

ASX Announcement

24 February 2022

Centrepont Alliance builds momentum with strong organic and M&A driven growth in H1 FY2022

Centrepont Alliance Limited (ASX: CAF) ("Centrepont" or "the Company"), a leading provider of advice and business services to financial advice firms throughout Australia, is pleased to provide the Company's Interim Financial Report and Appendix 4D for the six months ended 31 December 2021.

H1 FY22 Financial Highlights

- Solid financial performance, achieving EBITDA (excluding legacy claims, LTI awards and one-off costs) of \$2.5 million, up 13.6% from H1 FY21 driven by organic licensed adviser fee growth, active cost management and realisation of employment synergies flowing from ClearView Advice acquisition
- Gross revenue increased by 35% from H1 FY21 to \$95.5 million, driven by \$9.4 million uplift in organic licensed adviser growth, and \$15.5 million growth in gross commissions and adviser fees received following completion of the ClearView Advice acquisition. Net recurring revenue up 96% from 87% in H1 FY21
- Management expenses decreased by 13% from H1 FY21 (-20% excluding ClearView Advice acquisition)¹, driven by a complete structural review concurrent to the acquisition. Active cost management saw the Company's cost to income ratio improve from H1 FY21 to 82%, despite a gross profit decline
- ClearView Advice acquisition completed on 1 November 2021 and contributed \$1.7 million in revenue in the final two months of the period, partially offsetting the revenue headwinds from the cessation of platform rebates and lower investment margin due to higher fund custody charges
- Cash of \$11.9m was up \$0.8m from 30 June 2021, principally driven by cash from operations. A fully franked dividend of 0.5c per share was declared on 23 February. The Group remains well capitalised to execute its growth strategy.

1H FY22 Operational Highlights

- H1 FY22 was characterised by the transformational acquisition of the ClearView Advice business combined with strong organic growth of licensed advisers, efficient integration of the ClearView business, refinement and strengthening of the leadership team, and disciplined cost management with realisation of material expense synergies from the acquisition, all of which has created a sustainable platform for continued growth
- Centrepont Alliance was the only licensee among Australia's top 10 adviser groups to achieve net adviser growth during H1 FY22, acquiring net 27 advisers and finishing the

1. Statutory expenses down 8% on PCP

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2021 calendar year with 525 licensed advisers²

- Centrepont Lending Solutions achieved strong recurring revenue in H1 FY22, with a 48% uplift in lending volumes, driving a 32% year-on-year increase in EBITDA. The business has a network of 80 brokers and a loan book of \$3 billion. The Company has identified significant growth potential for the lending business in a national market estimated to be worth \$494 billion annually
- The Company continues to invest in technology and is making progress with its strategy to digitise the advice process and service model. Leveraging the ClearView Advice acquisition, the Company will look to develop further capabilities for automation of compliance alerts and monitoring using digital tools, which will reduce the compliance burden and risk for advisers and licensees
- The Company continues to actively explore consolidation opportunities in what is a fragmented industry, which nonetheless continues to improve and strengthen
- Centrepont Alliance's strategy remains focused on three key areas to improve the business and drive further growth:
 1. Scaling and growing the licensee and lending solutions businesses
 2. Transforming the portfolio solutions and asset management business
 3. Investing in financial services technology to improve business efficiency and develop new innovative services

Centrepont Alliance CEO, John Shuttleworth, said:

"We are proud to have delivered continued improvements in revenue, profitability and service levels during H1 FY22 as Centrepont Alliance has delivered and seamlessly integrated a transformational acquisition. We have achieved this strong financial result through sustainable licensee services revenue, disciplined cost management, a high level of customer service and we are reaping the rewards of technology investment as a scalable service platform for advisers."

"ClearView Advice has proven to be a natural fit for Centrepont Alliance. The transformational combination of two strong brands has delivered incremental growth, adding a strong technology and compliance capability to our business, and adding 270 advisers to our network, which now extends to over 1,200 advisers. This positions Centrepont Alliance as Australia's third largest licensee."

"With ClearView Advice now integrated, our business has developed a platform to deliver strong and sustainable growth in revenue and profitability, and to actively participate in opportunities for further consolidation."

"Centrepont Alliance retains a highly favourable position in a rapidly evolving advice industry, with competitive pricing and capabilities in both the licenced and self-licensed segments. Amid an increasingly complex regulatory environment, Centrepont Alliance remains an attractive destination for advisers, and we are well-positioned to assist firms run compliant practices and benefit from quality support services."

"We retain a positive outlook for growth in FY22 and look forward to providing quality business services and support to a broader range of financial advice professionals in the year ahead."

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

2. ASIC Financial Advice Register as at 31 January 2022

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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.

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