Chief Executive Officer 2018 AGM Presentation

Martin Smith

26th September 2018

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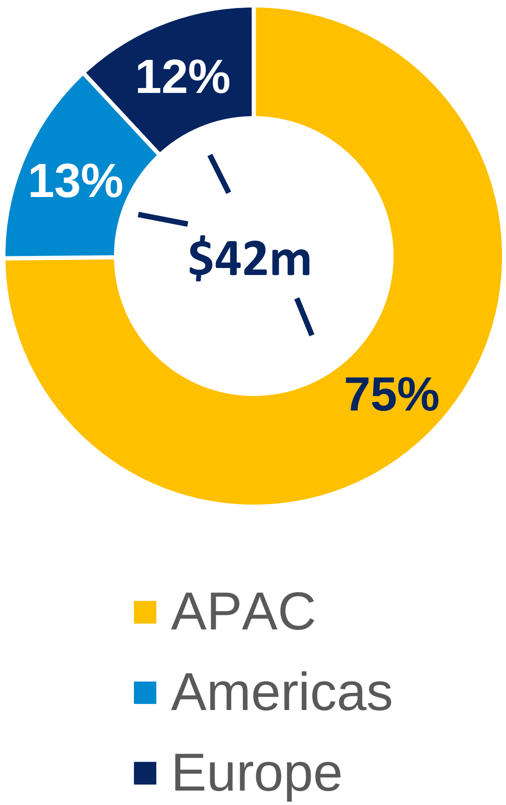
Mainstream at a glance

FY18 revenue by region



Mainstream currently:

- Administers **815 funds** globally
- Has funds under administration of **$138 billion**
- Supports more than **340 clients**
- Services **100,000+ investors**
- Operates in **8 countries**
- Holds **licences** in 5 jurisdictions
- Earns **recurring revenue** from long-term contracts underpinned by growth in wealth management sector

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Snapshot of fund services

Increasing breadth and depth in our fund administration specialisation

	Fund administration			
	Full service	Component services		
	Fund services	**Registry services**	**Custody services**	**Platform services**
Key services	› Investment administration › Fund accounting › Middle office services › Fund formation › All component services	› Investor centre › Investor reporting	› Safekeeping of investor's assets › Client access to 25 markets, multiple asset classes and enhanced cash solution	› SMA platform allowing models and beneficial ownership › Superannuation platform for non-SMSF clients › Cayman' Inceptioh platform › UCITS platform
Existing market pene-tration	$86 billion of Net Asset Value calculations for managed funds ETFs/LITs, hedge funds, private equity, venture capital, real estate funds, managed accounts	$70 billion in registry services (transfer agency)	Qualifying as eligible custodian ($4 billion in FuA as incidental custodian)	Launching digital transacting, settlement, reporting and communications solutions for investors and advisors
Revenue model	Long term contract (3 yrs+) typically based on FUM with minimum fees	Long term contract based on investors/transaction numbers	Long term contract based on basis points, transaction fess and cash aggregation	Long term contract based on basis points, transaction fees and cash aggregation

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Market drivers for growth

External forces

Regulatory change

- Trend toward increasingly complex global regulatory and reporting requirements
  - GDPR, CRS, FATCA…
- Our local reach ensures we are well placed to support clients across markets
- Allows clients to focus on their core business

Trend to outsourcing

- Continued investment to support trend to outsourcing in US $4.7 trillion closed end fund market (private equity, venture capital, real estate)
- Ongoing opportunity for change or consolidation of administrators when service is poor
- Driven by need for quality, independence and regulatory requirements

Product innovation

- Agile to developing processes to support new product ideas
- Expertise in listed funds, managed accounts and platforms means we can support our clients in their quest for new FUM sources

Technology

- Continued investment in infrastructure and operations to maintain competitive advantage
  - $8.2 million spend on technology, automation and processes in FY18
  - Our scale disperses upgrade costs across client base
- Opportunity to increase digital investor services

Mainstream well positioned to retain existing clients and attracting new clients

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Leadership update

- More than 245 people globally
  - Focus on positive culture, engagement and quality
  - 8 global locations
- Further build-out of leadership team:
  - Global operating model in place under one master brand
  - Andy Harrison joining as Fund Services, Australia CEO on 2 October 2018
  - Further business development hires planned to support strong pipeline in USA
- Co-founder Byram Johnston moving to Non-Executive Chairman from 1 October 2018
  - Board to now consist of 4 Non-Executive Directors and CEO:

BYRAM JOHNSTON OAM
BEc, FICA

Substantial shareholder (15%), appointed 2006

Executive Chairman (transitioning to Non-Executive Chairman)

MARTIN SMITH
BBus, MCom, CPA

Substantial shareholder (17%), appointed 2006

CEO & Executive Director

JOHN PLUMMER
BCom, MBA

Substantial shareholder (9%), appointed 2015

Non-Executive Director & Chair, Remuneration and Nominations Committee

LUCIENNE LAYTON
BCom, LLB, LLM, MBA, GradDip (Change), GAICD

Independent, appointed 2015

Non-Executive Director & Chair, Audit and Risk Committee

JOANNA FISHER
BA, B.Com, GAICD

Independent, appointed 2018

Non-Executive Director & Chair, Acquisitions Committee

Capital raising update

- Successfully raised $9.5 million (with bidding for $21m) via a Private Placement in Sept 2018 to accelerate and support our growth strategy via investment in the following strategic priorities:
  1. **Provide sufficient regulatory capital to operate an eligible custody service**
  2. **Fund investment in a proprietary wealth management platform ("Mainstream Digital")**
  3. **Build out US operations**
  4. **Refresh working capital**
- 13.57 million new shares issued at $0.70 per share (while remaining under 15% rule)
  - 123 million shares now on issue
  - Additional 5 million shares sold down by three directors to meet excess demand and introduce 7 new institution investors to the register with meaningful positions
- Shareholders as at Record Date^ have opportunity to apply for up to $15,000 of new shares at the same price at the Placement via Share Purchase Plan
  - Offer Booklets to be despatched to shareholders today

^ 7pm (AEST) on Friday, 14 September 2018

Closing remarks

FY18 marks a very successful year

- Growth across all financial and operational metrics
- Global operations in 8 countries with $138 billion in funds under administration
- Continued margin improvement with further investment in technology and automation
- Full year dividends: 1.5 cents per share (fully franked)

FY19 off to strong start

- $9.5 capital raise has strengthened balance sheet and will enable us to accelerate strategic priorities
- On track to meet FY19 guidance range (A$50.0m – A$55.0m revenue and $7.5m - $9.0m EBITDA)
  - Guidance is sensitive to key client losses / gains and material market movements
  - Loss of revenue from Combined Fund merger likely to be offset by strong organic sales pipeline in Australia (especially now we can offer eligible custody) and USA (particularly private equity administration)

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Financial Update

Stacey Kelly
Chief Financial Officer

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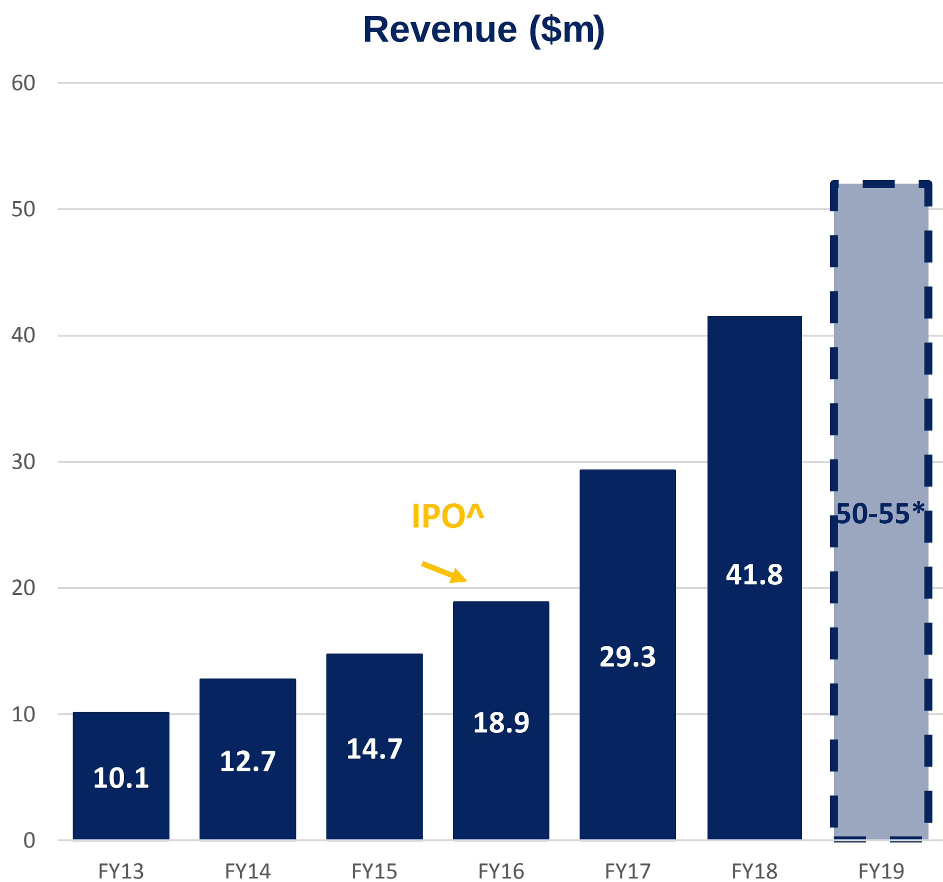
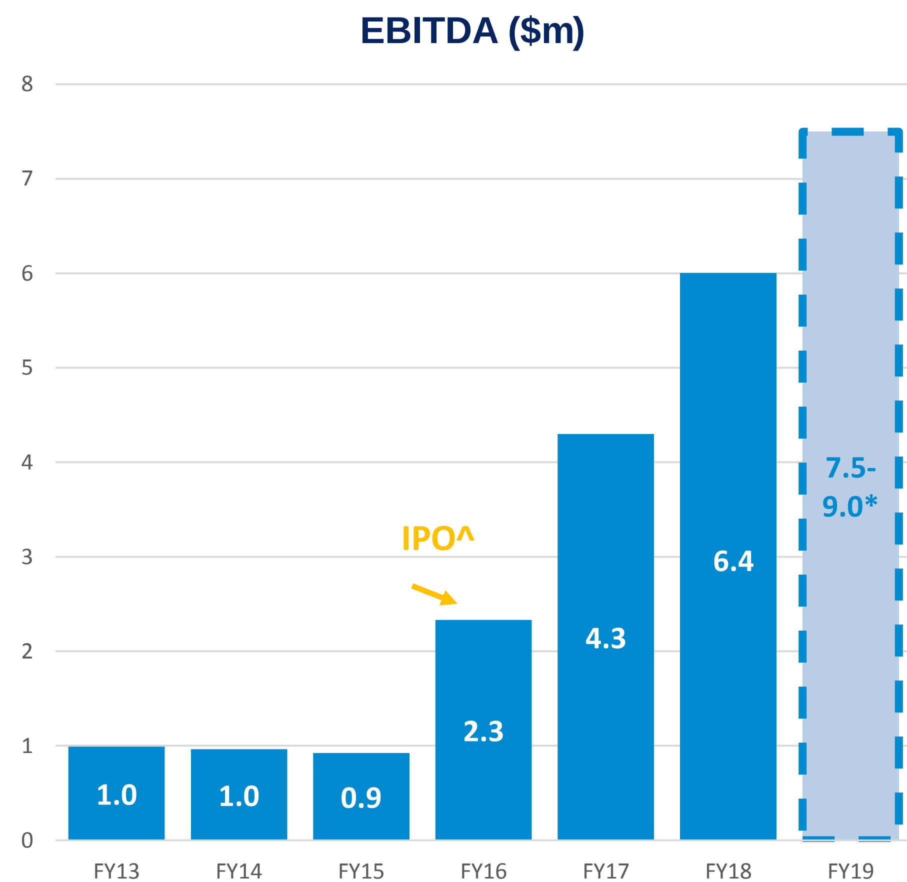
Strong financial track record

Consistent growth in revenue and earnings





^ Initial Public Offering: 1 October 2015.
* FY19 forecast to 30 June 2019.

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FY18 financial highlights

- Revenue and EBITDA growth driven by organic channels
- Significant investment in technology, automation and our people
- NPAT likely to continue to be impacted by non-cash items (amortisation and Share Based Payments)

	FY18 statutory*	FY18 adjusted**	FY17 statutory	Growth (%) FY18 to FY17 statutory
Revenue	$41.8m	$43.3m	$29.3m	42%
Operating EBITDA^	$10.5m	$10.9m	$6.6m	60%
Operating EBITDA margin (%)	25.3%	25.3%	22.5%	12%
EBITDA	$6.4m	$6.8m	$4.3m	49%
EBITDA margin (%)	15.2%	15.6%	14.5%	5%
Profit before tax	$2.6m	$3.4m	$1.8m	46%
Profit after income tax expense	$1.7m	$2.3m	$1.4m	22%
Dividend per share	1.5cps	n/a	1.25 cps	20%
Earnings per share (EPS) – basic	$0.0163	$0.0215	$0.0159	3%

* Statutory earnings include 9 months from Trinity and 8 months from IRESS acquisitions completed during the period.
** Adjusted earnings show the estimated full period impact of Trinity and IRESS acquisitions and adjusted full year interest expense in line with 1 Jan 2018 debt refinancing arrangement.
^ EBITDA is a non-IFRS financial measure used to highlight the operating performance of the Group. EBITDA is calculated as earnings before interest financing expense, tax, depreciation, amortisation and share based payments. Operating EBITDA is not an IFRS standard and is used to highlight Operating Margin before Corporate Costs.

Capital management

- Significant interest savings through ANZ debt refinance and repayment
- Capital raising has strengthened balance sheet and positioned for further growth
- Ongoing review of capital allocation strategy, including dividends and long term balance sheet structure, planned for next 6 to 12 months

Balance Sheet

$m	FY18 adjusted^	FY18	FY17
Current assets	22.5	13.0	12.7
Non-current assets	30.9	30.9	20.4
Total assets	**53.4**	**43.9**	**33.1**
Current liabilities	9.4	9.4	4.9
Non-current liabilities	9.2	9.2	9.4
Total liabilities	**18.6**	**18.6**	**14.3**
Net assets	34.8	25.3	18.8
Equity	**34.8**	**25.3**	**18.8**

^ Adjusted to show impact of September 2018 capital raising for illustrative purposes

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