

ASX Announcement

29 November 2022

ASX ANNOUNCEMENT – ANNUAL GENERAL MEETING PRESENTATIONS

In accordance with the ASX Listing Rules, the Chairman's and Chief Executive Officer's addresses and presentation to the Annual General Meeting ("AGM"), are appended.

This announcement has been approved for release by the Board of Directors.

For further information please contact:

Kim Clark, Company Secretary

Centrepoint Alliance Limited

Ph: +61 7 3010 9393

E: kim.clark@boardroomlimited.com.au

About Centrepoint Alliance

Centrepoint Alliance (ASX: CAF) is a leading provider of advice and business services to financial advice firms throughout Australia. It offers a complete suite of governance, business management, client growth and advice services that enable advisers to spend more time providing advice to their clients.

Centrepoint Alliance is proactively leading the evolution of financial advice business models in Australia. It has introduced a clear fee-based pricing model that will support the provision of more transparent and better financial advice for Australia, increasingly through the use of digital and data technology enabled solutions.

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepointalliance.com.au

Chairman's Address

As Chair and on behalf of the Board of Directors, it is my pleasure to welcome you to the 2022 Annual General Meeting for Centrepoint Alliance. Since our last AGM, Centrepoint Alliance has continued to develop substantially, and your company now commands an enviable position in a rapidly evolving industry as a leading provider of licencing, advice, business services and technology solutions for Australian financial advisers.

It has been my privilege to be part of this development, and we as a company are proud to support the advisers and businesses that make up the Australian financial advice and wealth management sector. Their contribution is critical to support Australians navigating a challenging economic environment and to help empower the creation and preservation of wealth.

Over the past 12 months, Centrepoint Alliance continued to demonstrate its capacity to support financial advisers and enable practice owners to focus on their core business in the face of rising cost and compliance pressures. Although more than 9,000 advisers have left the profession since the Hayne Royal Commission was established in 2017, it is a validation of our service quality that over the same period, Centrepoint Alliance has significantly scaled up its network of self-licenced practices and grown the number of licensed advisers it supports.

This net growth marks out the Company as an increasingly favourable destination of choice for advisers and reflects positively on Centrepoint Alliance's ability to meet the changing needs of the financial services industry. The Company has worked hard to retain high-quality advisers and attract new culturally aligned professionals, both organically and via acquisition. Through these qualities, Centrepoint Alliance has repositioned itself into a much stronger business over the course of FY22, with financial stability, scale, strengthened leadership and improved capabilities.

Centrepoint Alliance earned net profit before tax of \$2.6 million in FY22, representing year-on-year growth of 66%.

On 8 August 2022, the Board declared a fully franked final dividend of 1.0 cent per share. That takes dividends paid in relation to FY22 to 1.5 cents per share, fully franked. This exhibits our robust capability to invest to expand Centrepoint Alliance's service offering while also returning excess capital and delivering consistent value for shareholders.

During the year, we remained focused on our growth strategy, which revolves around building scale and capability in our core licensee business, developing revenue adjacencies that enhance our offer and improve margins, whilst differentiating ourselves through useful technology and high-quality services that empower advisers to be their best.

Our transformative acquisition of ClearView Financial Advice, announced in August 2021 and completed on November 1 of that year, has brought scale and efficiency to the business, and has significantly improved our competitive position. The combined business brought together complementary enterprise services, technology brands and a strengthened management team.

We finished FY22 with a strong balance sheet, with a closing cash balance of \$14.7 million that will support the continued execution of the company's growth strategy. In the year ahead we will continue to improve our business and the services we provide to our clients and provide them with a scale that generates growth in revenue and increasing profitability for years to come.

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepointalliance.com.au

Throughout the last financial year, Centrepoint Alliance's management, employees and licenced advisers have gone above and beyond to grasp opportunities in what has been a challenging operating environment for financial services. I would like to thank the team for their ongoing dedication. I would also like to thank my fellow Board members and shareholders for their commitment and continuing support over the year.

Chief Executive Officer's Address

2022 has been a transformational year for Centrepoint Alliance. We successfully completed and integrated the ClearView Financial Advice acquisition, while organically growing advisers. We also made good progress commencing several strategic initiatives to deliver growth, margin improvement and revenue diversification.

The key operating highlights for the year were:

- ClearView's advice business was acquired on 1 November and successfully integrated. All identified expense synergies delivered to budget
- At the end of June 2022, the business was significantly stronger due to greater scale and profitability
- Licenced advisers grew by 45% from 356 to 517
- Self-licenced firms grew by +27% from 151 to 192, with revenue growth of +57%
- Cost to income ratio was down from 86% to 77%
- Strong cash from operations of \$6.4m
- EBITDA (before LTI and one offs) of \$7.2m increased 112% on FY21
- Service levels were maintained. In 2022 with our increased scale, we had approximately 31,500 service enquiries that we responded to in an average of 1.6 days
- The divestment of the non-core Ventura Managed Funds business was completed July 2022, for a consideration of \$1.5m plus a variable performance payment for the 12 months post divestment. The Ventura Funds contributed \$0.3m to FY22 EBITDA.

The industry we operate in has undergone significant change. Since 2017 the number of advisers has declined 37% with bank owned financial advice exiting the market and other institutional players reducing their adviser footprint. There are now less than 16,000 advisers in the industry. During that same period, Centrepoint Alliance has grown from 10th position to number 3 in the market. Centrepoint Alliance's is profitable and has the scale invest in people, technology, and processes to support financial planning businesses, giving us a strategic advantage in the market.

Our strategy is focused on three key areas:

1. Building scale and capability in our core licensee business.

Growing licenced advisers continues to be a priority. We are focused on organic growth as well as acquisitions to continue to build scale.

We see an opportunity to become a major provider of services to self-licenced advisers. With 192 firms representing approximately 800 advisers we will continue to expand our depth of services and digitise the service provision.

2. Developing revenue adjacencies that enhance our offer and improve our margin leveraging our footprint of 1300 advisers in the network.

The turnaround of our asset management business is underway. With the divestment of Ventura Managed Funds complete, we are focused on building our diversified managed accounts capability.

CENTREPOINT ALLIANCE LIMITED

Level 8, 309 George Street, Sydney NSW 2000

T: 1300 557 598

ABN: 72 052 507 507

W: www.centrepointalliance.com.au

Leveraging our mortgage broking service and infrastructure, we launched a new initiative, Lending as A Service ('LaaS') enabling advisers to offer lending services to their clients while building a compliant lending business. LaaS was launched in the first quarter of the 2023 financial year.

3. Differentiate through quality of advisers, service quality and technology.

Differentiating through technology is a key priority. With integration activities complete, our focus is now on investing in technology to improving adviser's practice efficiency and enhancing our service offering.

Centrepont Alliance has a strong platform for future growth, with sustainable financials, quality financial advisers, operating scale, diversification of revenue and a high-quality team that has successfully executed an acquisition while organically growing the business.

We have made a solid start to FY23.

Our 1H FY23 revenue is forecast to be slightly ahead of 2H FY22 revenue (after removing discontinued platform revenue of \$0.7m reported in full year results update).

Revenue uplift has been driven by circa 5% increase in licensee fees.

1H FY23 EBITDA (before LTI and one-offs) is expected to be down circa 5% on 2H FY22 \$4.0m (after removing discontinued platform revenue of \$0.7m reported in full year results update). This is driven by general inflationary cost increases, seasonal adviser summit costs as well as an increase in travel and entertainment post COVID-19 lock downs.

2H FY23 is expected to benefit from ramping up LaaS with the hiring of the Lending Specialist team, together with new business sales focus from our expanding salaried planning and licensee services business units.

We continue to explore M & A opportunities that meet our criteria of adviser quality, cultural alignment, comparable fees and realisable synergies.

-END-



ANNUAL GENERAL MEETING

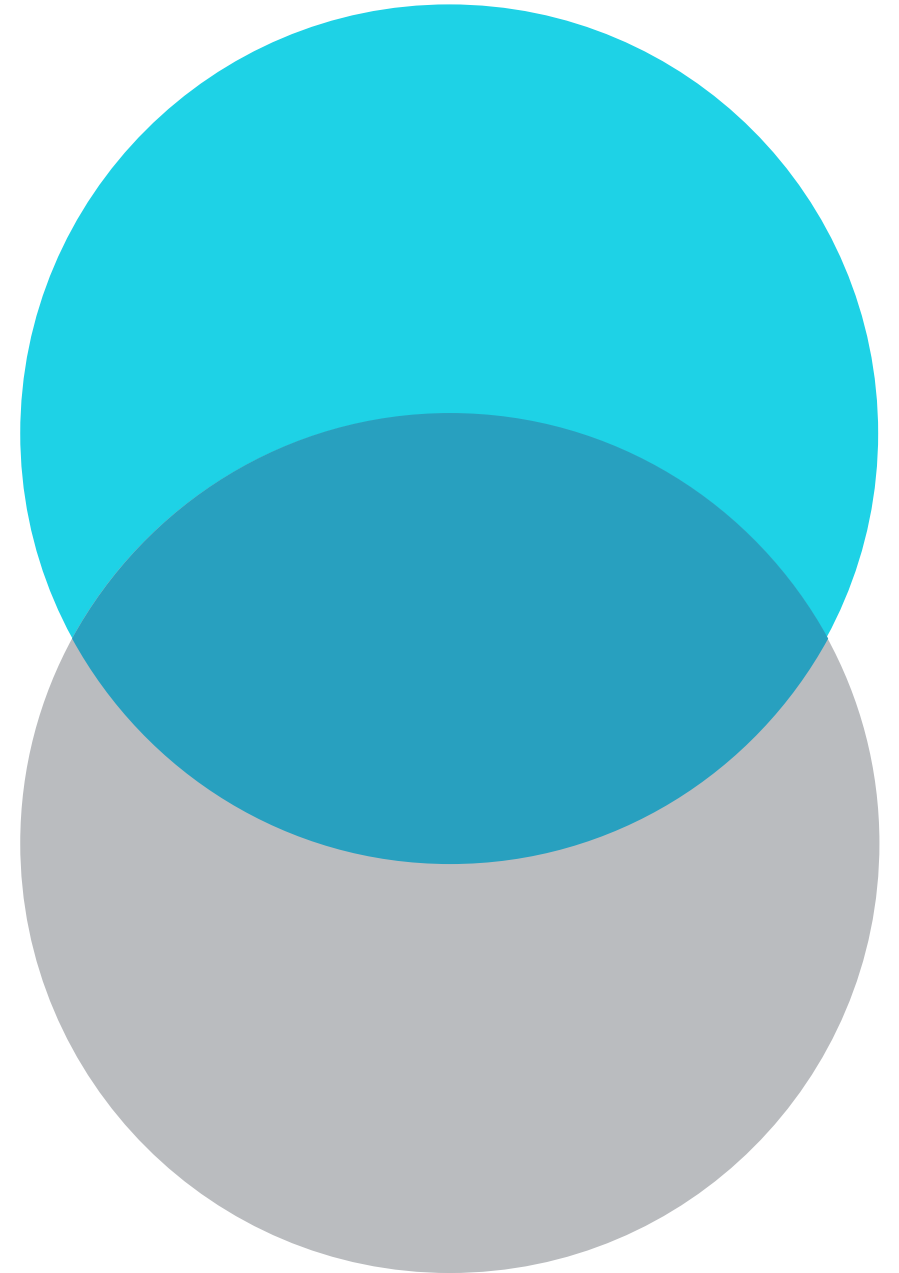
ASX: CAF

29 November 2022



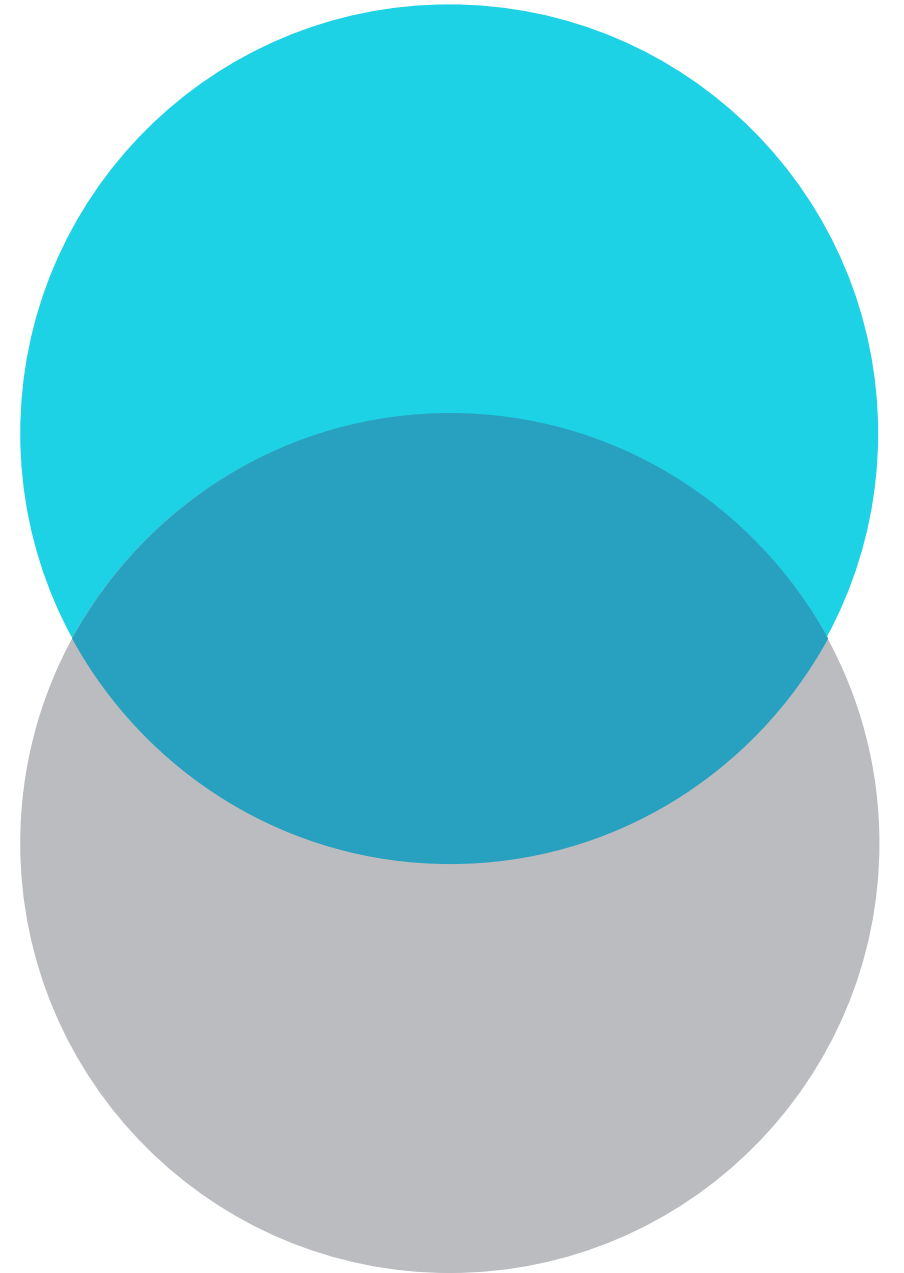
CHAIRMAN'S REMARKS

Alan Fisher



CEO ADDRESS

John Shuttleworth



A TRANSFORMATIONAL YEAR FOR CENTREPOINT ALLIANCE

Acquired and
successfully integrated
ClearView's advice
business



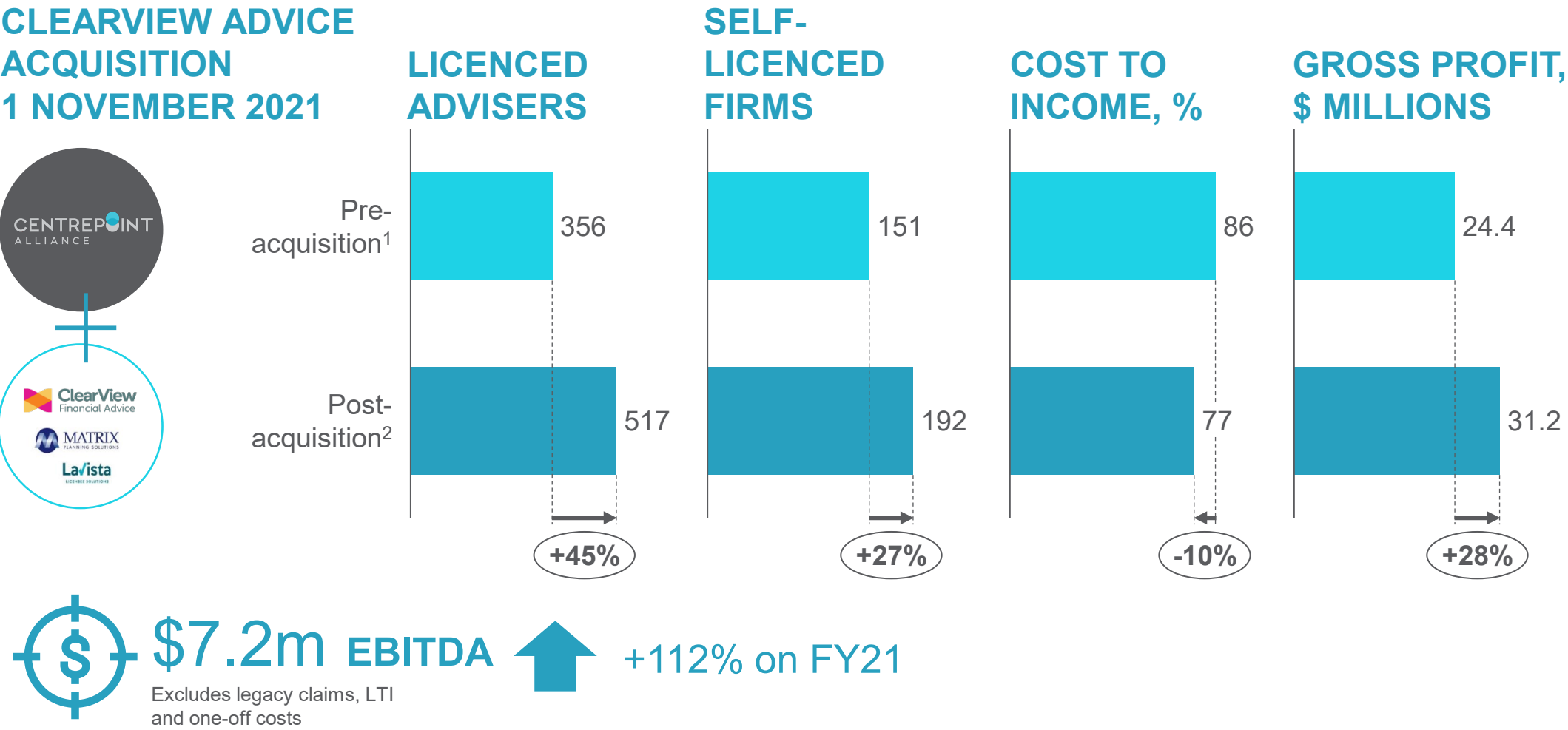
Organically
grew our
adviser base



Commenced
strategic initiatives
for future growth



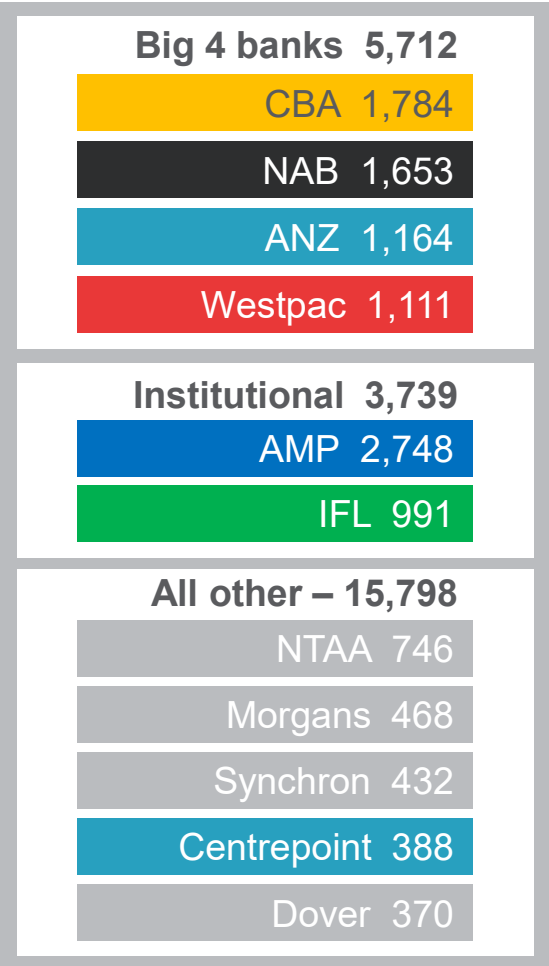
OPERATING HIGHLIGHTS



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

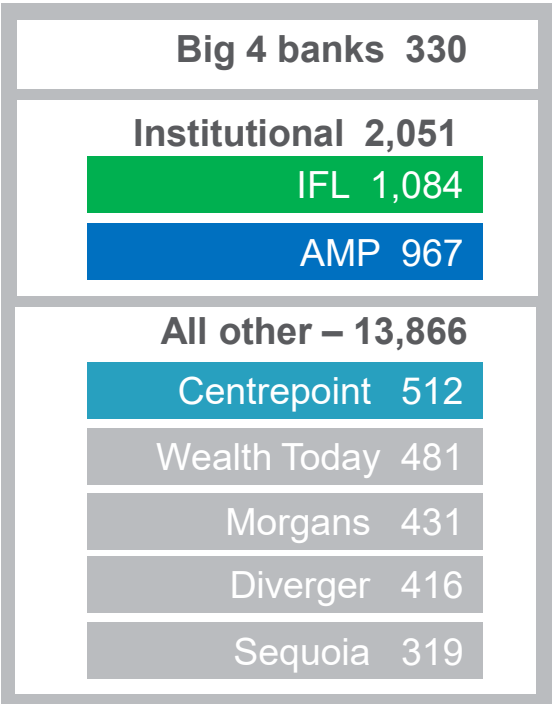
2017 PRE ROYAL COMMISSION

25,249 advisers



2022 CURRENT STATE

15,917 advisers



9,332 advisers exited the industry (-37%)

Banks have exited

Large institutions down - 45%

CAF #3 in market

Source: ASIC Adviser register as at 17 November 2022

OUR STRATEGY IS FOCUSED ON THREE KEY AREAS

1.
**Building scale
and capability**
in our core licensee business

Grow Licenced Advisers

- Organic
- Acquisitions
- Quality firms

Build scale in Self-Licenced

- Expand depth of Services
- Digitise service provision

2.
**Develop revenue
adjacencies**
that enhance our offer and
improve margin

Transform asset management

- Divested Ventura Funds
- Grow Managed Accounts

Grow mortgage broking

- Leverage capability and infrastructure
- Launched Lending as a Service

3.
Differentiate
through quality of advisers,
service quality and technology

Digital service

- Enhance service quality
- Leverage Salesforce.com

Invest in financial services technology

- Improve practice efficiency
- Monitoring and compliance

CENTREPOINT ALLIANCE HAS A STRONG PLATFORM FOR FUTURE GROWTH

STRONG FOUNDATION TO SUPPORT FUTURE GROWTH

SUSTAINABLE FINANCIALS	RIGHT ADVISERS	SCALE	DIVERSIFIED REVENUE	TEAM THAT CAN EXECUTE
Profitable Strong balance sheet No debt	Quality Strong community Low claims	517 ARs + 192 Self-Licenced firms with 788 advisers	Asset Management Lending Technology services	Organic growth Acquisition

FY23 OUTLOOK

- ✓ **Solid start to FY23**
- ✓ **1H FY23 revenue is forecast to be slightly ahead of 2H FY22 revenue** (after removing discontinued platform revenue of \$0.7m reported in full year results update)
- ✓ Revenue uplift **driven by circa 5% increase in licensee fee revenue**
- ✓ **1H FY23 EBITDA** (before LTI and one-offs) is **expected to be down circa 5%** on 2H FY22 \$4.0m (after removing discontinued platform revenue of \$0.7m reported in full year results update) – this is driven by general inflationary cost increases, seasonal adviser summit costs as well as an increase in travel and entertainment post COVID lock downs
- ✓ **2H FY23 is expected to benefit from ramping up LaaS** with the hiring of the Lending Specialist Team, together with new business sales focus from our expanding salaried planning and licensee services business units
- ✓ We **continue to explore M&A opportunities** that meet our criteria of adviser quality, cultural alignment, comparable fees and realisable synergies

END

