

ASX release – 24 February 2022

Insignia Financial Investor and Analyst Pack and Book

Insignia Financial today releases its Investor and Analyst Pack - a detailed template for presenting Insignia Financial's corporate financial information. This financial information covers 1H22 and the comparative periods FY19, FY20 and FY21 in a half-on-half view. All information is presented on a continuing operations basis.

Included with the Pack is the Investor and Analyst Book, which provides an overview of Insignia Financial's business reporting segments and additional details on the composition of segments and material drivers of gross margin and profitability, as well as additional detail on the 1H22 result by business unit.

An excel version of Insignia Financial's Analyst and Investor Pack will be available online at <https://www.insigniafinancial.com.au/shareholders/performance-and-reporting/reports-and-results>

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This announcement was approved for release by the Board of Insignia Financial Ltd.

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About Insignia Financial Ltd

Insignia Financial has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

Insignia Financial provides advisers and their clients with the following services:

- **Platforms** for advisers, their clients and hundreds of employers in Australia;
- **Advice** services via our extensive network of financial advisers; and
- **Asset Management** products that are designed to suit any investor's needs.

Further information about Insignia Financial can be found at www.insigniafinancial.com.au

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Insignia Financial Investor and Analyst Pack - Important Disclaimer

Important information

This analyst pack has been prepared by Insignia Financial Ltd ABN 49 100 103 722 (Insignia Financial). It is general information on Insignia Financial and its subsidiaries (Insignia Financial Group) current as at 24 February 2022.

It is in summary form and is not necessarily complete. It should be read together with Insignia Financial's condensed consolidated interim financial report for the half year ended 31 December 2021 lodged with the ASX on 24 February 2022 (Half Year Report). Information and statements in this pack do not constitute investment advice or a recommendation in relation to Insignia Financial or any product or service offered by Insignia Financial or any of its subsidiaries and should not be relied upon for this purpose. Prior to making a decision in relation to Insignia Financial's securities, products or services, investors or clients and potential investors or clients should consider their own investment objectives, financial situation and needs and obtain professional advice.

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This presentation contains forward looking statements, including statements regarding Insignia Financial's intent, objective, belief or current expectation relating to Insignia Financial's businesses and operations, market conditions or results of operations and financial condition, including any statements related to or affected by the ongoing impact of the COVID-19 pandemic and remediation programs. These are based on Insignia Financial's current expectations about future events and is subject to known and unknown risks and uncertainties, many of which are beyond the control of the Insignia Financial Group. Actual events may differ materially from those contemplated in such forward looking statements and could cause actual results, performance or events to differ materially from those express or implied. Forward looking statements are not guarantees or representations about future performance and should not be relied upon as such.

Insignia Financial does not undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

Underlying net profit after tax pre amortisation (UNPAT) attributable to equity holders of Insignia Financial reflect an assessment of the result for the ongoing business of the Insignia Financial Group as determined by the Board and management. UNPAT has been calculated with regard to ASIC's Regulatory Guide 230 Disclosing non-IFRS financial information and the adjustments to NPAT are set out on pages 7 and 8 of the 31 December 2021 Interim Financial Report. UNPAT attributable to equity holders of Insignia Financial has not been reviewed or audited by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of Insignia Financial have been extracted from the books and records that have been reviewed by the external auditor. UNPAT is disclosed as it is useful for investors to gain a better understanding of Insignia Financial's financial results from normal operating activities.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell Insignia Financial Group securities or units in any fund referred to in this presentation in any jurisdiction. The Product Disclosure Statement (PDS) for these funds are issued by the applicable members of the Insignia Financial Group. The applicable PDS should be considered before deciding whether to acquire or hold units in a fund and can be obtained by calling 1800 913 118 or visiting our website www.insigniafinancial.com.au

All references to currency in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences.

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Group Result - Key Measures

Historical period restatements shown in *italics* - restatements relate to:

- Update to FUMA methodology (FUMA section)
- Inclusion of equity accounted profits and other revenue in gross margin (cost to income ratio)
- Restatement of 1H21 NPAT for completion of Wealth Central purchase price allocation (NPAT & EPS sections)

Average FUMA is now calculated on a six month rolling average basis and has been applied for the periods of historical restatements

Historical error in 2H20 dividend corrected

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|---|----------|---------|--------|----------|----------|---------|----------|-------------|----------|
| NPAT | | | | | | | | | |
| UNPAT (\$m) | 99.9 | 98.1 | 61.4 | 67.5 | 65.9 | 81.9 | 117.9 | 52.0 | 78.8% |
| UNPAT (Continuing Operations) (\$m) | 92.5 | 90.8 | 56.5 | 67.5 | 65.9 | 81.9 | 117.9 | 52.0 | 78.8% |
| Statutory NPAT (\$m) | 135.4 | (106.9) | 115.0 | 26.2 | 53.8 | (197.3) | 36.2 | (17.6) | (32.7%) |
| Statutory NPAT (Continuing Operations) (\$m) | 69.6 | (99.4) | 27.8 | 25.2 | 53.8 | (197.3) | 36.2 | (17.6) | (32.7%) |
| FUMA | | | | | | | | | |
| Closing FUMA (\$b) | 60.8 | 66.6 | 69.1 | 107.6 | 111.6 | 318.7 | 325.8 | 214.2 | large |
| Closing FUMA (Continuing Operations) (\$b) | 60.2 | 66.0 | 68.5 | 107.6 | 111.6 | 318.7 | 325.8 | 214.2 | large |
| Average FUMA (Continuing Operations) (\$b) | 53.4 | 63.4 | 67.5 | 106.5 | 109.3 | 163.4 | 321.7 | 212.5 | large |
| Net Flows (Continuing Operations) (\$b) | 0.4 | 0.4 | 0.5 | (0.2) | (2.9) | (0.4) | (2.3) | 0.6 | 20.4% |
| EPS | | | | | | | | | |
| UNPAT EPS (cents per share) | 28.5 | 28.0 | 17.5 | 19.3 | 12.4 | 12.6 | 18.2 | 5.8 | 46.8% |
| UNPAT EPS (Continuing Operations) (cents per share) | 26.4 | 25.9 | 16.1 | 19.3 | 12.4 | 12.6 | 18.2 | 5.8 | 46.8% |
| Basic EPS (cents per share) | 38.6 | (30.5) | 32.8 | 7.5 | 10.1 | (30.4) | 5.6 | (4.6) | (44.9%) |
| Diluted EPS (cents per share) | 38.5 | (30.4) | 32.8 | 7.5 | 10.1 | (30.3) | 5.6 | (4.6) | (45.0%) |
| Basic EPS (Continuing Operations) (cents per share) | 19.9 | (28.4) | 7.9 | 7.2 | 10.1 | (30.4) | 5.6 | (4.6) | (44.9%) |
| Dividends | | | | | | | | | |
| Ordinary dividends declared (\$m) | 89.4 | 42.2 | 56.2 | 40.4 | 51.9 | 61.7 | 76.6 | 24.7 | 47.5% |
| Ordinary dividends declared (cents per share) | 25.5 | 12.0 | 16.0 | 11.5 | 8.0 | 9.5 | 11.8 | 3.8 | 47.5% |
| Special dividends declared (\$m) | - | - | 24.6 | - | 22.7 | 13.0 | - | (22.7) | (100.0%) |
| Special dividends declared (cents per share) | - | - | 7.0 | - | 3.5 | 2.0 | - | (3.5) | (100.0%) |
| Payout ratio | 89.6% | 43.0% | 91.5% | 59.9% | 78.8% | 75.3% | 65.0% | (13.8%) | (17.5%) |
| Share Price | | | | | | | | | |
| Opening share price | \$8.99 | \$5.17 | \$5.17 | \$7.86 | \$4.92 | \$3.52 | \$4.27 | (\$0.65) | (13.2%) |
| Closing share price | \$5.17 | \$5.17 | \$7.86 | \$4.92 | \$3.52 | \$4.27 | \$3.62 | \$0.10 | 2.8% |
| Total shareholder return | (\$3.57) | \$0.12 | \$2.92 | (\$2.83) | (\$1.29) | \$0.87 | (\$0.53) | \$0.75 | 58.6% |
| Total shareholder return (%) | (39.7%) | 2.3% | 56.5% | (35.9%) | (26.1%) | 24.6% | (12.5%) | 13.7% | |
| Ratios | | | | | | | | | |
| Cost to income | 51.6% | 53.5% | 62.4% | 65.6% | 68.3% | 68.4% | 73.1% | 4.8% | |
| Return on equity | 10.9% | 10.9% | 7.2% | 7.9% | 5.7% | 6.1% | 9.4% | 3.8% | |

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Underlying Group Result - P&L Summary (Continuing Operations)

Revenue shown inclusive of Other Revenue and Equity Accounted Profits

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | | | \$m | % |
| Revenue | 469.7 | 510.7 | 487.2 | 577.1 | 597.5 | 667.0 | 1,139.5 | 542.0 | 90.7% |
| Direct Costs | (209.0) | (259.3) | (233.0) | (242.8) | (246.7) | (247.8) | (361.1) | (114.4) | (46.3%) |
| Gross Margin | 260.7 | 251.4 | 254.2 | 334.2 | 350.8 | 419.2 | 778.4 | 427.6 | large |
| Operating Expenditure | (149.3) | (157.6) | (163.7) | (220.7) | (239.8) | (286.8) | (569.2) | (329.4) | large |
| Net Non-cash | (8.9) | (5.0) | (12.4) | (14.6) | (14.9) | (17.2) | (28.9) | (14.0) | (94.4%) |
| Net Interest | 27.7 | 36.5 | 1.0 | (3.9) | (3.4) | (3.8) | (15.2) | (11.8) | large |
| Income Tax Expense/Non-controlling Interest | (37.7) | (34.5) | (22.6) | (27.4) | (26.7) | (29.6) | (47.2) | (20.5) | (76.6%) |
| UNPAT | 92.5 | 90.8 | 56.5 | 67.5 | 65.9 | 81.9 | 117.9 | 52.0 | 78.8% |

Underlying Group Result - P&L Detail

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | | | \$m | \$m |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 445.6 | 480.9 | 458.2 | 543.9 | 570.3 | 637.5 | 1,094.2 | 523.9 | 91.8% |
| Other Fee Revenue | 17.4 | 21.1 | 23.1 | 28.2 | 25.8 | 23.7 | 30.5 | 4.7 | 18.2% |
| Service and Marketing fees expense | (196.5) | (246.3) | (219.0) | (220.6) | (224.9) | (219.7) | (326.2) | (101.3) | (45.1%) |
| Other Direct Costs | (12.4) | (12.9) | (14.0) | (22.2) | (21.8) | (28.0) | (34.9) | (13.1) | (59.8%) |
| Amortisation of deferred acquisition costs | (0.1) | (0.1) | (0.0) | (0.0) | (0.0) | (0.1) | - | 0.0 | 100.0% |
| Stockbroking revenue | 2.3 | 2.3 | 1.7 | 1.6 | 1.7 | 1.7 | 2.6 | 1.0 | 57.6% |
| Stockbroking service fees | (0.6) | (0.7) | (0.7) | (0.6) | (0.5) | (0.5) | (0.7) | (0.2) | (29.6%) |
| Dividends and distributions received | 0.7 | 0.6 | 0.8 | 0.6 | 0.3 | 0.4 | 0.2 | (0.1) | (20.0%) |
| Net fair value gains/(losses) on other financial assets at fair value through profit or loss | - | 0.1 | 0.0 | (0.1) | 0.0 | 0.2 | 1.5 | 1.5 | large |
| Other revenue | 4.3 | 6.3 | 4.2 | 3.7 | 0.7 | 4.3 | 5.1 | 4.5 | large |
| Share of profits of associates and jointly controlled entities accounted for using the equity method | 0.0 | 0.0 | (0.1) | (0.4) | (0.7) | (0.3) | 6.1 | 6.8 | n/m |
| Total Gross Margin | 260.7 | 251.4 | 254.2 | 334.2 | 350.8 | 419.2 | 778.4 | 427.6 | large |

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Underlying Group Result - P&L Detail (continued)

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$m | % |
| Operating Expenditure | | | | | | | | | |
| Salaries and related employee expenses | (95.3) | (100.1) | (108.6) | (159.4) | (178.2) | (210.8) | (380.5) | (202.2) | large |
| Employee defined contribution plan expense | (7.3) | (7.8) | (8.5) | (10.0) | (10.7) | (13.7) | (27.1) | (16.5) | large |
| Information technology costs | (17.7) | (18.9) | (19.9) | (20.3) | (21.1) | (23.5) | (71.1) | (50.0) | large |
| Professional fees | (4.5) | (5.3) | (4.4) | (11.0) | (9.6) | (14.8) | (38.2) | (28.6) | large |
| Marketing | (5.6) | (5.0) | (6.6) | (2.8) | (2.2) | (4.0) | (5.0) | (2.9) | large |
| Office support and administration | (7.2) | (8.5) | (9.0) | (12.6) | (13.4) | (14.6) | (28.5) | (15.1) | large |
| Occupancy related expenses | (8.8) | (9.3) | (3.0) | (3.8) | (4.1) | (5.2) | (16.6) | (12.5) | large |
| Travel and entertainment | (3.2) | (2.9) | (3.6) | (1.0) | (0.5) | 0.1 | (0.5) | (0.1) | (16.9%) |
| Other | 0.3 | 0.0 | (0.0) | - | - | (0.3) | (1.7) | (1.7) | n/m |
| Total Operating Expenditure | (149.3) | (157.6) | (163.7) | (220.7) | (239.8) | (286.8) | (569.2) | (329.4) | large |
| Net non cash (Ex. Amortisation from acquisitions) | | | | | | | | | |
| Share based payments expense | (4.4) | (0.4) | (1.8) | (1.2) | (1.2) | (1.0) | (1.0) | 0.2 | 15.1% |
| Depreciation of property, plant and equipment | (4.1) | (4.3) | (10.2) | (13.0) | (13.4) | (15.8) | (19.5) | (6.1) | (45.8%) |
| Amortisation of intangible assets - IT development | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) | (0.6) | (0.3) | (75.5%) |
| Impairment - Investments | - | - | - | - | - | - | (7.8) | (7.8) | n/m |
| Total Net non cash (Ex. Amortisation from acquisitions) | (8.9) | (5.0) | (12.4) | (14.6) | (14.9) | (17.2) | (28.9) | (14.0) | (94.4%) |
| Net Interest | | | | | | | | | |
| Interest income on loans to directors of controlled and associated entities | 0.1 | 0.1 | 0.1 | 0.0 | - | 0.0 | (0.0) | (0.0) | n/m |
| Interest income on financial assets measured at fair value | - | - | - | - | - | 0.3 | (0.0) | (0.0) | n/m |
| Interest income from non-related entities | 32.4 | 44.5 | 8.7 | 2.5 | 2.0 | 1.5 | 2.4 | 0.4 | 20.4% |
| Loss on financial instruments | - | - | - | - | - | - | (2.2) | (2.2) | n/m |
| Finance Costs | (4.8) | (8.1) | (7.8) | (6.5) | (5.4) | (5.6) | (15.4) | (9.9) | large |
| Total Net Interest | 27.7 | 36.5 | 1.0 | (3.9) | (3.4) | (3.8) | (15.2) | (11.8) | large |
| Income Tax & NCI | | | | | | | | | |
| Non-controlling Interest | 0.1 | 0.1 | 0.6 | (0.4) | 0.0 | 0.0 | (0.1) | (0.1) | n/m |
| Income tax expense | (37.9) | (34.6) | (23.2) | (27.1) | (26.7) | (29.6) | (47.1) | (20.4) | (76.3%) |
| Total Income Tax & NCI | (37.7) | (34.5) | (22.6) | (27.4) | (26.7) | (29.6) | (47.2) | (20.5) | (76.6%) |
| Underlying NPAT excluding Discontinued Operations | 92.5 | 90.8 | 56.5 | 67.5 | 65.9 | 81.9 | 117.9 | 52.0 | 78.8% |
| Discontinued Operations - Corporate Trust | (0.2) | (0.1) | - | - | - | - | - | - | n/m |
| Discontinued Operations - Ord Minnett | 6.6 | 6.7 | 3.6 | - | - | - | - | - | n/m |
| Discontinued Operations - IOOF NZ | 0.5 | 0.2 | 0.2 | (0.1) | - | - | - | - | n/m |
| Discontinued Operations - PVM | 0.4 | 0.5 | 1.0 | - | - | - | - | - | n/m |
| Underlying NPAT (pre-amortisation of intangible assets) | 99.9 | 98.1 | 61.4 | 67.5 | 65.9 | 81.9 | 117.9 | 52.0 | 78.8% |

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Pro Forma Underlying Group Result

Pro forma result incorporating pre-acquisition financial performance of MLC

MLC 1H21 and 2H21 have been restated for reclassifications between gross margin, operating expenses and net interest to align to the Insignia Financial accounting policy, reducing FY21 pro forma

Group EBITDA by \$5.8m from the pro forma financial information presented with the FY21 result.

Totals subject to rounding

| | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|--------------|--------------|--------------|-------------|--------------|
| | | | | \$m | % |
| Gross Margin | 741.4 | 743.0 | 778.4 | 37.0 | 5.0% |
| Operating Expenditure | (590.9) | (569.3) | (569.2) | 21.7 | 3.7% |
| EBITDA | 150.5 | 173.7 | 209.2 | 58.7 | 39.0% |
| Net Non-cash | (15.5) | (16.6) | (28.9) | (13.4) | (86.8%) |
| Net Interest | 0.3 | (2.7) | (15.2) | (15.5) | n/m |
| Income Tax Expense/Non-controlling Interest | (38.2) | (38.2) | (47.2) | (9.0) | (23.4%) |
| UNPAT | 97.1 | 116.1 | 117.9 | 20.8 | 21.4% |

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Advice - Key Measures

Historical period restatements shown in italics - restatements relate to update in segment reporting

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|----------------------|-------|-------|-------|-------|-------|--------|--------|-------------|-------|
| Segment EBITDA (\$m) | 39.4 | 26.3 | 27.9 | 24.5 | 17.1 | (3.8) | (31.0) | (48.1) | n/m |
| Gross margin (\$m) | 107.5 | 106.8 | 106.5 | 99.8 | 91.5 | 79.2 | 114.2 | 22.7 | 24.8% |
| Cost to income | 63.3% | 75.3% | 73.8% | 75.5% | 81.3% | 104.8% | 127.2% | 45.9% | |

Advice - P&L

Historical period restatements shown in *italics* - restatements relate to update in segment reporting

Segment results include inter-segment revenues and expenses eliminated on consolidation

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|--------------|--------------|--------------|-------------|-------------|--------------|---------------|---------------|--------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 234.7 | 281.1 | 284.6 | 274.9 | 262.4 | 238.3 | 308.9 | 46.5 | 17.7% |
| Other Fee Revenue | 10.8 | 11.9 | 14.8 | 17.4 | 14.9 | 12.5 | 17.1 | 2.2 | 14.5% |
| Service and Marketing fees expense | (136.9) | (186.7) | (190.8) | (190.4) | (181.5) | (172.7) | (213.9) | (32.3) | (17.8%) |
| Other Direct Costs | (6.9) | (7.4) | (6.8) | (5.4) | (5.4) | (2.8) | (2.1) | 3.3 | 61.5% |
| Amortisation of deferred acquisition costs | (0.0) | - | - | - | - | - | - | - | n/m |
| Other Revenue | 5.9 | 7.8 | 4.8 | 3.8 | 1.8 | 4.5 | 4.8 | 3.0 | large |
| Equity Accounted Profits | 0.0 | 0.0 | (0.1) | (0.4) | (0.7) | (0.7) | (0.7) | 0.0 | 2.4% |
| Total Gross Margin | 107.5 | 106.8 | 106.5 | 99.8 | 91.5 | 79.2 | 114.2 | 22.7 | 24.8% |
| Operating Expenditure incl Corporate Recharge | (68.1) | (80.5) | (78.6) | (75.4) | (74.4) | (83.0) | (145.2) | (70.8) | (95.3%) |
| Segment EBITDA | 39.4 | 26.3 | 27.9 | 24.5 | 17.1 | (3.8) | (31.0) | (48.1) | n/m |

Advice - Pro forma financial information

Pro forma result incorporating pre-acquisition financial performance of MLC, presented in accordance with segment reporting changes

MLC 1H21 and 2H21 have been restated for reclassifications between gross margin, operating expenses and net interest to align to the Insignia Financial accounting policy

Totals subject to rounding

| | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|---------------|---------------|---------------|-------------|-------------|
| | | | | \$m | % |
| Gross Margin | 125.8 | 107.3 | 114.2 | (11.7) | (9.3%) |
| Operating Expenditure incl Corporate Recharge | (159.4) | (155.4) | (145.2) | 14.2 | 8.9% |
| Segment EBITDA | (33.5) | (48.1) | (31.0) | 2.5 | 7.4% |
| Cost to income | 126.6% | 144.8% | 127.2% | 0.5% | |

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Platforms - Key Measures

Historical period restatements shown in *italics* - restatements relate to update in segment reporting and update to FUMA methodology
Average FUMA is now calculated on a six month rolling average basis and has been applied for the periods of historical restatements
Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|----------------------|-------|-------|-------|--------------|--------------|--------------|-------|-------------|---------|
| Segment EBITDA (\$m) | 62.6 | 60.5 | 52.6 | <i>81.2</i> | <i>90.5</i> | <i>125.5</i> | 219.6 | 129.0 | large |
| Closing FUAdm (\$b) | 38.9 | 43.1 | 44.9 | <i>85.3</i> | <i>89.7</i> | <i>221.0</i> | 227.0 | 137.2 | large |
| Average FUAdm (\$b) | 40.2 | 41.1 | 44.2 | <i>83.9</i> | <i>86.6</i> | <i>122.7</i> | 223.9 | 137.2 | large |
| Net flows (\$b) | 0.7 | 0.8 | 0.8 | <i>(0.1)</i> | <i>(0.7)</i> | <i>(0.3)</i> | (0.9) | (0.3) | (42.4%) |
| Gross margin (\$m) | 119.2 | 112.8 | 111.5 | <i>201.4</i> | <i>227.4</i> | <i>292.5</i> | 540.7 | 313.2 | large |
| Gross margin | 59bps | 55bps | 50bps | <i>48bps</i> | <i>52bps</i> | <i>48bps</i> | 48bps | (4bps) | |
| Net operating margin | 31bps | 30bps | 24bps | <i>19bps</i> | <i>21bps</i> | <i>21bps</i> | 19bps | (2bps) | |
| Cost to income | 47.5% | 46.4% | 52.8% | <i>59.7%</i> | <i>60.2%</i> | <i>57.1%</i> | 59.4% | (0.8%) | |

Platforms - P&L

Historical period restatements shown in *italics* - restatements relate to update in segment reporting
Segment results include inter-segment revenues and expenses eliminated on consolidation
Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|--------------|--------------|--------------|---------------------|---------------------|---------------------|--------------|--------------|--------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 204.5 | 197.5 | 129.5 | <i>232.1</i> | <i>267.5</i> | <i>325.7</i> | 647.7 | 380.1 | large |
| Other Fee Revenue | 4.6 | 3.9 | 4.5 | <i>7.2</i> | <i>9.8</i> | <i>9.2</i> | 13.6 | 3.8 | 38.5% |
| Service and Marketing fees expense | (87.2) | (86.0) | (18.5) | <i>(24.5)</i> | <i>(36.7)</i> | <i>(23.3)</i> | (99.7) | (63.0) | large |
| Other Direct Costs | (2.6) | (2.5) | (3.9) | <i>(14.0)</i> | <i>(13.3)</i> | <i>(19.8)</i> | (24.3) | (11.0) | (83.2%) |
| Amortisation of deferred acquisition costs | (0.1) | (0.1) | (0.0) | <i>(0.0)</i> | <i>(0.0)</i> | <i>(0.1)</i> | - | 0.0 | 100.0% |
| Other Revenue | - | - | - | <i>0.5</i> | <i>0.0</i> | <i>0.9</i> | 3.4 | 3.3 | large |
| Equity Accounted Profits | - | - | - | - | - | - | - | - | n/m |
| Total Gross Margin | 119.2 | 112.8 | 111.5 | <i>201.4</i> | <i>227.4</i> | <i>292.5</i> | 540.7 | 313.2 | large |
| Operating Expenditure incl Corporate Recharge | (56.6) | (52.4) | (58.9) | <i>(120.2)</i> | <i>(136.9)</i> | <i>(167.1)</i> | (321.1) | (184.2) | large |
| Segment EBITDA | 62.6 | 60.5 | 52.6 | <i>81.2</i> | <i>90.5</i> | <i>125.5</i> | 219.6 | 129.0 | large |

Insignia Financial Ltd

Platforms - Pro forma financial information

Pro forma result incorporating pre-acquisition financial performance of MLC, presented in accordance with segment reporting changes

MLC 1H21 and 2H21 have been restated for reclassifications between gross margin, operating expenses and net interest to align to the Insignia Financial accounting policy

Totals subject to rounding

| | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|---|--------------|--------------|--------------|-------------|--------------|
| | \$m | \$m | \$m | \$m | % |
| Gross Margin | 506.2 | 516.2 | 540.7 | 34.5 | 6.8% |
| Operating Expenditure incl Corporate Recharge | (325.2) | (311.7) | (321.1) | 4.1 | 1.3% |
| Segment EBITDA | 181.0 | 204.5 | 219.6 | 38.6 | 21.3% |
| | | | | | |
| | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
| Closing FUAdm (\$b) | 207.2 | 221.0 | 227.0 | 19.7 | 9.5% |
| Average FUAdm (\$b) | 200.0 | 212.5 | 223.9 | 23.9 | 11.9% |
| Gross margin | 50bps | 49bps | 48bps | (2bps) | |
| Net operating margin | 18bps | 19bps | 19bps | 1bps | |
| Cost to income | 64.2% | 60.4% | 59.4% | (4.8%) | |

Insignia Financial Ltd

Asset Management - Key Measures

Historical period restatements shown in *italics* - restatements relate to update in segment reporting and update to FUMA methodology

Average FUMA is now calculated on a six month rolling average basis and has been applied for the periods of historical restatements

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------------|-------|
| Segment EBITDA (\$m) | 27.6 | 24.8 | 29.4 | 26.5 | 23.8 | 28.4 | 53.9 | 30.1 | large |
| Closing FUM (\$b) | 21.3 | 22.9 | 23.6 | 22.4 | 21.8 | 97.7 | 98.8 | 77.0 | large |
| Average FUM (\$b) | 21.8 | 22.2 | 23.3 | 22.7 | 22.5 | 40.7 | 97.9 | 75.3 | large |
| Net flows (\$b) | (0.3) | (0.3) | (0.3) | (0.1) | (2.2) | (0.1) | (1.4) | 0.9 | 39.1% |
| Gross margin (\$m) | 32.7 | 30.4 | 34.6 | 31.9 | 30.8 | 46.0 | 123.0 | 92.2 | large |
| Gross margin | 30bps | 28bps | 29bps | 28bps | 27bps | 23bps | 25bps | (2bps) | |
| Net operating margin | 25bps | 23bps | 25bps | 24bps | 21bps | 14bps | 11bps | (10bps) | |
| Cost to income | 15.7% | 18.3% | 15.0% | 16.8% | 22.7% | 38.3% | 56.2% | 33.5% | |

Asset Management - P&L

Historical period restatements shown in *italics* - restatements relate to update in segment reporting

Segment results include inter-segment revenues and expenses eliminated on consolidation

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 49.4 | 46.3 | 51.3 | 47.0 | 47.0 | 76.1 | 159.7 | 112.7 | large |
| Other Fee Revenue | 1.9 | 5.2 | 3.6 | 3.7 | 2.6 | 2.4 | 12.1 | 9.5 | large |
| Service and Marketing fees expense | (15.7) | (17.9) | (17.0) | (16.1) | (15.6) | (27.6) | (47.3) | (31.7) | large |
| Other Direct Costs | (2.9) | (3.1) | (3.3) | (2.8) | (3.2) | (5.3) | (8.3) | (5.1) | large |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | - | - | - | - | - | 0.1 | - | - | n/m |
| Equity Accounted Profits | - | - | - | - | - | 0.3 | 6.8 | 6.8 | n/m |
| Total Gross Margin | 32.7 | 30.4 | 34.6 | 31.9 | 30.8 | 46.0 | 123.0 | 92.2 | large |
| Operating Expenditure incl Corporate Recharge | (5.2) | (5.6) | (5.2) | (5.3) | (7.0) | (17.6) | (69.1) | (62.1) | large |
| Segment EBITDA | 27.6 | 24.8 | 29.4 | 26.5 | 23.8 | 28.4 | 53.9 | 30.1 | large |

Insignia Financial Ltd

Asset Management - Pro forma financial information

Pro forma result incorporating pre-acquisition financial performance of MLC, presented in accordance with segment reporting changes

MLC 1H21 and 2H21 have been restated for reclassifications between gross margin, operating expenses and net interest to align to the Insignia Financial accounting policy

Totals subject to rounding

| | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|-------------|-------------|-------------|-------------|--------------|
| | | | | \$m | % |
| Gross Margin | 107.7 | 117.8 | 123.0 | 15.3 | 14.2% |
| Operating Expenditure incl Corporate Recharge | (75.1) | (75.8) | (69.1) | 6.0 | 8.0% |
| Segment EBITDA | 32.6 | 42.0 | 53.9 | 21.3 | 65.5% |
| | | | | | |
| | 1H21 | 2H21 | 1H22 | 1H21 v 1H22 | |
| Closing FUM (\$b) | 93.1 | 97.7 | 98.8 | 5.7 | 6.2% |
| Average FUM (\$b) | 90.7 | 94.9 | 97.9 | 7.2 | 7.9% |
| Gross margin | 24bps | 25bps | 25bps | 1bps | |
| Net operating margin | 7bps | 9bps | 11bps | 4bps | |
| Cost to income | 69.8% | 64.4% | 56.2% | (13.6%) | |

Insignia Financial Ltd

Corporate - P&L

Historical period restatements shown in *italics* - restatements relate to update in segment reporting

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | - | - | - | - | - | (0.2) | 0.1 | 0.1 | n/m |
| Other Fee Revenue | 0.2 | 0.2 | 0.4 | 0.5 | 0.6 | 0.6 | - | (0.6) | (100.0%) |
| Service and Marketing fees expense | 0.2 | 0.2 | - | - | 0.1 | 0.5 | - | (0.1) | (100.0%) |
| Other Direct Costs | - | - | - | - | - | (0.1) | (0.2) | (0.2) | n/m |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | 0.8 | 0.8 | 1.3 | 1.1 | 0.4 | 0.8 | 0.6 | 0.2 | 58.8% |
| Equity Accounted Profits | - | - | - | - | - | - | - | - | n/m |
| Total Gross Margin | 1.2 | 1.3 | 1.6 | 1.7 | 1.1 | 1.6 | 0.5 | (0.6) | (54.2%) |
| Operating Expenditure incl Corporate Recharge | (19.5) | (19.2) | (21.0) | (20.4) | (21.5) | (19.1) | (33.8) | (12.3) | (57.1%) |
| Segment EBITDA | (18.2) | (18.0) | (19.4) | (18.7) | (20.4) | (17.6) | (33.3) | (12.8) | (62.8%) |

Corporate - Pro forma financial information

Pro forma result incorporating pre-acquisition financial performance of MLC, presented in accordance with segment reporting changes

MLC 1H21 and 2H21 have been restated for reclassifications between gross margin, operating expenses and net interest to align to the Insignia Financial accounting policy

Totals subject to rounding

| | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|---------------|---------------|---------------|--------------|----------------|
| | | | | \$m | % |
| Gross Margin | 1.7 | 1.7 | 0.5 | (1.2) | (70.9%) |
| Operating Expenditure incl Corporate Recharge | (31.2) | (26.4) | (33.8) | (2.6) | (8.2%) |
| Segment EBITDA | (29.5) | (24.7) | (33.3) | (3.7) | (12.7%) |

Insignia Financial Ltd

Discontinued Operations - Corporate Trust - P&L

Divested November 2018

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 4.0 | 1.9 | - | - | - | - | - | - | n/m |
| Other Fee Revenue | 0.4 | 0.0 | - | - | - | - | - | - | n/m |
| Service and Marketing fees expense | - | - | - | - | - | - | - | - | n/m |
| Other Direct Costs | (2.8) | (1.9) | - | - | - | - | - | - | n/m |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | - | - | - | - | - | - | - | - | n/m |
| Equity Accounted Profits | - | - | - | - | - | - | - | - | n/m |
| Total Gross Margin | 1.5 | 0.0 | - | - | - | - | - | - | n/m |
| Operating Expenditure incl Corporate Recharge | (1.7) | (0.1) | - | - | - | - | - | - | n/m |
| Segment EBITDA | (0.2) | (0.1) | - | - | - | - | - | - | n/m |

Discontinued Operations - IOOF NZ - P&L

Divested April 2020

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 2.3 | 2.3 | 2.3 | 1.2 | - | - | - | - | n/m |
| Other Fee Revenue | - | - | - | - | - | - | - | - | n/m |
| Service and Marketing fees expense | (0.9) | (1.3) | (1.4) | (0.7) | - | - | - | - | n/m |
| Other Direct Costs | (0.0) | - | (0.0) | (0.0) | - | - | - | - | n/m |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | (0.1) | (0.1) | (0.1) | (0.0) | - | - | - | - | n/m |
| Equity Accounted Profits | - | - | - | - | - | - | - | - | n/m |
| Total Gross Margin | 1.4 | 0.9 | 0.9 | 0.4 | - | - | - | - | n/m |
| Operating Expenditure incl Corporate Recharge | (0.7) | (0.7) | (0.6) | (0.4) | - | - | - | - | n/m |
| Segment EBITDA | 0.7 | 0.2 | 0.3 | (0.1) | - | - | - | - | n/m |

Insignia Financial Ltd

Discontinued Operations - Ord Minnett - P&L

Divested September 2019

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | 32.6 | 32.8 | 17.7 | - | - | - | - | - | n/m |
| Other Fee Revenue | - | - | - | - | - | - | - | - | n/m |
| Service and Marketing fees expense | (17.4) | (17.6) | (9.6) | - | - | - | - | - | n/m |
| Other Direct Costs | (0.2) | 0.1 | (0.0) | - | - | - | - | - | n/m |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | 17.4 | 20.4 | 11.3 | - | - | - | - | - | n/m |
| Equity Accounted Profits | - | - | - | - | - | - | - | - | n/m |
| Total Gross Margin | 32.4 | 35.6 | 19.3 | - | - | - | - | - | n/m |
| Operating Expenditure incl Corporate Recharge | (19.2) | (21.9) | (10.5) | - | - | - | - | - | n/m |
| Segment EBITDA | 13.1 | 13.6 | 8.8 | - | - | - | - | - | n/m |

Discontinued Operations - Perennial Value Management - P&L

Divested October 2019

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m | 1H21 v 1H22 | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | | | | | | | \$m | % |
| Gross Margin | | | | | | | | | |
| Management and Service fees revenue | - | - | - | - | - | - | - | - | n/m |
| Other Fee Revenue | - | - | - | - | - | - | - | - | n/m |
| Service and Marketing fees expense | - | - | - | - | - | - | - | - | n/m |
| Other Direct Costs | - | - | - | - | - | - | - | - | n/m |
| Amortisation of deferred acquisition costs | - | - | - | - | - | - | - | - | n/m |
| Other Revenue | - | - | - | - | - | - | - | - | n/m |
| Equity Accounted Profits | 0.4 | 0.5 | 1.0 | - | - | - | - | - | n/m |
| Total Gross Margin | 0.4 | 0.5 | 1.0 | - | - | - | - | - | n/m |
| Operating Expenditure incl Corporate Recharge | - | - | - | - | - | - | - | - | n/m |
| Segment EBITDA | 0.4 | 0.5 | 1.0 | - | - | - | - | - | n/m |

Insignia Financial Ltd

FUMA - Group (Continuing Operations)

Historical period restatements shown in *italics* - restatements relate to update to FUMA methodology

Totals subject to rounding

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Opening Balance | 61,169 | 62,127 | 60,194 | 63,534 | 66,015 | 67,595 | 68,489 | 102,203 | 107,643 | 107,949 | 111,593 | 113,336 | 318,704 | 321,069 |
| Acquired FUMA | - | - | - | - | - | - | 49,112 | - | - | - | - | 196,599 | - | - |
| Net Flow | 161 | 224 | 54 | 391 | 244 | 222 | (312) | 114 | (221) | (2,670) | (851) | 469 | (2,280) | (20) |
| Pensions | (210) | (205) | (208) | (246) | (231) | (229) | (368) | (449) | (361) | (353) | (350) | (519) | (754) | (730) |
| Market/Other | 1,007 | (3,161) | 3,494 | 2,336 | 1,567 | 902 | (14,717) | 6,516 | 1,508 | 6,747 | 2,945 | 8,819 | 5,399 | 5,520 |
| Reclass from Funds Under Supervision | - | 1,209 | - | - | - | - | - | - | - | - | - | - | - | - |
| Early Release of Super | - | - | - | - | - | - | - | (743) | (619) | (80) | - | - | - | - |
| Closing Balance | 62,127 | 60,194 | 63,534 | 66,015 | 67,595 | 68,490 | 102,204 | 107,641 | 107,950 | 111,593 | 113,337 | 318,704 | 321,069 | 325,839 |

FUMA - Platforms

Historical period restatements shown in *italics* - restatements relate to update to FUMA methodology

Totals subject to rounding

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| | \$m | \$m | \$m |
| Opening Balance | 39,140 | 39,824 | 38,943 | 41,224 | 43,127 | 44,174 | 44,882 | 81,107 | 85,256 | 85,304 | 89,744 | 91,200 | 221,014 | 222,780 |
| Acquired FUMA | - | - | - | - | - | - | 49,112 | - | - | - | - | 123,559 | - | - |
| Net Flow | 294 | 411 | 183 | 572 | 410 | 367 | (231) | 165 | (159) | (502) | (344) | 92 | (873) | (69) |
| Pensions | (210) | (205) | (208) | (246) | (231) | (229) | (368) | (449) | (361) | (353) | (350) | (519) | (754) | (730) |
| Market/Other | 600 | (2,296) | 2,306 | 1,577 | 868 | 570 | (12,288) | 5,176 | 1,187 | 5,375 | 2,150 | 6,682 | 3,393 | 5,013 |
| Reclass from Funds Under Supervision | - | 1,209 | - | - | - | - | - | - | - | - | - | - | - | - |
| Early Release of Super | - | - | - | - | - | - | - | (743) | (619) | (80) | - | - | - | - |
| Closing Balance | 39,824 | 38,943 | 41,224 | 43,127 | 44,174 | 44,882 | 81,107 | 85,256 | 85,304 | 89,744 | 91,200 | 221,014 | 222,780 | 226,994 |

FUMA - Asset Management

Historical period restatements shown in *italics* - restatements relate to update to FUMA methodology

Totals subject to rounding

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | \$m |
| Opening Balance | 22,029 | 22,302 | 21,250 | 22,309 | 22,886 | 23,420 | 23,607 | 21,097 | 22,386 | 22,644 | 21,848 | 22,136 | 97,691 | 98,289 |
| Acquired FUMA | - | - | - | - | - | - | - | - | - | - | - | 73,040 | - | - |
| Net Flow | (134) | (186) | (129) | (181) | (166) | (145) | (81) | (51) | (62) | (2,168) | (507) | 377 | (1,407) | 49 |
| Market/Other | 406 | (865) | 1,188 | 759 | 700 | 332 | (2,429) | 1,340 | 321 | 1,372 | 795 | 2,138 | 2,005 | 507 |
| Closing Balance | 22,302 | 21,250 | 22,309 | 22,886 | 23,420 | 23,607 | 21,097 | 22,386 | 22,644 | 21,848 | 22,136 | 97,691 | 98,289 | 98,845 |

Insignia Financial Ltd

FUMA - Discontinued Operations - IOOF NZ

Totals subject to rounding

| | 1Q19 \$m | 2Q19 \$m | 3Q19 \$m | 4Q19 \$m | 1Q20 \$m | 2Q20 \$m | 3Q20 \$m | 4Q20 \$m |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | 619 | 630 | 589 | 617 | 620 | 613 | 623 | 553 |
| Net Flow | (9) | (7) | - | (11) | (14) | (8) | (11) | - |
| Market/Other | 20 | (34) | 28 | 14 | 7 | 18 | (59) | - |
| Divested FUMA | - | - | - | - | - | - | - | (553) |
| Closing Balance | 630 | 589 | 617 | 620 | 613 | 623 | 553 | - |

Insignia Financial Ltd

Remediation - Advice

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Opening Balance | - | 168.1 | 392.0 | 376.5 | 432.7 | 409.5 | 377.2 |
| Provisions acquired | 168.1 | - | - | - | - | - | - |
| Adjustment ¹ | - | - | - | - | - | - | (3.0) |
| Provisions made/(reversed) | - | 238.4 | - | 80.4 | 13.7 | 44.4 | 19.9 |
| Provisions utilised | | | | | | | |
| Payments made | - | (4.5) | (6.1) | (8.3) | (23.2) | (62.0) | (26.9) |
| Program costs | - | (10.0) | (9.4) | (15.9) | (13.6) | (14.7) | (27.4) |
| Closing Balance | 168.1 | 392.0 | 376.5 | 432.7 | 409.5 | 377.2 | 339.8 |

¹Adjusted to remove balances not related to structured historical advice remediation programs

Remediation - Product

Historical period restatements shown in *italics* - restatements relate to update to amendments to acquired MLC balance sheet

Totals subject to rounding

| | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m |
|----------------------------|--------------|--------------|--------------|--------------|
| Opening Balance | - | 174.7 | 165.7 | 296.8 |
| Provisions acquired | 180.0 | - | 179.6 | - |
| Provisions made/(reversed) | (1.2) | 1.1 | 11.5 | 0.5 |
| Provisions utilised | | | | |
| Payments made | (1.8) | (5.4) | (53.8) | (59.5) |
| Program costs | (2.3) | (4.7) | (6.2) | (18.0) |
| Closing Balance | 174.7 | 165.7 | 296.8 | 219.8 |

Insignia Financial Ltd

Statutory NPAT reconciliation

Historical period restatements shown in *italics* - restatements relate to completion of Wealth Central purchase price allocation

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m |
|---|--------------|----------------|--------------|-------------|-------------|----------------|--------------|
| Profit/(Loss) attributable to Owners of the Company | 135.4 | (106.9) | 115.0 | 32.0 | 53.8 | (197.3) | 36.2 |
| Discontinued operations | (65.9) | 7.5 | (87.2) | (1.0) | - | - | - |
| Profit/(Loss) from continuing operations attributable to Owners of the Company | 69.6 | (99.4) | 27.8 | 31.0 | 53.8 | (197.3) | 36.2 |
| <i>Underlying net profit after tax pre-amortisation (UNPAT) adjustments:</i> | | | | | | | |
| Amortisation of intangible assets | 19.0 | 18.7 | 18.3 | 18.5 | 28.8 | 30.1 | 30.0 |
| Unwind of deferred tax liability recorded on intangible assets | (5.0) | (4.9) | (4.9) | (4.9) | (7.6) | (7.8) | (7.7) |
| Transformation and integration costs | 4.6 | 8.7 | 4.2 | 15.4 | 21.8 | 28.4 | 47.2 |
| BT settlement income | - | - | - | - | (59.2) | 0.4 | - |
| Legal expenses | - | - | - | - | 22.0 | 2.3 | 5.0 |
| Advice 2.0 costs | - | - | - | - | 0.7 | 0.6 | - |
| Project Evolve costs | 4.1 | 6.3 | 5.2 | 6.2 | 6.4 | 6.2 | 7.5 |
| Termination payments | 0.3 | 1.8 | 2.7 | 0.2 | 0.1 | 1.0 | - |
| Non-recurring professional fees paid | 0.2 | 1.8 | 4.4 | 2.0 | 3.8 | 6.2 | - |
| Impairment of goodwill and investment | - | - | - | 4.3 | - | 199.9 | - |
| Remediation costs | 3.8 | 231.5 | 1.5 | - | - | 28.2 | 27.5 |
| Governance uplift costs | - | - | 3.2 | 1.3 | 0.7 | 0.5 | - |
| Unrealised gain/loss on revaluation of financial instruments | - | - | - | - | - | 5.0 | (4.9) |
| Other | (0.3) | 0.8 | 0.4 | (0.5) | (1.4) | (1.1) | - |
| Income tax attributable | (3.7) | (74.5) | (6.4) | (5.9) | (4.0) | (20.7) | (22.9) |
| UNPAT from continuing operations | 92.5 | 90.8 | 56.5 | 67.6 | 65.9 | 81.9 | 117.9 |
| UNPAT from discontinued operations | 7.4 | 7.3 | 4.9 | (0.1) | - | - | - |
| UNPAT | 99.9 | 98.1 | 61.4 | 67.5 | 65.9 | 81.9 | 117.9 |

Insignia Financial Ltd

Corporate Balance Sheet

Excludes balances relating to the statutory benefit funds

Historical period restatements shown in *italics* - restatements relate to update to amendments to acquired MLC balance sheet and changes to the presentation of financial instruments

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$m |
| Assets | | | | | | | |
| Cash | 112.8 | 91.7 | 65.3 | 371.0 | 896.0 | 666.1 | 640.5 |
| Certificates of deposit | - | - | - | - | 100.0 | - | - |
| Receivables | 291.4 | 289.6 | 342.4 | 547.4 | 603.2 | 625.0 | 612.8 |
| Debt note | 800.0 | 800.0 | 800.0 | - | - | - | - |
| Other financial assets | 54.9 | 56.7 | 90.9 | 147.5 | 18.7 | 274.7 | 264.3 |
| Current tax assets | - | 3.9 | 47.7 | 23.6 | 5.7 | 1.8 | 63.5 |
| Prepayments | 15.6 | 15.3 | 11.0 | 16.3 | 12.0 | 20.0 | 25.4 |
| Deferred acquisition costs | 1.4 | 1.2 | 1.2 | 1.0 | 1.0 | 0.8 | 0.8 |
| Net defined benefit asset | - | - | - | - | - | 17.2 | 20.9 |
| Associates | 24.5 | 21.5 | 16.4 | 12.9 | 12.1 | 37.6 | 32.4 |
| Property and equipment | 39.3 | 36.0 | 115.9 | 134.4 | 124.0 | 145.8 | 220.6 |
| Deferred tax assets | - | 2.7 | - | - | 28.7 | 146.9 | 106.6 |
| Intangible assets | 392.3 | 364.7 | 352.2 | 525.1 | 498.6 | 505.5 | 481.5 |
| Goodwill | 946.3 | 936.9 | 937.3 | 1,465.4 | 1,506.3 | 2,147.6 | 2,147.6 |
| | 2,678.6 | 2,620.2 | 2,780.4 | 3,244.5 | 3,806.3 | 4,589.0 | 4,616.9 |
| Assets classified as held for sale | - | 52.5 | - | - | - | - | 2.8 |
| Total assets | 2,678.6 | 2,672.7 | 2,780.4 | 3,244.5 | 3,806.3 | 4,589.0 | 4,619.7 |
| Liabilities | | | | | | | |
| Payables | 73.2 | 86.4 | 75.9 | 118.8 | 115.1 | 365.6 | 373.8 |
| Other financial liabilities | 3.0 | 15.3 | 32.4 | 54.8 | 95.5 | 63.9 | 44.5 |
| Lease liabilities | - | - | 95.0 | 114.4 | 104.6 | 124.9 | 199.2 |
| Borrowings | 416.7 | 426.5 | 352.4 | 457.9 | (2.0) | 648.6 | 793.4 |
| Current tax liabilities | 11.4 | - | - | - | - | - | - |
| Provisions | 231.7 | 453.3 | 487.4 | 733.1 | 729.1 | 893.0 | 749.2 |
| Deferred tax liabilities | 80.5 | - | 8.2 | 27.0 | - | - | - |
| Deferred revenue liability | 1.3 | 1.1 | 1.1 | 0.9 | 0.9 | 0.9 | 0.8 |
| Lease incentives | 5.9 | 5.8 | - | - | - | - | - |
| | 823.7 | 988.4 | 1,052.5 | 1,506.9 | 1,043.3 | 2,096.9 | 2,160.9 |
| Liabilities directly associated with assets classified as held for sale | - | 27.4 | - | - | - | - | - |
| Total liabilities | 823.7 | 1,015.8 | 1,052.5 | 1,506.9 | 1,043.3 | 2,096.9 | 2,160.9 |
| Net assets | 1,854.9 | 1,656.9 | 1,727.8 | 1,737.6 | 2,763.0 | 2,492.1 | 2,458.8 |

Insignia Financial Ltd

Corporate Balance Sheet (continued)

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | \$m |
| Equity | | | | | | | |
| Share capital | 1,966.9 | 1,963.1 | 1,965.4 | 1,965.8 | 2,996.0 | 2,996.0 | 2,996.0 |
| Reserves | 23.3 | 25.2 | 52.7 | 91.3 | 2.6 | 3.8 | 5.6 |
| Accumulated losses | (142.9) | (339.1) | (289.6) | (319.3) | (235.4) | (507.5) | (542.8) |
| Total equity attributable to equity holders of the Company | 1,847.3 | 1,649.2 | 1,728.4 | 1,737.8 | 2,763.3 | 2,492.3 | 2,458.8 |
| Non-controlling interest | 7.6 | 7.7 | (0.6) | (0.2) | (0.3) | (0.2) | - |
| Total equity | 1,854.9 | 1,656.9 | 1,727.8 | 1,737.6 | 2,763.0 | 2,492.1 | 2,458.8 |

Insignia Financial Ltd

Statement of Cash Flows

Excludes cash flows relating to the statutory benefit funds

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m |
|---|----------------|--------------|-------------|--------------|-------------|----------------|---------------|
| Cash flows from operating activities | | | | | | | |
| Receipts from customers | 561.9 | 647.8 | 600.0 | 722.7 | 679.0 | 727.1 | 1,194.8 |
| Non-recurring BT settlement fee | - | - | - | - | - | 80.0 | - |
| Payments to suppliers and employees | (442.4) | (538.8) | (530.0) | (594.2) | (589.1) | (550.8) | (1,020.0) |
| Transformation and integration costs | (8.7) | (9.8) | (7.4) | (19.2) | (27.9) | (18.0) | (52.3) |
| Dividends from associates | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 | 0.1 | 3.3 |
| Net legal settlements | (8.5) | (2.4) | 0.9 | (3.2) | - | (21.5) | - |
| Remediation costs | (3.8) | (0.3) | (9.6) | (6.3) | (23.6) | (79.5) | (131.8) |
| Coupon interest received on debt note | 18.9 | 49.0 | 8.1 | 1.3 | - | - | - |
| Income taxes paid | (54.3) | (57.0) | (38.7) | (4.0) | (35.5) | (3.5) | (33.4) |
| Net cash flows from operating activities | 63.5 | 88.7 | 23.5 | 97.3 | 3.0 | 133.9 | (39.4) |
| Cash flows from investing activities | | | | | | | |
| Dividends and distributions received | 0.7 | 0.6 | 0.8 | 0.7 | 0.2 | 0.2 | 0.2 |
| Interest received | 5.2 | 4.2 | 1.2 | 3.2 | 1.7 | 1.8 | 2.5 |
| Interest and other costs of finance paid | (8.7) | (7.7) | (5.6) | (4.5) | (3.8) | (3.6) | (9.7) |
| Proceeds from divestment of/(payments for) financial assets | (1.8) | 0.3 | (2.1) | 86.6 | 100.7 | 1.5 | 0.2 |
| Redemption/(purchase) of debt note | (800.0) | - | - | 800.0 | - | - | - |
| Net proceeds on divestment of subsidiaries | 41.0 | 0.3 | 90.0 | 3.0 | - | - | - |
| Acquisition of subsidiary, net of cash acquired | (5.8) | (2.3) | - | (678.8) | 15.1 | (872.3) | - |
| Net proceeds from/(payment for) financial instruments | 407.4 | - | - | - | (100.0) | 128.7 | 0.5 |
| Receipt of deferred purchase consideration | - | 0.4 | - | - | - | - | - |
| Net proceeds from/(payment for) swaps | - | - | - | (30.2) | - | - | - |
| Payments for property and equipment | (22.7) | (3.5) | (3.2) | (5.0) | (3.0) | (6.3) | (12.2) |
| Payments for intangible assets | (3.2) | (0.6) | (5.4) | (7.7) | (1.8) | (5.3) | (18.7) |
| Repayment of loan principal (related parties) | - | 0.0 | 7.3 | - | - | - | - |
| Net cash flows from investing activities | (387.9) | (8.3) | 83.0 | 167.4 | 9.1 | (755.3) | (37.2) |

Insignia Financial Ltd

Statement of Cash Flows (continued)

Totals subject to rounding

| | 1H19 \$m | 2H19 \$m | 1H20 \$m | 2H20 \$m | 1H21 \$m | 2H21 \$m | 1H22 \$m |
|--|--------------|---------------|----------------|--------------|--------------|----------------|---------------|
| Cash flows from financing activities | | | | | | | |
| Drawdown of borrowings | 610.0 | 60.0 | 0.0 | 115.0 | 0.0 | 591.0 | 170.0 |
| Repayment of borrowings | (190.0) | (50.6) | (75.0) | (10.0) | (460.0) | (115.0) | (31.0) |
| Proceeds from issue of shares | - | - | - | - | 1,043.9 | 0.0 | - |
| Transaction costs of issuing new shares | - | - | - | - | (20.5) | 0.1 | - |
| Purchase of treasury shares | (3.8) | (4.1) | - | - | - | - | - |
| Return of capital to non-controlling interest | (1.2) | - | - | - | - | - | - |
| Repayment of lease liabilities | - | - | (6.4) | (7.9) | (10.2) | (11.5) | (11.0) |
| Interest paid on lease liabilities | - | - | - | - | - | - | (2.3) |
| Dividends paid - members of the Company | (94.7) | (89.3) | (66.5) | (56.0) | (40.3) | (74.7) | (74.7) |
| Dividends paid - non-controlling members of subsidiary entities | (4.5) | (2.4) | (0.0) | (0.0) | (0.0) | 0.0 | - |
| Net cash flows from financing activities | 315.8 | (86.5) | (147.9) | 41.1 | 512.9 | 389.9 | 51.0 |
| Net cash flow | (8.6) | (6.2) | (41.4) | 305.8 | 525.0 | (231.5) | (25.6) |
| Opening cash position | 121.4 | 112.8 | 91.7 | 65.3 | 371.0 | 896.0 | 666.1 |
| Cash classified in assets held for sale at the beginning of the period | - | - | 15.0 | - | - | - | - |
| Effects of exchange rate changes on cash and cash equivalents | 0.0 | 0.0 | 0.0 | (0.1) | - | 1.6 | - |
| Reclassification to assets held for sale | - | (15.0) | - | - | - | - | - |
| Closing cash position | 112.8 | 91.7 | 65.3 | 371.0 | 896.0 | 666.1 | 640.5 |

Insignia Financial Ltd

Cash and Debt Facilities

Excludes balances relating to the statutory benefit funds

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 |
|---|--------------|--------------|------------|--------------|------------|--------------|--------------|
| Cash and cash equivalents | | | | | | | |
| Corporate cash (\$m) | 112.8 | 91.7 | 65.3 | 225.4 | 783.1 | 501.2 | 474.5 |
| Restricted cash (ORFR) (\$m) | - | - | - | 145.6 | 112.8 | 164.9 | 166.0 |
| Certificates of deposit (\$m) | - | - | - | - | 100.0 | - | - |
| Debt Facilities | | | | | | | |
| Total debt facilities (\$m) ¹ | 750.0 | 750.0 | 615.0 | 615.0 | 865.0 | 865.0 | 865.0 |
| Drawn senior debt (\$m) | 420.0 | 430.0 | 355.0 | 460.0 | - | 476.0 | 615.0 |
| Senior funding headroom (\$m) | 330.0 | 320.0 | 260.0 | 155.0 | 865.0 | 389.0 | 250.0 |
| Ratios and other indicators | | | | | | | |
| Senior net debt (\$m) | 307.2 | 338.3 | 289.7 | 234.6 | (883.1) | (25.2) | 140.5 |
| SFA defined senior leverage ratio | 1.4 times | 1.4 times | 0.0 times | 1.3 times | 0.0 times | 0.6 times | 1.0 times |
| Bridge to SFA defined net debt | | | | | | | |
| Simple senior net debt (above) | 307.2 | 338.3 | 289.7 | 234.6 | (883.1) | (25.2) | 140.5 |
| Debt note | - | - | (800.0) | - | - | - | - |
| <i>Excl</i> non-guarantor cash | 13.0 | 9.7 | 5.9 | 73.4 | 6.8 | 169.8 | 192.5 |
| <i>Add</i> bank guarantees | 42.6 | 65.7 | 46.7 | 54.7 | 54.7 | 33.3 | 33.8 |
| <i>Add</i> deferred asset purchase consideration greater than 90 days | - | - | 2.6 | 5.6 | 25.3 | 23.1 | 10.8 |
| Other SFA adjustments | 10.1 | 3.1 | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |
| SFA defined senior net debt | 372.8 | 416.8 | n/a | 371.3 | n/a | 203.8 | 380.4 |

¹Revolving cash advance facilities only, excludes multi-option facility

Insignia Financial Ltd

Segment Asset Allocations

Historical period restatements shown in *italics* - restatements relate to update in segment reporting and update in FUMA methodology

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 |
|-------------------------|------|------|------|------|------|------|------|
| Platforms | | | | | | | |
| Australian Equities | 35% | 32% | 32% | 29% | 31% | 31% | 30% |
| Fixed Interest/Cash | 34% | 33% | 32% | 33% | 33% | 28% | 27% |
| International Equities | 20% | 23% | 24% | 26% | 25% | 30% | 30% |
| Property | 6% | 7% | 7% | 8% | 7% | 8% | 9% |
| Other | 5% | 6% | 6% | 4% | 5% | 4% | 4% |
| Asset Management | | | | | | | |
| Australian Equities | 26% | 27% | 27% | 21% | 24% | 17% | 18% |
| Fixed Interest/Cash | 40% | 39% | 38% | 41% | 33% | 39% | 41% |
| International Equities | 22% | 22% | 23% | 22% | 25% | 24% | 19% |
| Property | 10% | 9% | 10% | 10% | 11% | 13% | 13% |
| Other | 2% | 4% | 2% | 5% | 6% | 8% | 9% |

Insignia Financial Ltd

Ratio Calculations

Historical period restatements shown in *italics* - restatements relate to completion of Wealth Central purchase price allocation and inclusion of equity accounted profits in gross margin

Totals subject to rounding

| | 1H19 | 2H19 | 1H20 | 2H20 | 1H21 | 2H21 | 1H22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Earnings | | | | | | | |
| UNPAT (\$m) | 99.9 | 98.1 | 61.4 | 67.5 | 65.9 | 81.9 | 117.9 |
| UNPAT (continuing operations) (\$m) | 92.5 | 90.8 | 56.5 | 67.5 | 65.9 | 81.9 | 117.9 |
| Statutory NPAT (\$m) | 135.4 | (106.9) | 115.0 | 26.2 | 53.8 | (197.3) | 36.2 |
| Statutory NPAT (continuing operations) (\$m) | 69.6 | (99.4) | 27.8 | 25.2 | 53.8 | (197.3) | 36.2 |
| Shares | | | | | | | |
| Weighted average shares on issue | 351,076,027 | 351,076,027 | 351,076,027 | 351,076,027 | 531,842,426 | 649,324,356 | 649,324,356 |
| Weighted average treasury shares on issue | 386,749 | 856,831 | 1,014,460 | 892,726 | 792,719 | 792,719 | 792,719 |
| Weighted average performance rights | 880,118 | 1,084,188 | 690,739 | 878,318 | 840,589 | 1,799,507 | 1,985,133 |
| EPS | | | | | | | |
| UNPAT EPS (cents per share) | 28.5 | 28.0 | 17.5 | 19.3 | 12.4 | 12.6 | 18.2 |
| UNPAT EPS (continuing operations) (cents per share) | 26.4 | 25.9 | 16.1 | 19.3 | 12.4 | 12.6 | 18.2 |
| Basic EPS (cents per share) | 38.6 | (30.5) | 32.8 | 7.5 | 10.1 | (30.4) | 5.6 |
| Diluted EPS (cents per share) | 38.5 | (30.4) | 32.8 | 7.5 | 10.1 | (30.3) | 5.6 |
| Basic EPS (continuing operations) (cents per share) | 19.9 | (28.4) | 7.9 | 7.2 | 10.1 | (30.4) | 5.6 |
| Cost to income | | | | | | | |
| Gross margin | 260.7 | 251.4 | 254.2 | 334.2 | 350.8 | 419.2 | 778.4 |
| Add back amortisation of deferred acquisition costs | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | - |
| ANZ coupon interest | 28.7 | 43.3 | 8.1 | 2.2 | - | - | - |
| Operating expenditure | (149.3) | (157.6) | (163.7) | (220.7) | (239.8) | (286.8) | (569.2) |
| Cost to income | 51.6% | 53.5% | 62.4% | 65.6% | 68.3% | 68.4% | 73.1% |
| Return on equity | | | | | | | |
| Average equity (\$m) | 1,821.6 | 1,819.7 | 1,693.0 | 1,725.4 | 2,308.5 | 2,728.0 | 2,479.4 |
| Days in period | 184 | 181 | 184 | 182 | 184 | 181 | 184 |
| Days in year | 365 | 365 | 366 | 366 | 365 | 365 | 365 |
| Return on equity | 10.9% | 10.9% | 7.2% | 7.9% | 5.7% | 6.1% | 9.4% |

Insignia Financial Ltd

Shares on issue

| | From | To | Days |
|-------------|-------------|------------|-------------|
| 351,076,027 | 1/07/2018 | 31/12/2018 | 184 |
| 351,076,027 | 1/01/2019 | 30/06/2019 | 181 |
| 351,076,027 | 1/07/2019 | 31/12/2019 | 184 |
| 351,076,027 | 1/01/2020 | 30/06/2020 | 182 |
| 351,076,027 | 1/07/2020 | 6/09/2020 | 68 |
| 560,345,476 | 7/09/2020 | 21/09/2020 | 15 |
| 648,218,885 | 22/09/2020 | 22/09/2020 | 1 |
| 649,324,356 | 23/09/2020 | 31/12/2020 | 100 |
| 649,324,356 | 1/01/2021 | 30/06/2021 | 181 |
| 649,324,356 | 1/07/2021 | 31/12/2021 | 184 |



Insignia Financial Ltd

1H22 Investor and Analyst Book
6 Months ended 31 December 2021

24 February 2022



Disclaimer

Important information

This analyst pack has been prepared by Insignia Financial Ltd ABN 49 100 103 722 (Insignia Financial). It is general information on Insignia Financial and its subsidiaries (Insignia Financial Group) current as at 24 February 2022.

It is in summary form and is not necessarily complete. It should be read together with Insignia Financial's condensed consolidated interim financial report for the half year ended 31 December 2021 lodged with the ASX on 24 February 2022 (Half Year Report). Information and statements in this pack do not constitute investment advice or a recommendation in relation to Insignia Financial or any product or service offered by Insignia Financial or any of its subsidiaries and should not be relied upon for this purpose. Prior to making a decision in relation to Insignia Financial's securities, products or services, investors or clients and potential investors or clients should consider their own investment objectives, financial situation and needs and obtain professional advice.

The information in this presentation may include information contributed by third parties. Insignia Financial Group does not warrant the accuracy or completeness of any information contributed by a third party. No representation or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained in the presentation (any of which may change without notice). To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this presentation. Past performance is not indicative of future performance.

This presentation contains forward looking statements, including statements regarding Insignia Financial's intent, objective, belief or current expectation relating to Insignia Financial's businesses and operations, market conditions or results of operations and financial condition, including any statements related to or affected by the ongoing impact of the COVID-19 pandemic and remediation programs. These are based on Insignia Financial's current expectations about future events and is subject to known and unknown risks and uncertainties, many of which are beyond the control of the Insignia Financial Group. Actual events may differ materially from those contemplated in such forward looking statements and could cause actual results, performance or events to differ materially from those express or implied. Forward looking statements are not guarantees or representations about future performance and should not be relied upon as such.

Insignia Financial does not undertake to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to its regulatory and disclosure requirements.

Underlying net profit after tax pre amortisation (UNPAT) attributable to equity holders of Insignia Financial reflect an assessment of the result for the ongoing business of the Insignia Financial Group as determined by the Board and management. UNPAT has been calculated with regard to ASIC's Regulatory Guide 230 Disclosing non-IFRS financial information and the adjustments to NPAT are set out on pages 7 and 8 of the 31 December 2021 Interim Financial Report. UNPAT attributable to equity holders of Insignia Financial has not been reviewed or audited by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of Insignia Financial have been extracted from the books and records that have been reviewed by the external auditor. UNPAT is disclosed as it is useful for investors to gain a better understanding of Insignia Financial's financial results from normal operating activities.

Nothing in this presentation should be construed as either an offer to sell or solicitation of an offer to buy or sell Insignia Financial Group securities or units in any fund referred to in this presentation in any jurisdiction. The Product Disclosure Statement (PDS) for these funds are issued by the applicable members of the Insignia Financial Group. The applicable PDS should be considered before deciding whether to acquire or hold units in a fund and can be obtained by calling 1800 913 118 or visiting our website www.insigniafinancial.com.au.

All references to currency in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences.

Contact details

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IOOF Shareholder website

<https://www.insigniafinancial.com.au/shareholders>

IOOF ASX announcements

<https://www.insigniafinancial.com.au/shareholders/performance-and-reporting/asx-announcements>

Key people

Insignia Financial Leadership Team

| | |
|-------------------|---|
| Renato Mota | Chief Executive Officer |
| David Chalmers | Chief Financial Officer |
| Adrianna Bisogni | Group Company Secretary |
| Lawrence Hastings | Chief Legal Officer |
| Sawsan Howard | Chief Corporate Affairs and Marketing Officer |
| Frank Lombardo | Chief Operating & Technology Officer |
| Garry Mulcahy | Chief Asset Management Officer |
| Mark Oliver | Chief Distribution Officer |
| Lorna Stewart | Chief Risk Officer |
| Mel Walls | Chief People Officer |
| Chris Weldon | Chief Transformation Officer |
| Darren Whereat | Chief Advice Officer |

Profiles for each member of the leadership team can be found at <https://www.insigniafinancial.com.au/about-us/our-people/executive-team>

Insignia Financial Board of Directors

| | |
|---------------------|--|
| Allan Griffiths | Chairman, Independent Non-Executive Director |
| Renato Mota | Chief Executive Officer |
| Andrew Bloore | Independent Non-Executive Director |
| Elizabeth Flynn | Independent Non-Executive Director |
| John Selak | Independent Non-Executive Director |
| Michelle Somerville | Independent Non-Executive Director |

Profiles for each member of the Board can be found at <https://www.insigniafinancial.com.au/about-us/our-people/board-of-directors>

Key Management Personnel remuneration details

The 2021 Remuneration Report can be found on page 49 of the 30 June 2021 Annual Financial Report at <https://www.insigniafinancial.com.au/shareholders/performance-and-reporting/reports-and-results>

2021/22 Key dates

| | |
|--------------------------------|------------------|
| 1H22 Dividend record date | 11 March 2022 |
| 1H22 Dividend payment date | 1 April 2022 |
| 3Q22 FUMA/Business update | 26 April 2022 |
| 4Q22 FUMA/Business update | 29 July 2022 |
| Full year results announcement | 25 August 2022 |
| Annual General Meeting | 10 November 2022 |

The above dates may be altered should circumstances change. Latest key dates will be updated at <https://www.insigniafinancial.com.au/shareholders/performance-and-reporting/key-dates>

Insignia Financial purpose, strategic initiatives and principles

Purpose

Insignia Financial has a 170-year history of helping Australians secure their financial future and has an ambition to create financial wellbeing for all Australians.

Effective 9 December 2021, IOOF Holdings Ltd changed its name to Insignia Financial Ltd and commenced rebranding the corporate entity to Insignia Financial. The Insignia Financial name is a unifying brand for our people and represents our shared ambition of creating financial wellbeing for all Australians.

We have defined our purpose from our client's perspective:

understand me, look after me, secure my future.

Understand me: is about asking the right questions to uncover what matters to our members and clients;

Look after me: is about delivering what we say we will, when we say we will; and

Secure my future: by understanding and delivering what really matters, we help people secure their financial future.

Insignia Financial developed this purpose through a review of real conversations that have taken place between our people and our clients.

Principles

Insignia Financial's purpose is supported by our principles:

Be human – we treat those around us the way we'd like to be treated – open, honestly and respectfully;

Deliver what matters – we make sure we understand what matters to every client, and we make it happen;

Stronger together – only by working together can we truly service our clients;

Keep it simple – we remove complexity; and

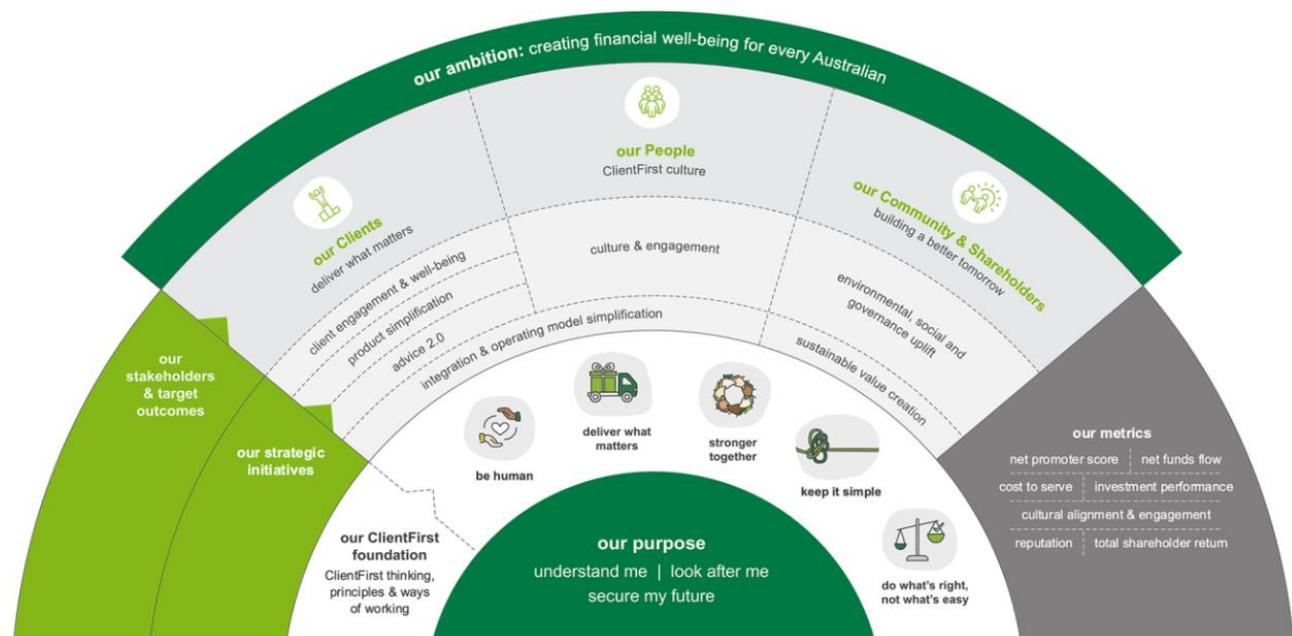
Do what's right, not what's easy – we back ourselves to make the right call. We speak up.

Strategic initiatives

Insignia Financial's ambition is to create financial wellbeing for all Australians. We believe that the lives of Australians are substantially improved through advice and that our purpose comes to life through the realisation of our strategy.

Insignia Financial firmly believes that value is created by linking together components of the complex financial services value chain to the benefit of Clients, focusing on the network effect of advice:

- Insignia Financial strongly believes in the value of quality financial advice for Australians, in helping them achieve their life goals;
- Insignia Financial's strategy is designed to serve our clients and members, and deliver to our Purpose – we support our clients and members to help them achieve their goals through:
 - Insignia Financial's ClientFirst philosophy;
 - Delivering scalable governance, systems and processes – simplification is key to realising the value of scale;
 - Insignia Financial's open architecture approach – this means offering clients choice; and
 - Reinvention of advice to ensure sustainability of advice models and offer Australians greater access to advice.



Insignia Financial and its key business segments

Basis of preparation

This report covers the Insignia Financial Ltd Corporate Group of businesses only (Insignia Financial). A subsidiary of Insignia Financial, IOOF Ltd, is a friendly society in accordance with the Life Insurance Act 1995. The funds operated by IOOF Ltd, and any trusts controlled by those funds, are treated as statutory funds in accordance with the Life Insurance Act 1995. These statutory funds are required to be consolidated in the financial statements in accordance with accounting standards. These are excluded for the purposes of this report.

About Insignia Financial

Insignia Financial is one of the largest financial services groups in Australia. Insignia Financial is an ASX top 200 company with more than \$325 billion in funds under management and administration, and advice service relationships with almost 1,800 financial advisers as at 31 December 2021.

Insignia Financial is one of Australia's leading advice-led wealth managers and providers of wealth creation products and services. Various subsidiary entities within the Insignia Financial Group specialise in the provision of the following services:

- **Platforms** for advisers, their clients and hundreds of employers in Australia;
- **Advice** services via Insignia Financial's extensive network of financial advisers; and
- **Asset Management** products that are designed to suit the needs of any investor.

Insignia Financial now reports its financial results in four business segments:

1. Advice
2. Platforms
3. Asset Management
4. Corporate

Advice

The Advice Segment reports the financial economics of a number of different advice channels.

The three main Advice channels are;

- **Professional Services** – wholly owned and operated advice network of Insignia Financial
- **Self-Employed Advice** – Advisers operating their own advice businesses under an Insignia Financial licence
- **Self-Licensed Advice** – Advisers operating their own advice business with a non-Insignia Financial licence who utilise certain services from Insignia Financial

Other channels include;

- **Open architecture** – offering choice through the distribution of third-party platform offerings to advisers
- **Other** – includes revenue from advising on General Insurance and Business Advisory Services

These are not managed by the Advice business but reported under Advice segment for historical comparison.

Composition of advisers by channel

| | Professional Services | Self-Employed | Self-Licensed | Total |
|--------|-----------------------|---------------|---------------|-------|
| Dec-20 | 292 | 893 | 361 | 1,546 |
| Jun-21 | 296 | 1,047 | 605 | 1,948 |
| Dec-21 | 292 | 890 | 583 | 1,765 |

Professional Services are wholly owned and operated by Insignia Financial and include the following advice brands:

- **Shadforth Financial Group** – Employed Advisers servicing High Net Worth clients
- **Bridges Financial Group / MLC Advice** – Employed Advisers servicing a broad range of Australians. Integration between Bridges and MLC Advice is well underway, and simplified, enhanced and standardised ways of working are being implemented across the combined business in FY22. This includes the go forward brand strategy that will combine the licensees under the Bridges name and aligns with our future vision and strategy that resonates with our current and future clients.

| | |
|-------------------------------|--|
| Material gross margin drivers | Advisers charge a fixed advice fee. Insignia Financial retains 100% of the advice fee as revenue |
| Material cost drivers | Employed advisers are paid a salary plus discretionary bonus Support services for advisers; Technology, Business Support, Compliance, Research and Marketing, Technical Services and Professional Development |
| Profitability target | Target EBITDA margin of 30%+ |

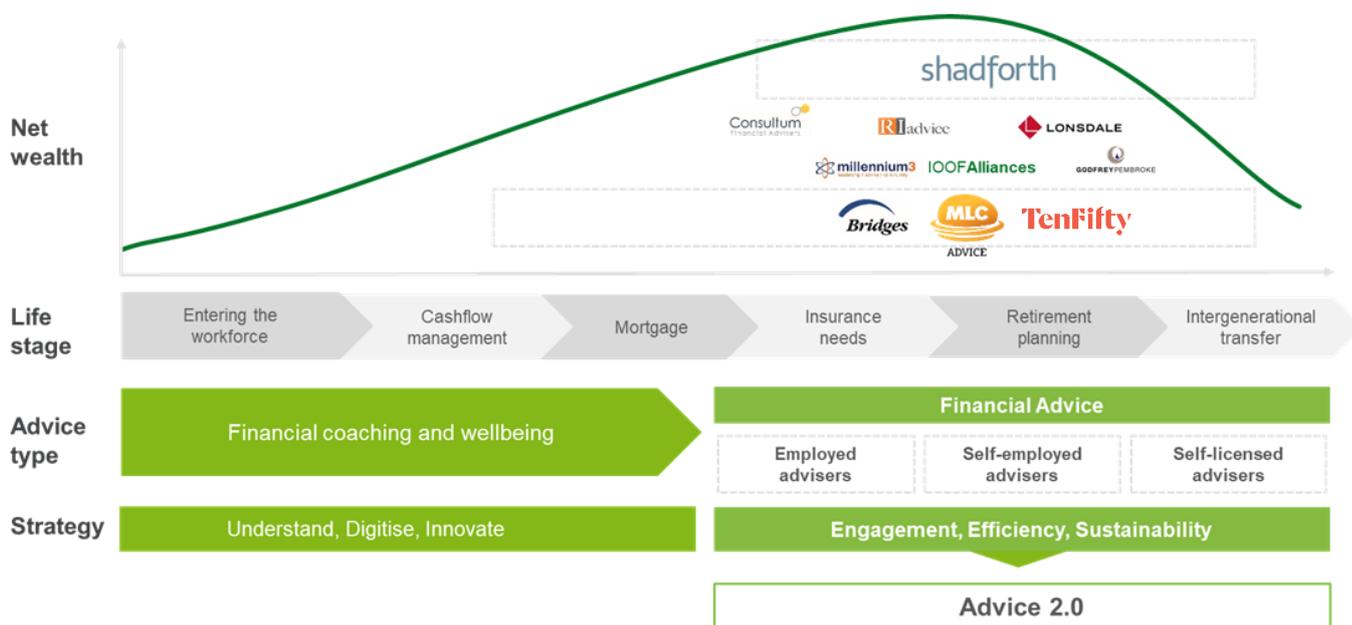
Self-Employed advisers own their practice and include the following advice brands: Consultum, Lonsdale, Millennium 3, RI Advice, Godfrey Pembroke, and TenFifty, which operates as a business-to-business Advice brand for a cohort of MLC advisers authorised under the Consultum licence.

| | |
|-------------------------------|--|
| Material gross margin drivers | Advisers charge a combination of variable and/or fixed advice fee. Insignia Financial collects 100% of the gross advice fees as revenue Direct costs include the portion of advice fees remitted to advisers as per the licence agreement with Insignia Financial |
| Material cost drivers | Support services for advisers; Technology, Business Support, Compliance, Research and Marketing, Technical Services and Professional Development |
| Profitability target | Target UNPAT to breakeven on a run-rate basis by the end of FY22 for the ex-ANZ ALs (Consultum and Lonsdale already breakeven). Target MLC businesses UNPAT to breakeven on a run-rate basis by FY24 |

Self-Licensed Advice covers services provided to Independent Financial Advisers not licensed by Insignia Financial under the Alliances brand, MLC Connect and Lonsdale Dealer Associates.

| | |
|-------------------------------|---|
| Material gross margin drivers | Advisers pay fees for services provided. Insignia Financial is not exposed to any licence risk |
| Material cost drivers | Support services for advisers; Licensing, Compliance and Governance, Technical Services, Practice Management, Research, Marketing |

Insignia Financial brands service clients across life stages



Open architecture - offering investment platform choice to advisers via distribution of white-labelled third-party platform administration services.

To be consistent with the historical presentation of operating segments, the Advice segment includes the financial economics of existing third-party platform administration arrangements and open architecture arrangements. These include BT (to 17 December 2020), Colonial First State (CFS) and some Macquarie white-labelled products. The Rhythm administration solution administered by HUB24, which launched in June 2021, is reported in the Platforms segment, as it represents an outsourced administration arrangement by an Insignia Financial Group superannuation fund or Investment Services operator.

| | |
|-------------------------------|--|
| Material gross margin drivers | Insignia Financial receives from third parties a share of the fee collected for administration of the product, calculated as bps on Funds Under Administration (FUA) |
| Material cost drivers | No material cost drivers - Leverages Insignia Financial’s existing sales and marketing resources in support of financial advisers |

Other – Insignia Financial also earns revenue from non-advised clients, advising on General Insurance and from Business Advisory Services.

Platforms

The Platforms segment reports the financial results of a number of different platforms, including Insignia Financial’s proprietary platforms and retail Trustee business operation under the brand Australian Executor Trustees (“AET”). The ex-ANZ P&I segment and MLC Retirement & Investment Services (R&IS) business unit are now included in this segment.

The Insignia Financial proprietary platforms currently contain two core platform technologies; Orion and Evolve (formerly called “ASIS”) alongside the administration of retail trustee funds. Insignia Financial has also launched a proprietary Managed Account solution “MPS” which has grown to over \$2b in funds under administration.

As part of the Evolve21 project, Insignia Financial successfully transitioned approximately 93,000 client accounts from Orion to Evolve during 2021 with the final tranche of accounts successful transitioned in December 2021. Insignia Financial aims to retire Orion by the end of calendar year 2022. Evolve is intended to be the go-forward proprietary platform technology for the majority of Insignia Financial proprietary products.

The Platforms segment has five key channels;

Workplace – Workplace super for current employees of small, medium, and larger enterprises providing a low fee offering for employers and their employees, which is both digitally serviced and relationship managed (including MySuper offerings)

Personal – Low complexity offer for advised and direct retail clients. Also includes the Personal clients of the Workplace products (those clients who have left their employer). Low fee, digitally distributed and serviced

Advised – Adviser platform for retail clients and advised Wrap platforms, includes those administered by Macquarie and HUB24

Trustee – Specialist trustee services provided under the AET brand

Closed/Transition – Largely closed and legacy products including Pursuit (all transitioned to IOOF Advised Wrap products in December 2021), as well as legacy OneAnswer, Oasis and ex-ANZ P&I legacy Employer products

| | |
|-------------------------------|---|
| Material gross margin drivers | <p>Gross margins between products are driven by the level of fees, fee tiering and capping, together with discounting for larger Workplace super plans, and the mix of business across investment options.</p> <p>Fee tiering and capping in many products result in a non-linear relationship between funds under administration and revenue.</p> <p>Margins on Wrap products represent margins on administration fees whilst margins on Master Trust products include administration and investment fee margins.</p> <p>MySuper fees are fixed plus basis point on funds under administration resulting in a higher overall gross margin % due to lower average client balances and a fixed proportion of fees.</p> |
| Material cost drivers | <p>Costs largely comprise staff salaries and technologies, relating to the following functions:</p> <ul style="list-style-type: none"> • Administration systems and process • Product and distribution • Governance and process improvement (ClientFirst) • Costs paid to outsourced product administrators i.e. Macquarie |

Workplace

Gross margin and average FUA for the Workplace channel for 1H22 are shown below.

The key platforms currently included in this channel are;

IOOF Employer Super – a premium super solution with a wide choice of investment and insurance options that can be customised specifically for employees. Includes IOOF MySuper

MasterKey Business Super – Workplace Super for current employees of generally small to medium, and some large enterprises. Includes MLC MySuper

Plum – Workplace Super for current employees of larger enterprises, offering greater benefit tailoring by employer sponsors. Includes MySuper offers

ANZ Smart Choice (Employer) – Low fee offering for employers and their employees, digitally serviced and relationship managed. Includes Smart Choice's MySuper offering.

| | Average FUA \$'b | GM \$'m | GM % |
|------------------------|------------------|--------------|--------------|
| Workplace Total | 54.9 | 143.2 | 0.52% |

Personal

Personal channel Gross margin, and average FUA for 1H22 can be found below.

The key platforms currently included in this channel are;

IOOF Employer Super Personal – Personal Super for former clients of IOOF Employer Super

MasterKey Personal Super – Personal Super for former clients of MasterKey Business Super

Plum Personal – Personal Super for former clients of Plum Corporate

ANZ Smart Choice (Retail) – Low fee, digitally distributed and serviced

| | Average FUA \$'b | GM \$'m | GM % |
|-----------------------|------------------|--------------|--------------|
| Personal Total | 32.2 | 100.7 | 0.62% |

Advised

Advised channel Gross margin, and average FUA for 1H22 are shown below.

The key platforms currently included in this channel are;

IOOF Advised Wrap – internally administered advised wrap products such as eXpand, IOOF Essentials and Shadforth Portfolio Service

OneAnswer Frontier – Master Trust solution for advised retail clients

MasterKey Retail – Low complexity Master Trust offer for advised and direct retail clients

MLC Wrap / Navigator – Advised wrap platforms

Platform Connect – externally administered advised wrap platforms provided through strategic partnerships with HUB24 and Macquarie Investments Management Limited

| | Average FUA \$'b | GM \$'m | GM % |
|----------------------|------------------|--------------|--------------|
| Advised Total | 102.0 | 200.5 | 0.39% |

Trustee

Trustee channel Gross margin, and average FUA for 1H22 can be found below.

| | Average FUA \$'b | GM \$'m | GM % |
|----------------------|------------------|-------------|--------------|
| Trustee Total | 4.7 | 15.9 | 0.67% |

Transition

Transition channel Gross margin, and average FUA for 1H22 can be found below.

Transition includes largely closed and legacy products.

| | Average FUA \$'b | GM \$'m | GM % |
|-------------------------|------------------|-------------|--------------|
| Transition Total | 30.1 | 80.4 | 0.53% |

Asset Management

The Asset Management segment reports the financial economics of Insignia Financial's Asset Management offerings which currently include:

Multi-Asset Portfolio Construction – Manufacturing IOOF, MLC and JANA branded diversified multi-asset and multi-manager investment solutions for both Insignia Financial's internal platforms and external wholesale clients

Direct Asset Management Capability – Managing assets on behalf of clients across a range of asset classes including Australian Equities, Australian Fixed Income, Global Equities, Global Private Equity, Alternatives, Global Listed Property and UK Unlisted Commercial Property

| | |
|-------------------------------|---|
| Material gross margin drivers | <p>Largely relates to contractual, fixed basis point fees charged on Funds Under Management (FUM)</p> <p>Can be impacted by changes in the underlying cost to manufacture in Multi-Asset Portfolio Construction</p> <p>Can include performance fees from certain Direct Asset Management Capabilities</p> |
| Material cost drivers | <p>Largely relates to people costs of the investment teams and supporting product, distribution and services teams</p> <p>Other costs include: non-people costs such as Investment data subscriptions, manager research fees, research house rating fees and investment platform fees</p> |

Asset Management gross margin, and average FUM for 1H22 can be found below.

| | Average FUM \$'b | GM \$'m | GM % |
|-------------------------------|------------------|--------------|--------------|
| IOOF Multi-Asset | 23.8 | 36.6 | 0.31% |
| MLC Multi-Asset | 9.0 | 18.1 | 0.40% |
| JANA Multi-Asset | 11.4 | 9.3 | 0.16% |
| Direct Asset Management | 53.7 | 59.0 | 0.22% |
| Asset Management Total | 97.9 | 123.0 | 0.25% |

IOOF Multi-Asset – includes IOOF MultiMix, IOOF MultiSeries, IOOF Balanced Investor Trust (MySuper), IOOF Wealthbuilder and Mosaic Trusts (tailored for licensees)

MLC Multi-Asset – includes MLC Horizon Series, MLC Inflation Plus, MLC Index Plus, MLC Sector Funds and MLC Managed Accounts

JANA Multi-Asset – comprised of the implemented consulting partnership with JANA Investment Advisors that manufactures a range of tailored and off the shelf multi-asset solutions on behalf of JANA's institutional clients

Direct Asset Management – includes Antares Fixed Income, Antares Equities, MLC Alternative Strategies, MLC Private Equity, Orchard Street Investment Management, Presima, Fairview Equity Partners and Intermede Investment Partners

In addition to the \$97.9b in FUM directly recognised in the segment, Asset Management manages a further \$117.4b of multi-asset investment options (including MySuper) on behalf of the Plum Super, MLC MasterKey and ANZ master trust platforms. The FUM, gross margin and operating expenses in relation to the management of these investment options are recognised in the Platforms segment.

Included within Direct Asset Management are minority interest investments in several capabilities which are accounted for under the equity accounting methodology. Funds Under Management where Insignia Financial group entities are not the responsible entity and product issuer are recognised at Insignia Financials' equity percentage ownership to reflect the economic interest Insignia Financial has in those businesses.

| Capability | Key Facts | |
|---|-------------|---|
| Fairview Equity Partners  | Asset Class | Australian Equities (small caps) |
| | FUM | \$0.6b (at 100%) |
| | Ownership | 40% |
| | Location | Australia |
| | Accounting | Equity accounted (share of associates profit) |
| Intermede Investment Partners  | Asset Class | Global Equities |
| | FUM | \$14.1b (at 100%) |
| | Ownership | 40% |
| | Location | UK/US |

| Capability | Key Facts | |
|---|------------|---|
| | Accounting | Equity accounted (share of associates profit) |
| JANA Investment Advisors | Capability | Asset Consultant |
|  | Ownership | 45% |
| | Location | Australia |
| | Accounting | Equity accounted (share of associates profit) |

Corporate

The corporate segment reports the financial economics of largely centralised corporate expenses.

Key corporate expenses currently include;

- Shared service costs including: IT, Legal, Finance, Company Secretary, Risk and Compliance
- Interest expenses on Group debt

1H22 result detail by business unit

Advice

| \$m | 1H22 | 2H21 | 1H21 | 1H22 v 1H21 |
|--------------------------|---------------|---------|---------|-------------|
| Revenue | 330.1 | 254.7 | 278.4 | 19% |
| Direct Costs | (216.0) | (175.5) | (186.9) | (16%) |
| Gross Margin (GM) | 114.2 | 79.2 | 91.5 | 25% |
| Operating Expenditure | (145.2) | (83.0) | (74.4) | (95%) |
| EBITDA | (31.0) | (3.8) | 17.1 | large |

Financial performance

Gross margin increased due to inclusion of the MLC Advice businesses, higher fee income in Shadforth Financial Planning and re-pricing in the Self-Employed channel (ex-MLC Advice business) from 1 October 2021.

This was partially offset by the reduction in self-employed advisers and practice turnover due to the revision of management fees charged by Insignia Financial to self-employed advisers from 1 October 2021.

FY22 is the first financial year where all grandfathered commission arrangements have ceased and are no longer represented in the financial results.

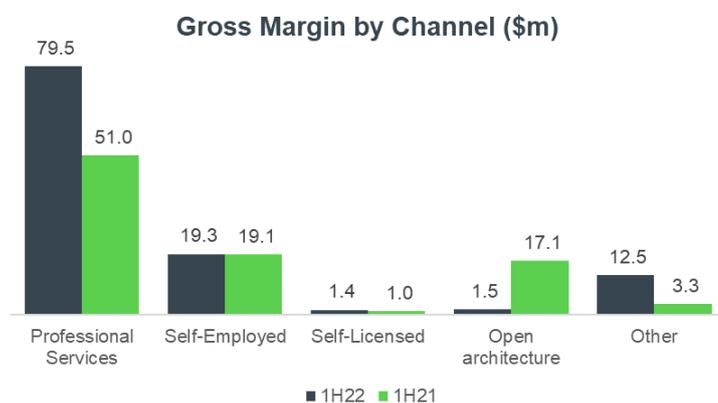
Open architecture revenue continues to decline following the cessation of the BT arrangement last year.

Gross margin for lending, general insurance and corporate solutions have remained stable compared to the prior comparable period.

Operating expenditure increased as a result of the inclusion of the MLC business, partially offset by synergy benefits from the Advice 2.0 strategic initiative.

Advice 2.0 synergies of ~\$10m p.a. largely attributable to rationalisation of back-office functions and licensees have been offset by a higher expense base from the MLC acquisition.

It is highly likely conferences will be impacted again this year driven by uncertainty of restrictions placed across the country due to the pandemic, leading to a reduction in conference-related revenue and expenses.



Other items

Underlying losses after tax from the ex-ANZ ALs for 1H22 were \$5.9m. The business is still on track to breakeven on a run-rate basis by the end of FY22.

As expected, Bridges Buyer of last resort (BOLR) spend in 1H22 was \$3.1m, with a further \$2.3m spend anticipated in 2H22 (FY22 \$5.4m). FY23 forecast of \$0.6m remains unchanged.

As at 31 December 2021, Insignia Financial holds active advice service relationships with 1,765 financial advisers, a reduction of 183 advisers from 30 June 2021, mainly from the Self-Employed channel (157). Adviser departures in the Self-Employed channel largely came from small practices that were not able to transition to the new sustainable model. The reduction in adviser numbers reflects the necessary changes required to ensure the financial advice profession can prosper after a period of change, while supporting continued investment in technology and process improvements.



Funds Under Advice (FUAdvice) is no longer reported as a key performance indicator of the Advice business as the sector moves towards fixed fee advice arrangements, and due to the economics of the Self-Employed channel. Key metrics such as adviser numbers and practice relationship numbers have been provided.

Platforms

| \$m | 1H22 | 2H21 | 1H21 | 1H22 v 1H21 |
|--------------------------|--------------|---------|---------|-------------|
| Revenue | 664.7 | 335.7 | 277.4 | large |
| Direct Costs | (124.0) | (43.2) | (50.0) | large |
| Gross Margin (GM) | 540.7 | 292.5 | 227.4 | large |
| GM % | 48bps | 48bps | 52bps | (4bps) |
| Operating Expenditure | (321.1) | (167.1) | (136.9) | large |
| EBITDA | 219.6 | 125.5 | 90.5 | large |
| Average FUAadm (\$b) | 223.9 | 122.7 | 86.6 | large |
| NOM % | 19bps | 21bps | 21bps | (2bps) |

Financial performance

Net operating revenue increased as a result of the inclusion of the MLC platform business. Excluding MLC, the increase was driven by improved market performance post Covid-19, and an uplift from Smart Choice repricing from April 2021. These were partially offset by repricing of OneAnswer Frontier index options in September 2021.

The repricing, along with portfolio mix impacts has resulted in a decrease in the percentage Gross Margin (GM %).

Operating expenditure has increased as a result of the inclusion of the MLC platforms business, partially offset by synergy benefits realised.

Other items

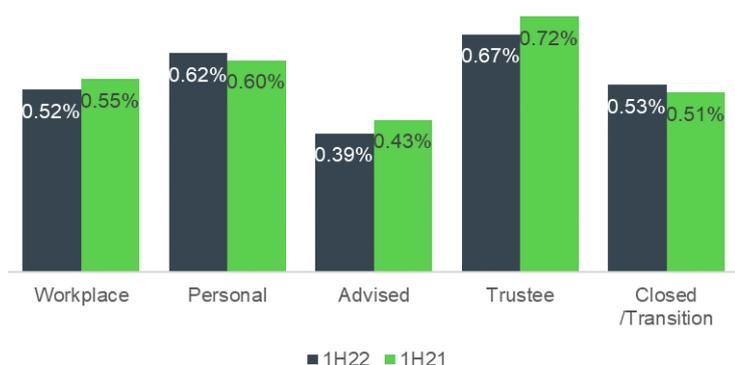
The final phase of the Evolve21 simplification project was successfully completed with ~\$22b of FUA transitioning to the Evolve Platform relating to phase 2 migration.

Pricing was reduced for OneAnswer Frontier Super and Pension OnePath Index Options.

Net Flows by Solution (\$m)



Gross Margin (%)



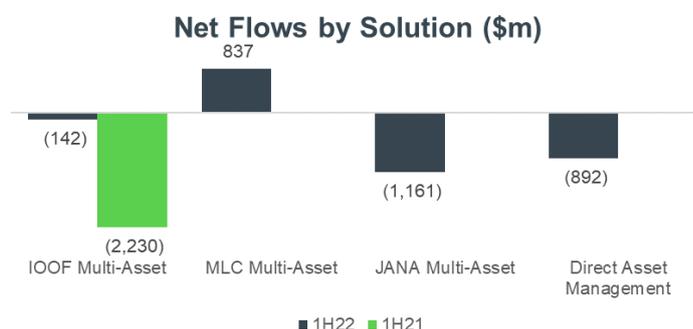
Asset Management

| \$m | 1H22 | 2H21 | 1H21 | 1H22 v 1H21 |
|--------------------------|--------------|--------|--------|-------------|
| Revenue | 178.6 | 78.9 | 49.6 | large |
| Direct Costs | (55.6) | (32.9) | (18.8) | large |
| Gross Margin (GM) | 123.0 | 46.0 | 30.8 | large |
| GM % | 25bps | 23bps | 27bps | (2bps) |
| Operating Expenditure | (69.1) | (17.6) | (7.0) | large |
| EBITDA | 53.9 | 28.4 | 23.8 | large |
| Average FUM (\$b) | 97.9 | 40.7 | 22.5 | large |
| NOM % | 11bps | 14bps | 21bps | (10bps) |

Financial performance

Gross Margin increased by \$92.2m compared to 1H21 driven by the acquisition of MLC, including \$6.8m in Private Equity performance fees and \$6.8m in share of associate profits for the period. Excluding the impact of MLC, Gross Margin increased by \$5.8m as a result of growth in FUM driven by strong investment markets and property transaction fees in the IOOF direct property capability.

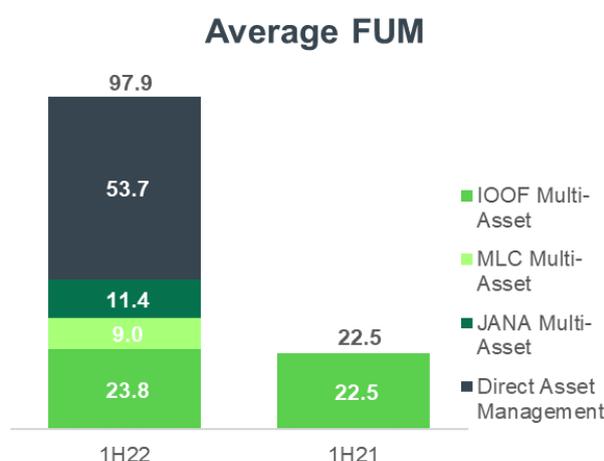
Operating expenditure increased by \$62.1m compared to 1H21 largely due to the MLC acquisition. The inclusion of the MLC Asset Management business largely relates to employment costs of the investment teams and supporting product, distribution and services teams. Excluding MLC, operating expenditure remained flat versus 1H21.



Other items

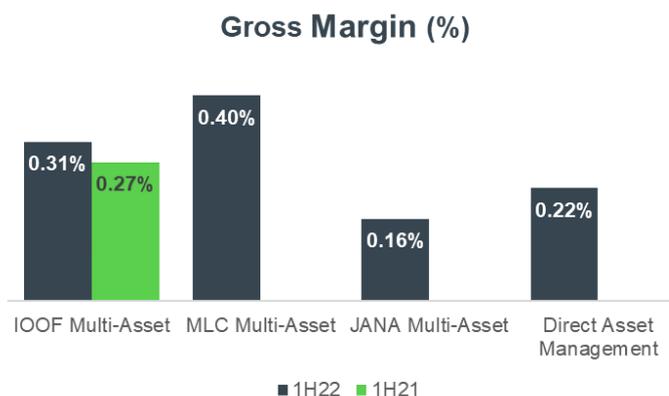
Net outflows of \$1.4b for 1H22 were an improvement of \$0.8b compared to 1H21. In the IOOF Multi-Asset business, net flows improved significantly due to the one-off outflows in cash relating to the replacement of cash trusts with external cash accounts in 1H21, together with continued strong advisor support for the IOOF MultiSeries product suite.

In MLC there was strong momentum in the MLC Multi-Asset offerings, following strong uptake for the MLC Core Wrap platform and MLC's new MLC Managed Accounts offering. This was offset by net outflows in the Direct Asset Management business as several institutional clients rotated out of global listed property into direct, as well as net outflows in the JANA Multi-Asset business as clients continue to transition portfolio construction capabilities to an inhouse model.



Average FUM increased by \$75.3b compared to 1H21 as a result of the acquisition of MLC and the inclusion of the MLC Asset Management business within the segment. Excluding the impact of MLC, average FUM increased by over 5% in the IOOF Multi-Asset business as a result of strong investment markets.

Gross Margin percentage decreased by 2 bps from 1H21, driven by a change in product mix following the inclusion of MLC. The MLC Asset Management business operates across a diverse range of asset classes with a wide range of gross margin percentages including traditionally lower-margin domestic fixed income capabilities. Excluding the impact of MLC, the IOOF Multi-Asset sub-segment increased its margin by 4 bps, mainly as a result of a much smaller contribution from low margin cash following the replacement of cash trusts with external cash accounts in 1H21



Corporate

| \$m | 1H22 | 2H21 | 1H21 | 1H22 v 1H21 |
|--------------------------|---------------|--------|--------|-------------|
| Revenue | 0.7 | 1.1 | 1.0 | (32%) |
| Direct Costs | (0.2) | 0.4 | 0.1 | large |
| Gross Margin (GM) | 0.5 | 1.6 | 1.1 | (54%) |
| Operating Expenditure | (33.8) | (19.1) | (21.5) | (57%) |
| EBITDA | (33.3) | (17.6) | (20.4) | (63%) |

Financial performance

Increase in operating expenditure is due to inclusion of the MLC business, and funding costs related to the acquisition of MLC. Excluding MLC, the increase was largely driven by an increase in employee expenses.

Key strategic initiatives

Insignia Financial continues to be guided by 5 strategic principles:

- ClientFirst culture
- Advice Reinvention
- Economies of simplification
- Proprietary technology
- Trusted reputation

Insignia Financial currently has three key strategic initiatives which leverage these principles:

- **Integration, simplification and synergies**
- **Advice sustainability**
- **Platform Simplification**

Integration, simplification and synergies

Insignia Financial made further progress in 1H22 executing its integration and simplification priorities and synergy realisation, including the following:

1. **Synergy targets** - During the interim period to 31 December 2021, Insignia Financial achieved an incremental in-period saving of \$22m and a further annualised saving of \$66m taking the cumulative annualised run-rate saving to \$122m. Insignia Financial is ahead of its plan to achieve the previously announced synergy goal of \$218m per annum, and realisation has been accelerated and is expected to be largely complete by end of 1H23, 18 months ahead of the original target.
2. **Organisational design** - Work continued to simplify and optimise the organisational structure, with the previous seven reporting segments being reduced to four. As part of this work, the Technology division was repointed to the Chief Operating & Technology Officer. This new operating model more closely aligns technology with the integration and simplification agenda and allows technology capabilities to be more deeply embedded in Insignia Financial's ClientFirst thinking, principles and ways of working.
3. **Separation** - Progress continued on the separation of the ex-ANZ Pensions and Investments (P&I) and MLC businesses, which Insignia Financial is managing as a single program of work. Separation of the P&I business is expected to be completed in 2022, and until this milestone is reached, ANZ will continue to provide services to Insignia Financial under a transitional services agreement. Insignia Financial expects to finalise by 30 June 2022 plans and timeframes for the separation of the MLC business, and until that separation milestone is achieved NAB will continue to provide services to Insignia Financial under a transitional services agreement.
4. **Product simplification** - Platform, product and entity simplification ('product simplification') is one of Insignia Financial's key strategic priorities and is central to realising benefits of scale for all stakeholders. Through its recent acquisitions, Insignia Financial currently offers ~100 products which it intends to reduce this to a target end state of ~20 products. The resulting reduction in complexity and cost to serve is expected to create improved outcomes for clients and shareholders alike. A fundamental part of this simplification centres on the Evolve platform, with the delivery of a single contemporary integrated platform for all products. The first phase of this work, Evolve21, was completed on schedule in December 2021.

Advice sustainability

The key strategic priority to make advice more affordable, accessible and engaging for Australians while helping businesses become more sustainable and profitable. It consists of three pillars:

- **Client Engagement** - includes goals-based advice that is accessible, affordable and engaging to Australians supported by clear and relevant client value propositions;
- **Adviser efficiency** – includes market leading, next generation best practice advice models that streamline advice generation, servicing and governance making advisers more efficient while uplifting advice quality; and
- **AFSL (Australian Financial Services Licence) sustainability** – involves offering compelling discrete value propositions across each advice channel, which are profitable without the need for cross subsidisation, and provides advisers with choice reflecting value and risk.

During the half, actions were taken to improve the profitability of the ex-ANZ Aligned Licensees which are on track to break-even by FY22. Planning has significantly advanced to address the losses in MLC Advice which is targeted to break-even on a run-rate basis by FY24 for the self-employed channel and become profitable for the Professional Services (employed) channel.

Platform Simplification

In December 2021, Insignia Financial reached an important milestone in simplifying its platform suite with the completion of the Evolve21 programme, migrating \$22.1 billion of FUA and 93,000 client accounts to the contemporary, client-centred Evolve platform.

Evolve, Insignia Financial's proprietary, scalable technology platform, is well positioned to continue to adapt to and support the changing needs of clients, advisers and employers. It now administers over \$42 billion of client assets across over 298,000 accounts and enables the ClientFirst service proposition across adviser, employer, member and investor segments.

To provide the foundations that can be further leveraged across all future phases of simplification, an investment of \$20-30 million will be made into the Evolve technology.

Additionally, an approximate \$20 million investment will be made to fund the Evolve23 platform migration, which is expected to add \$5-\$10 million p.a. to net operating margin when completed.

Aligned with our strategy of simplification, Insignia Financial is commencing a competitive sale process for the Australian Executor Trustee (AET) business. AET is a high-quality business adjacent to our core business and the divestment is consistent with our aim of remaining focused on realising value in our core businesses.

Capital Management

Capital management approach

The Insignia Financial Group adopts an active approach to capital management in order to optimise the Group's capital structure with the aim of optimising returns to shareholders, while ensuring the Group remains adequately capitalised, manages risk and is able to fund future growth initiatives. The Insignia Financial Group monitors capital on the basis of investment capital, working capital and regulatory capital.

Investment capital is Insignia Financial Group's available capital that is not required for the regulatory and working capital requirements of the business. Investment capital may be invested in:

- bank deposits and debt note;
- subsidiaries;
- financial assets at fair value through other comprehensive income;
- unit trusts, as investments; and
- Insignia Financial Group operated unit trusts, as seed capital.

Investment capital is available to support the organic development of new businesses and products and to respond to investment and growth opportunities such as acquisitions and technology development as they arise. Seed capital is primarily available to support the business in establishing new products and is also used to support capital adequacy requirements of the benefit funds.

Working capital is the capital that is required to meet the day-to-day operations of the business.

Regulatory capital is the capital which the Insignia Financial Group is required to hold as determined by legislative and regulatory requirements in respect of its friendly society and financial services licensed operations. During the year, the Insignia Financial Group has complied with all externally imposed capital requirements.

For detailed information on Insignia Financial's debt as at 31 December 2021, please refer to Insignia Financial's excel based analyst pack.