

28 October 2020

ASX Announcement

FY2020 Annual General Meeting – Chairman Address

Netwealth Group Limited (ASX: NWL) will hold its Annual General Meeting (AGM) virtually at 3.30 pm (AET) today. Attached is a copy of the address to be given by the Chairman at the AGM.

This document has been authorised for release by CFO and Company Secretary, Mr Grant Boyle.

For further information please contact:

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Chairman's Address

On behalf of the Directors of Netwealth Group Limited (Netwealth) I am pleased to welcome Shareholders to the 2020 Annual General Meeting. My name is Jane Tongs and I am the Chairman of Netwealth.

Thank you all for attending today's meeting, a new experience for us all, our first ever virtual AGM due to COVID-19 restrictions changing the way we live and work. I hope you and your family and friends are safe and well in these challenging and uncertain times.

While this online format may be familiar for some shareholders, I acknowledge that it may be less so for others.

However, I assure you that you will have the same opportunity to participate today as you would at a physical meeting. This includes being able to ask questions through the online platform and vote using an electronic voting card.

Voting on the resolutions will be conducted by way of a poll using the electronic voting card you should receive after clicking the 'Get a Voting Card' button on the top right hand side of your screen.

Shareholders can submit written questions during the meeting by clicking on the 'Ask a Question' button, also on the top right hand side of your screen. I do encourage shareholders who have questions to submit them as soon as possible.

If you have any trouble using the platform, please check the online portal guide made available today in the download section on the bottom right hand side of your screen, or contact the help lines shown on your screen.

The online portal guide is also available on the Netwealth website attached to our Notice of Annual General Meeting, ASX announcement.

If we experience technical issues that impact the meeting, I'll assess the circumstances and communicate further with you. If this isn't possible, you will be emailed instructions on how and when to re-join the Meeting.

Let me begin by introducing our Board of Directors and management team.

Our Board comprises of:

- Our Joint Managing Directors Michael Heine and Matthew Heine – Matt will address the meeting shortly, and our three other Non-Executive Directors;
- Davyd Lewis; Davyd a Partner at Mallesons for over 20 years and a Chairman of our Compliance and Risk Management Committee, Remuneration Committee and Due Diligence Committee has through his knowledge and eye for detail added tremendous value to the Netwealth Board;
- Tim Antonie who is the Chairman of our Audit Committee. Tim has worked at very senior levels in a number of investment banks, in addition he is currently a Director of the Breville Group and Premier Investments. His detailed knowledge of finance and capital markets has added a new dimension to the skills on the Netwealth Board. In addition, he is a very good and practical chair of the Audit Committee; and
- Sally Freeman who joined the Board 12 months ago. Sally has had over 25 years of risk and governance consulting with KPMG and brings a broad range of experience to the Risk and Compliance and Audit committees.

I would like to acknowledge my fellow Directors for their commitment and thoughtful counsel throughout the year.

With us today from our highly experienced management team is:

- Grant Boyle our CFO and Joint Company Secretary who has over 30 years financial services experience;
- John Hanrahan our highly experienced CIO who has been with us for 8 years;
- Our General Manager Legal, Risk and Compliance and Joint Company Secretary - Rachel Axton who joined us in 2016 and took what was at the time a good compliance and risk process and has enhanced it enabling us to implement our strategies safely;
- Our General Manager Operations - Alistair Densley, who has been with us for over 18 years. His passion for continuous improvement has enabled us to continuously improve our service offering;
- General Manager Product - Philip Coldwell, who has been with us for 10 years and has over 30 years in the offering and delivery of financial services products, an increasingly complex area that required deep knowledge and an eye for detail;
- General Manager, Service Delivery & Support - Amanda Atkinson, who leads the investor services team with enthusiasm and with a passion to provide the best possible customer experience.

On behalf of the Board I would like to thank the management team for their commitment, enthusiasm and passion.

Our agenda for today will be as follows:

- I will provide the Chairman's Address;
- You will then hear from Matt Heine who will provide the Joint Managing Directors' Address and discuss Netwealth's performance including an update on trading in the quarter ended 30 September 2020; and
- We will then turn to the Formal Business and the resolutions of the meeting and you will also hear from Davyd Lewis, the Chairman of the Remuneration Committee.

Before I go further, I would like to acknowledge the Traditional Owners and Custodians of the land, sea and waters from where all of us are joining today.

The traditional custodian's past and present ongoing culture and values to nurture the land and oceans in their care and do no harm to the generations to follow is a wonderful role model for all businesses, and one that we embrace.

The Board sets the culture of Netwealth and culture drives our success.

At Netwealth we view our culture as our most important strategic driver of success. Our culture is articulated in our six values:

- Curious – we challenge assumptions and explore new possibilities.
- Optimistic – we are passionate and driven to meet the needs of our clients;

- Collaborative – we consider all priorities and objectives, we share, we communicate, and we are respectful;
- Agile – we love change, we love the opportunities it brings, the ability to rethink old paradigms; and to deliver a better product and service
- Genuine – we are open, honest and transparent. Once we have become aware of our errors, we have always rectified them as soon as possible.
- Courageous – we will be a leader, not a follower in both our product offering and our governance standards.

I want to provide some brief introductory comments and key highlights achieved by Netwealth for FY2020. There will be an opportunity for questions before we commence consideration of the formal items on today's agenda.

Our strategic objective at Netwealth is to provide members and their advisors with the technological tools and service that enables them to actively manage their wealth.

Netwealth performed strongly during the financial year, Total Revenue of \$123.9M increased by \$25.1 million (25.5%) and our profit growth continued. Underlying NPAT increased by \$7.8 million (21.7%) to \$43.8 million and underlying EPS of 17.9 cents increased by 21.2%.

We returned to our shareholders 14.7 cents per share for FY2020, paying an interim dividend 6.9 cents per share in March 2020 and a final dividend of 7.8 cents per share in September 2020.

Our FUA reached \$31.5 billion, growth of \$8.2 billion, up 35.0% for the year.

We had 81,804 accounts using our platform at 30 June 2020, growth of 10,380 accounts, up 14.5% for the year.

All companies are only a success if they employ good and talented people at 30 June we employed 339 staff, a strategic increase of 68 staff for FY2020.

And in the previous financial year we were included into the ASX200 index.

Netwealth is in a strong financial and market position:

1. We have a strong balance sheet, low but consistent investment in our IT capabilities. We have no debt and significant cash reserves;
2. There is a high correlation between EBITDA and operating cash flow currently a 99.4% conversion rate;
3. We have a high level of recurring and growing revenue;
4. We make an ongoing strategic investment in People, IT infrastructure, and software to support ongoing growth and enable our market leading products and services;
5. We are a leader in mass affluent, high net-worth and private wealth solutions; and
6. We are Australia's No 1 platform for overall satisfaction among primary users and overall platform functionality as rated by Investment Trends.

This year has been far from normal.

All over the world COVID-19 has impacted businesses and communities.

The global and economic environment and subsequent social impacts are a cause of concern for us personally and as a business.

Thanks to the quality of our Business interruption plans, that included a detailed plan for a pandemic and the can do philosophy of our management team and staff I am pleased to advise Netwealth has performed strongly and we have to date, meet the challenges presented by COVID-19 and subsequent economic disruption.

Our staff have been incredibly resilient and have successfully transitioned to remote working with limited disruption to service and operation and without a net increase to our operating costs.

In our recent annual staff survey, staff engagement score improved to 79% and productivity remains high.

There has been a high take up of online programs rolled out to support our staff while working remotely including wellness, training and kids learning.

The Board is very grateful to the staff and particularly the Melbourne staff. We are aware that their lives have been severely impacted and are still being impacted and we would like to acknowledge the extraordinary personal efforts of our staff and thank them. As a parent, I can imagine how difficult it has been for many to manage young children, provide home schooling and manage to work for Netwealth. I would also like to thank all those who have had to keep going with very little family support and perhaps in accommodation that they never imagined they would have to live and work in for 24 hours a day for many months.

Netwealth operates in a highly regulated environment and the Board takes its compliance and governance responsibilities very seriously.

The Netwealth Board believes that sound governance is fundamental to the ongoing success and growth of Netwealth in the markets in which it participates.

The Netwealth Board is:

- committed to being genuine and always acting ethically, transparently and being accountable; and
- has a framework of governance, culture and accountability for managing Netwealth.

Netwealth's full corporate governance statement is available on the Company's website, in the shareholders section <https://www.netwealth.com.au/web/about-netwealth/shareholders/>

Effective Corporate Governance is essential for the long-term performance, sustainability, and success of Netwealth.

They are not "nice to haves", they are "must haves".

The objective of our Remuneration framework is targeted at driving excellence in customer service, integrity and a performance culture recognising the importance of suitably incentivising our staff

Under item 2 in the business of the meeting Davyd Lewis the Chairman of the Remuneration Committee will present briefly on the remuneration report.

Netwealth's primary focus is on long term performance and our remuneration is structured on this basis.

The Board is focused on having Directors with the right skills and culture for our company.

Netwealth each year considers the Board skills matrix to ensure the skills and experience on the Board will provide the judgement, experience and diversity that will best enable Netwealth to achieve its strategic objectives.

The Board would like to thank our shareholders and clients for their continued contribution to our success and we look forward to sharing our journey with you for many years ahead.

We are very grateful for our staff's commitment, at all levels of the organisation to achieving and exceeding our strategic objectives of best in class technology and service and continue to deliver to our clients functionality and services that empower them to see and manage their wealth differently,

I would now like to invite Matt to provide an update on the performance of Netwealth.

After the Joint Managing Directors' presentation, we will address the business of the meeting.

ENDS.

About Netwealth

Netwealth is a financial services company listed on the Australian Stock Exchange (ASX: NWL). Netwealth was created with an entrepreneurial spirit to challenge the conventions of Australia's financial services.

We are a technology company, a superannuation fund and an administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future.

Founded in 1999, Netwealth is one of the fastest growing wealth management businesses in Australia.

We are rated No.1 by our clients for providing exceptional service and independent researchers continue to rate our technology as best in class*.

Our financial products are:

- Superannuation including accumulation and retirement income products;
- Investor directed portfolio services for self-managed super and non-super investments;
- Managed Accounts; and
- Managed Funds.

Netwealth's digital platform supports how our financial products are delivered to market. For instance, via the platform, financial intermediaries and clients can invest and manage a wide array of domestic and international products.

The platform is built, developed and maintained by Netwealth's technology team. It is continuously enhanced using feedback from financial intermediaries, clients and other users and receives wide industry recognition as having market-leading functionality.

Supporting our financial products and technology platform is a significant investment in our people and resources to administer support, risk and governance and our custodial services.

*Investment Trends; December 2019 Platform Competitive Analysis and Benchmarking Report & Investment Trends, May 2020 Planner Technology Report.