MA Financial Group

1H21 RESULTS PRESENTATION

AUGUST 2021

CONTENTS

Explanation of Underlying measures in this presentation

MA Financial Group Limited (MA Financial or the Company) (ACN 142 008 428) and its subsidiaries (Group) utilise non-IFRS Underlying financial information in their assessment and presentation of Group performance. In particular, the Group references Underlying Revenue, Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Underlying Net Profit After Tax (NPAT) and Underlying Earnings Per Share (EPS).

MA Financial Group places great importance and value on the IFRS measures. As such, MA Financial Group believes that, when read in conjunction with the IFRS measures, the Underlying measures are useful to the reader as:

- the Underlying measures reveal the underlying run rate business economics of the Company;
- the Underlying measures are used by management to allocate resources and make financial, strategic and operating decisions. Further, all budgeting and forecasting is based on Underlying measures. This provides insight into management decision making; and
- the Underlying adjustments have been consistently applied in all reporting periods, regardless of their impact on the Underlying result.

The Underlying financial information is not prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards (IFRS) and is not audited. Adjustments to the IFRS information align with the principles by which the Company views and manages itself internally and consist of both differences in classification and differences in measurement.

Differences in classification arise because the Company chooses to classify some IFRS measures in a different manner to that prescribed by IFRS.

Differences in measurement principally arise where the Company prefers to use non-IFRS measures to:

- better align with when management has greater certainty of timing of cash flows;
- regulate the variability in the value of key strategic assets, specifically the investment in Japara Healthcare Limited;
- normalise for the impacts of one-off transaction costs; and
- recognise staff share-based bonus expense when granted as opposed to over the vesting period.

The calculations of the Underlying measures align with the approach required by AASB 8 *Segment Information* and are detailed in the disclosures in Note 2 of the 2021 Half-Year Financial Report.

A detailed reconciliation and explanation of the Underlying adjustments is included on pages 35 – 37 of this presentation.

01

1H21 Results & Highlights

1H21 Results

Strong growth and performance across all business units. Upgrading FY21 guidance

Earnings growth	Record 1H performance with Underlying EPS up 92% on 1H20 Outstanding performance across a broadly based operating platform
AUM momentum	Assets Under Management (AUM) up 21% to $6.1 billion over 12 months to 30 June 21 A further $275 million in managed assets, contracted in 1H21, will settle and add to AUM in 2H21 Net fund inflows of $506 million in 1H21, well up on $158 million in 1H20
Strong business activity	Underlying revenue growth up 94% in Asset Mgt and 16% in Corporate Advisory relative to 1H20 Strong loan portfolio growth of 160% over last 12 months - Lending business now reporting as a distinct unit
Robust balance sheet	Significant cash holdings supported by strong cash generation facilitates ongoing growth initiatives Declared maiden fully franked interim dividend of 5 cents per share
Increased guidance	Increased FY21 guidance, with Underlying EPS expected to be up 20% to 30%[1] on FY20 Prior guidance was for Underlying EPS to be up 10% to 20%

Note: 1. This forecast is subject to market conditions, deal completion rates and timing, no material regulatory changes and a gradual transition away from existing COVID-19 related restrictions as FY21 progresses

1H21 Results

UNDERLYING RESULTS[1]	1H21	1H20	GROWTH
Revenue	$102.7m	$67.4m	52%
EBITDA	$38.2m	$21.5m	78%
Net profit after tax	$23.4m	$12.1m	93%
Earnings per share	16.3¢	8.5¢	92%
EBITDA margin	37.2%	31.9%	
Return on equity[4]	19.2%	11.0%	
Cash at bank[5]	$68.3m	$139.6m	-51%

STATUTORY RESULTS[1]	1H21	1H20	GROWTH
Revenue[2]	$100.8m	$74.2m	36%
EBITDA[3]	$31.8m	$24.6m	30%
Net profit after tax	$14.3m	$8.9m	60%
Earnings per share	10.0¢	6.2¢	61%
Dividend per share	5.0¢	-	n.a

Underlying revenue increased 52% on 1H20, underpinned by:

- 94% increase in Asset Management revenue driven by AUM growth, strong performance fees and positive mark to market movements
- Scaling of Lending activities. Committed balance sheet capital generated an annualised return on capital invested of 16.5% in 1H21
- A record 1H revenue performance by CA&E

Maiden interim dividend of 5 cents per share, reflecting strong capital position and earnings consistency

Successful deployment of cash into a variety of growth investment initiatives and co-investments

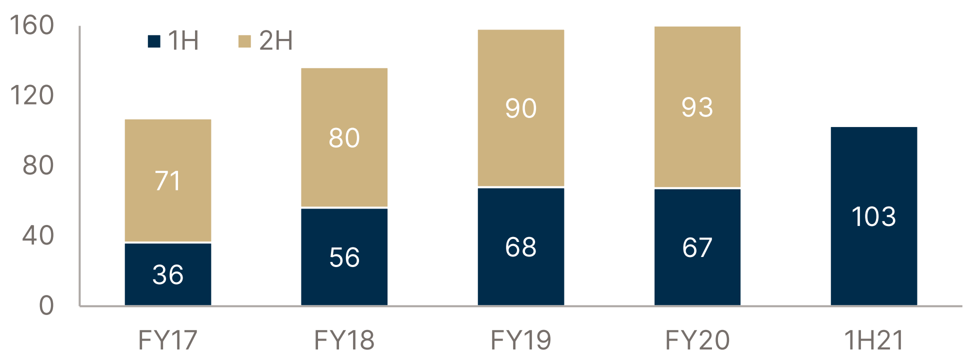
Anticipate over $60m of asset investments to recycle back into cash during 2H21

Notes:
1. Refer to pages 35 - 37 for a reconciliation of Statutory to Underlying Results.
2. Statutory Revenue refers to total income on the consolidated statement of profit or loss and other comprehensive income.
3. Statutory EBITDA is not a recognised IFRS measure but has been presented to give a comparable measure to the Underlying Result.
4. Annualised for the six-month period
5. Adjusted to reflect the total economic exposure of the Group by removing the consolidation of a MA Financial Group managed credit fund. Refer to page 38 for details of the adjustment

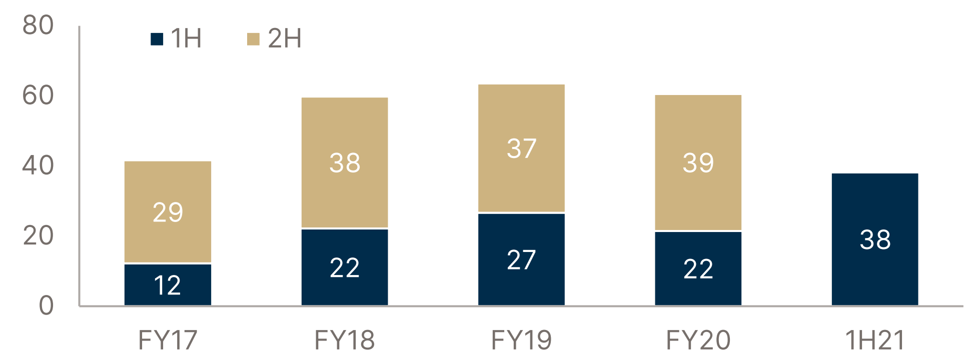
Financial performance

Strong business rebound delivers record 1H performance

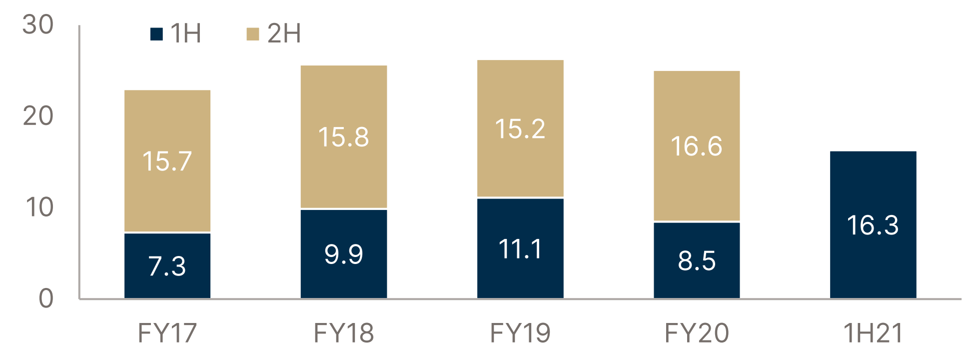
UNDERLYING REVENUE ($M)



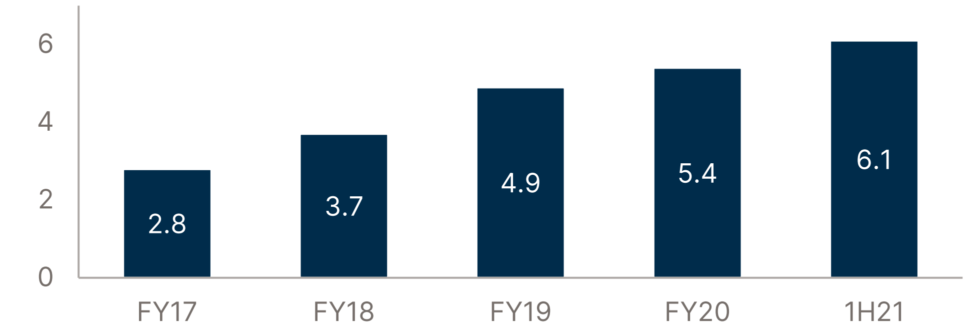
UNDERLYING EBITDA ($M)



UNDERLYING EARNINGS PER SHARE (CPS)



ASSETS UNDER MANAGEMENT ($B)



Business unit highlights

Growing momentum across all business units

ASSET MANAGEMENT[2] EBITDA contribution[1] **71%**

- 21% AUM growth over last 12 months
- Net inflows of $506m over the half and a promising 2H21 pipeline
- Base management fees up 28% on 1H20
- Strong performance & transaction fees

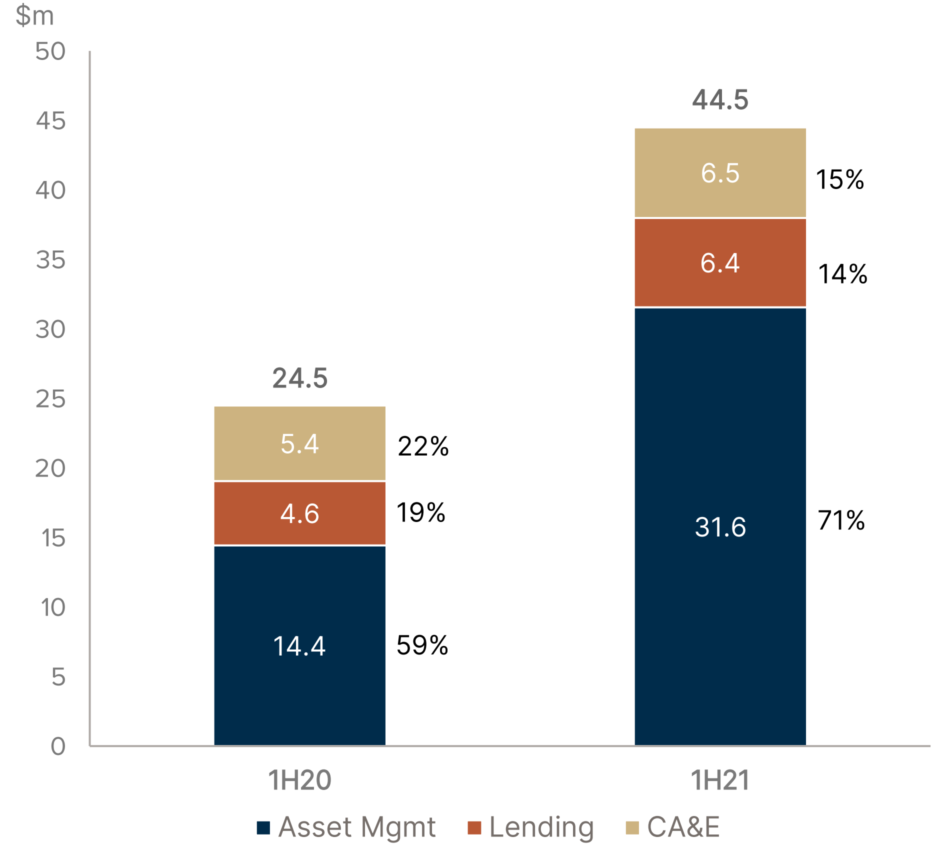
LENDING[3] EBITDA contribution[1] **14%**

- Loan book grew 160% from 1H20 to $375 million
- Underlying EBITDA up 39% on 1H20 on a proforma basis
- Strengthened leading market share in Legal Disbursement Funding
- Substantial investment across multiple verticals provides significant scale opportunities for growth

CORPORATE ADVISORY & EQUITIES EBITDA contribution[1] **15%**

- Advised on $3.7b of transactions as M&A activity rebounded
- Successful completion of large & complex restructuring transactions
- Softer period for ECM[4] activity relative to strong 2H20
- Equities commissions softened in 1H21 after elevated activity in 1H20

EBITDA CONTRIBUTION BY BUSINESS DIVISION (EX. CORPORATE)



Notes: 1. EBITDA contribution based on 1H21 Underlying EBITDA before unallocated corporate cost
2. 1H20 EBITDA restated to reflect separation of Lending division
3. 1H20 Lending EBITDA presented on a proforma basis to include an additional allocation of costs from other divisions
4. Equity Capital Markets

1H21 strategic outcomes

Delivering on key priorities

Grow recurring revenue base	Base management fee run rate at the end of 1H21 was equivalent to $77m[1] p.a, up from $60m at end FY20 Lending net interest income up 33% relative to 1H20
Expand & diversify distribution	Granted retail product licence and launched first retail credit funds Solid flows from Domestic HNW clients and increasing geographic diversification of Foreign HNW flows
Scale existing platform & expertise	Strong fund inflows and AUM growth delivering on investment in Asset Management platform Plan for increased marketing activity in 4Q21 focused on brand and capability
Accretive balance sheet deployment	Provided seed and co-investment capital for 5 new funds and further investment in the Lending business Ongoing evaluation of potential strategic corporate acquisition opportunities
Grow & retain our talent	Strategic senior hires have broadened business depth and capability Development of enhanced remuneration framework. Continued investment in education and development

Note: 1. Includes annualised monthly base fees earned in June 2021 for RetPro - acquired 1 April 2021.

02

Post Balance Date Activity & FY21 Outlook

Key business activity since 30 June 2021

Strong start to 2H21 despite COVID-19 related interruption

ASSET MANAGEMENT	• **Positive momentum in AUM and client fund flows continues** – \$185m of net fund inflows received over the first six weeks of 2H21 – Settled on ~\$20m of hotel accommodation assets for MA Real Asset Opportunities Fund – A further \$255m of asset acquisitions announced in 1H21 to settle and add to AUM in 2H21 • **Signed conditional contract for sale of VC fund investment. Completion will deliver performance fees of approximately \$4m in 2H21.** • **Positive changes to visa program introduced from 1 July 21**
LENDING	• **Robust loan portfolio growth and margins across both Platforms and Loan Portfolio Funding verticals**
CORPORATE ADVISORY & EQUITIES	• **Strong start to 2H21 with Corporate Advisory and ECM work already completed expected to deliver \$18m[1] of fees** – Advisor on Stockland's Halcyon acquisition and CitrusAd sale to Publicis Groupe – JLM for Elanor Commercial Property Fund and MAAS Group capital raisings • **Continue to build strong transaction pipeline** – Macro environment remains supportive of M&A activity and ECM activity building – No sentiment impacts thus far from recent COVID-19 related lockdowns

Note: 1. Subject to usual closing conditions

Redcape Hotel Group (RDC) delisting: a pathway to realising value

RDC's independent board have put forward a proposal to delist RDC

RATIONALE	• To provide a more stable pricing structure for investors that more closely reflects underlying asset values • Considered the best strategic solution to improve securityholder value by RDC's Independent Board Committee
INVESTOR CHOICE	• Option to either retain their existing holding, increase their holding through participating in a $1.15 Rights Issue or have securities bought back at $1.15 representing a 22% premium to RDC's last closing price
UNLISTED STRUCTURE	• Investors maintain exposure to high-quality portfolio of hotel assets in a higher yielding unlisted fund structure • Quarterly liquidity feature at a price benchmarked to NAV. Aim to provide liquidity at 2.5% discount to NAV by Dec 22[3]. This is expected to be an attractive premium to past ASX trading prices and the Buyback Option • Existing corporate structure, governance and management arrangement will remain unchanged
BUYBACK LIQUIDITY OPTION	• The buy-back will be funded through $115m additional debt and a $132.3m rights issue at $1.15 per RDC security • RDC securityholders will have the right to subscribe for additional RDC securities via the rights Issue • MAF, and one its funds, will underwrite the rights issue to provide certainty for securityholders. No fee to be charged
ALIGNMENT	• MAF remain long term investors; maintaining its high conviction in the fundamentals underpinning the RDC portfolio and the attractiveness of the hospitality asset class • MA Financial Group and its directors intend to retain their respective investments in RDC post delisting
STRONG UNDERLYING PERFORMANCE	• Since listing, RDC has grown underlying earnings at a CAGR of 6.3% and Directors NAV[2] has risen from $1.13 to $1.31 • MA Hotel Management has delivered strong performance in underlying assets despite headwinds from COVID-19

Notes: 1. Based on closing security price of $0.94 on 17 August 2021
2. Directors NAV per stapled security at 30 June 2021
3. Subject to the terms of the funds liquidity facility
4. Further details of the RDC Delisting Proposal are available in the Notice of Meeting & Explanatory Memorandum at www.redcape.com.au/investor-centre

FY21 outlook

Long-term investment in people and platform is delivering accelerating growth underpinned by solid foundations

FY21 Underlying EPS now expected to increase between 20% and 30% on FY20. Prior expectation was for an increase of 10% to 20%.

FY21 outlook has been lifted due to a number of factors:

- A strong 1H21 result and positive start to 2H21
- Increasing certainty in positive business momentum, inclusive of current lockdown impacts
- Expected growth in AUM given recent asset acquisitions and a strong pipeline of expected fund inflows
- Corporate Advisory pipeline supportive of productivity target of $1.1m to $1.3m revenue per executive in FY21

This outlook forecast is subject to:

- Market conditions
- A gradual transition away from existing COVID-19 related restrictions as FY21 progresses
- Deal completion rates and timing
- No material regulatory change

Underlying earnings will exclude any potential one-off loss should a Japara Healthcare Ltd (ASX:JHC) realisation event occur.

03

Asset Management

Asset Management Performance

UNDERLYING FINANCIALS ($M)	1H21	1H20[1]	GROWTH
Base management fees	33.6	26.3	28%
Principal investments income	4.3	1.9	132%
Total recurring revenue	**37.9**	**28.1**	**35%**
Transaction fees	5.9	1.9	211%
Performance fees	12.6	4.9	157%
Principal and other income	0.0	1.5	n.a.
Transaction based revenue	**18.5**	**8.3**	**124%**
Mark-to-Market of investments	8.2	(3.0)	n.a.
Total Underlying revenue	**64.6**	**33.4**	**94%**
Expenses	33.0	18.9	75%
Underlying EBITDA	**31.6**	**14.4**	**119%**

Includes $2.5m of RetPro fees from April 21

1H20 impacted by loss of RDC distributions

Reflects return to normalised transactional flow in 1H21

1H21 performance fee contributions from Equities ($6.4m) and Hospitality ($6.0m)

1H21 includes $7.6m RDC uplift vs -$3.1m reduction in 1H20

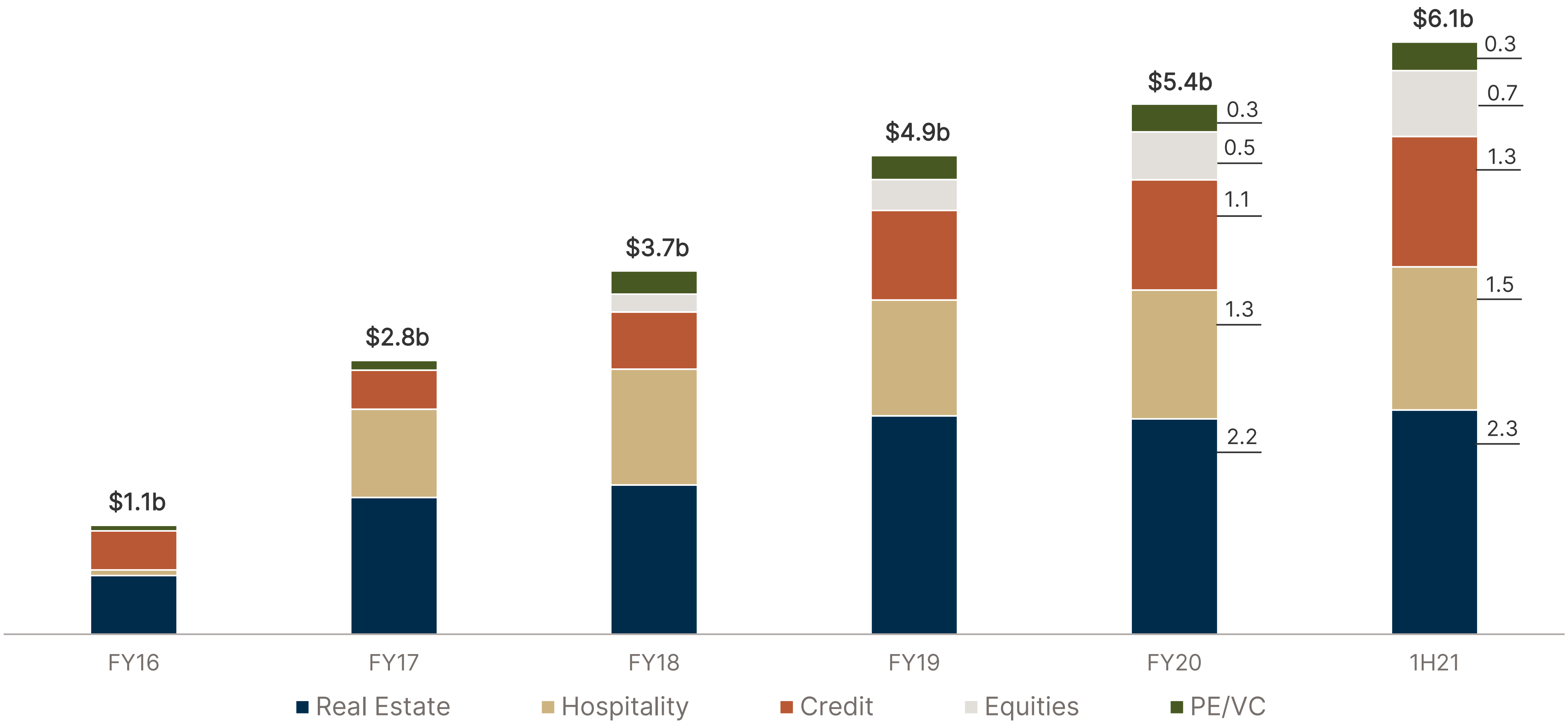
Highlights

- **Underlying revenue growth supported by strong performance fees, base fee growth and positive mark to market movements**
  - AUM up 13% on FY20 and 21% over the year to 30 June 2021
  - Positive MTM driven by independent revaluation of entire RDC hotel portfolio
  - Performance and transaction fees becoming more consistent contributor as investment strategies mature
- **Expense growth relates to platform expansion and improved revenue performance**
  - Includes RetPro expenses from 1 April 21 and continued investment in distribution capability
  - 1H20 expenses reduced by COVID-19 temporary pay reductions

Note: 1. 1H20 restated to reflect separation of Lending division

Assets Under Management

We manage assets of $6.1 billion with a core focus on Real Estate, Hospitality and Credit plus emerging businesses in Equities and PE/VC



1H21 Fund Flows

Continued fund-raising momentum with gross inflows of more than $1.1 billion over last 12 months

NET FLOWS by ASSET CLASS[1] ($M)	1H21	1H20	GROWTH
Real Estate	64	9	611%
Hospitality	50	26	92%
Credit	204	41	398%
Equities	168	49	240%
PE/VC	26	11	140%
Bonds & Cash	(6)	22	n.m.
Total	**506**	**158**	**220%**

Real Estate inflows primarily associated with MA Prime Logistics Fund & MA Diversified Property Fund

Hospitality flows include funds raised for MA Taylor Square Fund

Credit flows benefiting from investor interest in Real Estate Credit strategies

Internal switching into more active investment strategies

NET FLOWS by CHANNEL ($M)	1H21	1H20	GROWTH
Domestic HNW[2] & Retail	154	10	1,440%
Foreign HNW	352	140	151%
Institutional	-	8	(100%)
Total	**506**	**158**	**220%**

Initial retail credit products launched April 21

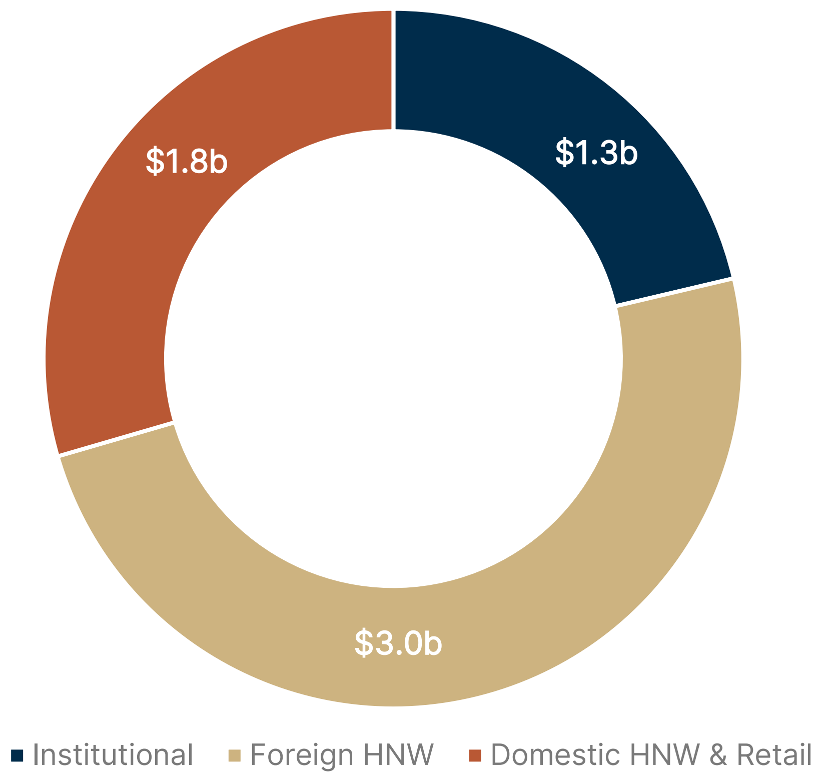
Foreign HNW assisted by strong growth in net inflows from outside the SIV[3] program. SIV flows continue to grow and diversify by geography.

Notes: 1. Net flows include internal switches between asset class, which net to zero in the half-yearly totals.
2. High Net Wealth investor as per Corporations Act definition of wholesale investor
3. Significant Investor Visa

Asset Management client base

A continued focus on the growth and diversification of existing distribution channels

AUM BY INVESTOR CHANNEL



Highlights

Increasingly consistent flows from Domestic channels

- Retail product licence granted & retail credit products launched
- Increasing platform presence and broadening IFA relationships

Foreign HNW channel continues to grow strongly

- Investors sourced from 25 different countries
- Increasing flows from within and outside the SIV program
- Positive outcomes from Government review of SIV program
  - Investment amount for each SIV investor unchanged at $5m
  - Increased investment allocation to VC funds from 1 July 21
  - Priority processing and increased visa allocations

Continued focus on attracting new institutional mandates

Note: 1. SIV and International investors in Redcape Hotel Group classified as Foreign HNW. Remainder of RDC classified as Domestic HNW and retail

Highlights

Activity rebound continues notwithstanding short term lockdown impacts

Credit
AUM: A$1.3 billion ↑ $210m on FY20

- AUM grew by 18% during the half, supported by strong net inflows
- MA Priority Income Fund (formerly Fixed Income Fund) relaunched as a retail fund
- MA Secured Real Estate Income Fund launched in April, providing retail investors access to Real Estate Credit investing expertise
- Realigned Private Credit Fund into MA Credit Opportunities Fund with broadened mandate

Hospitality
AUM: A$1.5 billion ↑ $165m on FY20

- Strong trading prior to implementation of lockdown restrictions
- $77.6m positive independent revaluations on RDC hotel portfolio reflect earnings growth & cap rate compression
- MA Taylor Square Fund settled on the Courthouse & Kinselas Hotels
- Acquired Bendigo All Seasons Resort for $54.5m. Settling in 2H21
- Post balance date announced the proposed delisting of RDC

Real Estate
AUM: A$2.3 billion ↑ $80m on FY20

- Acquisition of RetPro, adding operational capabilities to retail shopping centre investment strategy
- Acquired Sugarland Plaza in Bundaberg for $140m, to settle in 2H21
- Secured two new industrial and logistics assets for a combined $70m
- Strong demand for industrial real estate and renewed investor interest in retail real estate
- Buoyant trading conditions for retail assets prior to recent COVID-19 related restrictions

Equities & PE/VC
AUM: A$1.0 billion ↑ $235m on FY20

- Equities AUM up by 47% in 1H21 and 124% over the last 12 months. Driven by strong fund inflows and positive performance
- First international equities fund seeded, MA Global Equity Opportunities Fund
- VC funds committed to 8 new investments in 1H21
- MA Real Asset Opportunity fund acquired accommodation hotels in Cairns and Bathurst for a combined $20m. Settled in 2H21
- VC Funds to benefit from changes to SIV complying investment framework increasing VC allocation from $0.5m to $1.0m per visa

04

Lending

Lending Performance

UNDERLYING FINANCIALS	1H21	Proforma[1] 1H20	GROWTH
Net interest income	10.2	7.7	33%
Total Underlying revenue	**10.2**	**7.7**	**33%**
Expenses	3.8	3.1	23%
Underlying EBITDA	**6.4**	**4.6**	**39%**
Total Loan Portfolio	$375m	$144m	160%
Invested Capital	$82m	$54m	52%
Return on Average Invested Capital	16.5%	18.9%	

Primarily due to growth in MA Priority Income Fund and the acquisition of an initial 47.5% interest in MKM, adding $75m proportionate share of loans receivable

Highlights

- **Strong loan portfolio growth driven by:**
  - Continued market traction in Loan Portfolio Funding initiatives
    - MA Priority Income Fund
    - Institutional Credit Partnerships, such as major bank funding partnership announced in February 2021
  - Acquisition of stake in MKM in October 2020
  - Organic growth in our specialty finance platform focused on legal disbursement funding
- **1H21 annualised net interest margin ('NIM') of 5.8%**
  - Future NIM dependent upon loan portfolio composition between
    - Specialty finance initiatives (higher NIM, bespoke markets)
    - Residential lending (lower NIM, highly scalable)
    - Loan portfolio funding (moderate NIM, highly scalable)
- **Achieved target return on invested capital**
  - 16.5% annualised ROIC in 1H21

Note: 1. 1H20 Proforma financials include a cost allocation of resources to the Lending division, which was established through a collaboration of resources from Asset Management, Corporate Advisory and Corporate divisions.

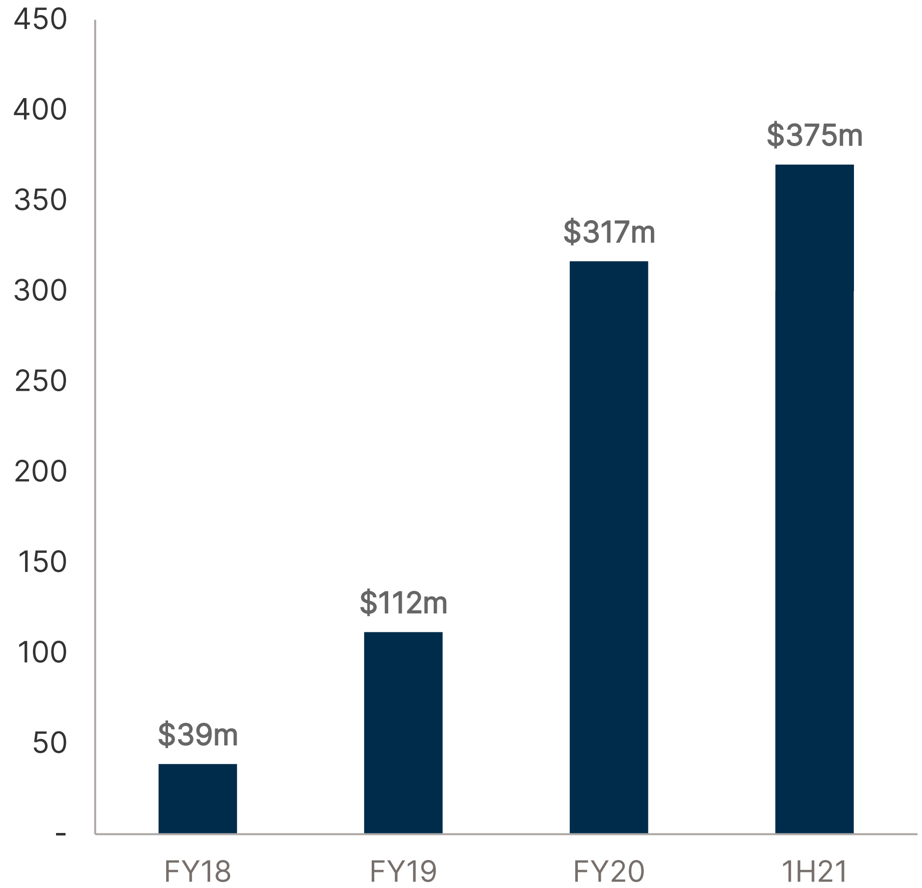
Lending Analysis

Building a scalable platform as an operator of differentiated lending platforms & funder of high quality loan portfolios

Highlights

- **Lending Platforms Highlights**
  - Specialty finance platform in Disbursement Funding continues to grow market share with new channel partner relationships
  - Early progress with mortgage lending platform, MKM Capital
    - Substantial investment in people, operations & business infrastructure to position for growth & scale
    - Investment in best-in-class technology architecture
- **Loan Portfolio Funding**
  - Strong growth in MA Priority Income Fund
    - Funding portfolio grew 23% in 1H21
    - Consistent fund returns
  - Executed bank funding partnership in February 2021

LOAN PORTFOLIO GROWTH[1] (A$M)



Note: 1. Loan Portfolio includes initial 47.5% acquisition of MKM Capital from October 2020

05 Corporate Advisory & Equities

Corporate Advisory & Equities Performance

UNDERLYING FINANCIALS		1H21	1H20	GROWTH
Corporate Advisory fees	[$m]	24.8	21.3	16%
Equities commissions	[$m]	3.1	5.1	-38%
Total Underlying revenue	[$m]	**27.9**	**26.4**	**6%**
Expenses	[$m]	21.4	21.0	2%
Underlying EBITDA	[$m]	**6.5**	**5.4**	**20%**
Advisory headcount	[avg. FTEs]	50	47	6%
Corporate Advisory LTM revenue[1] / head	[$m / avg. FTEs]	**1.0**	**1.2**	**-17%**
Equities headcount	[avg. FTEs]	16	18	-11%

Highlights

- **Record 1H corporate advisory fees benefited from a recovery in M&A activity, completion of large restructuring mandates and an increase in private financings**
  - Advised on $3.7b of announced transactions
  - Skew to M&A, restructuring and financing transactions
  - Subdued ECM activity. Significant pickup post balance date
- **Equities commissions softer as significant volatility in prior corresponding period drove elevated trading volumes**
- **Strong start to 2H21 with advisory and ECM work already completed expected to deliver $18m of fees in 2H21[2]**
  - Advisory revenue per head on track to be within target range of $1.1-$1.3m for FY21
- **Investment in teams and strategic new hires broadening growth potential**
  - Hired new executives in business services industrials and private capital
  - New hires already executed on significant transactions

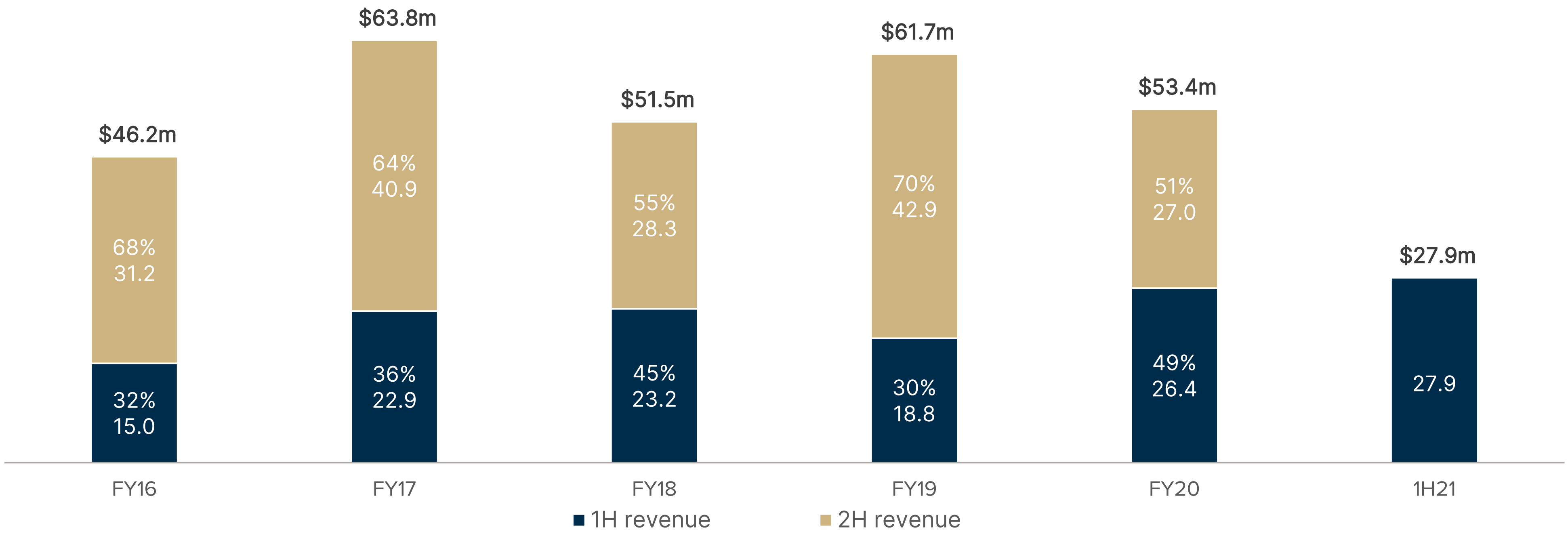
Notes: 1. Last 12 months – 1 July 2020 to 30 June 2021
2. Subject to usual closing conditions

Revenue Seasonality

Record 1H Underlying revenue contribution for Corporate Advisory & Equities

- Corporate Advisory & Equities revenue is typically seasonal with, on average, second half weighting of approximately 60%
- Seasonality didn't arise in FY20 largely due to soft M&A activity in 2H20 and timing of deal completions at year end
- Despite a strong 1H21, more typical seasonality is anticipated in FY21

HISTORICAL CORPORATE ADVISORY & EQUITIES REVENUE ($M)



06

1H21 Financials

Group Underlying profit or loss

SUMMARY UNDERLYING PROFIT OR LOSS STATEMENT ($M)[1]	1H21	1H20	GROWTH
Underlying Revenue			
Asset Management	64.6	33.4	93.6%
Lending	10.2	7.7	32.6%
Corporate Advisory & Equities	27.9	26.4	5.9%
Total Underlying Revenue	**102.7**	**67.4**	**52.4%**
Expenses			
Compensation	54.4	37.3	45.8%
Marketing and business development	2.0	1.8	11.1%
Communications, IT and market data	2.5	2.4	4.2%
Other costs	5.6	4.4	27.3%
Total Expenses	**64.5**	**45.9**	**40.5%**
Underlying EBITDA	**38.2**	**21.5**	**77.6%**
Depreciation and amortisation	2.2	1.8	23.0%
Net interest expense	2.6	2.4	8.0%
Underlying PBT	**33.4**	**17.3**	**93.0%**
Tax	10.0	5.2	93.0%
Underlying NPAT	**23.4**	**12.1**	**93.0%**
EPS (cents / share)	16.3	8.5	91.8%
Underlying EBITDA margin	37.2%	31.9%	
Compensation ratio[2]	52.0%	50.3%	

Growth driven by improved revenue performance, continued investment in people and inclusion of RetPro from 1 April

Includes increases in insurance and professional fees

Includes Corporate costs of $6.3m (1H20: $4.6m) reflecting continued platform investment

Notes: 1. Refer to pages 35 – 37 of this presentation for a reconciliation of Underlying financial metrics to their associated IFRS financial metrics.
2. Compensation expense used in the ratio calculation has been adjusted to remove one-off charges.

Group Operating Balance Sheet[1]

OPERATING BALANCE SHEET ($M)	30 JUN 2021	31 DEC 2020
Cash and cash equivalents	68.3	112.2
Loans receivable	88.7	63.2
Investments	154.5	136.8
Goodwill and other intangibles	34.9	30.9
Other assets	56.3	48.7
Total Assets	**402.6**	**391.7**
Borrowings	95.0	95.0
Other liabilities	58.4	59.8
Total Liabilities	**153.4**	**154.9**
Net Assets	**249.2**	**236.9**
Net Tangible Assets	217.1	206.0
Net Tangible Assets per share	**1.51**	**1.45**

Refer to detail on page 29

Includes fee receivables, restricted cash and plant and equipment

Refer to detail on page 38

Includes trade payables, provisions, lease liabilities and taxation

Highlights

- Maintained a robust Balance Sheet with current capital allocation focused on supporting ongoing growth
- Growth capital investments efficiently recycled to enable strategic investments both in the Lending division and the acquisition of RetPro
- Cash levels in the period reduced through the annual working capital cycle low point in March due to the payment of the FY20 annual bonus and dividend
- 5% NTA increase adds further strength to asset backing per share

Note: 1. Adjusted to reflect the total economic exposure of the Group by removing the consolidation of a MA Financial Group managed credit fund. Refer to page 38 for a reconciliation of Statutory to Operating Balance Sheet.

Group Investments

SUMMARY OF INVESTMENTS ($M)	30 JUN 2021	31 DEC 2020
Cash	68.3	112.2
Lending and other credit investments	106.8	81.5
Redcape Hotel Group (ASX:RDC)	70.4	58.2
Co-investment in managed funds	45.2	48.3
Japara Healthcare Limited (ASX:JHC)	19.2	9.3
Other equity investments	1.7	2.7
Total	**311.5**	**312.2**

Highlights

- Maintaining a dynamic investment portfolio underpins balance sheet strength
- Change in Co-investments is reflective of the successful recycling of seed capital from MA Prime Logistics Fund and MA Taylor Square Fund
- Continued efficiency in recycling seed capital highlighted by return of $22m of investments expected in 3Q21 with $12m already received
- Maturing longer-term investments adds additional flexibility with minimum realisations of $40m expected in 2H21
- Cash and investments provide significant capital to:
  - enable platform initiatives to accelerate growth
  - continue to underwrite ongoing transactional activity; and
  - provide flexibility for future strategic acquisitions

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Strategic Outlook

Leveraging deep expertise to scale business verticals

Our strategy is to develop deep financial and operational expertise in the businesses we choose to scale
The value of time and investment in capability delivers strong investment performance and AUM growth over time

COMPOUND ANNUAL GROWTH IN KEY BUSINESS SEGMENTS

ASSET CLASS	COMMENCED STRATEGY	ASSETS UNDER MANAGEMENT / LOAN PORTFOLIO (A$B)	AUM CAGR % FY16 – 1H21
Real Estate	2013	2.3	39%
Hospitality	2014	1.5	96%
Credit	2013	1.3	39%
Equities	2014	0.7	76%
Private Equity / Venture Capital	2015	0.3	40%
Lending[1]	2018	0.4	175%

Note: 1. Since inception CAGR based with lending activities commenced in FY18 via a $17m loan facility for the legal disbursement business

Well positioned for medium term growth

Focus on building sustainable earnings growth

01.

Builder of valuable businesses in large addressable markets

02.

Scalable asset management business powered by unique distribution

03.

Diversified capital sources and client investor base

04.

Strong balance sheet to support growth initiatives

05.

Specialised advisory capabilities aligned to a leading independent global platform

06.

Experienced management strongly aligned with shareholders

08

Appendices

Appendix
Financials

1H21 Financials - Statutory to Underlying Profit Reconciliation

	NOTE	REVENUE[1]	EBITDA	NPAT	CI[1]
1H21 Statutory Results ($m)		100.8	31.8	14.3	24.6
Differences in measurement					
Business acquisition adjustments	(a)	-	2.1	4.3	4.3
Equity issued to staff	(b)	-	(0.6)	(0.6)	(0.6)
Net unrealised (gains)/losses on investments	(c)	-	-	-	(9.9)
Adjustments relating to associates	(d)	7.5	7.5	7.5	2.9
Credit investments	(e)	0.2	1.2	1.2	1.2
Differences in classification					
Adjustments relating to MA Master Credit Trust	(f)	(4.0)	(4.0)	-	-
Interest income	(g)	(0.0)	(0.0)	-	-
Net unrealised (gains)/losses on investments	(h)	0.3	0.3	0.3	-
Outgoings recovery	(i)	(1.8)			
Credit investments	(j)	(0.3)	-	-	-
Tax on adjustments		-	-	(3.6)	0.9
Total adjustments		1.9	6.4	9.1	(1.2)
1H21 Underlying results		102.7	38.2	23.4	23.4

Refer to page 36 for detailed notes to the Underlying Results Reconciliation

Note: 1. Revenue refers to Net Income and CI refers to total comprehensive income on the condensed consolidated statement of profit or loss and other comprehensive income. Refer to the Directors' Report and note 2 of MA Financial Group's 1H21 Financial Report.

1H20 Financials – Statutory to Underlying Results Reconciliation

	NOTE	REVENUE[1]	EBITDA	NPAT	CI[1]
1H20 Statutory Results ($m)		**74.2**	**24.6**	**8.9**	**1.8**
Differences in measurement					
Business acquisition adjustments	(a)	-	0.7	1.6	1.6
Equity issued to staff	(b)	-	0.5	0.5	0.5
Net unrealised (gains)/losses on investments	(c)	-	-	-	7.4
Adjustments relating to associates	(d)	(1.0)	(1.0)	(1.0)	1.6
Credit investments	(e)	(0.1)	2.3	2.3	2.3
Differences in classification					
Adjustments relating to MA Master Credit Trust	(f)	(2.4)	(2.3)	-	-
Interest income	(g)	(3.1)	(3.1)	-	-
Net unrealised (gains)/losses on investments	(h)	(0.1)	(0.1)	(0.1)	-
Tax on adjustments		-	-	(0.1)	(3.2)
Total adjustments		(6.8)	(3.1)	3.2	10.3
1H20 Underlying results		**67.4**	**21.5**	**12.1**	**12.1**

Refer to page 36 for detailed notes to the Underlying Results Reconciliation

Note: 1. Revenue refers to Net Income and CI refers to total comprehensive income on the condensed consolidated statement of profit or loss and other comprehensive income. Refer to the Directors' Report and note 2 of MA Financial Group's 1H21 Financial Report.

Notes to Statutory to Underlying Profit Reconciliation

Differences in Measurement

a) The acquisition of Armada Funds Management in 2017 and RetPro on 1 April 2021 for cash and shares gives rise to non-cash IFRS expenditure relating to the amortisation of intangible assets of $1.7 million (30 June 2020: $0.9 million) and $0.5m (30 June 2020: $nil) respectively and share-based payment expenses to vendors of Armada Funds Management and RetPro, who are now employees of the Group, of $nil (30 June 2020: $0.7 million) and $2.0 million respectively (30 June 2020: $nil).

b) The Underlying measure expenses the full value of the share-based payment equity awards issued to staff as part of the annual bonus awards in the year of grant as opposed to over the vesting period (up to 5 years) per IFRS.

c) Adjustment to remove unrealised (gains)/losses on the Group's strategic investment in Japara Healthcare Ltd.

d) The Underlying treatment records dividends and distributions receivable from associates in Underlying Revenue as opposed to the IFRS treatment of recording the Group's share of accounting profit or loss of an associate. Underlying Revenue recognises gains/losses in management's assessment of the movement in the underlying value of the associate.

e) The Underlying treatment excludes the movement in AASB 9 Financial Instruments Expected Credit Loss (ECL) provisions relating to loans receivable. However the Underlying approach does recognise the ECL provision for all MCT assets and specific provisions individually assessed against loan receivable. See note (j) for the classification treatment of the Underlying provision.

Differences in Classification

f) The Underlying treatment records the distributions received from the MA Master Credit Trust (MCT) in Underlying revenue as opposed to the IFRS treatment of consolidating MCT into the Group's results.

g) The Group previously consolidated the assets and liabilities of a fund related credit initiative which was restructured in December 2020 and is therefore not an adjustment in 2021. Interest expense in 1H20 of $2.7 million was reclassified to Underlying revenue to offset against the interest income derived from the credit initiative to reflect the total net return to the Group. Further, interest income on cash and bank balances of ($0.04) million (1H20: $0.4 million) is reclassified to Underlying net interest expense.

h) Unrealised (gains)/losses on investment, other than those identified in (c) above, are reclassified from Other Comprehensive Income to Underlying revenue.

i) The RetPro business fully recovers direct site management expenses from it's clients. The Underlying adjustment reclassifies these expenses against the outgoings recovery revenue to show the overall net $nil impact.

j) The Underlying ECL loans receivable provisioning movements are reclassified from statutory expense to Underlying revenue to be consistent with how management view the movement in the value of investments.

Group Consolidated Balance Sheet – Statutory

Summary consolidated balance sheet ($m)	30 Jun 2021 Operating	30 Jun 2021 MCT	30 Jun 2021 Statutory	31 Dec 2020 Operating	31 Dec 2020 MCT	31 Dec 2020 Statutory
Cash and cash equivalents	68.3	38.7	106.9	112.2	25.8	138.0
Loans receivable	88.7	176.6[1]	265.3	63.2	161.1	224.3
Investments	154.5	(2.2)[1]	156.7	136.8	(17.3)	119.5
Goodwill and other intangibles	34.9	-	34.9	30.9	-	30.9
Other assets	56.3	0.9	57.2	48.7	8.0	56.7
Total Assets	**402.6**	**218.3**	**621.0**	**391.7**	**177.6**	**569.3**
Borrowings	95.0	-	95.0	95.0	-	95.0
Fund Preferred Units	-	215.4	215.4	-	172.5	172.5
Other liabilities	58.4	2.9	61.3	59.8	5.1	64.9
Total Liabilities	**153.4**	**218.3**	**371.8**	**154.9**	**177.6**	**332.5**
Net Assets	**249.2**	**-**	**249.2**	**236.9**	**-**	**236.9**

- The Statutory balance sheet includes the consolidation of the Master Credit Trust (MCT), a MA Financial Group managed credit fund
- The Group has a 10% first-loss equity co-investment in MCT of $21.5m (FY20: $17.3m) representing its maximum economic exposure
- MCT 3rd party equity interests are represented by the Fund Preferred Units (FPU)
- The FPU have no recourse to the Group beyond the assets of the MCT, however are classified as debt for statutory purposes as they earn a preferential return and have preferential rights on fund wind up
- The Group earns a Net Interest Margin from its co-investment representing the excess profits of MCT after fund expenses and FPU distributions of 4% over RBA cash rate

Note: 1. Includes the reclassification of a $23.7m Investment to Loans receivable

Group Underlying Profit & Loss – Divisional Summary

UNDERLYING PROFIT & LOSS	1H21	1H20[1]
Revenue (A$m)		
Asset Management	64.6	33.4
Lending	10.2	7.7
Corporate Advisory and Equities	27.9	26.4
Total Revenue	**102.7**	**67.4**
Expenses (A$m)		
Asset Management	33.0	18.9
Lending	3.8	1.5
Corporate Advisory and Equities	21.4	20.9
Corporate	6.3	4.6
Total Expenses	**64.5**	**45.9**
Underlying EBITDA (A$m)		
Asset Management	31.6	14.4
Lending	6.4	6.2[1]
Corporate Advisory and Equities	6.5	5.4
Corporate	(6.3)	(4.6)
Total Underlying EBITDA	**38.2**	**21.5**

Note: 1. Does not include 1H20 Proforma adjustments for cost allocation of resources from Asset Management, Corporate Advisory and Corporate divisions.

Borrowings

BORROWINGS ($M)		MATURITY DATE	COUPON	30 JUN 2021	31 DEC 2020
MA Bond II	Unsecured note	14 Sep 2022	5.85%	25.0	25.0
MA Bond III	Unsecured note – limited recourse	16 May 2024	4.35% + RBA	30.0	30.0
MA Bond IV	Unsecured note	30 Sep 2024	5.75%	40.0	40.0
Total Borrowings				**95.0**	**95.0**
Average Borrowings				**95.4**	**106.6**

Highlights

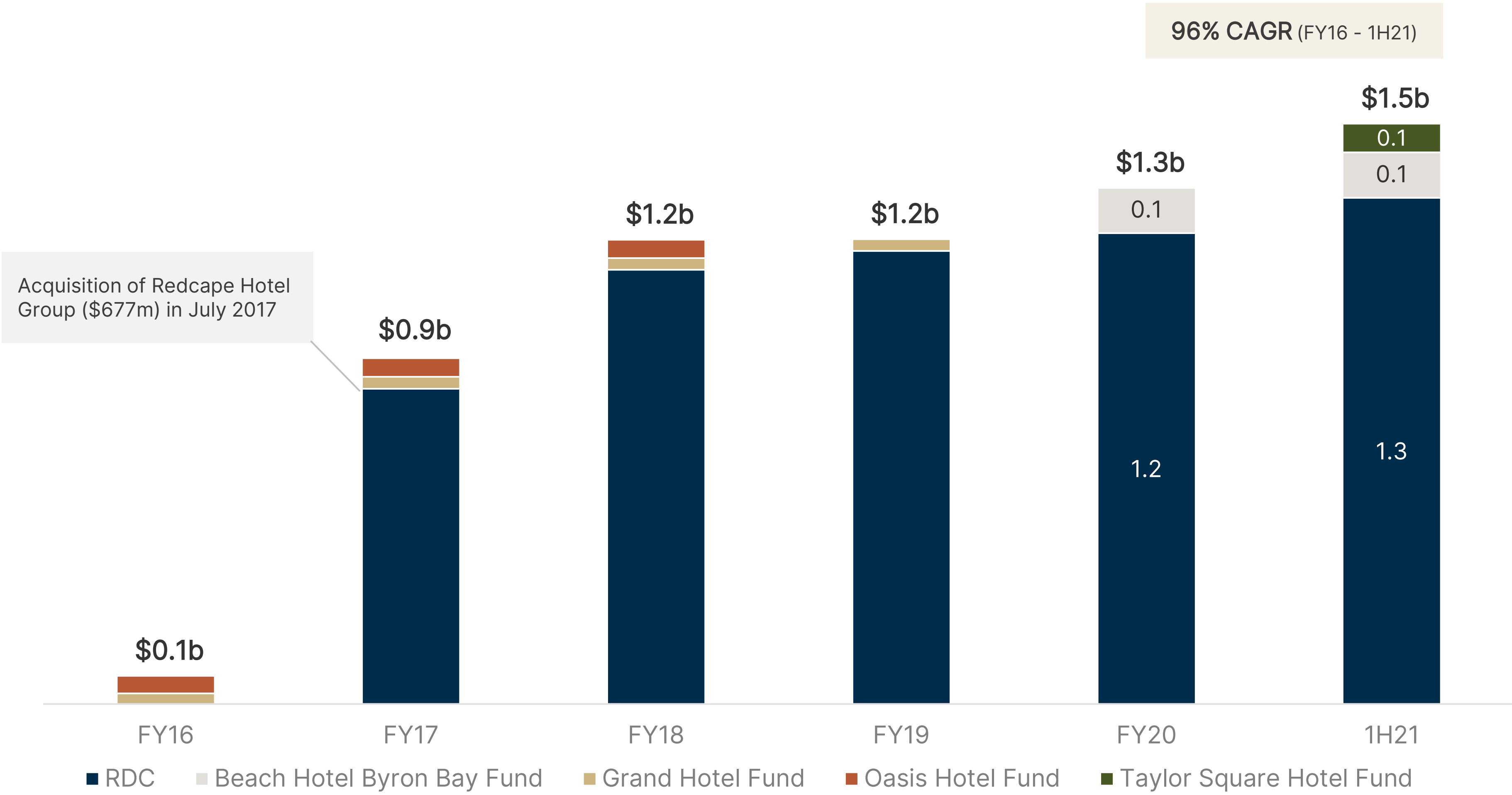
- Stable Borrowings in the period with balanced maturity profile
- All unsecured notes are covenant-lite with ongoing performance requiring only payment of interest and return of principal
- MA Bond III notes are held by SIV program investors and can be redeemed progressively over the note term as permanent residency is achieved

Appendix
AUM by sector and fund

Hospitality AUM Growth

AUM growth driven by MA Taylor Square Fund, RDC hotel acquisitions and positive revaluation

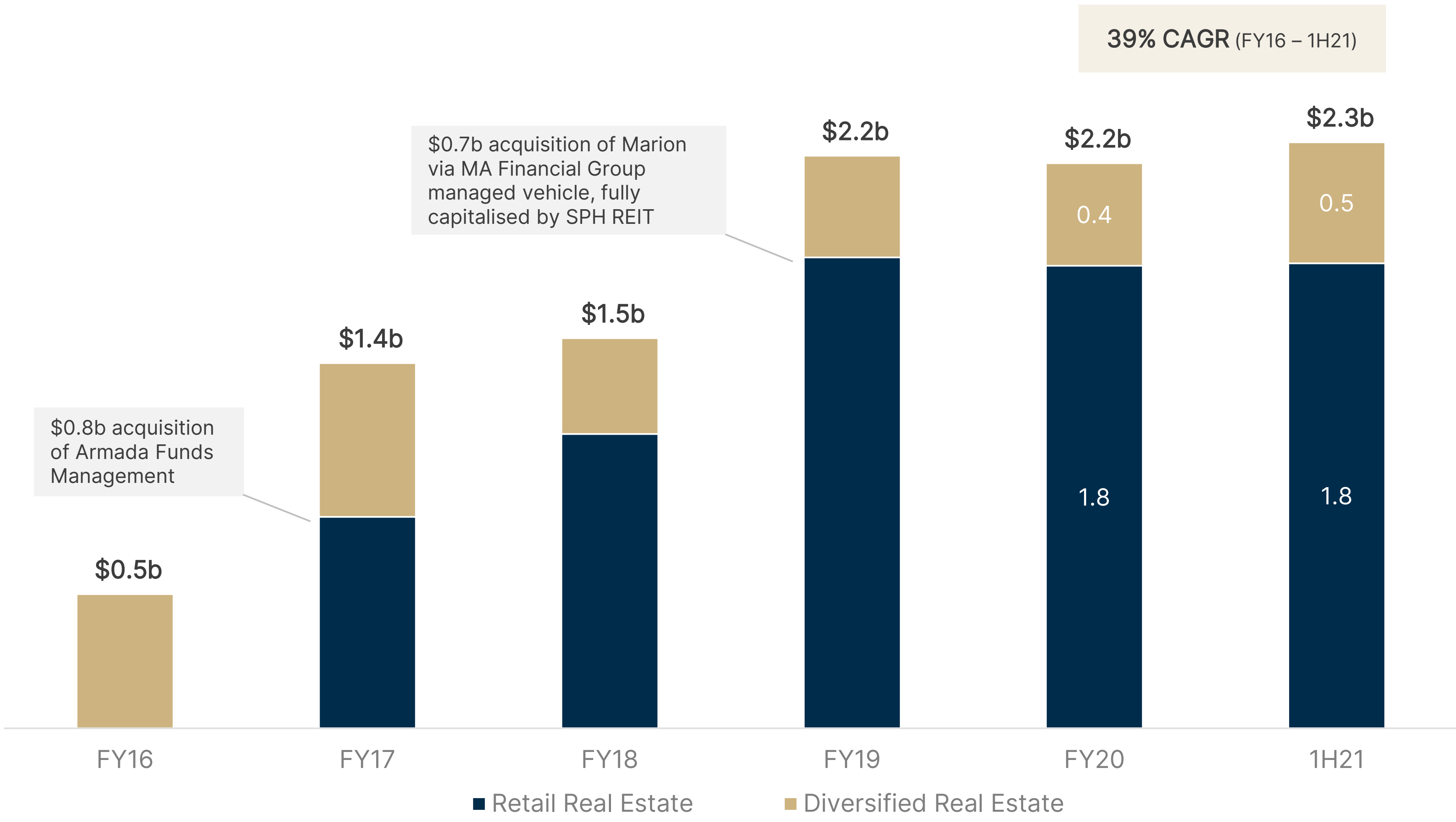
MA Taylor Square Fund and settlement of 4 RDC hotels acquired in 4Q20 added $165m of AUM during 1H21



Real Estate AUM Growth

Growth in Diversified Real Estate increases Real Estate AUM to $2.3 billion

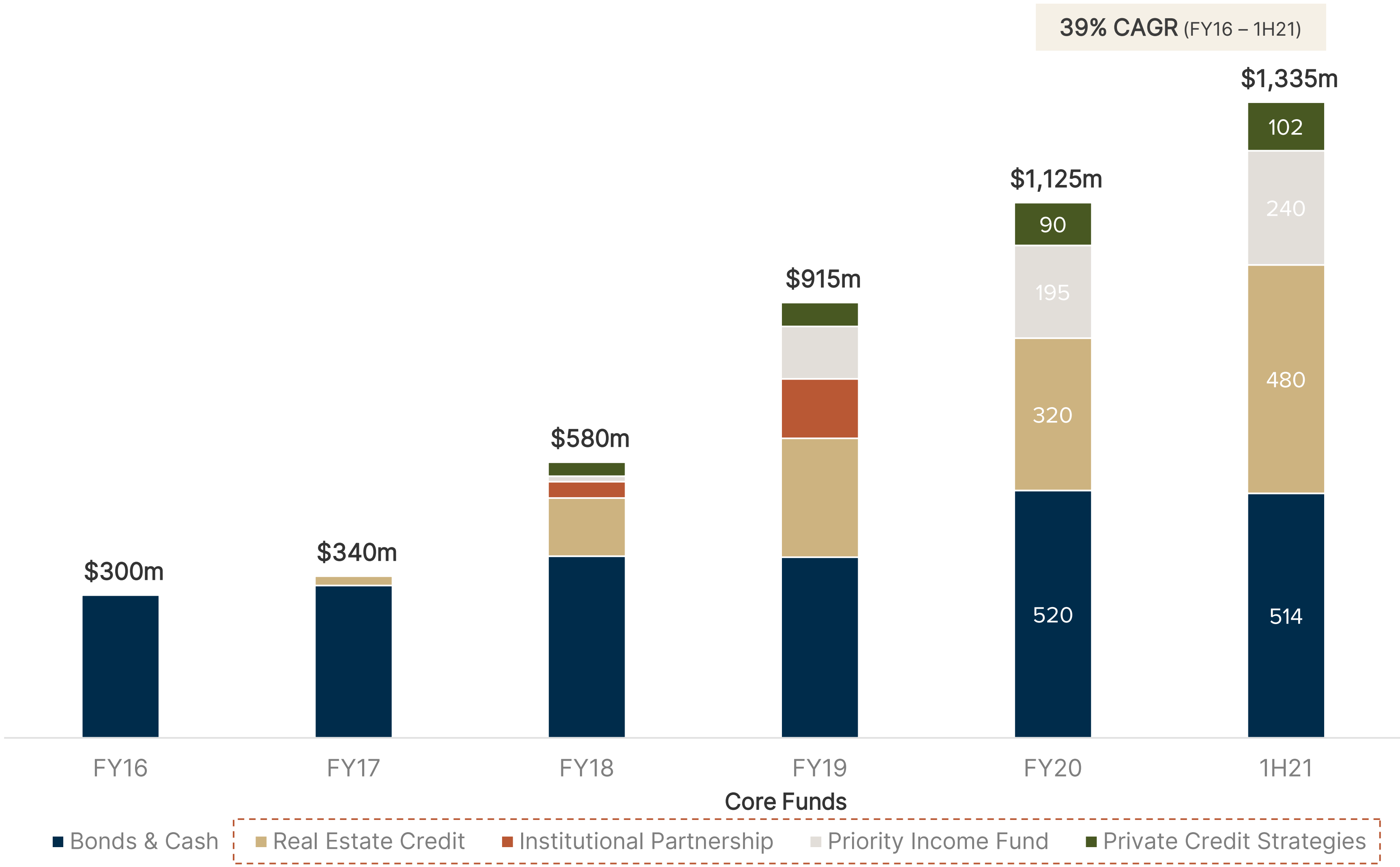
MA Diversified Property Fund grown AUM to over $50m since launch in April 21



Credit AUM Growth

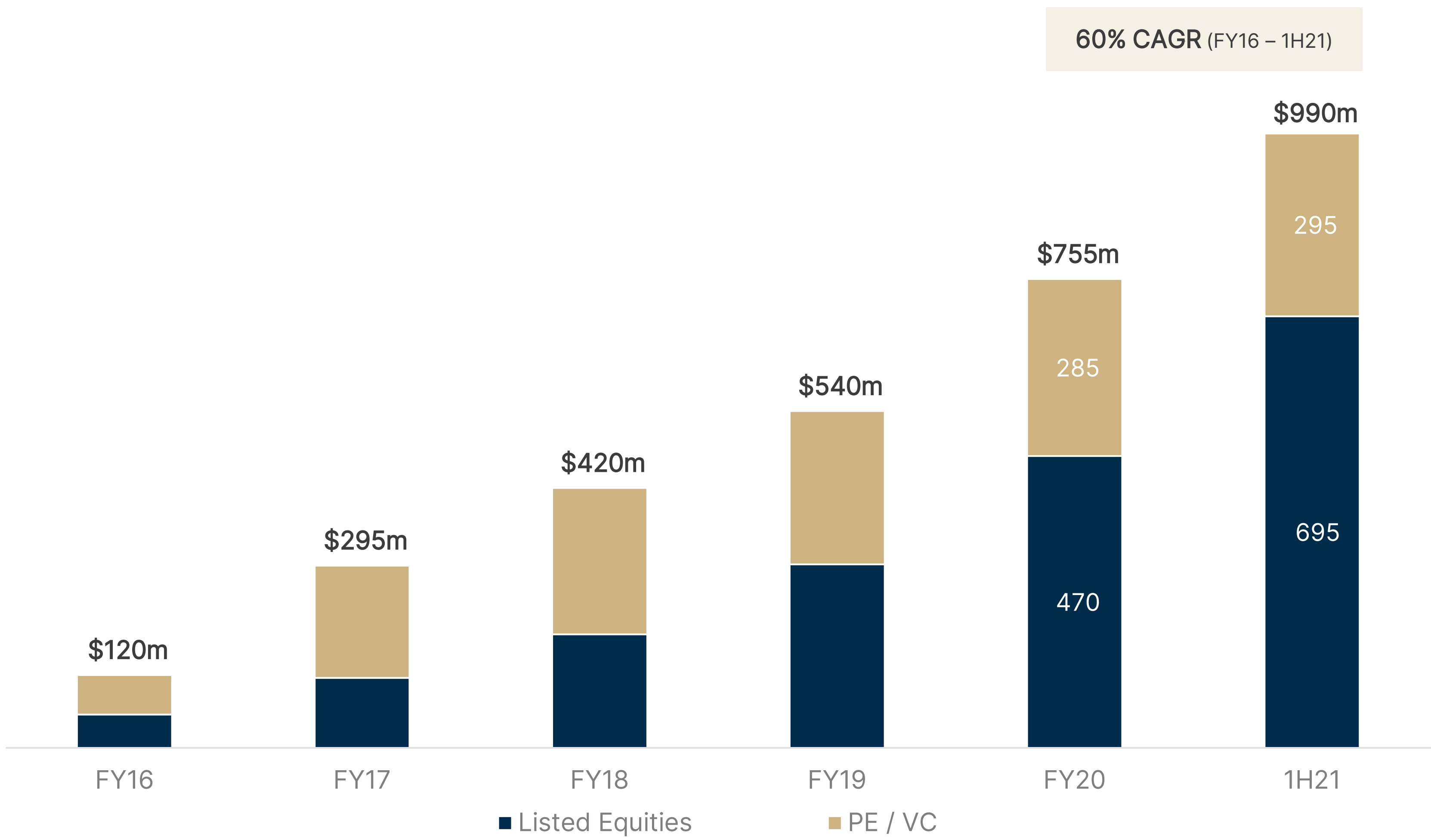
Credit AUM continues to grow strongly driven by growth in Real Estate Credit funds and Priority Income Funds

Significant Domestic and Foreign HNW client interest in Real Estate Credit funds



Listed Equities and PE/VC AUM Growth

Equities AUM up 47% on FY20 driven by strong client inflows and positive performance



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This presentation provides further detail in relation to key elements of MA Financial Group's financial performance and financial position.

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