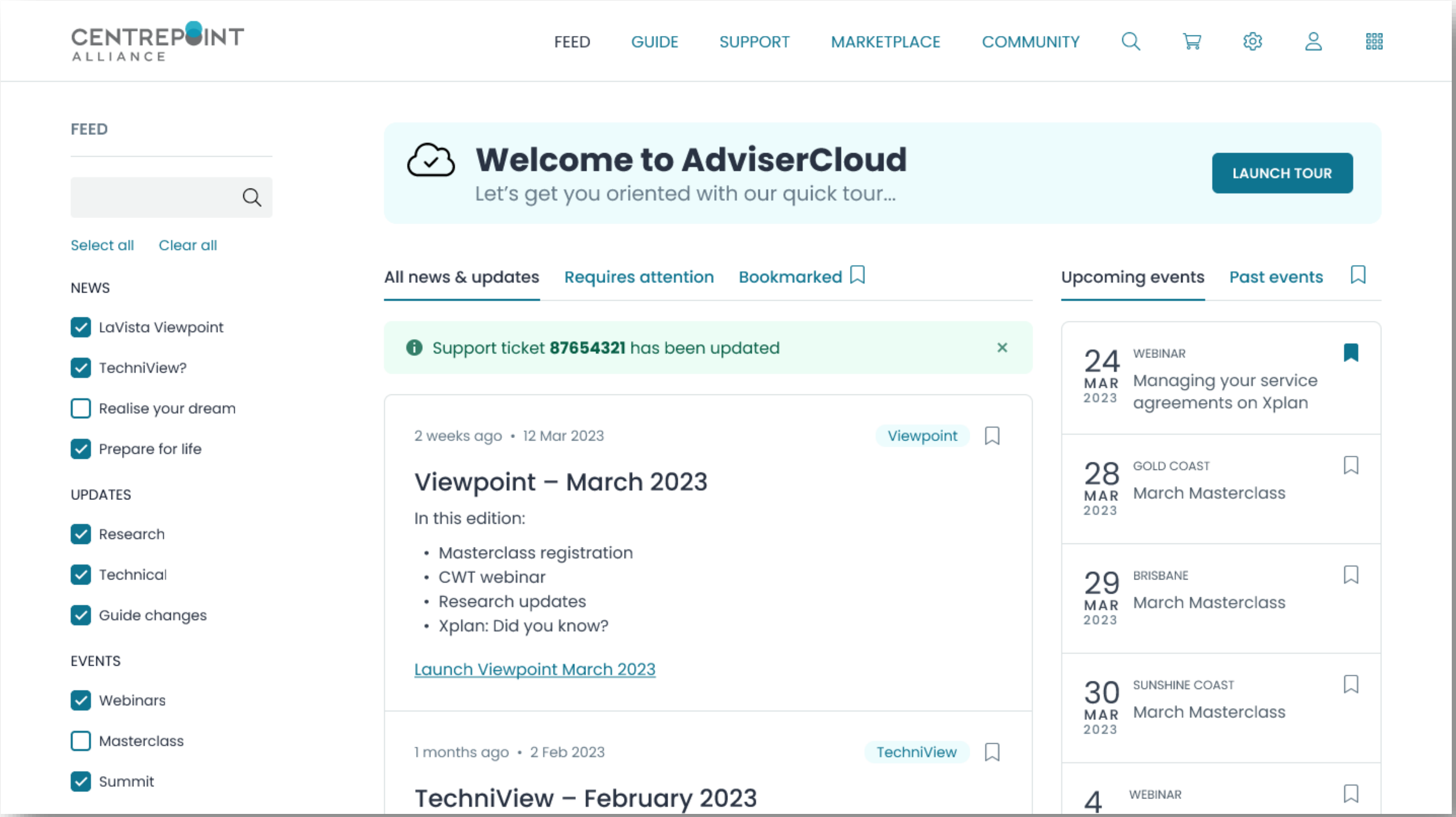
- Content uploaded 3 times (inefficient for staff)
- Layouts and categories are different for each site
- Connect end of life /custom purpose build
- Multiple CMS

Future

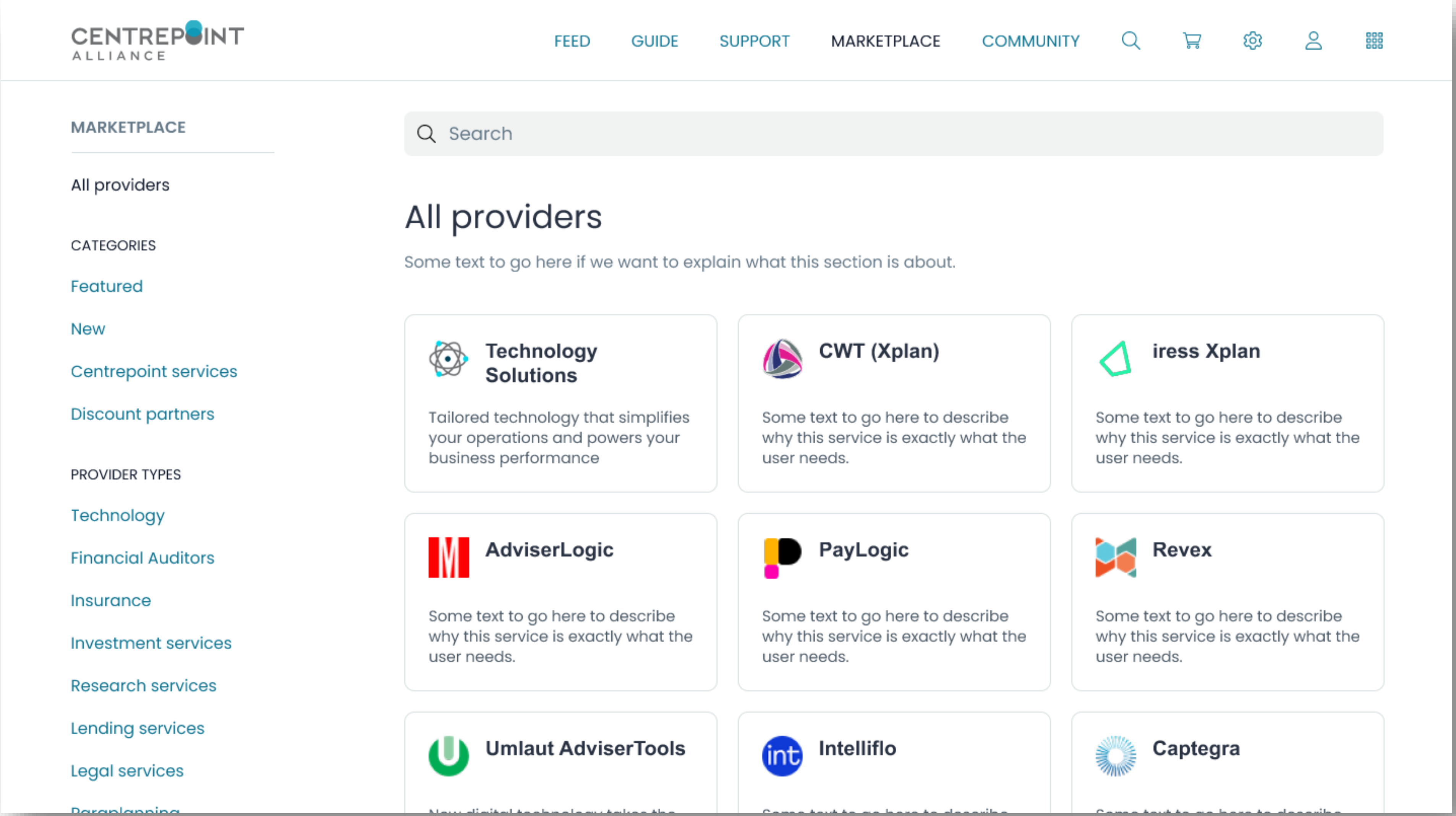


- Content uploaded once and permissions used to deliver to correct audience
- Continual investment and development by salesforce that can be customised
- Single system

ADVISER CLOUD – IMPROVED ADVISER EXPERIENCE



ADVISER CLOUD - MARKETPLACE




25th Annual Partners Summit
Nusa Dua – Bali March 18-21 March 2024
Theme – Work/Life Balance