Infocus Wealth Management

ANNUAL GENERAL MEETING

28th November 2024

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AGENDA

The Big Picture
Roy McKelvie,
Chairman

Performance & Strategy Update
Darren Steinhardt,
Managing Director

Financial Results
Mike Laffoley,
Chief Financial Officer

AGM Ordinary Business
Roy McKelvie,
Chairman

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THE BIG PICTURE

Roy McKelvie - Chairman of the Infocus Board of Directors

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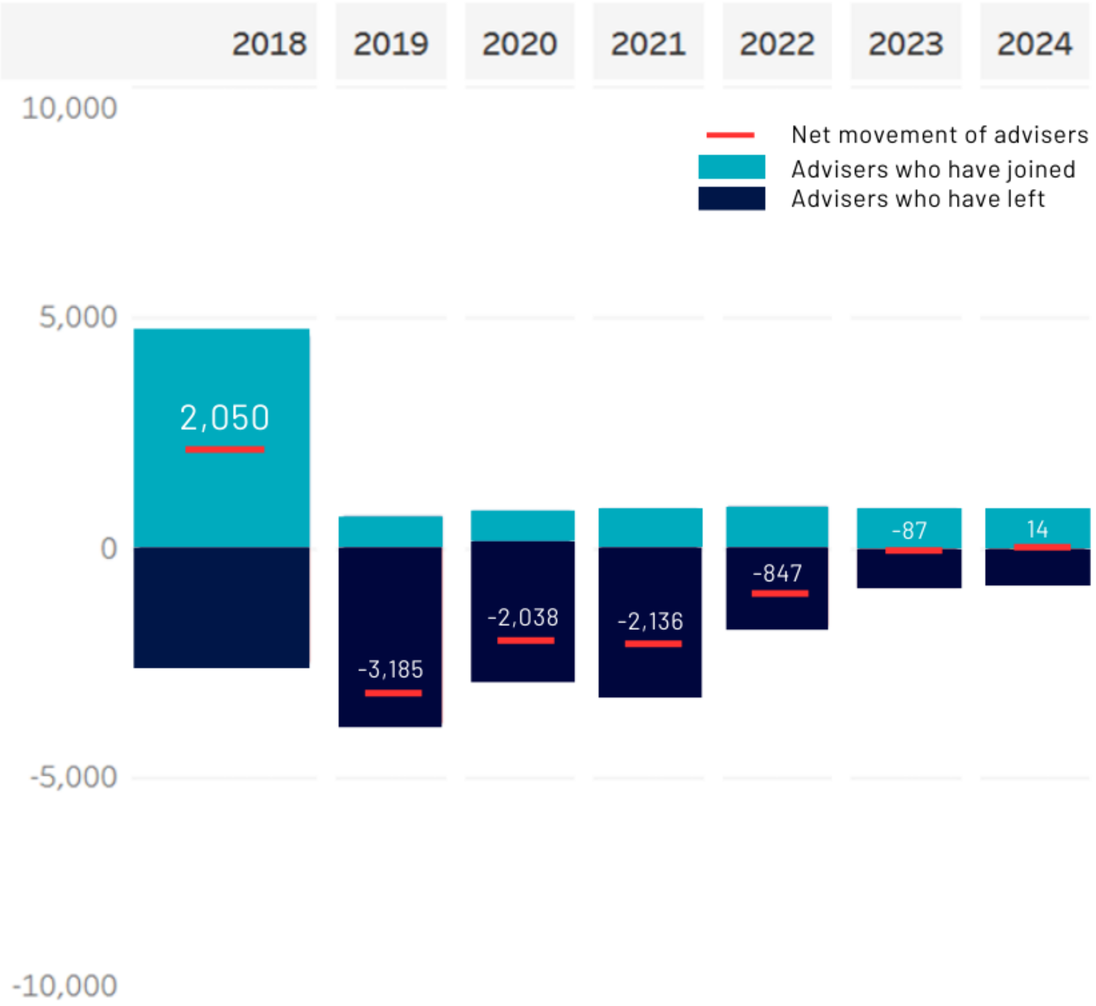
INDUSTRY BACKDROP

We are the 10th largest financial advice group in Australia

238 financial advisers across 129 practices

Adviser market share of 1.7%, revenue market share of 2.8%

SUPPLY IS TIGHT, AND CHANGING...



... WHILE DEMAND IS LARGE AND GROWING

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ACHIEVEMENTS

FY24 OBJECTIVES

- Continued expansion of scale across all areas of the organisation, including via organic and transactional based means
- Continue the development, and commence the execution, of our Partner Program
- Expansion of the Operational Excellence Collective (OEC) and associated activities to drive efficiency gains throughout all components of the advice process
- Continued development, implementation and rolling out of fintech, regtech and execution technology
- Continued rolling out of our investment management capabilities
- Progression (or not) of PlatformplusSIGN

FY24 ACHIEVEMENTS

- Material growth across all key metrics, we're now at record levels right across the board
- Strong advice community with record event attendance
- Partner Program investments made in two practices and the commencement of one HUB
- Major technology upgrades to PlatformplusWMS, both in WRAP and AMS
- Chart topping investment performance right across our Alpha funds, SMAs and Managed Accounts programs
- Introduction of an industry first PI Insurance program that directly rewards advisory practices for superior professional standards outcomes
- Resolution of all, bar one, of the myriad time and money wasting legacy matters

FY24 DISAPPOINTMENTS

- The level of growth achieved was not of a sufficient quantum to return the company to an acceptable level of profit
- Elevated adviser attrition early in the FY24 period, and although we made up for the losses, this early attrition ultimately lead to a reduction in Gross Revenue across FY24
- Ongoing regulatory uncertainty leading to the pausing of the development of PlatformplusSIGN

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THE YEAR AHEAD

REGULATORY ENVIRONMENT

1. More positive than negative
2. Continued progression towards implementation of QAR Tranche 2, DBFO and Education reforms
3. CSLR review
4. Federal election, May 2025, Labor want to be able to show that they have fixed the 'hot mess'

INDUSTRY RESPONSE / IMPACT

1. Well-meaning industry associations seeking convenience in regulatory progression
2. Strong collaboration amongst larger advisory networks representing a common sense approach to regulatory progression
3. Influx of foreign capital seeking to invest in Australian financial services

STRATEGIC DIRECTION

1. Grow scale and development of advisory community
2. Efficiency enhancements to facilitate more / better advice and enhanced commercial outcomes
3. Partner Program expansion
4. High performance culture

FINANCIAL IMPLICATIONS

1. Client wins
2. Adviser wins
3. We win

PERFORMANCE & STRATEGY UPDATE

Darren Steinhardt - Founder & Managing Director

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INFOCUS TODAY

GOVERNANCE

- Audit & Risk Committee
- infocus Board of Directors
- Research & investment Committee

GROUP SERVICES

- Risk Management
- Finance & Administration
- Strategy
- People & Culture
- Marketing

COMMERCIAL DIVISIONS

infocus Advisory

The 10th largest advisory community in Australia*, 129 firms, 238 advisers, $16.75Bn FUA

- B2C – Partner Program with four firms
- B2B – Licensed Advisory Network with 125 firms
- B2A – Self-licensed Advisory Network with 10 firms

infocus Technology

Industry leading^ integrated end-to-end wealth technology solution

- Fintech and Regtech is consistently highest ranked via NPS in Australia
- Integrated investment, super and pension platform with $465 milion FuAdmin

infocus Investment Management

Australia's leading# investment management company with $2.04Bn in FUM

- Our Growth and High Growth funds Number 1 in FY24
- Our Balanced and Moderate funds Top 5% in FY24
- All SMAs in Top 10% in FY24

* Post the completion of various transactions announced during FY24.
^ As per Adviser Ratings annual review for 2020, 2021, 2022 and 2023.
#As per Morningstar peer group ratings

REVENUE DRIVERS

Infocus has diversified revenue opportunities covering multiple advisory segments and key components of the financial advisory value chain.

B2B — Financial advice practices operating within the Infocus / Madison networks pay licensee fees.

B2C — Fees for advice and tax / accounting, in addition to commissions for life insurance and mortgage broking.

B2A — A growing opportunity from the delivery of a range of user pays services provided to advisory practices licensed externally to Infocus.

Software — User pays license fees for PlatformplusWMS.

Platform — Revenue from investment, superannuation and pension accounts operating on PlatformplusWRAP

Investment Management — Revenue generated from the building and management of a series of managed funds, separately managed accounts, and consulting services.

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FY2024 KEY RESULTS

Leading Indicators	Advisory Firms	Financial Advisers*	Funds under Advice*	Funds under Administration	Funds under Management
	129	211	$14.5Bn	$465m	$2.04Bn
	Up 26% ✓	Up 33% ✓	Up 49% ✓	Up 178% ✓	Up 94% ✓
Lagging Indicators	Gross Revenue	Net Revenue	EBITDA	NPAT	Net Bank Debt
	$75.862m	$15.090m	$1.357m	-$2.575m	-$9.249
	Down 1% ✗	Up 7% ✓	Up 46% ✓	Down 11% ✗	Up 1.6% ✗

* Adviser numbers and FUA is as per B2B and B2C.Including B2A increases these numbers to 238, up 49% and $16.75Bn, up 73%.

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FY2024 REVENUE ANALYSIS

Financial Results	FY2024 $0,000	FY2023 $0,000	% change from FY2023	FY2022 $0,000	% change from FY2022
Gross Revenue	**75,862**	76,730	**-1.1%**	73,800	+2.6%
Net Revenue	**15,090**	14,066	**+7.3%**	14,049	+7.4%
EBITDA	**1,357**	930	**+45.9%**	292	+365%

Segment	FY2024 $0,000	FY2023 $0,000	% change from FY2023	FY2022 $0,000	% change from FY2022
B2A / B2B	**5,978**	6,219	**-3.9%**	5,937	+0.7%
B2C	**3,954**	4,242	**-6.8%**	4,241	-6.8%
Invest. Mgt	**2,816**	1,511	**+86.3%**	1,239	+127%
Platform	**1,112**	769	**+44.6%**	863	+29%
Software	**1,230**	1,325	**-7.2%**	1,477	-10.3%

B2A / B2B – down -3.9%, elevated adviser attrition early in the period lead to 1st decline in 5 years

B2C – down -6.8%, as a result of the divestment of remaining non-core assets, setting the scene for future growth

Investment Management – sustainable revenue up 86.3%, ongoing strong revenue growth off the back of booming FUM growth and investment performance

Platform – sustainable revenue up 44.6%, albeit off a low base. The program to rebuild revenue lost off the back of regulatory change is gathering momentum

Software – down -7.2%, revenue aligned to adviser numbers, suffering downturn from the elevated adviser attrition noted earlier

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FY2025, Q1 REVENUE ANALYSIS

Financial Results	FY2025, Q1 $0,000	FY2024, Q1 $0,000	% change from FY2024, Q1
Gross Revenue	**27,882**	18,790	**+48.4%**
Net Revenue	**5,871**	4,116	**+42.6%**
EBITDA	**1,131**	71	**+1,493%**

Segment	FY2025, Q1 $0,000	FY2024, Q1 $0,000	% change from FY2024, Q1
B2A / B2B	**3,111**	1,890	**+64.6%**
B2C	**823**	1,103	**-25.4%**
Invest. Mgt	**955**	604	**+58.1%**
Platform	**487**	197	**+147%**
Software	**495**	322	**+53.7%**

B2A / B2B – up 64.6%, organic growth in Infocus in late FY24, plus impact of Madison and Next Gen acquisitions

B2C – down -25.4%, first quarter impact following the divestment of remaining non-core assets. B2C is now reset and ready for growth

Investment Management – sustainable revenue up 58.1%, continued strong revenue growth off the back of booming FUM growth (now >$2.5Bn) and investment performance

Platform – sustainable revenue up 147%, the program to rebuild revenue lost off the back of regulatory change is gathering momentum, with FuAdmin now at ~$600m

Software – up 53.7%, revenue aligned to adviser numbers, with the upturn in advisers driving revenue growth

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GROWTH STRATEGY

ADVICE

1. Further implementation of our Partner Program
2. Grow B2B via organic means and opportunistic acquisitions
3. Grow B2C via organic means and acquisitions
4. Further expansion of the Operational Excellence Collective and associated activities

TECHNOLOGY

1. Continue the evolution of PlatformplusAMS
2. Continue the evolution of PlatformplusWRAP

INVESTMENT MANAGEMENT

1. Maintain or enhance our research rating
2. Continue to build flows towards our suite of implemented portfolio solutions
3. Provision of further bespoke portfolios

FINANCIAL RESULTS

Mike Laffoley - Chief Financial Officer

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FINANCIAL RESULTS

	2024 $0,000	2023 $0,000	% Change
Gross Revenue	75,862	76,730	down 1%
Net Revenue	15,090	14,066	up 7%
Direct Costs	10,240	9,724	up 5%
Overheads	3,493	3,577	down 2%
EBITDA	1,357	930	up 46%
NPBT	(2,585)	(2,546)	down 1.5%
NPAT	(2,575)	(2,313)	down 11%
Borrowings	17,843	13,701	up 30%
Shareholders Equity	6,498	9,076	down 28%

- Results summarised here are as per the audited financial statements contained in the Annual Report
- Gross revenue includes brokerage collected on behalf of self-employed advisers, the vast majority of which is passed through to advisers. Gross revenue slightly down due to elevated adviser attrition early in the financial year.
- Net revenue year-on-year was up comfortably. Pleasingly, there was strong growth in both infrastructure services and investment management revenue.
- Direct costs up as a result of growth in PlatformplusWRAP.
- EBITDA continuing to rebuild.
- Borrowings include $2,104k in convertible notes issued in consideration for acquisition of Madison, and $2,420k in unsecured notes to meet future ORFR obligations for PlatformplusWRAP Super.

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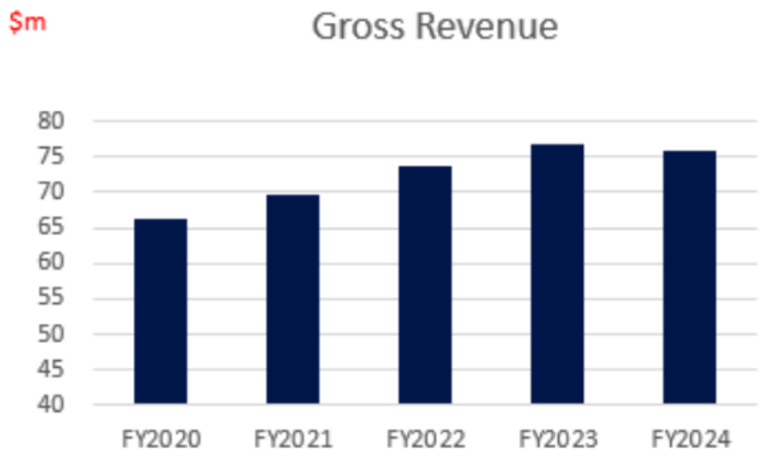
CASH FLOW SUMMARY

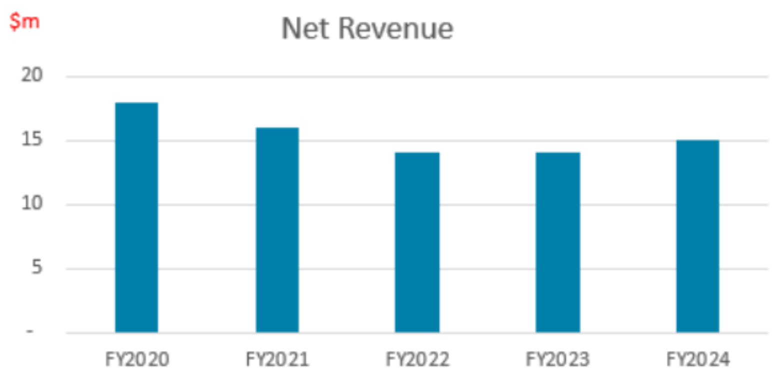
	2024 $0,000	2023 $0,000
Available cash at the start of the year	972	559
Net cash from operations	(1,926)	(518)
Proceeds from sale of client books	1,580	432
Proceeds from business combinations	851	0
Capex	(1,018)	(833)
ORFR funding obligations	(600)	0
Movement in net borrowings	2,464	1,378
Other movements	80	(46)
Available cash at the end of year	**2,403**	**972**
Undrawn bank funding	**1,517**	**3,260**

- Cash-flows from operations were significantly impacted by non-recurring legal expenses and employee termination payments, as well as net outflows associated with PlatformplusWRAP whilst we were building scale.
- Proceeds from the sale of client books came from the 50% stake in Infocus Capalaba and the divestment of non-core B2C assets.
- There was $851k in cash balances in Madison at date of acquisition.
- Capital expenditure was primarily for the continued development of Platformplus (AMS and WRAP).
- Movement in net borrowings is primarily from the issue of Unsecured Notes to meet future ORFR funding requirements.
- At 30 June 2024 we had $1.52 million in undrawn bank loan facilities.

5 YEAR REVENUE



Growth in gross revenue over the past 5 years has been largely driven by growth in our B2B gross brokerage. This growth stalled in early FY2024 due to the elevated adviser attrition rate early in the period, with growth recommencing towards the end of FY2024 setting up a positive FY2025.



Loss of external platform and other Hayne Royal Commission (HRC) banned revenues led to reductions in total net revenue in FY2021 and FY2022, with a flow-on effect also impacting investment management revenues.

The significant efforts in rebuilding our technology and investment management divisions has now reversed the impacts of the HRC, and we are starting to see strong growth in net revenue, particularly from our investment management and technology divisions.

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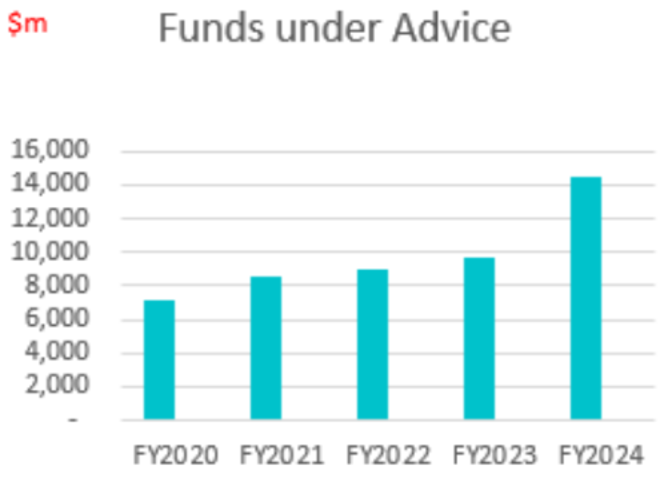
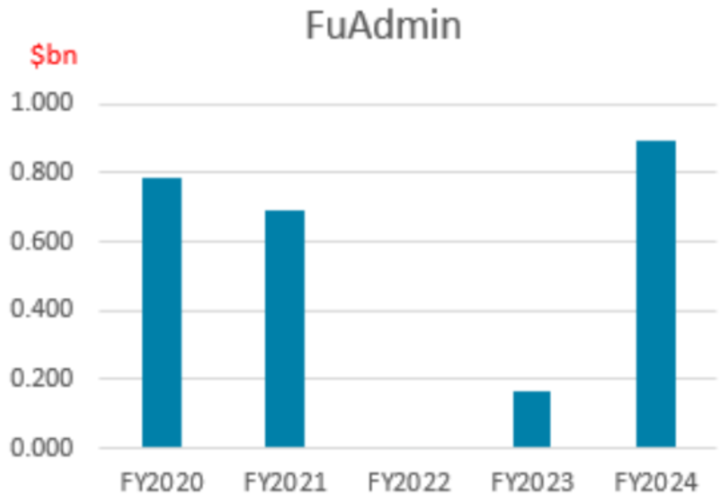
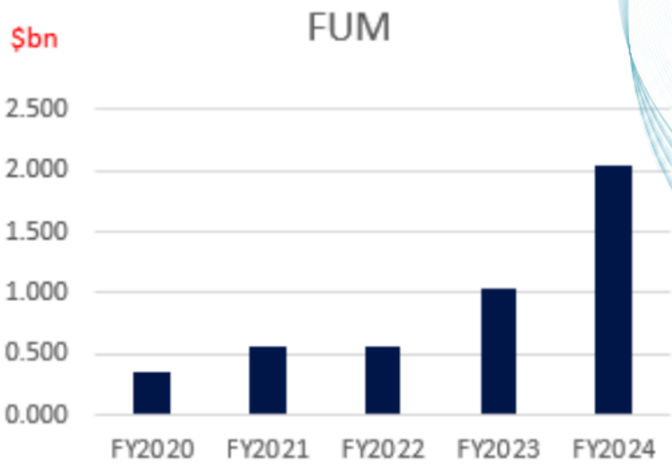
5 YEAR FUNDS SUMMARY







- Funds under advice (clients of Infocus authorised reps).
- Growing steadily, but with significant increase at 28 June 2024 to $14.5 billion with acquisition of Madison.

- Infocus ceased to have a pecuniary interest in funds under administration on external platforms post 30 June 2021.
- $166 million in PlatformplusWRAP at 30 June 2023.
- $465 million in PlatformplusWRAP and $424 million in WealthPortal at 30 June 2024

- Funds under management within our Alpha investment solutions are growing rapidly.
- FUM at 30 June 2024 were only 14% of Funds under Advice, so significant upside opportunity.

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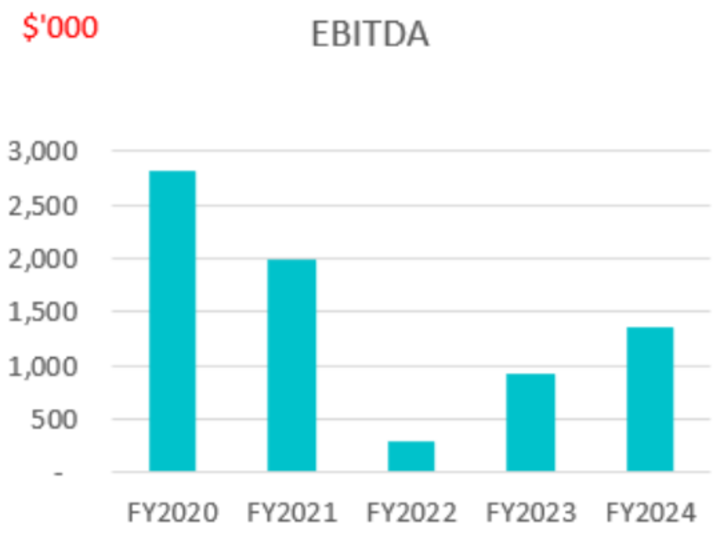
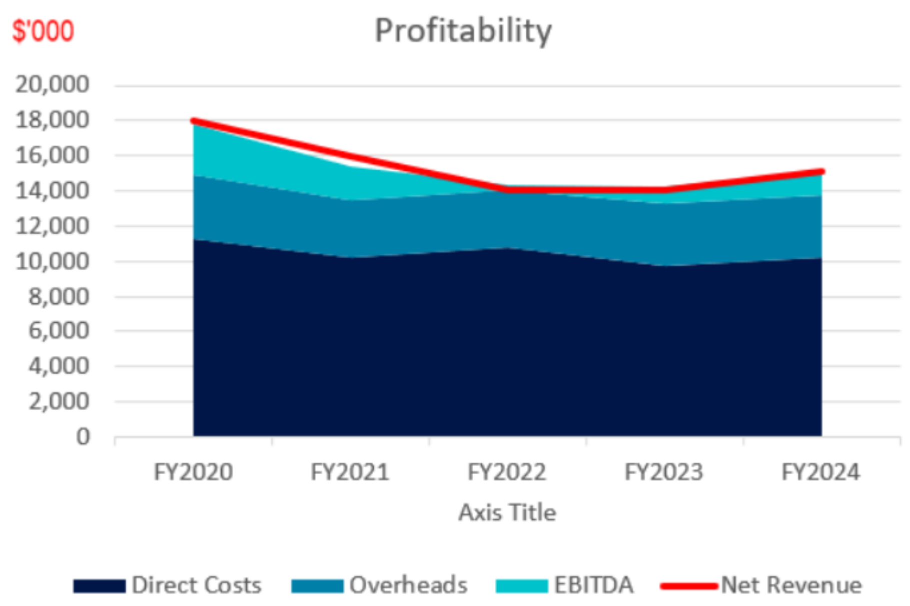
5 YEAR PROFITABILITY

- EBITDA numbers as per audited financial statements (FY2020 to FY2024).
- Discontinuance of external platform/product revenue had a major impact on both FY2021 ($1,519k) and FY2022 ($1,505k).
- FY2021 and FY2022 results were also impacted by claims, remediation and bad debts expenses ($766k and $796k) respectively, which have not recurred in FY2023 or FY2024.
- Significant investment in repositioning the business is now starting to flow through in operating profits.





- Net revenue has bottomed out, and is now starting to grow. Madison acquisition and associated growth opportunities are expected to result in significant increase in revenue going forward.
- Expenses have been kept in check, and minimal additional fixed costs required to support future growth. Profitability projected to rise.
- The future is looking positive.

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INFOCUS AGM

ORDINARY & SPECIAL BUSINESS

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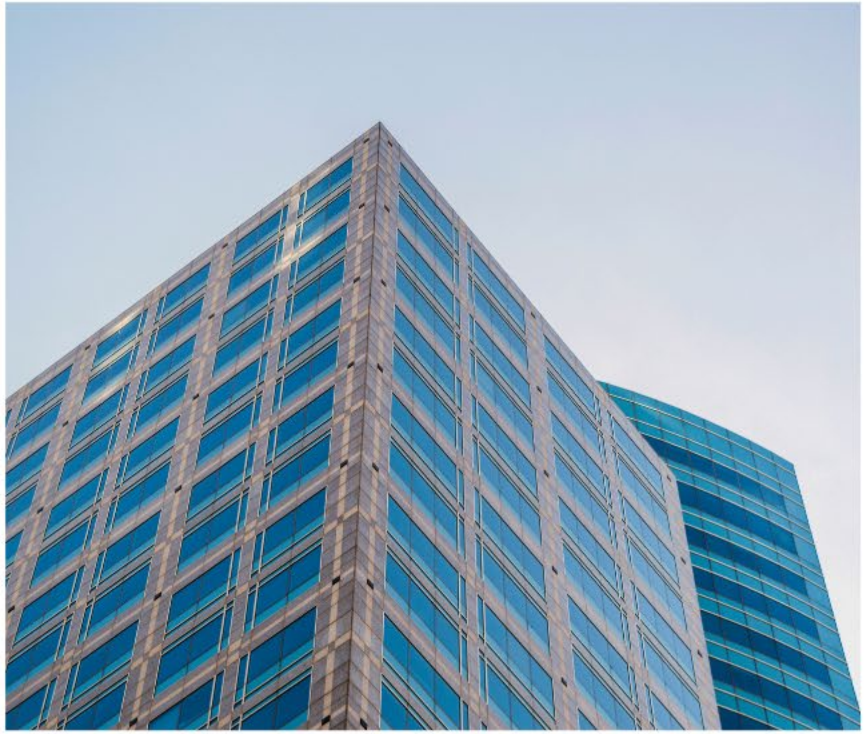
AGM - ORDINARY & SPECIAL BUSINESS

Receive and consider the Financial Statements – for noting only (no resolution required)

Resolution 1 – Re-election of Director – Mr Craig Holland

Resolution 2 – Re-election of Director – Mr Roy McKelvie



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FINANCIAL STATEMENTS

To receive and consider the Company's financial report, the Directors' Report and the Auditor's report for the period ended 30 June 2024

Emphasis of Matter in Auditor's Report Related to Going Concern

- Drawing of attention – not a qualification. Our accounts are true and fair and continue to be prepared on a going concern basis (this item was also referred to in previous years' audit reports).

- Note 2A.(ac) to the financial statements provides a comprehensive explanation on matters relevant to this matter. It was entirely appropriate that the financial statements were prepared on a going concern basis, and we have been meeting all of our contracted principle and interest repayment obligations to Westpac on the due dates, but out of an abundance of caution your directors considered it prudent to continue to draw attention in Note 2A.(ac) to the ongoing assessment of going concern. The Auditor is therefore obliged to include this as an emphasis of matter in her report to members.

RESOLUTIONS TO BE PASSED

Resolution 1 - Re-election of Director - Mr Craig Holland

To consider and if thought fit, pass the following resolution as an ordinary resolution:

That Mr Craig Holland who retires in accordance with Rule 15.4 of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company.

Resolution 2 - Re-election of Director - Mr Roy McKelvie

To consider and if thought fit, pass the following resolution as an ordinary resolution:

That Mr Roy McKelvie who retires in accordance with Rule 15.4 of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company.

OTHER BUSINESS & QUESTIONS

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