CENTREPOINT ALLIANCE

FY21 FULL YEAR

RESULTS PRESENTATION AND STRATEGY UPDATE

John Shuttleworth, CEO

Brendon Glass, CFO

August 2021

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 2021 and the Appendix 4E lodged with the Australian Securities Exchange by Centrepoint Alliance Limited (ASX:CAF) on 25 August 2021. 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 2021 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

Acquisition of ClearView Advice
John Shuttleworth, CEO
Brendon Glass, CFO

CENTREPOINT ALLIANCE

BUSINESS RESULTS

John Shuttleworth, CEO

CENTREPOINT ALLIANCE

Snapshot of core earnings

$139.2m
Gross revenue
6% on FY20

$3.1m
EBITDA
$3.0m on FY20

$11.1m
Cash (at 30 June 2021)
9% on FY20

Dividend
(fully franked and to be paid 8 October 2021)
3c Special
1c Ordinary

KEY MESSAGES

TODAY

- Solid performance in a challenging market
- Well positioned in a rapidly evolving industry
- Transition to fee for service model complete
- Strong performance of the licensee solutions
- Expected run-off of legacy funds
- Enzumo acquisition has been embedded
- Strong expense management

FUTURE INDICATORS

- Build scale – organic and inorganic
- Digital services to improve adviser efficiency
    - More facetime for advisers
    - Less administrative burden
- Investment in financial services technology

Strategic context

THE NEED FOR ADVICE HAS NEVER BEEN GREATER

$12.6 trillion in household assets[1]

$3.1 trillion in super

$8.3 trillion land and dwellings

$2.8 trillion investments

$3.5 trillion inter-generational wealth transfer[3]

The great **shift from accumulation to retirement** incomes driven by the ageing population

Increased complexity through the interplay of superannuation, retirement, tax and social security

Reduced accessibility to financial advisers – adviser numbers **- more demand and less advisers**

$3.1 trillion in superannuation[1]
4th largest pool globally[2]

Longevity – Australians are living longer**, risk of outliving their retirement savings**

*Sources: **1** ABS National Accounts March 2021.*
*Sources: **2** Willis Towers Watson Global Pensions Asset Study – 2020.*
*Sources: **3** McCrindle, 2017, Wealth Transfer Report.*

The business has built a strong foundation for future growth

CONSOLIDATION

Strong **foundation**

GROWTH PHASE

Three core pillars underpinning our strategy

Centrepoint's focus over the last 3 years was to **move to a sustainable model**

- Fee for service
- End of rebates and commissions
- Open architecture
- Offboard advisers that don't fit the new world
- Recruit new advisers with right cultural fit
- Invest in technology to improve productivity – Salesforce, Enzumo

1.
Grow the Licensee solutions and **build scale and profitability**

Organic growth

Inorganic growth

2.
Invest in **financial services technology** to improve efficiency and productivity

Everything you need to run an advice business available in the cloud

3.
Provide the highest quality portfolio implementation solutions at the lowest cost

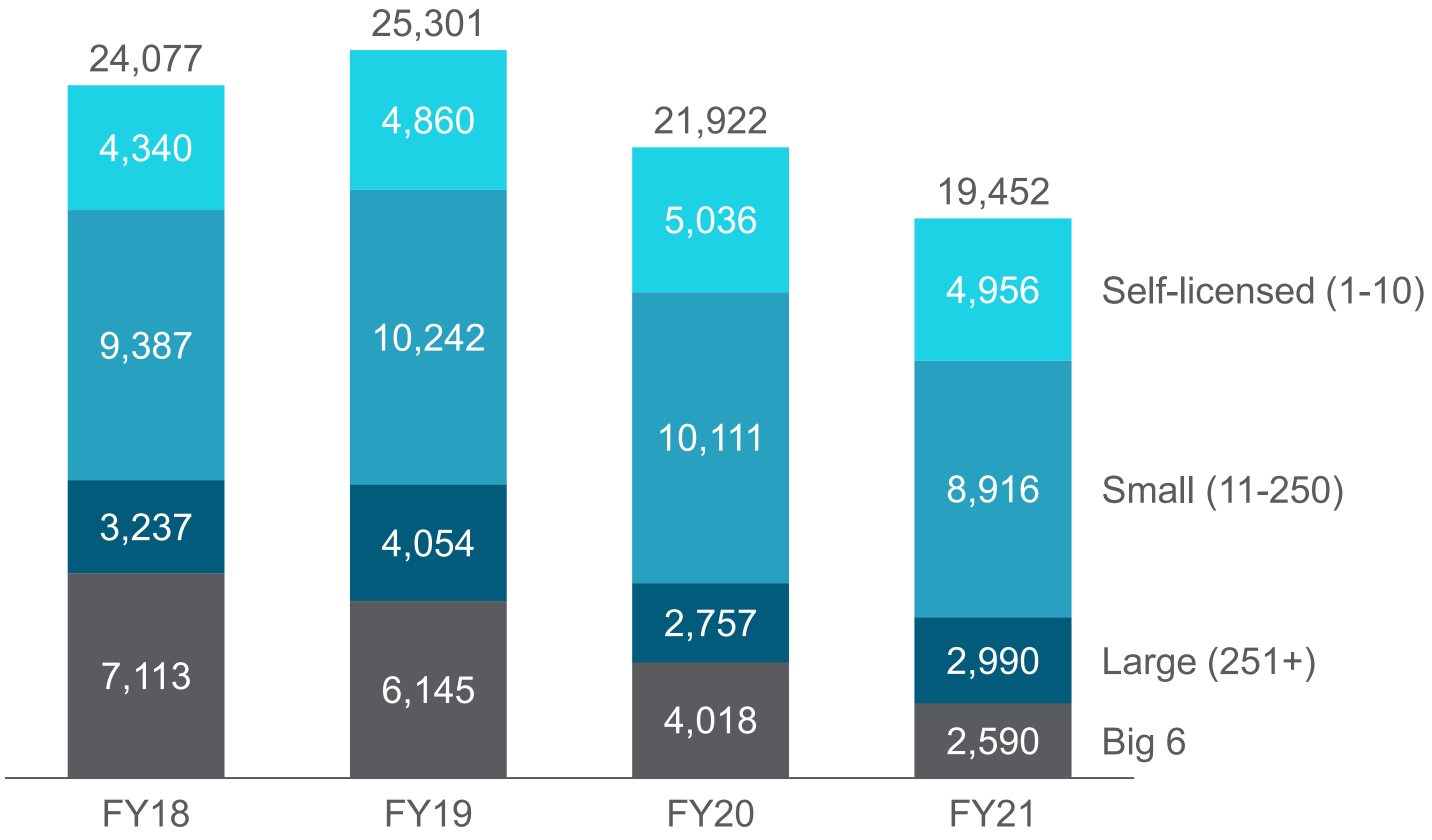
Traditional platforms

New portfolio services

Investment management

Amidst disruption, there are clear opportunities to grow

MARKET RATIONALISATION
Number of advisers



Over the FY21 financial year the number of financial advisers in the market continued to decline as pressure on operating margins and tighter education standards drove advisers from the industry

GROWTH OPPORTUNITIES

1. **Extend new services to existing adviser network**
   - Innovate to improve advice process
2. **Attract disenfranchised advisers with the 'right fit' to our licence**
   - Advisers seeking improved service
   - Advisers from mid to large institutions
3. **Attract new self-licensed advisers**
   - 25% of total adviser market is self-licensed

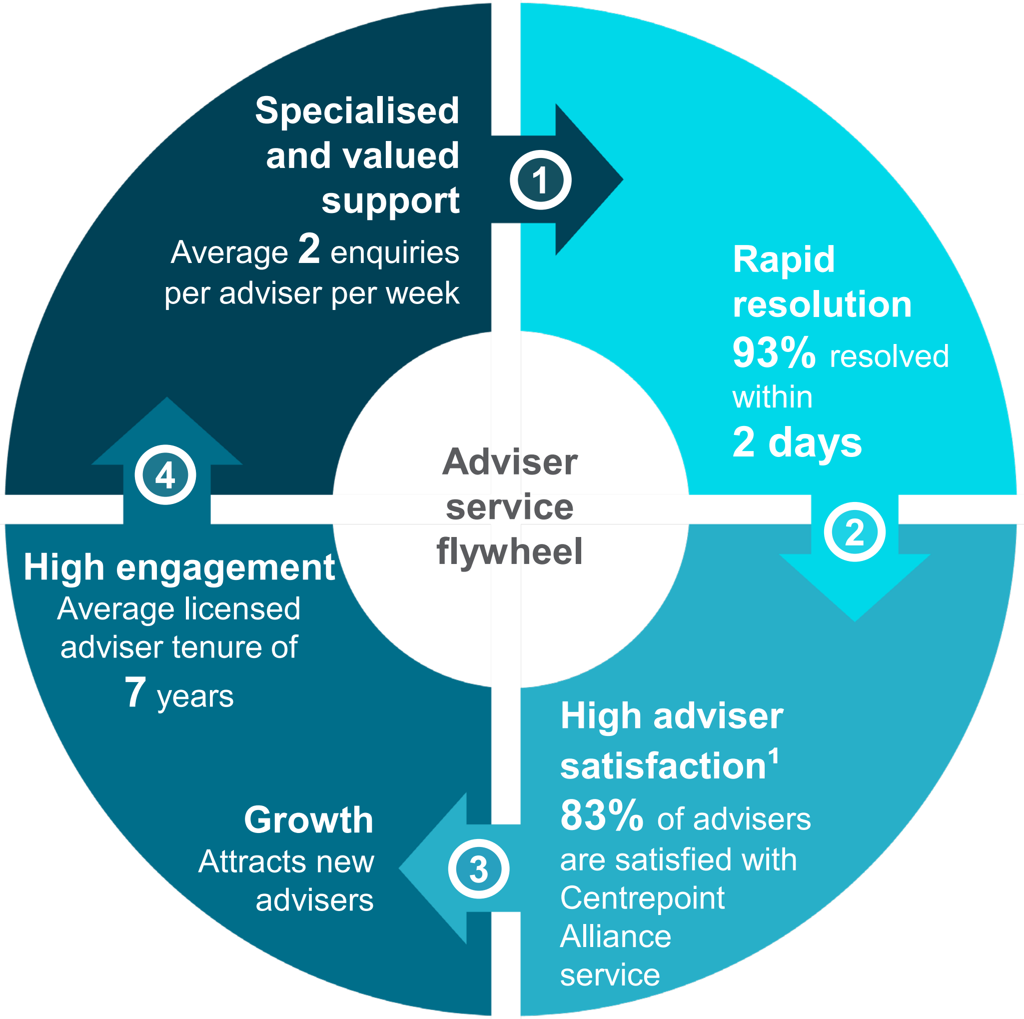
Sources: ASIC.

Continue to provide service excellence to our existing advisers through high quality services – 21,000 enquiries with 93% resolved within 2 days

TOTAL ENQUIRIES, OCTOBER 2020 - JUNE 2021

Number of enquiries

	Number of enquiries	Average days to resolve
Investment solutions	400	3.15
Research	700	1.77
Event	300	0.86
Technical	1,000	1.06
Client engagement	1,150	0.82
Governance	2,200	0.97
Education	2,750	1.30
Practice transitions	6,250	0.76
Advice revenue	6,250	1.03



Sources: Centrepoint Alliance servicing data and analysis from October 2020 to June 2021.
Note: 1 Centrepoint Alliance satisfaction measures from Centrepoint Alliance Adviser Survey July 2020 independently conducted by Woolcott Research. Satisfaction measured as greater than or equal to 7/10.

We are a leading provider of advice technology and will continue to invest to digitise the advice process

FY18

Compass – Centrepoint Alliance Xplan site investment

Data team and data warehouse build

FY19

Centrepoint AI launch (live practice management)

intelliflo partnership commences

Centrepoint Connect launch (adviser intranet hub)

FY20

ENZUMO™ acquisition

Centrepoint Connect instant support for financial advisers during COVID-19

All service teams migrated to salesforce

8,000 enquiries tracked in Q2 FY21

FY21

Compass (Xplan site) integration with **third party advice technology applications**

HOW WE DIFFERENTIATE OURSELVES

Assist advisers

- Spend more facetime with clients
- Reduce their administration burden
- Run an efficient practice
- Stay compliant at all times

FOCUS ON FUTURE TECHNOLOGY INITIATIVES

We will focus on

- Digitising the ‘end to end’ advice process
- Integration between adviser software and platforms
- All the services to run a practice in the cloud

FINANCIAL RESULTS

Brendon Glass, CFO

CENTREPOINT ALLIANCE

Financial results summary

For the period	FY19[1] ($m)	FY20 ($m)	1H21 ($m)	2H21 ($m)	FY21 ($m)
Gross Revenue	**117.5**	**131.0**	70.6	68.6	**139.2**
Adviser fees and commissions	(86.8)	(101.7)	(55.1)	(56.0)	(111.1)
Gross Profit	**30.7**	**29.3**	**15.5**	**12.6**	**28.1**
Management Expenses	(27.4)	(25.6)	(13.4)	(11.6)	(25.0)
EBITDA (excluding Legacy Claims)	**3.3**	**3.7**	**2.1**	**1.0**	**3.1**
Cost to Income Ratio	89%	87%	86%	92%	89%
Legacy Claims	(0.2)	(3.6)	0.0	0.0	0.0
EBITDA	**3.1**	**0.1**	**2.1**	**1.0**	**3.1**
Depreciation, Amortisation, Impairment, Finance Costs	(1.9)	(2.3)	(0.9)	(0.7)	(1.6)
Profit/(Loss) before Tax	**1.2**	**(2.2)**	**1.2**	**0.3**	**1.5**
Tax	(2.8)	0.2	0.4	0.0	0.4
Net Profit/(Loss) after Tax	**(1.6)**	**(2.0)**	**1.6**	**0.3**	**1.9**

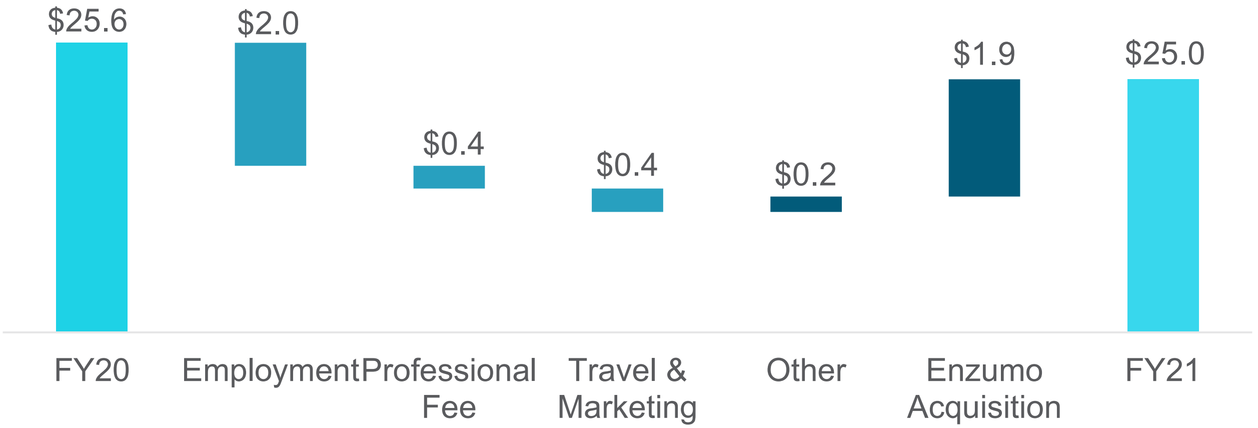
- Gross revenue up $8.2m (+6% PCP) due to higher adviser fees, higher quality advisers and Enzumo integration
- Gross profit down 4% on PCP mainly due to rebates run-off
- Management expenses down 2% on PCP (10% excluding Enzumo acquisition)[2]
- Cost to income of 89% maintained at similar levels over last three years due to active cost management, despite gross profit decline
- EBITDA (excluding legacy claims) of $3.1m down $0.6m on PCP due to final rebates run-off and one-off termination costs of $0.5m
- PBT of $1.5m up $3.7m on PCP due to lower claims expenses of $3.6m

Sources: Centrepoint Alliance financial analysis; FY21 annual results.
*Note: **1** AASB16 FY20 impact added to prior periods FY19 for comparative purpose.*
*Note: **2** Statutory expenses down 4% on PCP (11% excluding Enzumo acquisition).*

Revenue and expense analysis

Revenue movement ($m)

Expense movement ($m)



Sources: Centrepoint Alliance financial analysis; FY21 annual results.

Key revenue movements (PCP) :

- Adviser fees revenue up $3.1m (31%) with final step up in July 2020
- Rebates down $5.6m due to grandfathered runoffs, with platform rebates ceased from 1 January 2021
- Investment margin down $1.0m due to lower net flows and competitive pricing pressure and cessation of platform investment margin $0.3m
- Enzumo acquisition partially offsets the overall revenue decline with $2.5m in contributed revenue

Key expense movements (PCP) :

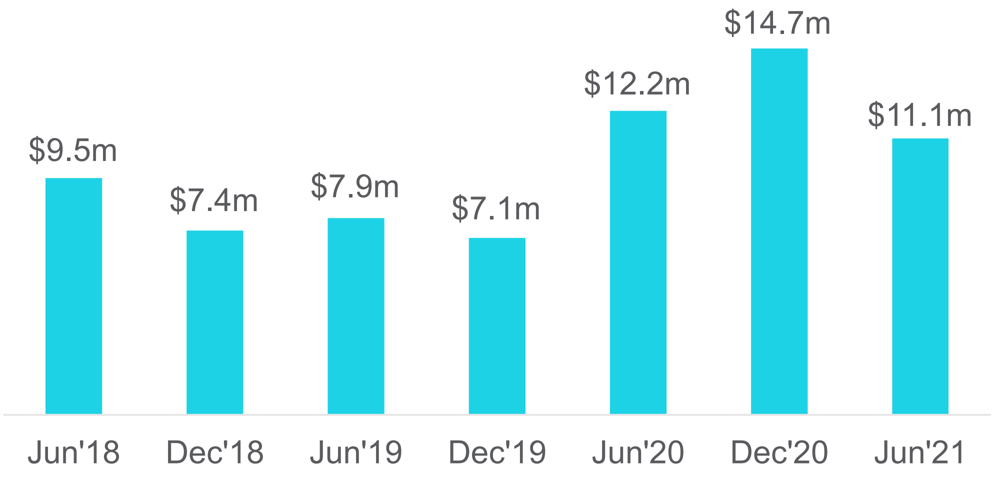
- Excluding impact of Enzumo acquisition, down $2.5m (10%) mainly driven by:
  - Employment down $2.0m (11%) with headcount down from 95.4 FTE to 81.3 FTE (104.2 FTE to 90.1 including Enzumo)
  - Professional fee down $0.4m (15%) due to lower consulting and audit costs
  - Travel & Marketing down $0.4m (41%) due to lower spend with COVID-19 restrictions
- Enzumo 8.8 FTEs primary driver of $1.9m management expense increase

Balance sheet

For the period ended	FY20 ($m)	FY21 ($m)
Cash & Term Deposits	**12.2**	**11.1**
Trade and Other Receivables	7.8	6.7
Loans Receivable	3.6	1.2
Intangible Assets and Goodwill	3.6	3.1
Other Assets	5.4	5.0
Total Assets	**32.6**	**27.1**
Trade and Other Payables	9.9	9.8
Claims Provision	3.0	1.9
Other Liabilities	4.8	4.2
Total Liabilities	17.7	15.9
Net Assets	**14.9**	**11.2**
Net Tangible Assets	8.7	5.2
Net Tangible Assets (cents per share)	5.9	3.6

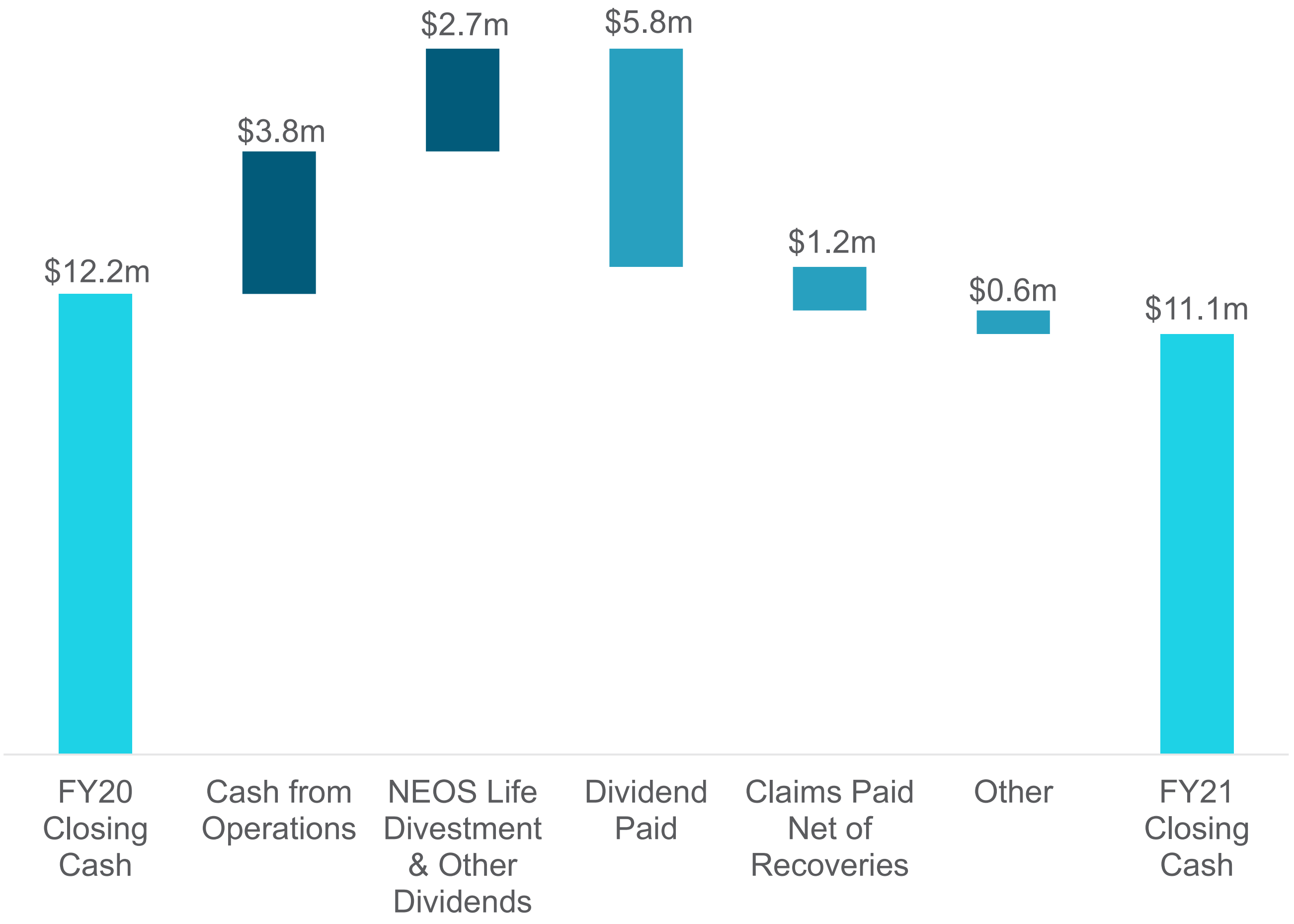
- Cash generated from operations of $3.8m, offset by claims settlements of $1.2m
- Loans receivable reduced due to $2.4m Neos Life repayment; $1.0m scheduled to be repaid by December 2021
- Reduction in claims provision driven by the cessation of further legacy claims stemming from the AFCA rules which ended in June 2020 and settlement of historical open legacy claims
- Net Assets decreased due to $5.7m dividends paid, offset by $1.9m net profit generated during the year

Cash Balance (at period end)



Sources: Centrepoint Alliance financial analysis; FY21 annual results.

Cash movement



- Cash in Jun21 closed at 11.1m
- FY21 Cash from operations $3.8m
- Neos Life divestment $2.4m, Ginger dividends received and RFE loan recoveries $0.3m
- Dividends paid $5.8m
- Claims paid out $1.2m
- Other $0.6m

Sources: Centrepoint Alliance financial analysis; FY21 annual results.

ACQUISITION OF CLEARVIEW ADVICE

John Shuttleworth, CEO

Brendon Glass, CFO

CENTREPOINT ALLIANCE

Opportunity to combine best of both ClearView and Centrepoint Alliance to build a market leading advice service business

CENTREPOINT ALLIANCE TO ACQUIRE CLEARVIEW ADVICE FOR $15.2M

ClearView

Award Winning Advice Business

ClearView Financial Advice | MATRIX Planning Solutions | LaVista Licensee Solutions

281 total advisers

169 licensed

106 self-licensed

6 salaried

- Licensee of the year 3 out of the last 4 years[1]
- Complementary business
- Culturally aligned
- Strong technology capability
- Automated compliance monitoring solution
- Strong compliance

Consideration

$12m in shares (48m @ 25cps)

$3.2m in cash

Clearview becomes a strategic shareholder

Clearview CEO to join Centrepoint Board

Purchase price within industry multiples of 1.2 times revenue

Significant accretive value to CAF shareholders

Note: 1 Rated by independent research company CoreData.

The combined business will have significant scale and operational leverage

TRANSACTION RATIONALE

175 Licensed Advisers (Clearview, Matrix and Salaried)

106 Self-Licensed Advisers (LaVista B2B service)

Lumen – best-in-class compliance and monitoring technology

315 Licensed Advisers (Centrepoint)

707 Self-Licensed Advisers

Leader in advice technology

Enzumo adviser technology Xplan and Intelliflo

Centrepoint post acquisition

1,303 advisers comprising,

- 490 licensed advisers
- 813 self-licensed advisers

Significant operating leverage and scale

Immediate synergies from operating expense reductions

Leader in advice technology (Lumen, Enzumo and Compass)

Strong institutional shareholder and partner with 25%

Leverage a stronger balance sheet to invest in other growth opportunities

TRANSACTION AND PLACEMENT SUMMARY

Key transaction details

Settlement consideration	$15.2m
Cash	$3.2m
Vendor shares	$12.0m
Total shares to be issued	48.0m
Issue price	25 cents

Metrics post-acquisition

Gross Profit	$41.3m
Adviser Fee (Licensed & Self-licensed)	$20.4m
EBITDA Guidance (Annualised)	> $8.0m
Current Shares on Issue	144.3m
Proforma Shares on Issue (post-acquisition)	192.3m

Key points

- Transformational combination of two strong brands is substantially accretive
- Leveraging best practice customer centric licensee and technology solutions
- Inherent synergies and enhanced scale with circa 1300 advisers are expected to deliver in excess of $8m EBITDA (annualised)
- One off transitional and transaction costs of circa $2m
- Committed NTA from Clearview of $3.4m
- Completion effective date 31 October 2021
- A notice of meeting and explanatory memorandum dispatched to shareholders 5 weeks before AGM
- Share Purchase agreement subject to shareholder approval at AGM on 1 November 2021
- Shares issued subject to voluntary escrow restrictions for 1 year
- Expanded Board with the appointment of Clearview CEO Simon Swanson

APPENDIX

Corporate snapshot

CAPITAL STRUCTURE

ASX Stock Code	CAF
FY21 gross revenue	$139.2m
Cash balance as at 30 June 2021	$11.1m
Share price as at 30 July 2021	$0.24
Shares on issue	144.3m
Performance rights (nil ex price, various expiries)	9.0m
Fully diluted shares	153.3m
Fully diluted market cap	**$36.8m**
Enterprise Value[1]	**$26.1m**

EXPERIENCED AND INVESTED LEADERSHIP TEAM

Board & Management	Role	Shares held As at 15/7/21
Mr Alan Fisher	Non-Executive Chairman	-
Mr John Shuttleworth	Chief Executive Officer	-
Mr Georg Chmiel	Non-Executive Director	0.8m (0.6%)
Mr Martin Pretty	Non-Executive Director	0.1m (0.1%)
Mr Alexander Beard	Non-Executive Director	11.0m (7.6%)
Mr Brendon Glass	Chief Financial Officer	-
Total Board & KMP		**11.9m (8.3%)**

TOP SHAREHOLDERS

Investors As at 15/7/2021	Shares held (% of SOI)
Thorney Investment Group	52.0m (36.0%)
Alexander Beard	11.0m (7.6%)
Bondia Investments	5.0m (3.4%)
Richard Nelson	4.1m (2.9%)
Mila Investments	3.4m (2.3%)
Total Top 20	**98.9m (68.5%)**

Sources: Nasdaq Boardvantage; ASX; FY21 annual results.
*Note: **1** Enterprise Value is adjusted for $0.4m tax deferrals (included in cash and payable to the ATO).*

Centrepoint Alliance in numbers

11,369
CPD hours logged

21,193
Total adviser enquiries

5,310
Attendees at events, webinars, and masterclasses

INSTRUMENTAL IN THE PAYMENT OF
$39m
of life insurance claims

25
Regulatory and Professional Standards updates

20,777
Coaching interactions

102
Peer group sessions and workshops

36,852
Logins to Centrepoint Connect

401
Research reports

$109m
advice revenue processed

8,401
Advice revenue enquiries

1,100
Audits completed

43
Events, webinars, and masterclasses

Advice Technology enquiries
8,121 solved tickets
4.3hr average resolution time
98.4% satisfaction rating

42
New and updated Licensee Standards

We support our advisers with enquires
2 x WEEK
on average per adviser

Sources: Centrepoint Alliance internal service metrics (FY21).