CENTREPOINT ALLIANCE

FY22 RESULTS

PRESENTATION AND STRATEGY UPDATE

John Shuttleworth, CEO

Brendon Glass, CFO

August 2022

Disclaimer

This presentation is for general information purposes only and should be read in conjunction with the Full Year Financial Report for the twelve months ended 30 June 2022 and the Appendix 4E lodged with the Australian Securities Exchange by Centrepoint Alliance Limited (ASX:CAF) on 24 August 2022. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

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All numbers are as at 30 June 2022 unless otherwise stated. Numbers may not add up due to rounding.

The release of this announcement has been authorised by the Board of Directors.

AGENDA

BUSINESS RESULTS AND STRATEGY

John Shuttleworth, CEO

FINANCIAL RESULTS

Brendon Glass, CFO

BUSINESS RESULTS

John Shuttleworth, CEO

CENTREPOINT ALLIANCE

KEY MESSAGES
FY 2022

- Transformational year
- Strong earnings and profit growth
- Efficient integration of ClearView Advice
- Delivered revenue growth and cost synergies
- Strong licensed adviser growth
- Solid performance of self-licensed business
- Lending solutions record year
- Restructure of asset management underway

Snapshot of core earnings

$228.5m
Gross revenue
+64% on FY21

$7.2m
EBITDA
Excludes legacy claims, LTI and one-off costs
+112% on FY21

$14.7m
Cash
at 30 June 2022
+32% on 30 June 2021

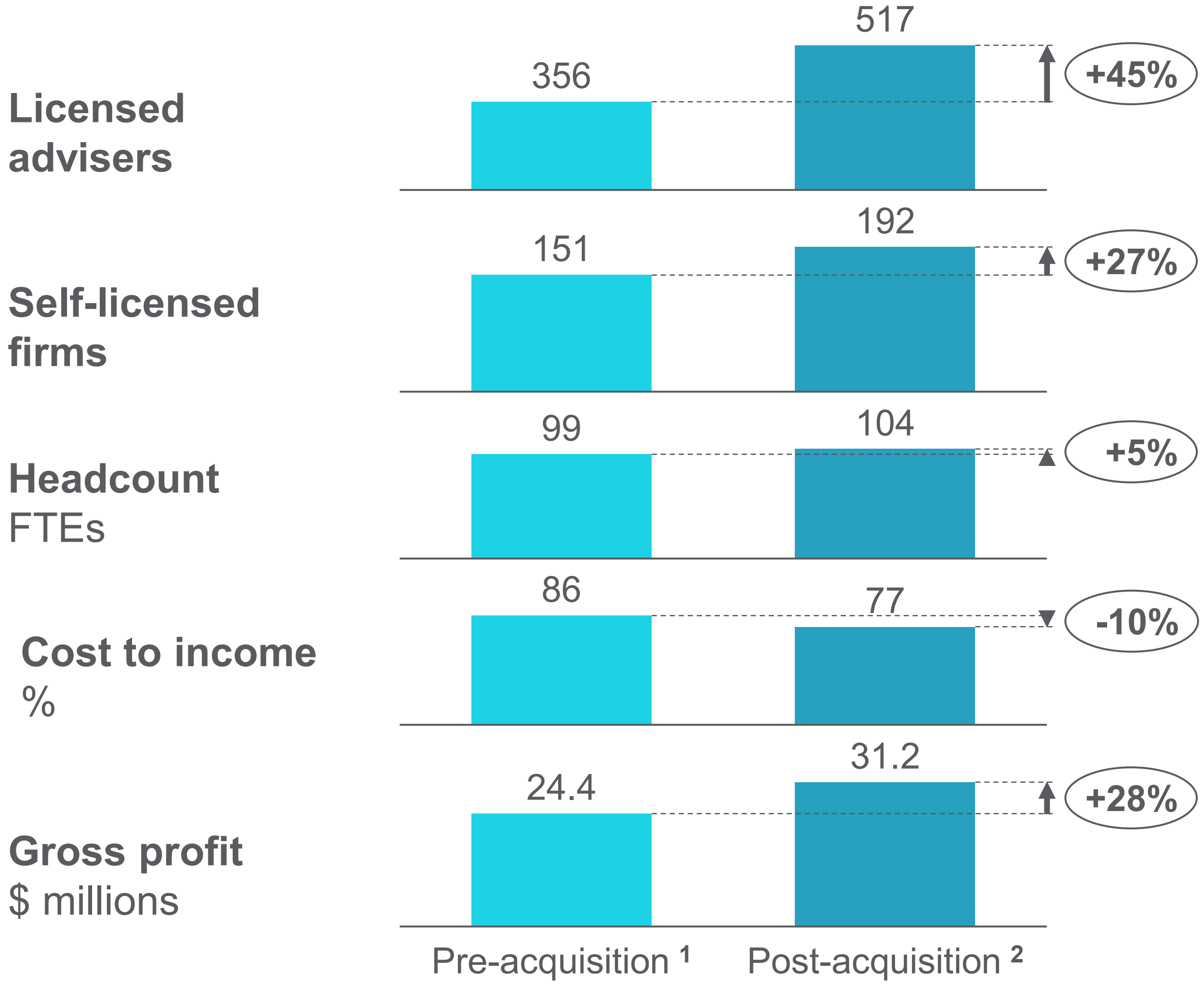
$31.2m
Gross profit
+11% on FY21

Dividend
Fully franked and to be paid September 2022
1c Ordinary

ClearView Advice acquisition has transformed Centrepoint Alliance

KEY MESSAGES

- Completed 1 November 2021
- Delivering scale and efficiency
- Organisation structure implemented day 1
- Strengthened leadership team
- Strong adviser retention
- Material expense synergies
- Gross profit +28% and headcount FTE +5%



Sources: Centrepoint Alliance financial analysis; FY22 annual results.

1 *Pre-acquisition metrics are defined as 30-June-2022 equivalents without the benefit of ClearView Advice acquisition.*

2 *Post acquisition metrics are 30-June-2022. Gross profit of $31.2 million includes 8 months of ClearView Advice acquisition ($6.8 million).*

The industry has shifted from bank-owned and institutional to mid tier and self-licensed

2017 PRE ROYAL COMMISSION
25,249 advisers

Big 4 banks 5,712
- CBA 1,784
- NAB 1,653
- ANZ 1,164
- Westpac 1,111

Institutional 3,739
- AMP 2,748
- IFL 991

All other – 15,798
- NTAA 746
- Morgans 468
- Synchron 432
- Centrepoint 388
- Dover 370

2022 CURRENT STATE
16,398 advisers

Big 4 banks 350

Institutional 2,159
- IFL 1,116
- AMP 1,043

All other – 13,889
- Wealth Today 526
- Centrepoint 521
- Morgans 450
- Diverger 445
- Sequoia 317

Sources: ASIC Adviser register as at 30 June 2022

8,851 advisers have left the industry

Market ↓ **35%**

Banks + Institutional ↓ **73%**

Mid-tier + self-licensed ↓ **12%**

AMP shed 1,700 advisers

Mid-tier and self-licensed now 85% of total market

Centrepoint is building scale

LICENSEE RANKING

Number of authorised representatives

Rank	Licensee group	No of ARs	Net growth
#1	INSIGNIA (IOOF)	1,116	-320
#2	AMP	1,043	-248
#3	Wealth Today	526	-112
#4	**Centrepoint Alliance**	**521**	**23**
#5	Morgans	450	-20
#6	Diverger (Easton)	445	-92
#7	Sequoia	317	-37
#8	Ord Minnett	288	-40
#9	Count	278	30
#10	NAB	271	- 18

Note ASIC data differs from internal data due to timing

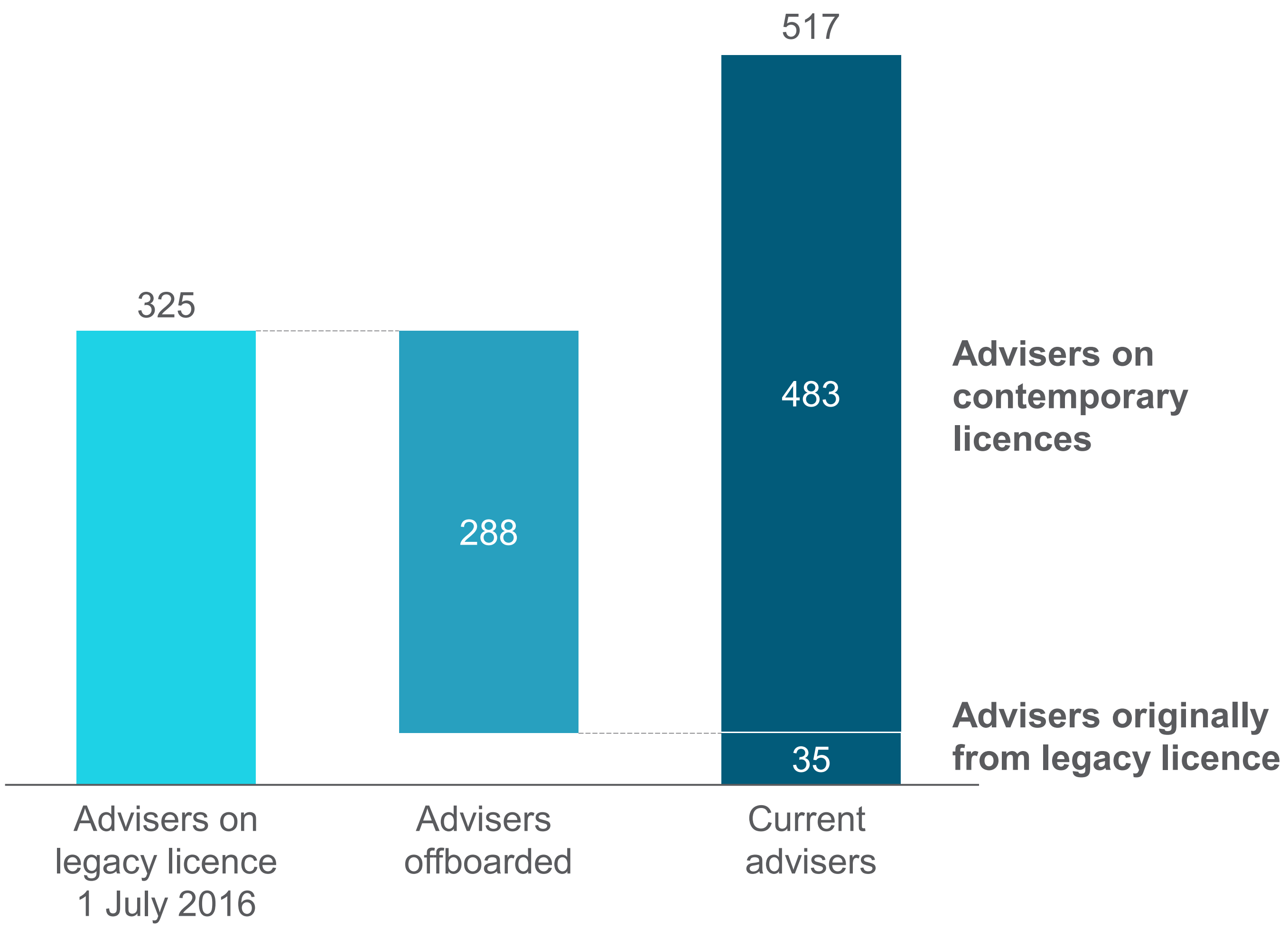
CAF has performed well relative to peers – only one of two large licensees to record net growth over FY22

Flow out of institutional licensees continues

Despite large numbers of advisers flowing out of institutional licensees most mid-tier AFSL's are shrinking

Note: The table uses ASIC adviser numbers as reported by Wealth data. Period is 12 months ending June 2022. The ASIC data does not reconcile with internal data due to timing differences.

Centrepoint Alliance has retained and attracted the best advisers



Sources: Internal Centrepoint adviser and AFSL data

KEY MESSAGES

- Composition of advisers under our licence has profoundly changed
- 88% of advisers on our legacy AFSL have exited
- Those that remain are high quality firms
- New advisers who have joined run sustainable businesses
- Centrepoint has a zero tolerance for advisers with poor compliance and values that are inconsistent with good client outcomes

Strong service levels maintained post acquisition

SERVICE LEVELS
July 2021 to June 2022

	Number of enquiries	Average days to resolve
Advice revenue	11,298	1.42
Education	3,938	3.28
Governance and standards	4,262	0.62
Practice transitions	8,090	2.02
Research	1,112	2.10
Technical	2,775	0.41
Total	**31,475**	**1.63**

Service levels were maintained despite significant uplift in enquiries driven by the growth in adviser numbers

31,500 enquiries over 12 months

90% resolved within 3 days

Licensed advisers grew 64% from 315 to 517

STRATEGIC FOCUS

John Shuttleworth, CEO

A simple way to think about our strategy

Building scale and capability in our core licensee business

Develop revenue adjacencies that enhance our offer and improve margin

Differentiate through quality of advisers, service quality and technology

Centrepoint's adviser network drives an estimated ~$780 million+ in revenue across 4 areas in the value chain

- 517 licensed advisers
- 788 self-licensed
- ~ 1,300 advisers
- 100 clients per adviser
- 130,000 advised clients
- Average balance $350,000

$45B FUA

Area	Assumptions	Revenue
Adviser revenue	• Advice fee $3,000 • 130,000 x $3,000 = $390M	**$390M**
Platform revenue	• $45B under advice • Platform revenue margin 30bps • $45B x 30bps = $135M	**$135M**
Asset management	• Adjust $45B for cash (8%) and equities (10%) • $45B x 0.82 = $36B • Asset management average fee 60bps • $36B x 60bps = $216M	**$216M**
Home lending	• 130,000 customers / adv loan $688,000[1] • Home ownership 67% • 32% own / 35% have mortgage[2] • 17.5% refinance per year[3] • 130,000 x 0.35 x 0.175 = 7,960 opportunities • 7,960 x $688k avg loan = ~ $5.5b in annual loans • Upfront 60bps = $33M • Annual trail 15bps = $8M	**$41M**
		~$780M

Assumptions are illustrative and not based on actual Centrepoint data unless stated

1. Centrepoint average loan size
2. Australian Institute Index of Health and Welfare (Home ownership and housing tenure) August 2022
3. Centrepoint Alliance long term refinance rate

Centrepoint has a strong platform for future growth

Strong foundation to support future growth

Sustainable financials	Right advisers	Scale	Diversified revenue	Team that can execute
Profitable Strong balance sheet No debt	Quality Strong community Sustainable earnings Low claims	517 ARs + 192 Self-Licensed Firms with 788 advisers	Asset Management Lending Technology services	Organic growth Acquisition

Centrepoint has a strong platform for future growth

	1	2	3	4	5
Objective	**Grow # licensed advisers**	**Scale self-licensed service**	**Grow salaried channel**	**Grow lending solutions / broking**	**Build portfolio solutions business**
Baseline	517 authorised representatives	192 self-licensed firms 788 advisers	7 advisers	$3.2B loan book Settlements $900m	$370M managed account FUA
Our focus	• Organic + acquisition • Quality firms only	• Expand depth of services • Digitise service provision	• Acquire ‘corporatised’ firms • Invest in digital advice	• Grow aggregation business • Launch lending as a service	• Launch new research driven SMAs

Strong foundation to support future growth

Sustainable financials	Right advisers	Scale	Diversified revenue	Team that can execute
Profitable Strong balance sheet No debt	Quality Strong community Low claims	517 ARs + 192 Self-Licensed Firms with 788 advisers	Asset Management Lending Technology services	Organic growth Acquisition

When considering M&A opportunities to protect earnings and deliver synergies we apply disciplined selection criteria

Quality of advisers/ firm

Sustainable earnings

Lower claims risk

Better retention

Protect reputation

Comparable fees

Harmonise fees

Avoid margin compression

Adviser exits

Realisable synergies

Duplication of costs

Common operating models

Opportunity for expense synergies

Additional capability that can be leveraged

Claims risk

Historical claims and remediation

Quality of risk and compliance

Background and history of advisers

Cultural alignment

Fit with community

Belief in higher purpose of advice

Similar philosophy and approach

LENDING AS A SERVICE

John Shuttleworth, CEO

CENTREPOINT ALLIANCE

Centrepoint has the infrastructure, distribution, capability and the strategy to grow the lending business

Boutique aggregator with infrastructure to provide lending services

- Credit licensee
- Lending infrastructure
- Technology
- Lender panel
- Compliance and audits
- Training and business development
- Sense of community

Our business today

$3.3b loan book

80 brokers in network

$900m in annual settlements

+36% on prior year

Leveraging existing infrastructure

Boutique aggregator

Lending as a Service

Credit licence

Loan origination platform

CRM system

Lending panel

Compliance

Training and development

Sales and marketing

Lending as a Service (LaaS) has been designed to help financial advice firms build a compliant lending business

- Enable advisers to build a lending business by operating as authorised representatives under our credit licence
- Advisers leverage our infrastructure and refer clients to a Centrepoint in-house lending specialist
- We manage the end-to-end lending process
- Operational September 2022

LaaS makes sense for Centrepoint because it has huge network potential and end customers benefit

- 1,300 advisers with ~100 clients
- 130,000 advised customers
- Home ownership with mortgage 35%[1]
- ~45,500 lending opportunities
- 17.5% refinance per year [2]
- $688,000 average loan size [3]
- $5.5B estimated loans refinanced each year

Assumptions are illustrative and not based on actual Centrepoint data unless stated

1. Australian Institute Index of Health and Welfare (Home ownership and housing tenure) August 2022
2. Centrepoint Alliance long term refinance rate
3. Centrepoint average loan size

FINANCIAL RESULTS

Brendon Glass, CFO

CENTREPOINT ALLIANCE

Successful integration of ClearView Advice acquisition resulting in strong second half results

Financial results summary

For the period	FY20 ($m)	FY21 ($m)	H1 FY22 ($m)	H2 FY22 ($m)	FY22[1] ($m)
Gross Revenue	**131.0**	**139.2**	95.5	133.1	**228.5**
Adviser fees and commissions	(101.7)	(111.1)	(81.4)	(116.0)	(197.3)
Gross Profit	**29.3**	**28.1**	**14.1**	**17.1**	**31.2**
Management Expenses	(25.6)	(24.7)	(11.6)	(12.4)	(24.0)
EBITDA (excluding Legacy Claims, LTI & One-Off Costs)	**3.7**	**3.4**	**2.5**	**4.7**	**7.2**
Cost to Income Ratio	87%	88%	82%	73%	77%
Legacy Claims	(3.6)	0.0	0.0	0.0	0.0
LTI Costs		(0.3)	(0.4)	(1.2)	(1.6)
One-Off Costs	-	-	(0.5)	(0.6)	(1.1)
EBITDA	**0.1**	**3.1**	**1.6**	**2.9**	**4.5**
Depreciation, Amortisation, Impairment, Finance Costs	(2.3)	(1.6)	(0.7)	(1.2)	(1.9)
Profit/(Loss) before Tax	**(2.2)**	**1.5**	**0.9**	**1.7**	**2.6**
Tax	0.2	0.4	(0.4)	4.4	3.9
Net Profit/(Loss) after Tax	**(2.0)**	**1.9**	**0.5**	**6.0**	**6.5**

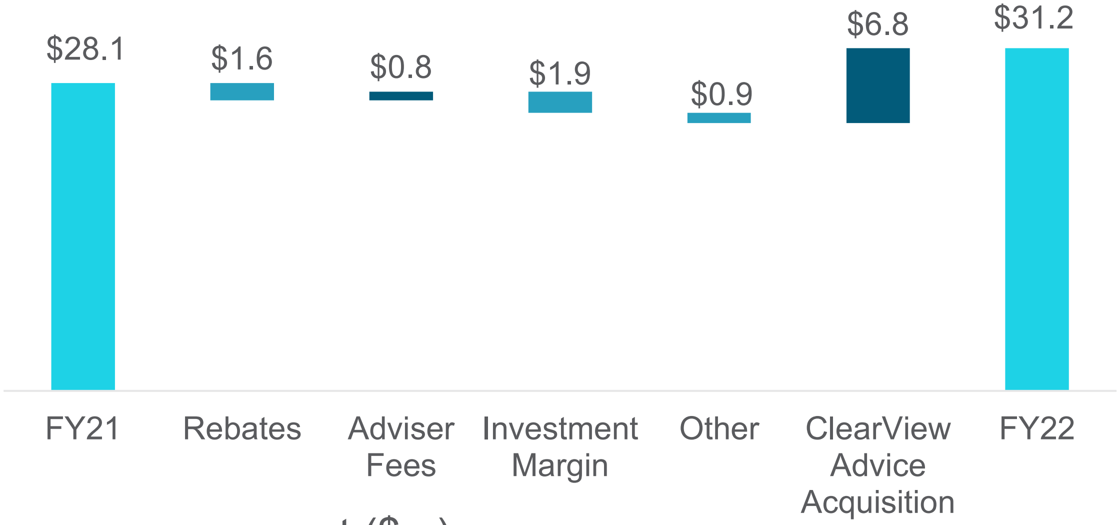
- Gross revenue up $89.3m (+64% PCP) driven by $23.5m organic licensed adviser growth and $65.8m through ClearView Advice acquisition in gross commissions and adviser fees received
- Gross profit up 11% on PCP mainly due to increase in annuitised adviser fee revenue replacing rebate drop-off and investment margin run-off
- Management expenses down 3% on PCP (17% excluding ClearView Advice acquisition)[2]. Primarily driven by savings in employment, professional services offset by higher subscriptions and technology costs
- Cost to income at 77% - improvement over PCP due to active cost management and expense synergies materialising in H2 FY22 post ClearView Advice integration in Nov 2021
- EBITDA (excluding legacy claims, LTI & one-off costs) of $7.2m up $3.8m on PCP driven by the impact of ClearView Advice acquisition in H2 FY22
- PBT of $2.6m up $1.1m on PCP due to higher gross profit and improved overall expense management

Sources: Centrepoint Alliance financial analysis; FY22 annual results.
*Note: **1** Contributed revenue for ClearView Advice acquisition is for eight months in FY22 (Nov 2021 to Jun 2022).*
*Note: **2** Statutory expenses up 8% on PCP*

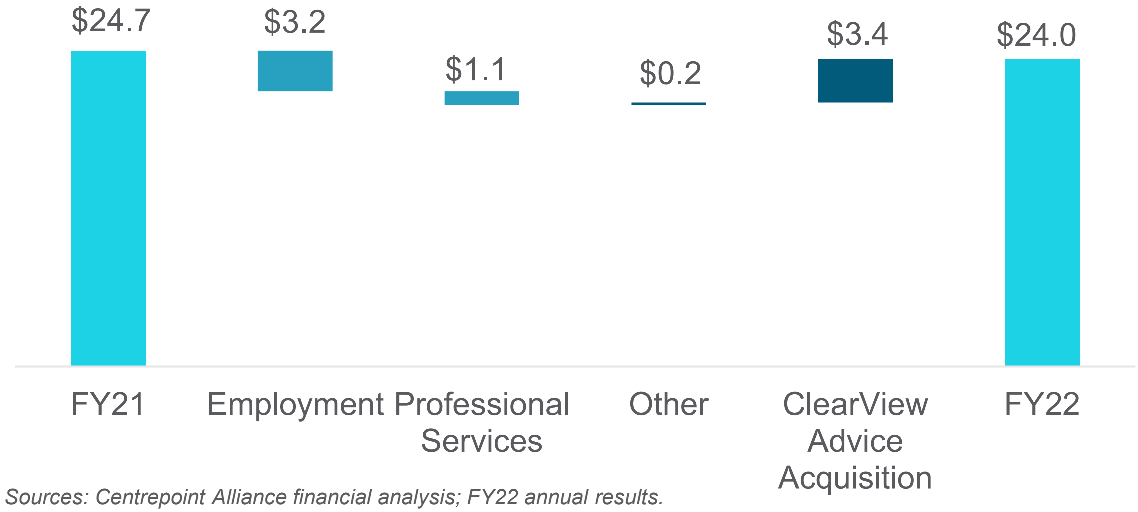
Gross Profit increase with ClearView Advice acquisition and diligent expense management

Gross Profit and expense analysis

Gross Profit movement ($m)



Expense movement ($m)



Sources: Centrepoint Alliance financial analysis; FY22 annual results.

Key revenue movements (PCP) :

- Rebates down $1.6m due to grandfathered rebates that have runoff, with platform rebates ceased 1 Jan 2021
- Investment margin down $1.9m due to higher funds custody charges and lower platform margin (BT, Insignia/IOOF and Navigator platforms ceasing)
- ClearView Advice acquisition contributed $6.8m in revenue to the overall gross profit increase for the year. Contributed revenue is for eight months effective Nov 2021 to Jun 2022 (adviser fee and employed planners)

Key expense movements (PCP) :

- Excluding the impact of ClearView Advice acquisition, down $4.1m (17%) mainly driven by :
  - Employment down $3.2m (19%) due to organisational structure changes since ClearView Advice acquisition. Headcount increased by 5% to 104.1FTE since Nov 2021
  - Professional services down $1.1m (51%) due to lower consulting costs
  - Other expenses up $0.2m due to higher subscription costs

BALANCE SHEET

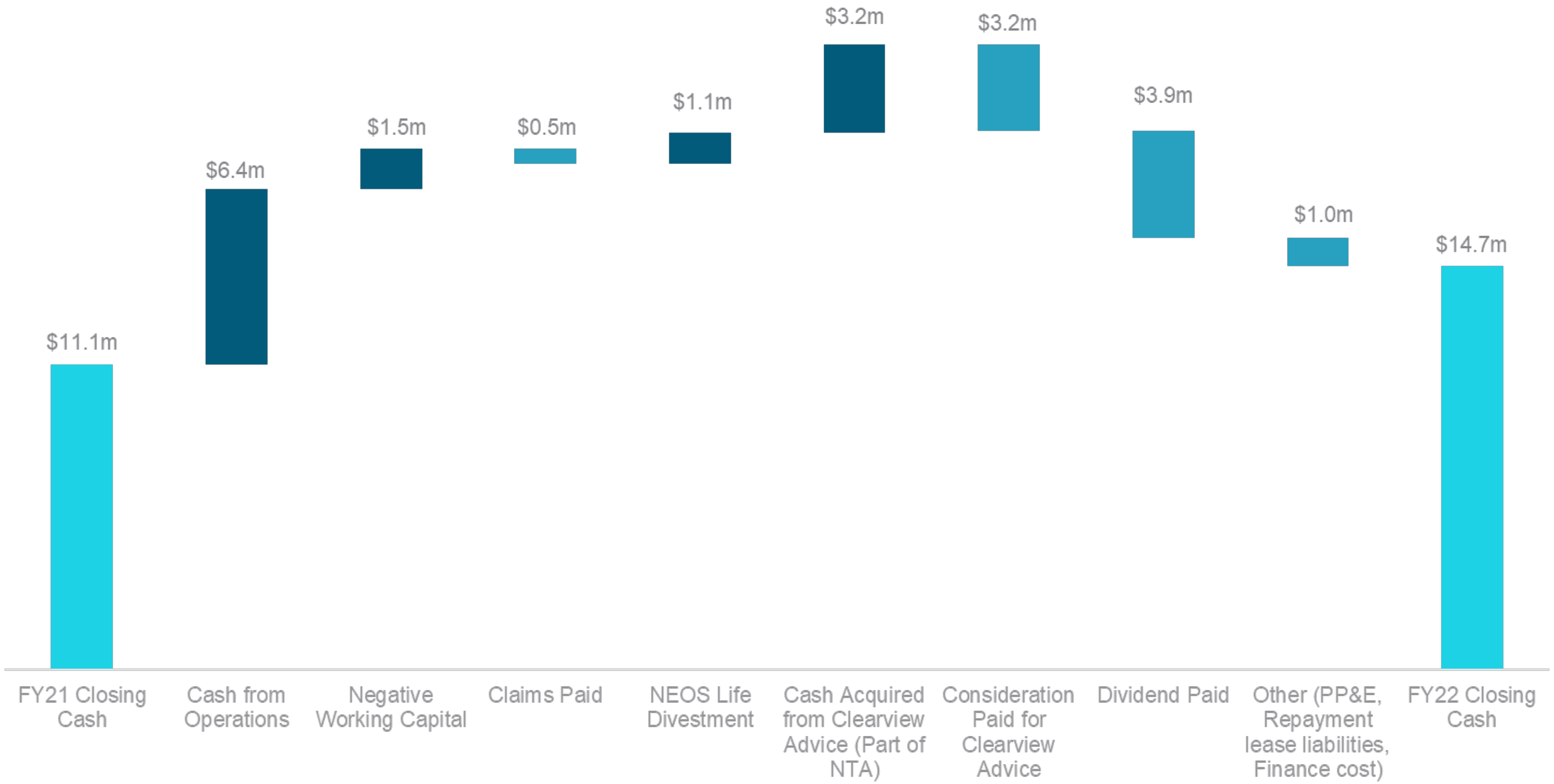
For the period ended	FY21 ($m)	FY22 ($m)
Cash & Term Deposits	**11.1**	**14.7**
Trade and Other Receivables	6.7	5.1
Loans Receivable	1.2	0.4
Intangible Assets and Goodwill	3.1	17.8
Other Assets	5.0	11.3
Total Assets	**27.1**	**49.3**
Trade and Other Payables	9.8	10.0
Claims & Fee for No Service Provision	1.9	1.6
Other liabilities	4.2	9.4
Total liabilities	**15.9**	**21.0**
Net Assets	**11.2**	**28.3**
Net Tangible Assets	5.2	6.6
Net Tangible Assets (cents per share)	3.6	3.7

- Cash of $14.7m up $3.6m on Jun 2021 primarily due to cash from operations
- Loans receivable reduced due to $1.1m Neos Life repayment in Dec 2021
- Intangibles increased by $14.7m with ClearView Advice acquisition, comprising $6.7m goodwill, $8.0m client lists and $0.6m trade name, offset by $0.6m amortisation
- Claims & fee for no service provision: 1 open legacy claim (PCP 2)
- Net Assets increased principally due to $6.5m net profit generated during the year, $13m increase in issued capital from ClearView Advice acquisition, offset by $3.9m dividends paid

Sources: Centrepoint Alliance financial analysis; FY22 annual results.

Strong cash performance generating $6.4m in cash from operations

Cash movement



- Cash at 30 Jun 2022 at 14.7m
- FY22 Cash from operations $6.4m
- Claims paid out $0.5m
- Neos Life divestment $1.1m
- $3.2m cash acquired as part of ClearView Advice acquisition, offsetting $3.2m cash consideration paid in Nov 2021
- Dividends paid $3.9m ($2.9m H1 FY22 and $1.0m H2 FY22)
- Other $1.0m consisting of PP&E acquisition, finance costs and repayment of lease liabilities

Sources: Centrepoint Alliance financial analysis; FY22 annual results.

2023 OUTLOOK

John Shuttleworth

We remain very positive about the business outlook

- Good momentum with strong second half run rate
- July 2022 on track to budget
- Pipeline of acquisition opportunities – discussions continuing
- Well advanced with strategic initiatives to drive organic growth – Lending / Managed Accounts
- Regulatory change has stabilised and manageable
- Encouraged by potential for practical regulatory reform – Quality of Advice Review
- Further update at November Annual General Meeting

END

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