MA Financial Group

Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

ASX ANNOUNCEMENT

5 May 2022

MA Financial Group 2022 Annual General Meeting

Please find attached the Chair and Joint Chief Executive Officer addresses to the 2022 Annual General Meeting held in Sydney today.

Within the Joint CEO's address a business update is provided which reiterates guidance for FY22 underlying earnings per share growth of between 10% and 20%. It also outlines that over the year to date:

- the Group has received approximately $340 million of net inflows into its Asset Management products.
- the Group's credit investment funds have received $230 million of these net flows, reflecting current investor preferences for defensive yield-based credit funds.
- as at 30 April, Assets under Management had grown to $7.2 billion, from $6.9 billion at 31 December 2021, with strong net inflows offsetting negative market impacts on equities funds.
- Corporate Advisory activity remains strong and the Group remains confident in achieving its productivity target of $1.1 million to $1.3 million revenue per executive.
- the Group has successfully integrated Finsure into its Lending business and executed on the acquisition of 100% of the MKM residential lending business.

Authorised for release by the Board of MA Financial Group Limited

For further information, please contact:

Investors:
Michael Leonard
+61 466 773 093
michael.leonard@mafinancial.com

Media:
Bryce Corbett
+61 410 711 999
bryce@domestiqueconsulting.com.au

Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

ASX ANNOUNCEMENT

5 May 2022

Chair Address to 2022 Annual General Meeting

Mr. Jeffrey Browne, Chair, MA Financial Group Limited

Good morning shareholders. My name is Jeffrey Browne and I am the Chair of your company.

I'd like to begin by acknowledging the land on which I stand today is land that was traditionally under the custodianship of the Gadigal people of the Eora nation. I pay my respects to elders past and present and bid warm welcome to any first Australians that are present today or have dialled into the webcast.

On behalf of my fellow Directors, I welcome you all to the 2022 Annual General Meeting of MA Financial Group. Our first meeting under our new company name which you voted to approve last year.

2021 was a year of significant achievement for MA Financial Group. We delivered record earnings growth and several important strategic milestones as our business continues to expand and evolve.

I spoke at last year's Annual General Meeting of the significant challenges the business faced from the COVID-19 pandemic in 2020 and how the Group successfully navigated these to lay the foundations for strong growth, and it is gratifying to see our growth continue in 2021.

I would sincerely like to thank all our staff for their hard work in delivering such a positive result in 2021, another challenging year for our entire community.

FY21 GROUP PERFORMANCE & DIVIDEND

In 2021, the Group delivered record underlying earnings per share of 38.2 cents. This was up 52% on the 2020 result as the business capitalised on improved market sentiment and increased business activity levels across all three of our operating divisions. Strong client flows into our

Asset Management funds, increased lending activity and record Corporate Advisory revenue underpinned the record result.

As a result of this strong growth, and our well capitalised balance sheet, the Board was able to declare a fully franked final dividend of 12 cents per share to add to our maiden interim dividend of 5 cents per share. The combined full year distribution of 17 cents per share was up 70% on 2020.

Chris Wyke will take you through the key group and divisional highlights shortly.

NAME TRANSITION

The company's transition from Moelis Australia to MA Financial in 2021 represented an important milestone, reflecting the growing diversification of the Group's business activities and our increasingly global footprint.

The new name and corporate identity has been a great success, underlining the company's independence and broadening awareness of the Group's diverse set of capabilities outside of our core Corporate Advisory expertise.

Importantly, the connection with our NYSE-listed strategic partner Moelis & Company remains strong. It retains a 13.5% ownership interest in MA Financial Group and two Board seats occupied by Ken Moelis and Kate Pilcher-Ciafone. Our Corporate Advisory and Equities business continues to trade under the MA Moelis Australia name.

INVESTMENT IN GROWTH

Our strong earnings growth has been the result of many years of ongoing investment in our platform. The Group continued this investment over the past year as we added capability both organically and through acquisition.

We added to our real estate capabilities with the acquisition of RetPro, a leading operator and manager of retail shopping centres.

We broadened our corporate advisory offering with selective Managing Director hires during the year and further strategic senior hires have been made this year.

Perhaps most significantly, we added strategically important distribution infrastructure to our Lending business, announcing in December that we would acquire mortgage aggregation business Finsure. The acquisition was completed in February this year, accelerating MA Financial's strategy to develop a scalable, technology based lending platform in Australia's $2 trillion residential mortgage market.

Our Lending business reported as a standalone division for the first time in 2021 as its activities continue to grow and diversify. Its portfolio of loans increased by 44 percent over the year to $455 million and looking ahead, the opportunity for growth remains significant.

INVESTMENT IN PEOPLE

Another core principle of our strategy is our focus on empowering people. Our business is a diversified financial services group which sees us operating and growing multiple business units in parallel. Our senior leadership team benefits from significant depth of experience and tenure working together.

Led by Joint CEO's Julian Biggins and Christopher Wyke, our senior corporate leadership team spans 42 Managing Directors with significant experience and tenure at MA Financial Group. Importantly this team is highly motivated, with staff owning roughly 30% of our Company and holding great pride in our history and service to clients. They are highly focused, balancing risk management with excellent shareholder returns.

The output of this focus has seen us achieve total shareholder returns of approximately 26% per annum since listing in 2017[1]. Many years of empowerment and training coupled with our history of high retention of key staff means that we enjoy long term stability and focus.

We recently moved into our new office premises in Sydney and Melbourne which provide absolute best in class amenity for our staff and clients, creating a positive working environment for increased collaboration and engagement. We talk about the importance of our people and this is an important investment in retaining and encouraging the best people to join MA Financial.

With a continued focus on retention and incentive, the Board invested significant energy during the year in the development and implementation of an enhanced long-term incentive programme that fits within our philosophy of creating long term alignment between executives and shareholders.

Having the appropriate incentives to drive performance is key to the ongoing success of the business and we believe we have struck an appropriate balance. Our full approach is outlined in the 2021 remuneration report in the Annual Report.

BOARD INDEPENDENCE AND DIVERSITY

Reflective of the ongoing growth of MA Financial, and our aim of increasing Board independence, we welcomed Simon Kelly to the Board of Directors around the time of last year's AGM. He joined the Board as an Independent Non-Executive Director and Chair of the Audit and Risk Committee.

---

[1] Total shareholder return based on closing share price on 3 May 2022 of $6.79.

Following Simon's appointment, both Board Subcommittees are chaired by Independent Directors, with Alexandra Goodfellow appointed as an Independent Non-Executive Director and Chair of the Nomination and Remuneration Committee in August 2020. Alex was instrumental in leading the Board in the development of our enhanced remuneration incentive scheme in 2021.

Whilst I am very happy with the functioning and effectiveness of the current Board structure, we remain focused on increasing its independence and diversity. Approval of Resolution 9 today will give us flexibility in this regard, amending the Company constitution to remove the existing cap that limits the Board to a maximum of 8 Directors.

We have also set out gender targets for our broader workforce and senior executive in our inaugural Sustainability Report within the 2021 Annual Report. The inclusion of this report recognises the increasing importance of sound Environmental, Social and Governance (ESG) practices in generating better outcomes for all our stakeholders. MA Financial's ESG practices continue to evolve as the Group increases in scale and broadens its business interests. The report highlights sustainability procedures and practices within the business and outlines important focus points for future development as we continue to grow.

CONCLUSION

I would like to thank our Board, senior executives and staff for their continued hard work, dedication and skill through a period of significant business growth and evolution. Preserving our strong workplace culture based on sound values, innovation, cohesion and accountability remain key to our continued success.

Macroeconomic conditions are changing and global financial markets are becoming more volatile. Our business is diversified and in a strong financial and operational position to continue to prosper in this environment.

On behalf of the Board, I would like to thank all our shareholders for your ongoing support of our Company.

Level 27, Brookfield Place
10 Carrington Street
Sydney NSW 2000

ASX ANNOUNCEMENT

5 May 2022

Joint CEO's Address to 2022 Annual General Meeting

Mr. Chris Wyke, Joint-CEO, MA Financial Group Limited

Dear Shareholders,

We would like to welcome fellow owners to our Annual General Meeting and thank you for your attendance today.

My name is Chris Wyke, and with Julian Biggins, I am one of the Joint Chief Executive Officers of MA Financial Group.

Our Chair, Jeffrey Browne, has already run through some of the Group's FY21 financial highlights and made comment on the overall business. Our journey as a diversified financial services company continued during 2021, experiencing strong growth across all our business units despite the global pandemic related disruptions.

Our consistent strategy of developing deep financial and operational expertise in scalable profitable businesses continued to be successful in FY21 leading to a record result, notably:

- Underlying[1] EBITDA was up 46% to $88.5 million
- Underlying EPS was up 52% to 38.2 cents per share
- Return on equity generated for the year of 21%
- Asset Management underlying revenue increased by 57% to $143.4 million
- Assets Under Management ("AUM") up $1.1 billion to $6.9 billion, an increase of 28%
- Corporate Advisory & Equities underlying revenue increased 29% to $68.6 million

[1] Please refer to MA Financial Limited's 2021 Annual Report for a description of the Underlying financial measures

- The Lending division grew its loan portfolio 44% to $455 million and delivered $10.3 million in Underlying EBITDA
- A total of 17.0 cents in fully franked dividends were declared for the FY21 year, comprising a maiden interim dividend of 5.0 cents per share and a final dividend of 12.0 cents per share - overall a 70% increase on FY20
- A robust balance sheet was maintained with cash holdings averaging approximately $100 million over the year.

The investment in our platform and operational capability continued throughout 2021. We completed the acquisition of property manager Retpro in April and announced the acquisition of mortgage aggregator Finsure in December, concurrent with an equity capital raising which was significantly oversubscribed. These and other investments enhance the existing foundations for future growth.

The alignment between our shareholders and employees continues given the substantial investment that employees have in MA Financial shares and the funds it manages.

We continue to create broad equity ownership amongst our people and the evolution of the remuneration plan in 2021 was an important strategic step in furthering this. Our culture is critical to our success and embedding a founder and owner culture is part of what delivers success to our investors.

Since listing in 2017, we have generated over 25% per annum compound Underlying EPS growth, translating into strong shareholder returns.

ASSET MANAGEMENT

Over FY21 we grew AUM by $1.5 billion to $6.9 billion, driven by strong net fund inflows that were up roughly two and a half times on the previous year. This growth was underpinned by a very significant increase in inflows from domestic clients, up almost 9 times on 2020 as we deliver on our strategy of diversifying our distribution channels.

Throughout FY21, the ongoing impact of the global pandemic needed to be carefully managed and despite these related disruptions, the scaling of our investment strategies continued. Our investment strategies continued to benefit from access to broader and deeper distribution relationships and strong asset performance with assets under management increasing 28% over the financial year to reach $6.9 billion.

An important point to emphasise is that while we highlight our AUM to shareholders, we are more focused on delivering attractive returns and managing risk to our clients. We also carefully consider the profitability of our asset management initiatives and recognise that fee cards and terms vary materially between investor types and asset classes.

Notably, during FY21 our hospitality fund, Redcape Hotel Group was delisted from the ASX and now operates as an open-ended unlisted retail fund. Pleasingly, since acquiring Redcape Hotel Group in 2017, investors in the fund have achieved a total return in excess of 16% per annum despite the material operational challenges of the global pandemic over the last couple of years.

The strategy that we initiated approximately 5 years ago to diversify our distribution and refine our product offering continued to gain momentum in FY21.

Diversification of our investor base was driven by dedicated teams focusing on the institutional, foreign and domestic High Net Wealth ("HNW") and retail investor clients. Notably, domestic distribution raised $450 million during FY21, a nearly nine-fold increase on FY20.

We also continue to diversify the geography of our client base and now manage investor capital from over 28 countries around the globe. A pleasing part of our foreign distribution channel is that non-SIV investors grew by nearly 40% over the year, outpacing the SIV growth for the first time, and that momentum continues to build.

As further evidence of our diversification strategy working, in FY19 our net inflows were split approximately 80% foreign and 20% domestic and today the split is approximately 50% foreign, 50% domestic. This should all be considered in the context of Group net inflows increasing almost four times over the last two years to December 2021.

Diversification of our product offering was enhanced during 2021.

In April 2021 we secured our retail product licence and launched our first two retail credit investment fund offerings, the MA Priority Income Fund and the MA Secured Real Estate Income Fund. These products have received positive ratings from key research houses and are gaining significant traction with independent financial advisers.

Over FY21 AUM in the Priority Income Fund and our Real Estate Credit funds increased from $515 million to $1.0 billion and we continue to experience significant demand for these strategies.

In November 2021 we soft launched a US Dollar series of our MA Priority Income Fund with the aim of offering our foreign investors a credit backed US Dollar product based on the same construct as the Australia Dollar MA Priority Income Fund. This is an important entry for the business into the US Credit market, arguably the largest credit market globally.

Our Asset Management business is well positioned to perform through a period of higher inflation and rising interest rates. We have a diversified product offering which we believe offers options in different markets. For example, in the current negative real interest rate environment we have experienced increased inflows into our higher yielding credit investing products as investors have become more concerned with volatile equity markets. This is what the product was designed for.

Our hospitality assets have continued to perform very strongly as trading conditions return closer to normal and our ability to achieve higher prices for our products should provide some inflation hedge. In real estate, our largest exposure is to retail shopping centres where we have significant yield premiums compared to long-term averages. We believe our assets are generally well placed in the current market conditions although clearly our equities strategy is facing into a volatile equity market.

LENDING

The focus in FY21 was continuing to build a scalable platform to position MA Financial to capitalise on positive tailwinds in the growth of non-bank lending and target either large addressable markets, such as residential mortgages, or more profitable specialty finance markets, such as legal disbursement funding.

Throughout FY21 our loan portfolio increased 44% to $455m and invested capital increased to $92 million. While our revenue increased 30% in FY21, Net Interest Margin (NIM) generated was 5.3% compared to 8.8% in FY20. This decrease in NIM reflects the strategy we have previously foreshadowed of more rapid growth in our residential mortgage lending activities, which is lower NIM but highly scalable, compared to the relative growth we can achieve in speciality finance, which is higher NIM but typically not as scalable. The significant investments we made in operational capabilities did lower our ROIC which was 12.2% for the year, below our target level of 15%.

In December 2021, we announced the acquisition of Finsure for $145 million. This strategic acquisition further enhances the deep operational expertise that we seek to build in our lending division. Finsure is a leading Australian mortgage aggregation business focused on Australia's $2 trillion residential mortgage market, the loan book on platform closed FY21 at $60 billion. Finsure adds powerful technology-enabled distribution infrastructure for loan products at scale to our Lending business. Finsure generates ongoing platform fees, activity fees and other revenue such as white label commission.

CORPORATE ADVISORY & EQUITIES ("CA&E")

Our Corporate Advisory & Equities division, or CA&E, experienced its strongest year on record generating $68.6 million in revenue. The record performance was driven by merger and acquisition activity which benefitted from a number of transactions closing early in the year, delivering our highest first half on record, and continued activity in the second half, posting our second highest second half on record. A number of these mandates were global and showcased the strength of MA Financial and Moelis & Company working together.

During the year we continued to invest in our people, we averaged 51 executives for FY21 compared to 45 in FY20 and the current number of executives stands at 58.

In FY21, CA&E revenue per executive was $1.2 million, which is in the middle of our target range of $1.1 million – $1.3 million per executive.

CAPITAL MANAGEMENT

Our consistent strategy to maintain a prudent and dynamic operating balance sheet continued with our cash balance averaging approximately $100 million over FY21. During the year, we recycled $80 million of prior investments back into the cash and reinvested $60 million to support new growth initiatives, demonstrating how our balance sheet strength is utlilised to help drive growth.

In December 2021 we undertook a $100 million institutional placement to fund the $145 million acquisition of Finsure, which was significantly oversubscribed. In conjunction with the institutional placement, we raised a further $20 million via a share purchase plan made available to existing retail investors which was also oversubscribed. As Finsure settled in February 2022, the amount of cash on our balance sheet at December 2021, being $241 million, included approximately $100 million reserved for this acquisition.

Our core borrowings remained unchanged during the year. Given the profitability of the business and asset backing, we view our current level of borrowings as conservative. Our balance sheet is positioned for continued growth.

FY22 OUTLOOK AND GUIDANCE

Despite the volatile markets and uncertain macro environment, the year has started well and we reiterate our guidance for FY22 underlying earnings per share growth of between 10% and 20%. This is subject to market conditions and our other previously disclosed assumptions.[2]

Over the current year to date:

- We have received approximately $340 million of net inflows into our Asset Management products.
- Strong inflows from domestic and non-SIV foreign clients have offset a slowdown from SIV investors caused by disruption to the SIV application process due to lockdowns in Hong Kong and China. We see this as a temporary impact and the pipeline of foreign SIV clients remains strong.

---

[2] Underlying earnings guidance is subject to market conditions, no further significant COVID-19 related disruptions, Corporate Advisory transaction completion rates and timing of completions, and no material regulatory change.

- Flows into our credit strategies have continued to build reflecting the current equity market volatility and an investor preference for defensive yield-based credit funds. Noting that the vast majority of our credit funds hold floating rate loan assets, they are well positioned to remain attractive to investors in a period of rising interest rates. Our credit funds have received $230 million of our total net inflows in 2022 to date.
- As at 30 April, Assets under Management had grown to $7.2 billion, from $6.9 billion at 31 December 2021, with strong net inflows offsetting negative market impacts on Equities funds.
- Corporate advisory activity remains strong, largely focused on M&A activity, and we remain confident in achieving our revenue per executive target of between $1.1 million to $1.3 million.
- We have successfully integrated Finsure into our Lending business and have executed on the acquisition of 100% of the MKM residential lending business.

Our people remain our most important asset. While continuing our long-held focus on staff development and retention we now employ approximately 535 people. The development of the MA Academy aimed at providing leading training for our people continues its evolution.

SUMMARY

It has been a challenging few years managing the disruption of the global pandemic on the operations of our business and those of our assets under management. The record result for the FY21 year is a testament to the hard work of all our people executing a well-considered and consistent strategy in difficult conditions.

As confirmed today, we remain confident about the positioning of the business and significant growth opportunities across all our divisions. We will continue to execute a consistent strategy of building profitable businesses in large scalable markets where we have operating expertise and edge. We will continue to make investment decisions that underpin future sustainable growth and generate the best risk adjusted returns for our fund investors and our shareholders.

We thank our clients and shareholders for the ongoing support and the confidence shown in our Board and management. As always, we would like to thank our people and their families for their ongoing commitment in what has been a record-breaking year.