Steadfast
THE STRENGTH YOU NEED

Steadfast Group
Annual Report

2023

Purpose:
Create business solutions designed to help our Steadfast businesses and Network achieve better outcomes for their clients and the communities we serve.

Vision:
Continually growing shareholder value through our leading general insurance distribution model and related businesses domestically and internationally.

Mission:
Continue to deliver value to our broker Network and stakeholders by being a market leader and an innovator in insurance and risk management.

Values:
Our corporate values resonate across all facets of our business.

TOGETHER

Team
Ownership
Goals
Entrepreneurial
Trust
Humility
Ethical
Relationships

None of us is as good as all of us

Contents

Annual General Meeting

The Steadfast Group FY23 Annual General Meeting will be held on Friday, 27 October 2023. Steadfast will provide further details with the Notice of the 2023 Annual General Meeting to be released in September 2023.

Message from the Chair

On behalf of my fellow Board Directors, I am again pleased to report outstanding earnings by Steadfast Group, with our FY23 underlying net profit after tax (NPAT) at the top end of our upgraded guidance range advised in February 2023.

In summary, in the year ended 30 June 2023 the Group produced a 26.5% increase in underlying earnings before interest, tax and amortisation (EBITA) to $430.7 million and a 22.5% increase in underlying NPAT to $207.0 million. Pleasingly, we reported an increase of 14.6% in underlying earnings per share to 20.15 cents.

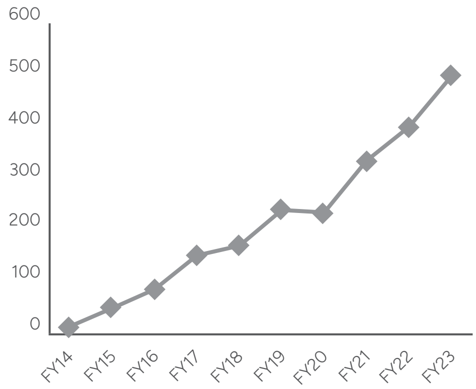
Statutory NPAT, after non-trading losses mainly due to actual earnout payments for businesses acquired being more than expected, was $189.2 million compared with $171.6 million for FY22.

Dividend

The Board has declared a fully-franked final dividend of 9.0 cents per share (cps), up 15.4% from last year. This takes the total dividend to 15.0 cps (fully-franked), up 15.4% on FY22.

The Group's strong performance has continued since listing in 2013. Our total shareholder return (TSR) was 22.5% for FY23 and since listing was 497.7%.

Accumulated total shareholder return (%)



Capital management

We remain prudent with our capital management as we assess potential acquisition opportunities against our disciplined criteria. This year we made a number of earnings accretive investments for a total outlay of $574.2 million, with the largest acquisition being Insurance Brands Australia.

The current active acquisition pipeline is around $444.5 million. We anticipate completing $280 million of this pipeline in FY24 funded by debt and free cash flow.

The Group's strong performance has continued since listing in 2013.

At 30 June 2023, our Group gearing ratio was 19.0% (excluding premium funding) which is well within the Board-mandated Group maximum of 30%. We consider a low level of gearing is prudent given rising interest rates, inflation and current uncertainties around the world. At the time of print, Steadfast has unutilised facilities of $378.5 million (plus free cash flow) for future expansion.

Governance

Steadfast Group continues to adhere to the corporate governance principles as set out by the ASX Corporate Governance Council. Our governance framework and robust risk management strategies are set out in more detail and is available on our investor website. I note another year in which there were no material departures from these principles.

Steadfast recognises that climate change continues to be a global risk and that action is required to reduce emissions over time as adequate solutions are introduced. In recognition of the issues arising from climate change, in December 2022 Steadfast published the first phase of its carbon neutral transition plan. We set out our progress in more detail on page 28 of this report.

Executive remuneration

The Board regularly reviews the remuneration of the senior executives. Our remuneration policy takes into account individual performance, market conditions, retention of our quality team and encouragement to continue to outperform without increasing the risk profile of the Group. Our short-term and long-term incentives are aligned to the growth in shareholder value. Independent advice is obtained on a regular basis.

Thank you

On behalf of the Board, I would like to thank our Managing Director & CEO, Robert Kelly AM, and all of the Steadfast team for their significant contribution to delivering consistent outstanding results for our shareholders and high quality support to our Network brokers and other stakeholders.

Further, our continuing strong performance would not have been possible without the outstanding contribution from Steadfast Network brokers, Steadfast Underwriting Agencies, our complementary businesses, our ever-expanding network and the loyalty of our clients.

During the year, Anne O'Driscoll retired as a director after 10 years at Steadfast. Anne assisted with Steadfast's transition from a broker network to listing on the ASX in August 2013. Anne was appointed as a director and Chair of the Audit & Risk Committee of Steadfast Group on 1 July 2013. On behalf of my fellow Board Directors, I would like to thank Anne for her outstanding contribution to the considerable growth in shareholder value since listing.

I would also like to extend my gratitude to my fellow Board Directors who continue to be focused on driving increased shareholder value, supporting the Steadfast team and improving our already strong governance.

Finally, the Board appreciates the enormous support it receives from its shareholders, particularly in providing additional capital to grow the revenue and profits. The Group's outlook for FY24 is for further growth in profit and earnings per share.

Frank O'Halloran AM
Chair

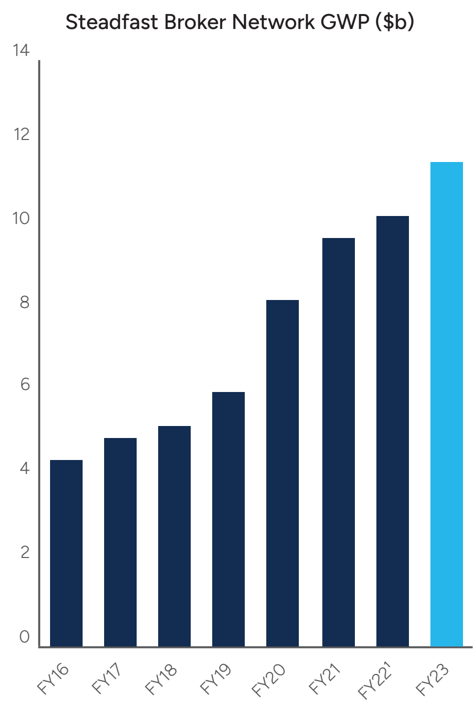
Message from the Managing Director & CEO

Once again, I am pleased to report that FY23, Steadfast's 10th year on the ASX, continues our year-on-year record growth since its listing in August 2013. This year underlying revenue increased by 24.1% to $1,409.5 million, underlying EBITA increased by 26.5% to $430.7 million and underlying NPAT increased by 22.5% to $207.0 million.

These results are the consequence of our enduring business model, the skills and stability of our executive team, our prudent approach to acquisitions and the strong performance of our equity owned businesses. Our equity broking businesses again benefited from acquisitions and the continuation of the hard premium cycle, and our underwriting agency businesses again experienced strong organic growth over the year.

Steadfast Broking

In FY23 Steadfast Network broking gross written premium (GWP) grew by 12.8% to $11.6 billion. This growth was again driven by increased volumes over the year and further premium rate increases by our strategic partners.



[1] *Restated for comparison purposes, with GWP from PSC excluded from 1 July 2021*

> We have continued to deliver on our active acquisition pipeline, seeking to increase our equity positions in Network brokers.

Organic growth in revenues from our equity brokers more than mitigated the expected expense increase previously flagged for FY23. Organic growth and strong acquisition growth resulted in excellent underlying EBITA growth from our equity brokers of 27.7%.

We now have 426 brokerages in the Steadfast Network, with 337 in Australia, 63 in New Zealand and 26 in Singapore. Steadfast Group has equity holdings in 68 of the 426 brokerages in the Steadfast Network. Steadfast's equity brokers contribute approximately 50% of total sales. Further, the global network of our 60% owned UnisonSteadfast encompasses another 271 brokerages across 115 countries.

Steadfast Underwriting Agencies

Steadfast Underwriting Agencies continued to produce a strong result with sustained organic growth, generating $2.1 billion of GWP, a 16.7% uplift over FY22.

The GWP growth, combined with further premium price increases by insurers, led to underlying EBITA growth of 15.7%.

We currently have 29 specialist agencies offering over 100 niche products to the entire market.

Steadfast Technologies

Pleasingly, $1.2 billion of GWP was transacted on our market-leading Steadfast Client Trading Platform (SCTP) in FY23. Brokers continue to be attracted to the efficiency, the ease of obtaining the best terms and tailored policy wording (which are continually reviewed based on feedback from our claims triage team) and the wide market access to insurers that the platform delivers, together with our product range which is market leading.

Steadfast continues to roll out more product and insurer offerings on the SCTP, and the integration capacity to onboard insurers more efficiently. During the year, additional insurers were added for private motor, home, landlords, residential strata and fleet.

SCTP enhancement is an important part of Steadfast's strategy. The focus remains on continued development and more product lines, new insurers and the expansion of auto-rating policy classes. The next commercial product line under development is Farm, expected to be live in CY24.

Currently 205 brokers use our INSIGHT platform, with over 6,000 users. The Steadfast team continues to support the migration of brokers to INSIGHT with an additional 16 brokers already committed to migrate and ongoing discussions with another 28 brokers.

Acquisitions

In FY23, Steadfast made a number of earnings accretive investments for a total outlay of $574.2 million, including the major acquisition of Insurance Brands Australia.

We have continued to deliver on our active acquisition pipeline, where the Group is seeking to increase its equity positions in Network brokers.

International expansion strategy

We are excited about the potential for international expansion of the Steadfast Network systems, and the opportunities it provides to partner with distribution. We will provide more detail on this expansion at the Steadfast 2023 Annual General Meeting.

$11.6b

Steadfast Network GWP

$207.0m

Underlying NPAT

Message from the Managing Director & CEO continued

The outlook for FY24 is for continued strong growth and profitability on the back of our FY23 acquisitions, further Trapped Capital acquisitions and organic growth.

Executive team changes

I welcome Nigel Fitzgerald, who joined Steadfast as Chief Operating Officer in April 2023. Nigel brings an extensive and diverse range of skills that complement Steadfast's revenue streams. We are delighted to have such a high calibre executive further strengthen Steadfast's executive team.

Nigel was appointed to the position of COO, with Samantha Hollman commencing a new role as Chief Executive Officer of Steadfast International effective 1 March 2023. I would like to congratulate Samantha on her new role.

Succession

The test of any successful business is its ability to refresh its views on the Executives who control the business and provide exact pathways for promotion, retirement and expansion. Successfully, over the past two years, a complete review of existing and new positions has reset the team for the foreseeable future and beyond.

Outlook

Steadfast Group provides FY24 guidance of:

- underlying EBITA of between $500 million and $510 million.
- underlying NPAT of between $230 million and $240 million.
- underlying NPATA of between $277 million and $287 million.
- underlying diluted EPS (NPAT) growth of 10% to 15%.

Key assumptions underpinning this guidance have been detailed within the Directors' Report on page 52 of this report.

Thank you

Again, a special thank you to our employees, Board directors, Network brokers, Underwriting Agencies, our complementary businesses, clients and strategic partners for contributing to our continued record performance.

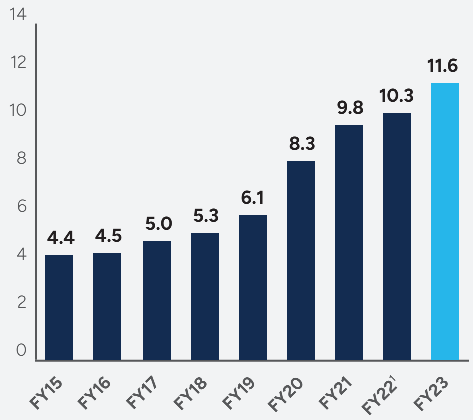
Lastly thank you to all our shareholders for their ongoing support.

I am very proud of my highly experienced and hard-working executive team. We look forward to continuing to work with all our stakeholders to continue our strong track record.

Robert Kelly AM
Managing Director & CEO

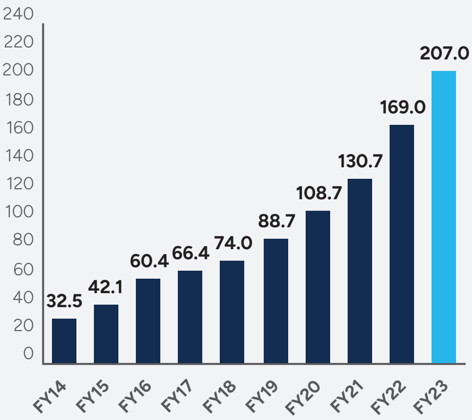
Continued strong track record since listing on ASX

Steadfast Network GWP ($b)

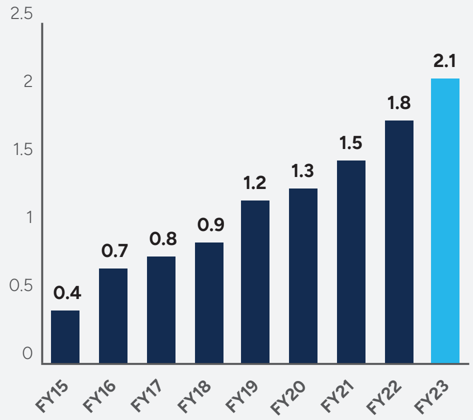


[1] *Restated for comparison purposes, with GWP from PSC excluded from 1 July 2021*

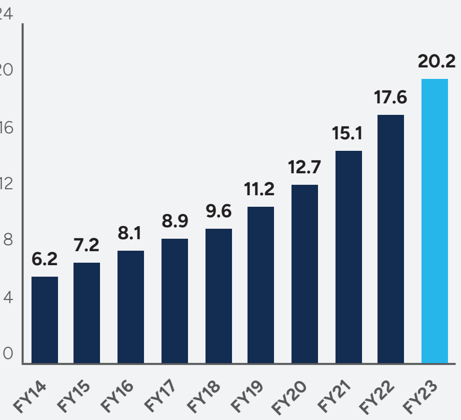
Underlying NPAT ($m)



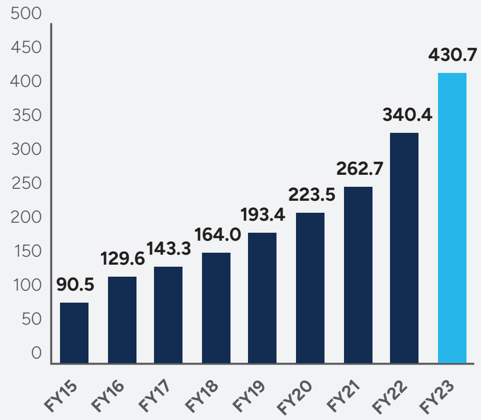
Steadfast Underwriting Agencies GWP ($b)



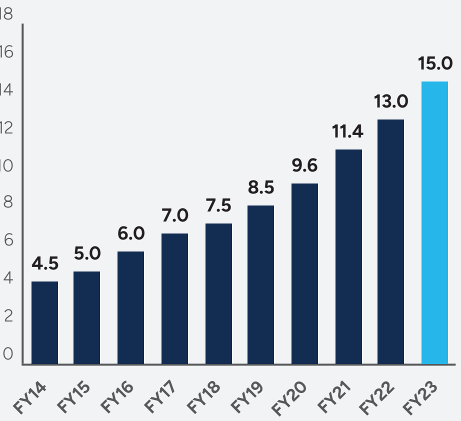
Underlying EPS (NPAT) (cents per share)



Underlying EBITA ($m)



Dividend Per Share (cents per share)



426

Steadfast Network brokers

$1.2b

Steadfast Client Trading Platform GWP

Message from the Chief Financial Officer

Steadfast Group delivered its tenth consecutive record underlying result in FY23. The Group produced excellent underlying earnings growth and continued to maintain its strong working capital position and conservative gearing.

Reconciliation of earnings

Page 9 shows the reconciliation of earnings between the statutory profit and the underlying earnings.

Earnings per share and dividend growth

Strong underlying EBITA growth from organic growth (+13.6%), and acquisitions (+12.9%), drove underlying diluted EPS (NPAT) to 20.15 cents per share (+14.6%). This allowed the Board to declare total dividends of 15.0 cents per share (+15.4%). The total FY23 dividend represents a payout ratio of 75%, in line with our target range of 65% - 85% of underlying NPAT.

Organic growth

Once again, Steadfast's organic growth was driven by continued price increases by our strategic partners and market share gains from our underwriting agencies, and solid volume increases from our Network brokers.

Acquisition growth

Acquisitions costing $574.2 million during the year were financed from a combination of capital raised of $310.1 million, utilisation of our debt facilities and the balance from cash generated. The growth in EBITA for the year was assisted by acquisitions made during the year and the previous year.

Balance sheet

Earnings were again translated into cash flow throughout the year, with all Steadfast's underlying NPATA converting into cash, as a result of being in businesses with both low working capital and capital expenditure needs.

This cash has been utilised to fund further acquisitions and pay increased dividends to shareholders.

Steadfast Group's balance sheet remains well positioned. At 30 June 2023, our corporate gearing ratio was 19.0%. As of 16 August 2023, the Group had $378.5 million of unutilised capacity available. There is significant headroom in the corporate debt covenants. Total equity increased during FY23 by 23.8% to $2,244.9 million.

The corporate debt facilities were uplifted to $860.0 million in August 2023 and maturity dates extended. This facility will allow us to fund further acquisitions in our Trapped Capital pipeline and other opportunities being considered.

Thank you

Thank you to all the finance teams throughout the Group who have participated in the production of all our financial reporting needs. I appreciate the enormous amount of time and effort that goes into the collation and analysis of the financial data for the Group and to provide stakeholders with quality and reliable performance metrics and the financial statements.

Stephen Humphrys
Chief Financial Officer

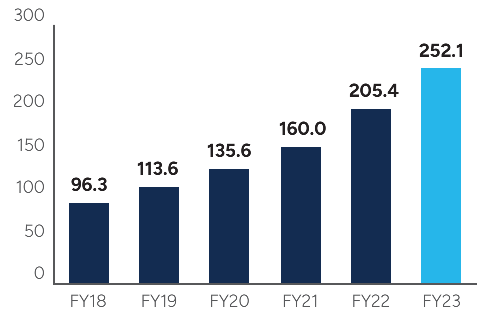
	2023 $'m	2022 $'m
Reconciliation of earnings:		
Statutory NPAT	**189.2**	**171.6**
Deferred consideration expense (where actual earnout was more than expected)	**17.8**	**18.0**
Deferred consideration income (where actual earnout was less than expected, excluding IBA)	**(1.4)**	**(5.5)**
Net adjustment relating to IBA acquisition (refer note 7F)	**(0.5)**	**-**
Impairment of non-IBA investments	**1.9**	**3.5**
Mark-to-market (losses)/gains from revaluation of listed investments	**1.7**	**(1.6)**
Net gain from change in value or sale of businesses and other movements	**(1.7)**	**(17.0)**
Underlying NPAT[1]	**207.0**	**169.0**
Underlying NPAT growth	**22.5%**	**29.3%**
Amortisation	**45.1**	**36.4**
Underlying NPATA	**252.1**	**205.4**
Underlying NPATA growth	**22.7%**	**28.3%**
Underlying Revenue	**1,409.5**	**1,135.9**
Underlying EBITA	**430.7**	**340.4**
Underlying NPAT	**207.0**	**169.0**
Underlying NPATA	**252.1**	**205.4**
Underlying EPS (NPAT) (cps)	**20.15**	**17.58**
Underlying EPS (NPATA) (cps)	**24.55**	**21.37**

[1] *For further information refer to Note 4 to the accounts.*

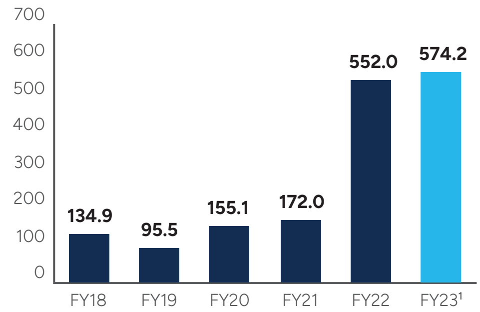
22.7%
Underlying NPATA growth

19.0%
Gearing

Underlying NPATA ($m)

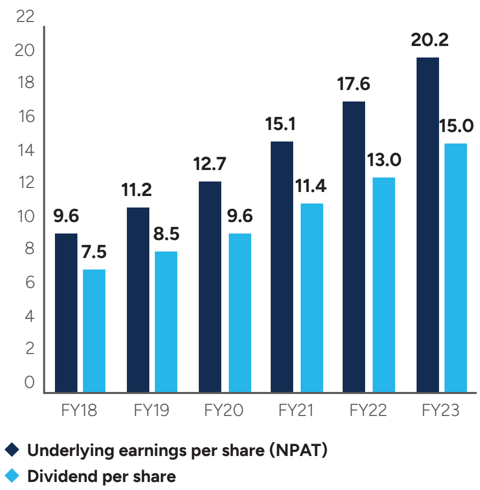


Net acquisition spend ($m)



[1] *$574.2m is the actual outlay of cash and/or shares to buy economic interests in businesses.*

Underlying earnings per share (NPAT) and dividend (cents per share)



How we create value

We aim to increase long-term value for all of our stakeholders. Careful analysis of the risks associated with our operating environment, our business activities and business value drivers and resulting value creation enables us to meet our strategic objectives.

Our Operating Environment

The risks inherent in our operating environment can also provide opportunities to create value. Our experienced team understands these factors and how they affect our business ensuring we are best placed to manage risks whilst capitalising on opportunities to deliver increased long-term value to our stakeholders.

Market disruption:

Changing technology & increasing data collection.

Sector consolidation:

SME brokers increasingly need support of an aligned network & equity investment.

Regulatory change and increasing stakeholder scrutiny

Greater transparency, climate change impact & workforce diversity.

Capacity risk:

Strategic partners seeking enhanced returns by increasing premium and more selective risk appetite, in response to increased frequency and cost of claims.

Highly competitive landscape for talent:

Attracting and retaining customer centric talent whilst offering increasingly flexible work arrangements.

Increasing cybersecurity risk

Increased costs to protect our information.

Our Business Activities

Steadfast is the largest general insurance broker network and largest group of underwriting agencies in Australasia. We have three business units focused on the intermediated general insurance market, being Steadfast Network brokers (in which we have an equity interest in 68 brokers), Steadfast Underwriting Agencies and the complementary businesses division.

Policies & customers:

Protecting businesses & consumers as a key component of risk mitigation against perils and disasters.

Broker services:

Providing our Network brokers with market-leading policy wordings for customers, global leading technology that continues to be refined and rolled out, providing efficient processes to administer risk management data transfer, training and service offering.

426 network insurance brokerages:

Advising clients on risk management solutions, especially SME solutions and personal lines.

29 specialty underwriting agencies:

Providing niche insurance products to the market.

9 complementary businesses:

Leading technology, premium funding solutions, other specialty advisory lines supporting the broker network and underwriting agencies.

Our Business Value Drivers

We use a range of resources and relationships to create sustainable value.

People:
Highly competent team, experienced in managing risks and converting opportunities, together with ethical behaviours to drive business performance.

Product & advice:
Steadfast suite of support services to our Network brokers

Technology & data capabilities:
Our leading technology provides clarity around alternative insurance solutions.

Operational scale:
The size and scale of our Network brokers and underwriting agencies and their underlying customers.

A strong balance sheet:
Access to debt & equity to execute our strategy and invest for sustainable earnings growth.

Community & relationships:
Localised relationships with local communities.

Corporate governance:
Proactively managing risk within strong corporate governance framework to create sustainable longer-term growth.

Value Creation Outcome

Our business value drivers ensure our business activities deliver consistent increases in value created for stakeholders.

Shareholder value:
Continued focus on long-term value creation through astute use of funds to deliver organic and acquisition growth in profits, dividends and shareholder value. Have achieved total shareholder return of 497.7% since listing.

Customer value:
Better outcomes for clients.

- SCTP is a contestable digital marketplace generating improved pricing competition and coverage.
- Market leading niche policy wordings.
- Instant policy issue, maintenance & renewal, all on a market contestable basis.
- Efficiency of delivery for clients.

Employee value:
Investment in our people to increase employee engagement through cultural, behavioural and skills-based developmental initiatives to drive business growth.

In FY23:

- 80% employee engagement score.
- 4,155 hours of training.

Community value:
Connecting and investing in our community to support our business and industry.

In FY23:

- $757,000 donated to charitable causes.
- $105.6 million income tax paid to the Australian Government.

Steadfast Group business units are primarily focused on the intermediated general insurance market. By working together, our business units empower Steadfast to serve our main goal – ensuring our brokers provide their clients with exceptional service and superior products.

Steadfast Group

Steadfast Group was established in 1996 and is now the largest general insurance broker network and the largest underwriting agency group in Australasia, with growing operations in Asia and the United Kingdom. We have grown the Steadfast Network to 426 brokerages (of which Steadfast Group has equity in 68), built a portfolio of 29 underwriting agencies and we have a 60% interest in the UnisonSteadfast network of 271 brokerages. Our business model is designed to allow us to achieve sustainable growth via our Network brokerages and the equity positions we hold within the Network. Our Steadfast Underwriting Agencies offer products to the entire broking market in Australasia and are also supported by the Steadfast Network.

Our business

Steadfast Group has three business streams focused on servicing general insurance cients.

Steadfast Group (listed on the ASX)

Steadfast Broker Network

426 general insurance brokerages with 1,882 offices

Steadfast Group has equity holdings in

68 brokerages

Steadfast Underwriting Agencies

29 underwriting agencies

Steadfast Group has equity holdings in all

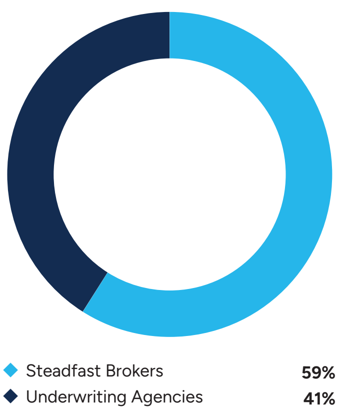
29 underwriting agencies

Complementary businesses

9 businesses supporting the Steadfast Network and Steadfast Underwriting Agencies including Steadfast Technologies (100% owned)

Mixture of wholly owned, part-owned and joint venture businesses

FY23 EBITA mix

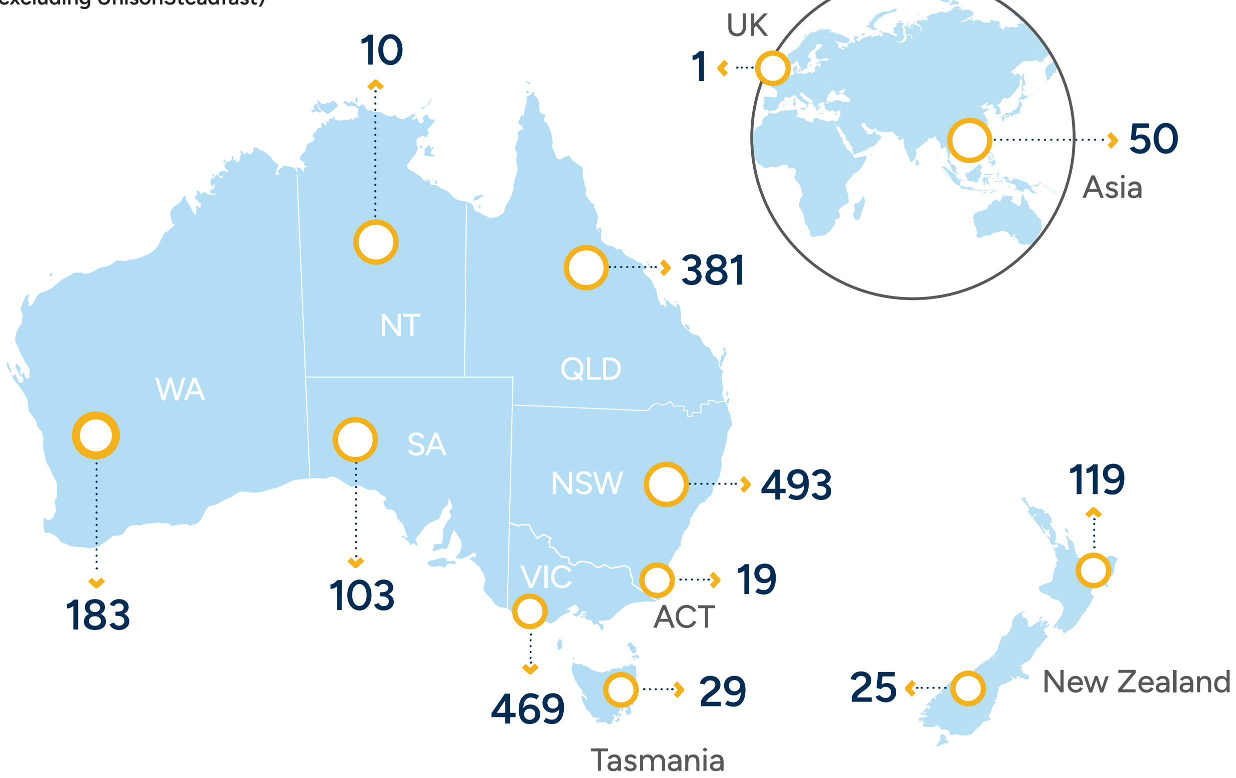


Steadfast Group's business model is designed to allow us to achieve underlying EBITA diversification, providing stable and reliable financial performance.

Steadfast Broker Network

As part of the largest general insurance broker Network in Australasia, brokerages receive superior market access and exclusive products and services backed by the scale and expertise of the Group. This allows them to focus on servicing their clients' insurance and risk management needs.

Worldwide office network
(excluding UnisonSteadfast)



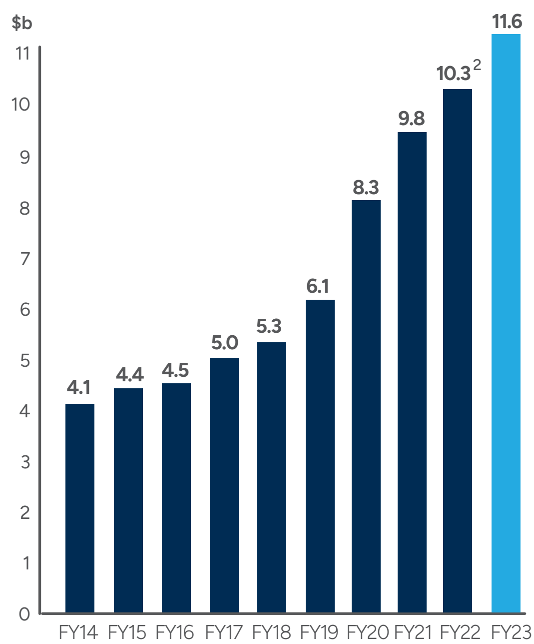
Key benefits to brokers include:

- Market-leading policy wordings
- Exclusive access to Steadfast proprietary technology
- Tools and support

426
brokers in the Steadfast Network

160+
exclusive products and services

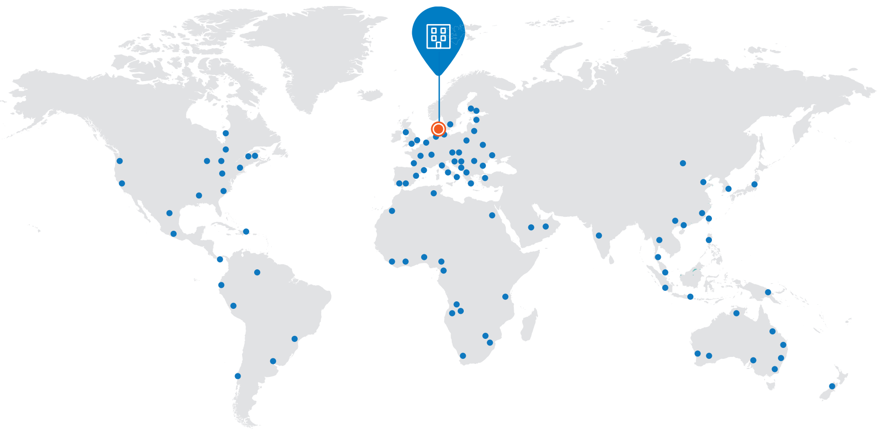
Steadfast Network GWP ($b)[1]



[1] Excludes UnisonSteadfast
[2] Restated for comparison purposes, with GWP from PSC excluded from 1 July 2021.

A global broker network to access new markets for the Steadfast Network via inbound and outbound insurance placements.

Steadfast Group has a 60% stake in UnisonSteadfast which is one of the largest global networks of general insurance brokerages with 271 brokerages across 115 countries.



UnisonSteadfast

271 brokerages

115 countries

Our clients

Steadfast Group is primarily focused on the SME market. The SME market is advice-driven, which means that client relationships are key to Steadfast Network brokers, and Steadfast Underwriting Agencies that provide niche advice and products for brokers.

These relationships ensure that the SME market is more loyal than the corporate market.

Diversified product offering and client base

Steadfast Network brokers and Steadfast Underwriting Agencies offer a diverse range of general insurance products to their clients across Australasia. This diversity of product and client base supports sustainable sales growth.

Diversified by client base

Micro (policy size <$650)	1%
Small Enterprise (policy size $650 - $5,000)	26%
Small Enterprise (policy size $5,000 - $50,000)	40%
Medium Enterprise (policy size $50,000 - $250,000)	14%
Corporate (policy size >$250,000)	6%
Retail	13%

Diversified by product line

Business pack	17%
Commerical motor	12%
Retail	11%
Strata	10%
Professional risks	9%
Liability	9%
Commercial property & ISR	9%
Statutory covers	8%
Rural & Farm	5%
Construction & engineering	5%
Other	5%

Diversified by geography

VIC	34%
NSW	27%
QLD	14%
WA	12%
NZ	6%
SA	4%
TAS	3%

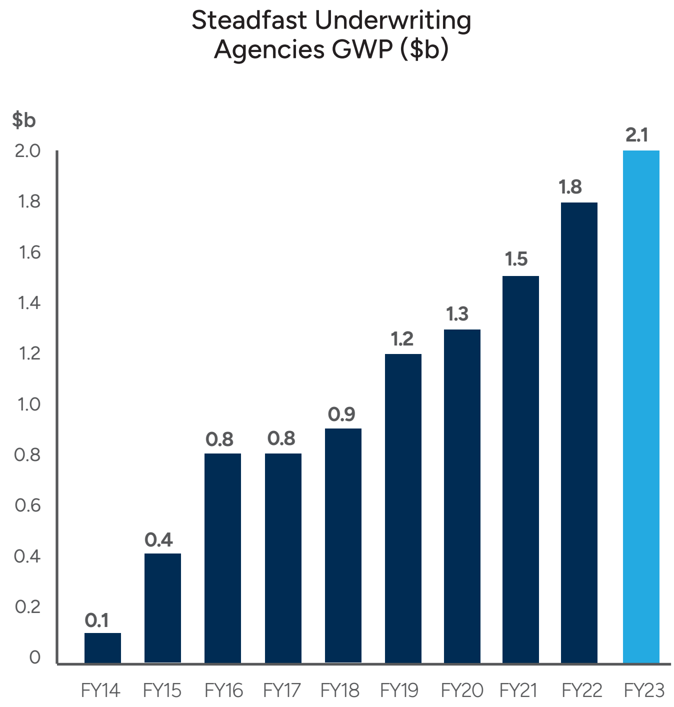
Steadfast Underwriting Agencies

Steadfast Underwriting Agencies is the largest underwriting agency group in Australasia.

The agencies extend our intermediated general insurance distribution by offering brokers, inside and outside of the Steadfast Network, specialised products and capacity in niche markets.

Steadfast Group has a majority equity stake in all 29 agencies.

Our scale has led to better arrangements with insurers as well as back office cost savings. Investments in services and common IT systems are continually being made to create further value for our underwriting agencies.



Complementary businesses

Nine complementary businesses support the operations of the Steadfast Network and Steadfast Underwriting Agencies.

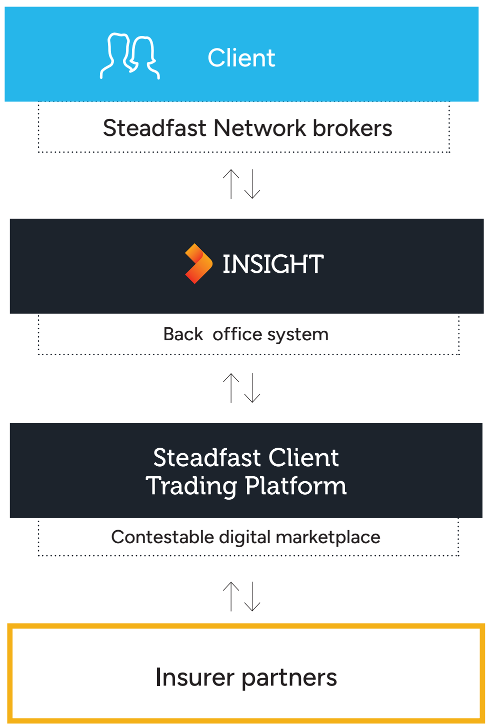
Our insurTech

Steadfast Technologies provides exclusive, market-leading technology to support broker and underwriting agency operations which underpins interactions with our insurer partners to support client outcomes.

This technology positions us as a global leader in broker insurance technology (insurTech) and facilitates our strong market position.

Steadfast Client Trading Platform (SCTP): a contestable digital marketplace giving brokers access to domestic, commercial and strata policies offered by the insurers that connect to the platform, allowing comparisons of policies and prices on a single screen.

Insight: back office system for brokers offering a single view of their business.



Our insurTech continued

SCTP benefits for clients:

- Contestable digital marketplace generating greater pricing competition and improved coverage, as well as alignment of client and broker interests through fixed commission rates.
- Market-leading policy wordings.
- Instant policy issue, maintenance and renewal, all on a market contestable basis.
- Supported by Steadfast claims triage.

SCTP benefits for brokers:

- Automated market access to leading insurers.
- Bespoke market-leading policies.
- Fixed commission, same for all insurers.
- In-depth data analytics.
- Stimulates advisory discussions with clients on their insurance programs with major market players.

SCTP benefits for insurers:

- Automated access to Steadfast Network for all policies placed on the platform.
- Significantly reduced technology and distribution costs.
- Data analytics and market insights, live at all times.
- Updated policy wordings, based on prior claims scenarios.

Insurer and underwriting agency partners on the SCTP

Business pack	AIG, Allianz, CGU, CHUBB, Hollard., QBE, vero, ZURICH, BLUE ZEBRA INSURANCE
Professional risks	Berkley Insurance Australia, CGU, PROCOVER UNDERWRITING AGENCY, vero, Woodina Underwriting Agency CY23
Liability	Berkley Insurance Australia, CHUBB, miramar
Commercial property & ISR	CGU, miramar, QBE, vero, ZURICH
Commercial motor	Allianz, BLUE ZEBRA INSURANCE, CGU, Hollard., nti, QBE, ZURICH
Domestic home, motor & landlords	BLUE ZEBRA INSURANCE, Hollard., QBE, CGU
Strata	axis UNDERWRITING, CHU, Flex insurance, suu strata unit underwriters, hutch UNDERWRITING CY23

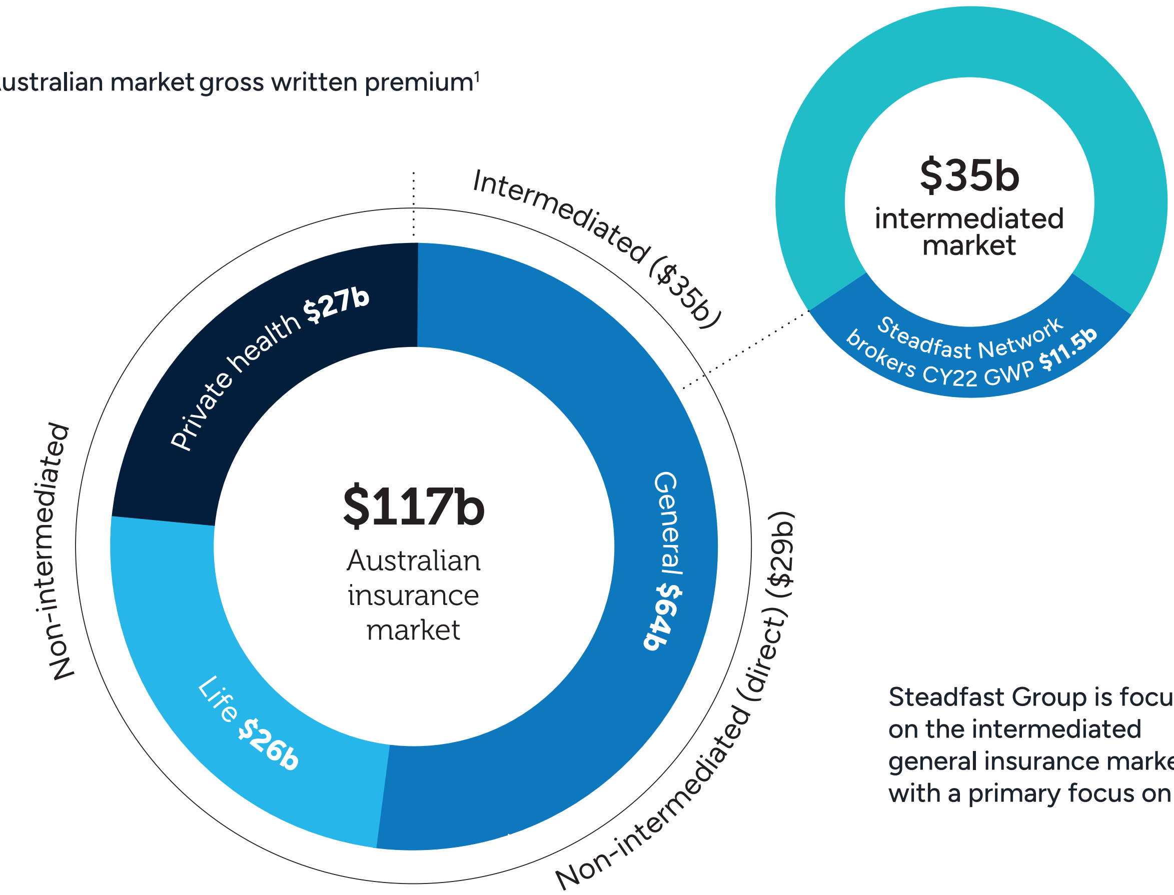
Key: ☐ indicates insurers joining SCTP product lines

Key market

The intermediated general insurance market consists of insurance brokers and underwriting agencies. Australia is Steadfast Group's largest market, with intermediated GWP of $35 billion generated in calendar year 2022, of which our insurance broker network has a 33% share.

We are a key distribution channel for our insurer partners as the Steadfast Network has a large and diverse client base across Australia.

Australian market gross written premium[1]



Steadfast Group is focused on the intermediated general insurance market, with a primary focus on SME.

[1] *APRA Quarterly General Insurance Performance Statistics for year ended December 2022 (released March 2023), APRA Quarterly Private Health and Life Performance Statistics for year ended March 2023 (released May 2023), Steadfast Group and APRA Intermediated General Insurance Performance Statistics for year ended December 2022 (released March 2023).*

Our partners

Over our 25 year history, Steadfast Group has developed strong relationships with carefully selected insurers, underwriting agencies and premium funders and strategic partners that support the Steadfast Network.

Major insurer partners

Strategic partner

Premium funding partners

Board of Directors

Frank O'Halloran AM

Non-Executive Chair (independent)
Chair Nomination Committee

Frank had over 35 years' experience at QBE where he was Group CEO from 1998 until 2012. He also worked with Coopers & Lybrand for 13 years where he started his career as a Chartered Accountant. Frank was President of the Insurance Council of Australia from 1999 to 2000 and was inducted into the International Insurance Hall of Fame in 2010. Frank received his AM for services to the insurance industry and philanthropy.

Robert Kelly AM

Managing Director & CEO

Robert co-founded Steadfast and has over 52 years' experience in the insurance industry. He was voted the second most influential person in insurance by Insurance News, and was awarded the ACORD Rainmaker Award in 2014. Robert is a Qualified Practising Insurance Broker, a Fellow of NIBA, a Senior Associate of ANZIIF, a Certified Insurance Professional and a Fellow of the Australian Institute of Company Directors. Robert is the Chair of the ACORD Board and is also a Director of ASX-listed Johns Lyng Group Limited and not-for-profit organisation KidsXpress.

Vicki Allen

Non-Executive Director (independent)
Chair Remuneration & Performance Committee

Vicki has over 30 years' of business experience across the financial services and property sectors. She held senior executive roles at a number of organisations including Trust Company, MLC Limited and Lend Lease Corporation. Vicki is currently the Chair of the BT Funds board, and a Non-Executive Director of Bennelong Funds Management, ING Bank (Australia) Ltd and New Forest Pty Ltd. She is a Fellow of the Australian Institute of Company Directors.

Joan Cleary

Non-Executive Director (independent)
Chair Audit & Risk Committee

Joan has over 30 years' of finance and leadership experience in the general insurance and reinsurance industry. She held senior executive roles at a number of organisations in Australia and England including QBE Insurance Group Limited, and GE's London Market reinsurance operations. Joan holds a Bachelor of Laws from the University of Exeter. She is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and is a Graduate of the Australian Institute of Company Directors.

David Liddy AM

Deputy Chair & Non-Executive Director (independent)

David has over 45 years' experience in banking, including postings in London and Hong Kong. He was Managing Director of Bank of Queensland from 2001 to 2011. He is a Fellow of the Australian Institute of Company Directors. David received his AM for services to the banking and finance sectors and the community of Queensland.

Gai McGrath

Non-Executive Director (independent)
Chair People, Culture & Governance Committee

Gai has over 35 years' experience in the financial services and legal industries, including 12 years with Westpac Group as General Manager of Westpac's retail banking businesses in Australia and New Zealand. Gai is currently Chair of BT Super. She is a Director of Helia Group, HBF Health and Toyota Finance Australia. Gai is a Graduate of the Australian Institute of Company Directors.

Greg Rynenberg

Non-Executive Director (independent)

Greg has over 43 years' of experience in the insurance broking industry, with 39 years spent running his own business, East West Group. East West Group is a Steadfast Network broker not owned by Steadfast. Greg is a Qualified Practising Insurance Broker, a Fellow of NIBA and an Associate of ANZIIF. He holds an Advanced Diploma in Financial Services (General Insurance Broking) and was named NIBA Queensland Broker for 2014.

Senior Management Team

Robert Kelly AM
Managing Director & CEO

Robert co-founded Steadfast and has over 52 years' experience in the insurance industry. He was voted the second most influential person in insurance by Insurance News, and was awarded the ACORD Rainmaker Award in 2014. Robert is a Qualified Practising Insurance Broker, a Fellow of NIBA, a Senior Associate of ANZIIF, a Certified Insurance Professional and a Fellow of the Australian Institute of Company Directors. Robert is the Chair of the ACORD Board and is also a Director of ASX-listed Johns Lyng Group Limited and not-for-profit organisation KidsXpress.

Stephen Humphrys
Chief Financial Officer

Stephen joined Steadfast in 2013 and has over 30 years' experience as a Chartered Accountant and extensive experience in acquisitions, integration of networks and developing businesses. As Managing Director of Moore Stephens Sydney for 10 years and Chair of Moore Stephens Australasia for three, Stephen played a key role in placing Moore Stephens into the top 10 accounting firms in Australia. Stephen is a Fellow of Australia and New Zealand Chartered Accountants.

Nigel Fitzgerald
Chief Operating Officer

Nigel Fitzgerald joined Steadfast Group in April 2023 as Chief Operating Officer. Nigel has worked in the insurance industry for over 25 years with a proven track record in leading profitable and strategically dynamic businesses on a global basis, including fulfilling leadership roles while living in New York, London, Houston, Singapore and Sydney. Prior to Steadfast, Nigel fulfilled CEO and Board Director roles for AIG and Fairfax Financial and Senior Executive roles for Liberty International Underwriters.

Samantha Hollman
Chief Executive Officer International

Samantha has 28 years' experience in the insurance industry including 23 years at Steadfast. She was COO from September 2016 – April 2023, directing and managing operational activities of the organisation and ensuring the implementation of the overall strategy. Samantha was promoted to the new role of CEO – International and is responsible for planning and executing the Company's international strategy. Samantha sits on the UnisonSteadfast Supervisory Board and is a Board Director of Steadfast (UK) Group.

Allan Reynolds
Executive General Manager Asia, New Zealand & Domestic

Allan joined Steadfast in 2002, and in April 2015 took on the Domestic, New Zealand & Singapore portfolios. With a background in product development and distribution, corporate strategy and portfolio management, Allan has more than 50 years' experience in general insurance. He holds a Diploma of Business Studies (Insurance), is a Certified Insurance Professional and is a Fellow, honorary member and former Chair of ANZIIF.

Linda Ellis
Group Company Secretary & Corporate Counsel

Linda is Group Company Secretary & Corporate Counsel at Steadfast Group Limited and has been part of the Executive team since 2013. Before joining Steadfast, she specialised in mergers and acquisitions and worked in Sydney and London at global law firms. Linda is a Fellow of the Australian Institute of Company Directors, a member of Chief Executive Women, and holds a BEc and LLB (Hons I) from The University of Sydney and is a national ambassador of Heads Over Heels.

Munashe Bhowa
Chief Risk Officer

Munashe joined Steadfast in February 2016 and has over 15 years' experience in audit (internal and external), risk management and compliance. Munashe is responsible for enhancing Steadfast's risk management and compliance frameworks. Prior to joining Steadfast Munashe worked at Ernst & Young, working on audits, and gaining experience in risk management and compliance. Munashe holds a Bachelor of Accounting Science with majors in Accounting and Auditing and is a member of the Institute of Internal Auditors.

Sheila Baker
Executive General Manager Compliance & Customer Experience

Sheila Baker joined Steadfast in October 2020, following our purchase of Goldseal, which specialised in the provision of Compliance, HR and Training and Education Services. Sheila has been involved in Goldseal since its establishment and has in excess of 20 years' of experience in service provision to the broking sector.

Nick Cook

Executive General Manager
Partners, Broker Services
& Agencies

Nick, who joined Steadfast in February 2015, had over 15 years' experience at Zurich Financial Services, including three as the Head of Customer & Proposition Development and nine years as a distribution manager. He is a member of the NIBA Board and an Associate ANZIIF member. He has graduated from both the AGSM Leadership Program and the Prosci Organizational Change Management Program.

John O'Herlihy

Executive General Manager
Operations & Acquisitions

John joined Steadfast in 2012 and is joint lead of the Operations and Acquisitions team. Having completed his professional accounting training with KPMG in 1996, John has spent over 15 years working within the insurance industry. During this time he has held a number of senior finance and operational roles in both North America and Australia specialising in corporate transactions. John is a Fellow of the Institute of Chartered Accountants Ireland.

Jeff Papps

Executive General Manager
Operations & Acquisitions

Jeff joined Steadfast in 2012 and is joint lead of the Operations and Acquisitions team. Prior to joining Steadfast, Jeff worked for PwC specialising in financial services. After transferring from London to Sydney in 1998, he focused on mergers and acquisitions, leading domestic and cross border transactions and listings across Australia, Asia, Europe and North America. Jeff is a Member of the ICAEW.

Duncan Ramsay

General Counsel &
Company Secretary

Duncan joined Steadfast in June 2014 after 20 years at QBE where he was Group General Counsel and Company Secretary. Duncan's career commenced in 1986 with Freehills in Sydney. He holds degrees in commerce and law, and a graduate certificate in applied risk management. Duncan is a Fellow of ANZIIF and the Governance Institute of Australia, as well as a graduate of the Australian Institute of Company Directors.

Peter Roberts

Executive General Manager
Business Solutions

Peter joined Steadfast in 2013 and focuses on back office outsourcing opportunities for the Group. He was also Managing Director of White Outsourcing until stepping down on 30 June 2016 to concentrate on his role at Steadfast Business Solutions. Peter has over 35 years' experience in accounting and back office services to the financial services sector, and commenced his career in accounting with KPMG. Peter is a company secretary of Steadfast.

Chris Rouse

Executive General Manager
Technology

Chris joined Steadfast in 2020, and has over 20 years of experience working in senior IT management, technology, audit and cybersecurity roles. Prior to joining Steadfast, Chris was the Chief Information Officer at Law In Order working on projects such as the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. He is a Certified Information Systems Security Professional (CISSP) and member of both ISC2 and ISACA.

Shalome Ruiter

Executive General Manager
Investor Relations & ESG

Shalome joined Steadfast in October 2019 and has 25 years' experience working in the financial markets and funds management industries. During this time, she has held a number of investor relations and communications roles for ASX listed companies. Shalome holds a Bachelor of Business and a Graduate Diploma of Applied Finance.

Martyn Thompson

Executive General Manager
Corporate Development

Martyn joined Steadfast with over 35 years' experience as an insurance broker, the previous 29 years working in senior roles for the global broker, Willis Towers Watson. During this tenure, he was National Client Service Director responsible for implementing service platforms and standards across the network, including providing risk and insurance solutions to many ASX companies, government and multi-national organisations. He is a Senior Associate ANZIIF, holds a Diploma of Financial Services and a Graduate Certificate in Business Administration.

We think about the long-term success of our business from the perspectives of our shareholders, our people, customer advocacy, the environment and contributing to our communities.

Environmental, Social and Governance

Our Environmental, Social and Governance philosophy

Our Environmental, Social and Governance (ESG) philosophy outlines our commitments to managing ESG risks. We think about the long-term success of our business from the perspectives of our shareholders, our people, customer advocacy, the environment and contributing to our communities.

Our commitment to the environment

- Improving our environmental performance by minimising the environmental impact of our operations through reducing emissions.
- Minimising the environmental impact of our Network brokers and underwriting agencies by expanding our support to them as we transition to a lower carbon economy.

Our commitment to people

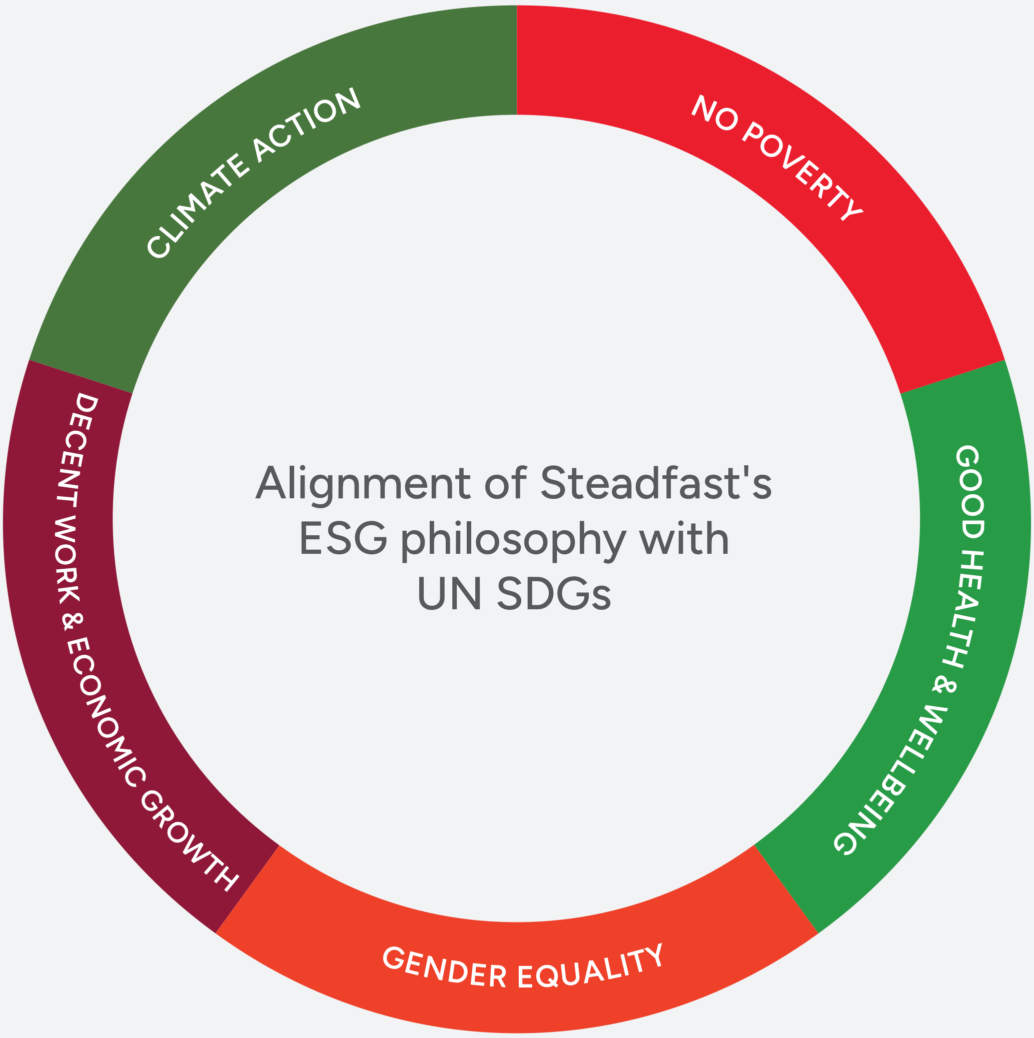
- Creating a safe, caring, inclusive and ethical culture for our people to enable them to thrive.
- Making a positive impact in our communities by supporting businesses and communities to effectively identify, mitigate and manage risk.
- Supporting our Network brokers to meet and exceed the expectations of their clients and the broader communities in which they operate.

Our commitment to strong and effective governance

- Implementing strong and effective corporate governance that is underpinned by our ethical and responsible culture.
- Being a good corporate citizen by focusing on doing the right thing and acting responsibly, always.

United Nations Sustainable Development Goals alignment

We have considered how we can help make a difference to some of the world's most pressing environmental and social challenges. Given the nature of our business and our sphere of influence, we are focusing on five United Nations Sustainable Development Goals (UN SDGs) which are aligned with our business and culture, and against which we feel we can have most impact.



Our actions in relation to the identified UN SDGs are set out below.

SUSTAINABLE DEVELOPMENT GOALS

No poverty

Insurance protects individuals and businesses when disaster strikes, providing a safety net against poverty and building financial wellbeing. Our brokers and underwriting agencies are proud to provide their clients with insurance solutions and advice. We demonstrate our support for this goal through:

- Advice provided by our brokers and underwriting agencies.
- Donations provided by Steadfast Foundation.
- Fire protection products being developed by Flame Security International (FSI).

Good health and wellbeing

Steadfast strives for good health and wellbeing outcomes for our people and much of our charitable giving is directed to improving health outcomes in our community. To do this, we focus on:

- Steadfast's work place culture.
- Employee health, safety & wellbeing.
- Employee talent development.
- Donations provided by Steadfast Foundation.

Gender equality

We are committed to gender equality as a sound business practice and because it is the right thing to do. Diversity, equity and inclusion are important in our business. We also promote gender equality through supporting initiatives outside Steadfast. We demonstrate our support for this goal through:

- Woman in Leadership target.
- Champions of Change membership.
- Diversity, equity & inclusion committee.

Decent work and economic growth

Insurance is a key factor in enabling sustainable economic growth. We provide advice about insurance products supporting workers continuing their employment through our workers' compensation business, accident & health and life insurance solutions. We demonstrate our support for this goal through:

- Advice provided by our brokers and underwriting agencies.
- Our Reconciliation Action Plan.
- Respecting human rights and rejecting modern slavery.
- Being a jobsupport employer.

Climate action

We are committed to improving our environmental performance by minimising the environmental impact of our operations through addressing climate change and the transition to a lower-carbon economy. We demonstrate our support for this goal through:

- Carbon neutral transition plan (CNTP).
- Green travel policy.
- Green energy.
- Carbon offsetting.
- Electronic waste recycling.
- FSI.
- Landcare Australia Sponsorship.

Environment

Steadfast recognises that climate change continues to be a global risk and a material issue for the insurance industry, including insurers, customers, and the broader economy. As the consequences of global climate change are continuing to be increasingly apparent, Steadfast has committed to making our operations more sustainable, and to use our influence in supporting our Network brokers and underwriting agencies to minimise their environmental impact.

Our commitments to the environment include:

- improving our environmental performance by minimising the environmental impact of our operations through reducing emissions; and
- minimising the environmental impact of our Network brokers and underwriting agencies by expanding our support to them as we transition to a lower carbon economy.

OUR COMMITMENT:
To improve our environmental performance through operating emissions reduction

Supporting our environmental commitment, in December 2022 Steadfast published the first phase of our carbon neutral transition plan (CNTP).

Our emissions target

Steadfast aims for a reduction in the intensity of our operating emissions (scope 1 & 2), with a target for our Australian controlled businesses to be carbon neutral by 2030.

Our carbon neutral roadmap

Our primary focus is to reduce our operating emissions (scope 1 & 2) intensity, with the balance to be offset with carbon credits. Given Steadfast's scope 1 & 2 emissions arise predominately from petrol consumption and electricity use, our strategy to reach carbon neutral by 2030 includes implementing two abatement options:

- Green power procurement
- Transitioning to electric vehicles

Our primary focus is to reduce our operating emissions intensity, with the balance to be offset with carbon credits.

Our FY23 carbon footprint

The estimated results have been calculated in alignment with the GHG Protocol and are set out below:

	FY22	FY23
Scope 1 tCO2e	261	601
Scope 2 tCO2e	667	980

Our total carbon emissions footprint increased as Steadfast continued to make Trapped Capital acquisitions, our people returned to the office after Covid lockdowns, and our Network broker's fleet use increased with more in-person client meetings.

We understand this plan needs to evolve. Steadfast will continue to review our CNTP, improve our data collection processes and work with our supply chain to understand the options to reduce our scope 3 impact. For further information, our CNTP is available from our investor website.

Green travel policy

Steadfast recognises that travel, especially air travel, has a direct impact on the environment. We try to reduce the need for unnecessary business travel and encourage the use of more sustainable forms of transport across our operations.

Our green travel policy seeks to embed some of the Covid adjustments we have made to the way we do business, including the use of virtual meetings and reduce in our environmental impact, including a reduction in emissions associated with work-related travel.

Carbon offsetting

We have reduced our impact on the environment by offsetting the carbon emissions for much of our corporate travel. This financial year Steadfast purchased 828 carbon offset units to retire 1,078 tCO_2e from the corporate travel undertaken across the Group. We direct our carbon offsetting to a portfolio of projects through Tasman Environmental Markets.

Electronic waste recycling

This financial year Steadfast recycled 494kg of mixed electronic waste in our Bathurst Street office. The e-waste recycling service accepts a wide variety of e-waste such as: desktops, laptops, servers, mobile phones, monitors, printers, handheld devices, switches, TVs, modems, speakers, batteries, USB devices, and IT accessories.

OUR COMMITMENT: Minimising the environmental impact of our Network brokers and underwriting agencies by expanding our support

Sharing our knowledge

Given the nature of our business and our sphere of influence, we strive to enhance knowledge of climate change impacts and expand the support we provide to our Network brokers and underwriting agencies, encouraging them to reduce their carbon footprint.

We are engaging with our Network brokers and underwriting agencies to act on climate by increasing awareness and enabling sustainable behaviour changes.

Data collection

We will continue to improve our data collection processes to increase the amount of primary data collected. This will enable us to use these insights to identify further emission reduction opportunities.

Flame Security INTERNATIONAL

Strategic investment in Flame Security International (FSI)

Fire is a global threat. Through our investment in FSI, we want to bring new risk management offerings to the Network brokers and their clients to protect people, structures and the environment from fire threats, insurance coverage challenges and consequent increases in insurance premiums.

FSI has developed a range of eco-friendly fire protection solutions. FSI's wildfire and polymer coating products are designed to better protect humans, property, infrastructure, flora and fauna from the ravages of wildfire which is progressively worsening as a consequence of global warming.

FSI is dedicated to eco-friendly fire retardant products that use non-toxic materials which are not harmful to the environment and are produced using eco-friendly production processes and sustainable materials.

Landcare Australia

Landcare Australia sponsorship

As a leader in the environmental sector and in recognition of the success Landcare Australia has achieved in its efforts to improve biodiversity, build resilience in Australia's food and farming systems, and create stronger communities, Steadfast continued its support of Landcare this year.

A strong culture, grounded in integrity and accountability, is essential to the achievement of our purpose, vision and strategy.

Social

Our purpose

Create business solutions designed to help our Steadfast businesses and network achieve better outcomes for their clients and the communities we serve.

Our culture

A strong culture, grounded in integrity and accountability, is essential to the achievement of our purpose, vision and strategy. Culture is key to ensuring that how we go about doing our work and is just as important as what gets achieved.

Our commitment to people

- Creating a safe, caring, inclusive and ethical culture for our people to enable them to thrive.
- Making a positive impact in our communities by supporting businesses and communities to effectively identify, mitigate and manage risk.
- Supporting our Network brokers to meet and exceed the expectations of their clients, and the broader communities in which they operate.

Our values

Our corporate values resonate across all facets of our business.

TOGETHER

Team
Ownership
Goals
Entrepreneurial
Trust
Humility
Ethical
Relationships

None of us is as good as all of us

OUR COMMITMENT:
Creating a safe, caring, inclusive, and ethical culture for our people to enable them to thrive

Diversity, equity & inclusion (DE&I)

Steadfast aims to provide a workplace where people feel they can bring their whole-self to work. We believe that we perform better as a business with diverse people and an inclusive culture. It helps us attract, retain and motivate the best people.

We continually strive to foster a workplace where individuals feel safe, valued and encouraged to be their true selves every day. We aim to create a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of Steadfast. The Board and management believe that Steadfast's commitment to diversity and inclusion contributes to achieving Steadfast's corporate objectives and embeds the importance and value of diversity within the culture of Steadfast.

We do not tolerate discrimination, harassment or vilification and employees undertake annual training supporting our commitment to inclusion.

Steadfast's DE&I Strategy and its Diversity Policy focus on gender, LGBTQIA+ and disability. By surveying our people, we established that they are passionate about these areas which helped shape the framework of our DE&I.

The DE&I committee has sought to embed DE&I importance by regular promotion in all staff update forums, showcasing initiatives at employee inductions and encouraging managers to promote the committee's work to their teams.

2023
ENDORSED EMPLOYER FOR ALL WOMEN
WORK180
work180.com

As part of our ongoing commitment to improve our gender diversity, Steadfast previously set an aspirational target for Women in Leadership of 45% by 2024. We believe this better aligns our business with the diversity within our society. This year our females in leadership roles was stable at 44%. We are proud to be an endorsed employer by WORK180, recognising Steadfast's commitment to gender diversity.

To support our diversity, this year we implemented a new Leave Swap Policy, which allows employees to swap up to three state or federal public holidays each year for another day that is important to them.

Steadfast also continued our support of the employment service for people with moderate intellectual disability through the government organisation, Jobsupport. We currently have two Jobsupport employees.

Steadfast works with and supports organisations aligned with our DE&I framework

Gender

Non-Executive Directors

- Male 50%
- Female 50%

Senior executives

- Male 72%
- Female 28%

Group-wide leadership

- Male 56%
- Female 44%

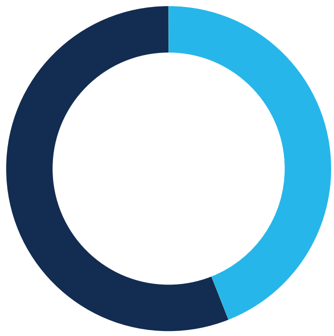
Group-wide employees

- Male 51%
- Female 49%

Promotions and transfers

- Male 53%
- Female 47%

Participants in our manager development program



- Male 44%
- Female 56%

Ethnicity & age

Head office employees place of birth

- Born outside Australia 42%
- Born in Australia 58%

Workforce language diversity

- Non-english speaking background 30%
- English speaking background 70%

Age diversity

- Between 21 and 30 years old 21%
- Between 31 and 40 years old 34%
- Between 41 and 50 years old 24%
- Over 51 years old 21%

This year the Group-wide employee engagement score was 80%.

Workplace culture

We are very proud of our culture. Our greatest strength is our people. Our people are the cornerstone of Steadfast's success and providing an engaging and rewarding culture is an important aspect of our employee attraction, retention and engagement strategy.

All our people undertake training on the standards of behaviour that are expected and these are also encapsulated in our corporate governance policies such as our Code of Conduct. All our people have objectives on culture and values.

In March each year, Steadfast conducts our annual employee engagement survey which measures the emotional connection people have to the Group. This year, with a participation rate of 80%, the Group-wide engagement score was 80%, up from 78% in 2022. This result continues to place Steadfast in the 'high performing' zone of the engagement spectrum.

Our voluntary staff turnover rate was 12.5%, a decrease from 20.7% in FY22 and 3.5% below the insurance industry FY23 benchmark. Our average current employee tenure is four years and eight months with Steadfast.

Average employee tenure

FY20	3 years and 6 months
FY21	4 years and 1 month
FY22	4 years and 2 months
FY23	4 years and 8 months

We continue to implement initiatives designed to engage employees and build relationships, including our intranet, regular staff meetings and briefings, a formal performance review process, participation in a number of community events, quarterly off-site workshops and social activities, such as participating in Dragon Boat racing and in the Touch of Colour, an annual touch football event which brings the insurance industry together to raise funds for KidsXpress, a children's mental health charity.

Steadfast Group Dragon Boat team

Steadfast Group Touch of Colour team

Steadfast offers an Additional Leave Purchase Scheme enabling our people to salary sacrifice to acquire additional annual leave to facilitate a better balance between professional and personal lives.

Steadfast has a short-term employee incentive plan to increase market competitiveness and attract, retain and motivate our people. The scheme has been designed to ensure goal alignment throughout the business and also provides our people with the opportunity to receive shares in Steadfast. As well as salary and incentive arrangements, Steadfast offers a wide-ranging benefits program for our people including travel insurance and discounts on a wide range of consumer goods and cars.

We respect the human rights of our employees, customers and those of our suppliers and business partners.

Human rights and modern slavery

Steadfast rejects any form of modern slavery such as slavery, servitude, human trafficking and forced labour. We aim to identify and manage risks related to human rights across our business and supply chain. Our Modern Slavery Statement 2023 sets out our position on this matter and is available from our investor website.

As part of our commitment to human rights, Steadfast is a member of The Freedom Hub, an organisation that helps people who have experienced human trafficking and slavery. The Freedom Hub Survivor School provides survivors with long-term support by running free, personalised classes to assist them in recovering from trauma and become ready to work.

Steadfast complies with relevant laws, community expectations and ethical standards related to human rights and modern slavery in respect of our employees and business. Employees are encouraged to report any genuine concerns about modern slavery relating to our people, business or supply chain.

Health, safety and wellbeing

The wellness of our people is a priority and we actively promote their health, safety and wellbeing. During the financial year we had no reportable work, health and safety incidents.

Reportable work, health and safety incidents

FY20	9
FY21	2
FY22	0
FY23	0

Our Board receives regular work, health and safety (WHS) reports. We have a committee to provide a forum for our people to suggest initiatives and raise any concerns. In May 2023, Safety Australia Group undertook an audit of our Workplace Health and Safety management systems and arrangements finding Steadfast to be compliant.

Further, in FY23 Steadfast undertook activities to ensure a proactive approach to the prevention of sexual harassment and other forms of anti-social behaviour such as bullying, victimisation, and harassment.

Steadfast provides a comprehensive health and wellbeing program. Some of our initiatives include:

- Annual health assessments and flu shot.
- Insurance and protection benefits.
- A range of education and awareness of key health and wellbeing issues including physical fitness, nutrition, mental health and stress management.
- Annual financial wellbeing health check.
- Access to confidential external Employee Assistance Programs (EAPs) for counselling to support mental health.
- Training – 5% of staff have been trained as mental health first aid officers.

Steadfast supports flexible workplace initiatives to recognise and respond to people's different needs at different stages of their lives and to help our people balance personal obligations with their careers. Currently 100% of our workforce works within a hybrid working model.

During the financial year, Steadfast maintained our Family Friendly Workplace accreditation by Parents at Work and UNICEF Australia. Family Friendly Workplaces strive to reduce the tension that exists between work and family by embedding and promoting policies and practices that genuinely support employees to thrive at work and at home.

We offer paid parental leave at 12 weeks' full pay. We engage with our people when they are on parental leave, if they wish, to maintain a sense of connectedness and ease the transition back to work. Steadfast provides a parents' room in our head office as a practical support for the increasing number of new parents in our team and to ease their transition back to work.

All of our people completed at least one training program in FY23

Talent development

We actively create a culture of learning and invest in developing our people. Steadfast has a formal talent development strategy and a dedicated training and development team that delivers training programs throughout the year at all levels. This financial year, our people completed 4,155 hours of in-person learning and training, an average of 9.15 hours per person and an increase of 1,284 hours from FY22.

Career growth

Steadfast's College of Leadership offers our current and future leaders the opportunity to develop by exposing them to forward-thinking, relevant and practical leadership methodology and application. In addition to leadership and management training, our people participate in annual development planning to ensure their continued technical and non-technical development. During the year, 19 Steadfast employees were promoted internally, of whom nine were female employees.

Developing female talent

During the financial year 141 of our leaders from across the business participated in our various leadership training programmes, with 57% of the participants being female employees.

Developing young talent

At Steadfast, we recognise the importance of developing young talent. This year Steadfast's Graduate Development Program was recognised at The GradAustralia Top 100 Graduate Employers Awards as the Best in Industry (Banking & Financial Services Sector) for Diversity & Inclusiveness.

Further demonstrating its success, Steadfast has retained 13 of the 16 graduates who have participated in our program.

Additionally, Steadfast's Summer Intern Program continues to offer six roles to school leavers each year. We are delighted with the quality of people who have joined us, and stayed, through these programs.

OUR COMMITMENT: Making a positive impact in our communities

Volunteer day program

Steadfast's volunteer day program encourages our people to donate their time by way of volunteering at a registered charity of their choice. All of our people have the opportunity to receive a day of paid employment off to volunteer. This year Steadfast employees donated 270 hours volunteer time, which reflects an 8% participation rate.

Steadfast's marketing team volunteer day for The Salvation Army

Support for Aboriginal & Torres Strait Islander peoples

Indigenous talent program sponsorship

Underwriting Agencies of Australia (UAA), a Steadfast business, has been instrumental in building a unique and critically important Indigenous Talent ID Program (ITID) for indigenous athletes, offered by the Regional Academies of Sport (RAS) across regional NSW. Annually the RAS network identifies close to 1,000 talented indigenous athletes, and provides approximately 140 fully funded scholarships into RAS sporting programs. The ITID Program is now one of the largest talent identification programs on offer throughout the Regional Academy network.

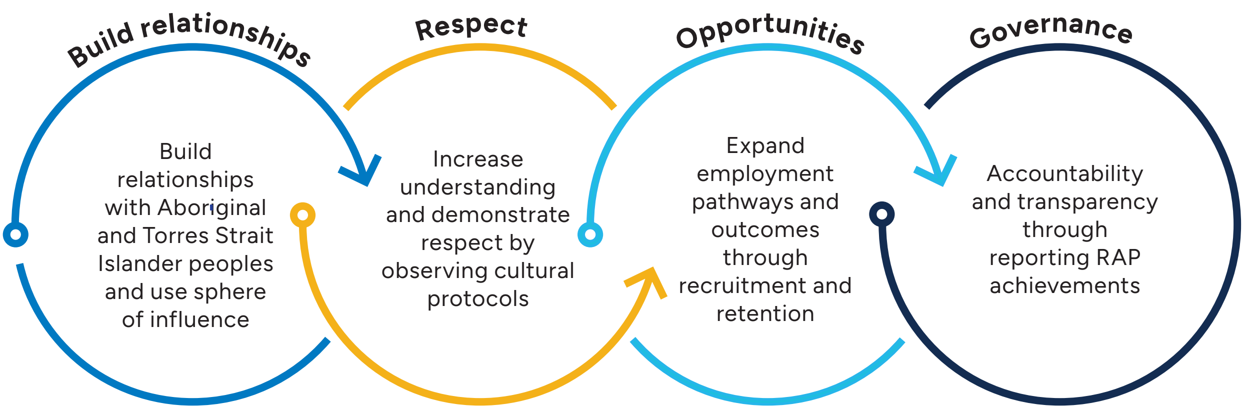
Reconciliation Action Plan

Steadfast is in the second phase of our Reconciliation Action Plan (RAP) called Innovate. The RAP Committee has continued to expand its knowledge and understanding of Aboriginal and Torres Strait Islander history and culture by researching and identifying areas where Steadfast can have a positive impact on the social and economic wellbeing of indigenous Australians.

Some of the initiatives we have implemented to raise awareness and encourage a deeper understanding of Aboriginal and Torres Strait Islander peoples include:

- We recognised NAIDOC Week in July 2023 to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples.
- Cultural Walking Tours in Sydney and Melbourne are offered to all employees to provide a deeper and meaningful understanding of Aboriginal cultures, histories, knowledge and rights through cultural learning. Over 90 staff have attended the tours to date and we will continue this initiative in FY24.
- Steadfast formed a new partnership with the EM-Power Foundation, a not-for-profit company whose purpose is to increase opportunities for indigenous people to secure sustainable economic, health, cultural and social benefits through participation in the native agriculture and food sectors.
- The EM-Power Foundation facilitated an introduction to Dubbo College Senior Campus. For the last two years, the campus has had the largest number of indigenous graduates in NSW high schools. We gifted 13 laptops to date to indigenous students completing HSC who are going on to university next year for their use, as well as for the school to loan some laptops for extended periods as part of their equity and diversity program.
- Steadfast became a member of Supply Nation. Supply Nation provides Australia's leading database of verified Indigenous businesses. During FY23 Steadfast sourced chocolates from Chocolates on Purpose and used Print Junction to print our FY22 Annual Report.
- Mitch Tambo, Didgeridoo player, traditional indigenous dancer and singer, opened the 2023 Steadfast Convention held in Perth with a Welcome to Country and performance for attendees.
- To celebrate National Reconciliation Week, Steadfast was delighted to have the National Indigenous Culinary Institute's Alumni Chefs prepare and serve employees lunch featuring native ingredients in the Sydney and Melbourne offices, while sharing their knowledge of the food's history and traditional uses.
- Steadfast supports a number of indigenous charities, including the Indigenous Literacy Foundation and the Earbus Foundation.

Our RAP commitment lays the foundations for us to establish meaningful and long-term relationships and contribute to reconciliation in a structured, relevant and respectful way. The Steadfast Reconciliation Action Plan is available here and from our investor website.



Our Innovate RAP actions

OUR COMMITMENT: Support our Network brokers to meet and exceed customer expectations

Our brokers and their clients

We prioritise what matters to our brokers and strive to deliver an outstanding broker service and support to enable Steadfast Network brokers and their clients to thrive. Examples of the support provided include:

Risk services

Steadfast Risk Group provide our Network brokers with a unique suite of risk management tools that can help them detect, determine and monitor key strategic and operational risks in a structured and manageable way. By thoroughly evaluating and understanding potential risks, clients can make informed decisions and take proactive measures to protect their interests. With an ever-evolving threat landscape, incorporating comprehensive risk assessments into a broker's renewal process helps their client's resilience.

Aspire Women in Leadership Program

Steadfast again joined Hollard Insurance to help develop the next group of female leaders via the Aspire Women Leaders Program in 2023. The Aspire Women Leaders Program is a year-long development program specifically tailored to Steadfast female insurance intermediaries who are looking to become future business leaders.

Although improving, there are still steps to be taken to ensure that women are at least equally represented and valued in management and executive positions in our industry. We have demonstrated our commitment to our female brokers and offer a dedicated leadership program.

The Aspire Women Leaders Program offers a curated program of relevant and topical courses that are designed to provide leadership skills and advance participants careers within the insurance broking industry.

Broker training

The Steadfast Learning Hub was launched in January 2023 to provide training to our Network brokers. Since the Learning Hub commenced to 30 June 2023, the Goldseal team has delivered 13,575 hours of training, through over 90 courses to our Network brokers.

	Hours of learning
Online learning modules	7,738
Webinar attendance	5,837
PD Day and Town Hall attendance	5,080

Broker and customer advocacy

Key benefits to being a Steadfast Network broker include improved policy wordings, broker services, exclusive access to Steadfast's technology and triage support for challenging claims. Pivotal to our philosophy and values is that brokers work for their client, not the insurer. Steadfast Group supports our brokers with our dedicated triage team available to support brokers with the claims process by ensuring their client's claims are managed in line with wording and service expectations. We provide support with issues such as placement, ethics and natural disasters, and assisting brokers by escalating these issues when required.

Steadfast's triage team provided the following assistance to Network brokers:

	FY23	FY22
Claims support	669	664
Placement issues	220	306
Ethics issues	9	15

Further, the objective of Steadfast Goldseal Customer Advocacy Program is to "Make every client of a Steadfast business the sole focus of every broking transaction, the broker will act in the client's best interest – whether that coincides with their own best interest or not". The Steadfast customer advocacy service was established in October 2021 and has since assisted in 67 customer advocacy cases.

Responsible selling practices

The Steadfast Broker Code of Conduct includes the following drivers and behaviours, to support brokers to meet and exceed the expectations of their customers and the broader community.

Steadfast's Broker Code of Conduct	FY23 progress
1. Expansion of Steadfast's internal audit and risk resources	Steadfast expanded its internal audit and risk resources with the integration of Goldseal.
2. Steadfast will educate, inform and encourage its Network brokers to no longer engage in the practice of accepting volume-based incentives and/or soft dollar benefits.	Education and information has been provided to our Network brokers through our PD days and Town Hall events.
3. Steadfast will require transparency of remuneration from all Network brokers in all dealings with their customers. This will require an undertaking from Network brokers that all remuneration will be transparently documented in their transactions with their customer base.	Steadfast is aligned with the NIBA Insurance Broker Code of Practice. Under the code, remuneration transparency will be required by November 2023. Goldseal is preparing a guide to implementing the changes for our Network brokers.

4. Steadfast will facilitate elevated levels of excellence in the services provided by its Network brokers through:
› Driving higher quality standards of training and education.
› Meeting clients and legislative expectations in a reasoned and compliant approach to advice, conduct and ultimate outcome.
› Maintaining an appropriate trail of the documentation and fact gathering that supports the placement of any client insurance policies / programs or claims handling.
› We will review and bolster our licence agreements with our Network brokers to ensure compliance with:
  › best practice standards
  › regulations
  › laws
  › relevant codes (including the Steadfast Code of Conduct)
which will be incorporated into conduct standards, included in the licence agreements and integrated into Network brokers' operations.
	As a minimum standard to advise clients, Steadfast has mandated the Diploma of Insurance Broking. This is aligned with NIBA.
	
	Online learning module "Record Keeping" provided by Goldseal's Broker Best Practice series. It is available on the Learning Hub at no cost to our Network brokers.
	
	A revised Licence Agreement was released to our Network brokers in September 2022.

5. Steadfast's Broker Code of Conduct will clearly and emphatically focus on the best interests of Network brokers' clients and, as such, we will review existing policies, procedures and resources provided to ensure brokers receive all encouragement and assistance they may need to meet the same expectation.	Completed an initial review of existing policies and procedures to ensure Steadfast's Broker Code of Conduct principles are reflected in them. The review is on going.
6. Steadfast Goldseal will be the public face for the Network's customer advocacy function, providing the consumer with an advocate to present any issues where the Network has not complied with the customer's expectation for the services provided.	Details of the Customer Advocacy program have been provided to our Network brokers through our PD days and Town Hall events.
7. Steadfast will establish a reference checking and information sharing service to record details of Network employees or authorised representitives who have acted in contravention of accepted industry ethical standards, allowing the Network to identify individuals during the recruitment process who do not uphold Steadfast's high standards.	Details of this standard have been published on the broker website and provided through our PD days and Town Hall events.
8. Steadfast will play a leadership role with NIBA to enhance the industry's training and qualification requirements and work with regulators to increase the recognition of the Qualified Practising Insurance Broker (QPIB) designation.	QPIB designation has been promoted to Network brokers through the newsletter and Town Hall session. This promotion is on going.
9. Steadfast will complete a compliance and best practice audit of Network brokers.	Completed 35% of equity broker reviews scheduled for CY 2023.

Our Network brokers are guided by regulation and comply with the financial services laws to deliver responsible selling practices to meet their clients' requirements.

Governance

OUR COMMITMENT:
Implementing strong and effective corporate governance that is underpinned by our ethical and responsible culture.

Sound compliance

The Steadfast Board of Directors follows sound corporate governance and the ASX Corporate Governance Council Principles and Recommendations. FY23 was another year in which there were no material departures from our governance framework and risk management strategies.

Whistleblower policy

Steadfast Group's whistleblower policy encourages people to report or disclose corruption, fraud, tax evasion or avoidance, misconduct and improper states of affairs within the corporate sector and provides appropriate protections to whistleblowers to facilitate the uncovering of corporate crime and to combat poor compliance. There were no material whistleblower incidents reported during the year.

Industry engagement and leadership

A number of our senior executives hold leadership roles within the industry such as serving on the board of industry bodies. Our executives contribute by speaking at industry events and judging industry awards. Our executives are recognised throughout the industry and receive accolades for their leadership and contribution. Working with the industry body, NIBA, Steadfast continues to play a leading role in seeking to ensure that the insurance broker industry stays strong, delivers excellent outcomes for customers and meets its legal and ethical obligations from a regulatory perspective.

Data privacy and cyber security

Data privacy and cyber security are paramount within our knowledge-driven business. We recognise the intrinsic value of information and its pivotal role in our operations. Therefore, ensuring the security and confidentiality of data is one our highest priorities.

Building and maintaining trust with our brokers and strategic partners is crucial for the success of our business. By safeguarding data and information, we enable our brokers to establish and nurture relationships with their customers, fostering a sense of confidence and reliability.

To uphold these principles, we implemented comprehensive policies and procedures during the year including:

- Cyber security strategy development.
- A range of security processes enhancements were undertaken at the Steadfast Head Office.
- Expansion of our Security Operations Centre capabilities.
- Introduced additional cyber security controls to assess third-party risk in our supply chain and vendor assessment process

We remain vigilant in the face of emerging threats by actively monitoring the technology landscape. Our proactive approach includes adhering to all relevant legislation and staying up to date with the latest risk management standards. Additionally, we maintain constant communication with industry bodies and government agencies, exchanging information and best practices to ensure our security measures align with the latest developments in the field.

Over the past 12 months, we have not experienced any breaches that necessitate formal notification.

> By implementing robust security measures, we strive to prevent unauthorised access, data breaches, and other cyber threats.

OUR COMMITMENT:
Being a good corporate citizen by focusing on doing the right thing and acting responsibly, always.

Steadfast Foundation

The Steadfast Foundation is in its 12th year and the New Zealand Steadfast Foundation is in its sixth year.

Steadfast created the Steadfast Foundation to facilitate grants and charitable contributions that support charities helping people to overcome adversity, with $757,000 donated during FY23 to charities. Since its inception, the Steadfast Foundation has donated over $4,500,000 to registered charities.

The Steadfast Foundation portal is a workplace giving platform that enables Steadfast staff to participate and engage in the Foundation's mission. The portal enables all staff to easily take part in regular workplace giving and make pre-tax salary donations. For every dollar donated by staff, Steadfast Group Ltd will match contributions dollar for dollar, capped at an annual total of $100,000.

Charities are often chosen based on the recommendations of Steadfast brokers, and include cancer research and support, mental health, children's causes and charities supporting victims of domestic violence, the homeless and disadvantaged. Some of the charities the Steadfast Foundation supported this year include: Assistance Dogs Australia, Children's Cancer Institute, Sir David Martin Foundation, DV Collective, Earbus Foundation WA, Free 3D Hands, FSHD, Horse Aid, Indigenous Literacy Foundation, KidsXpress, Magic Moments, McGrath Foundation, Mirabel Foundation, Motion by The Ocean, Myeloma Australia, Super Tee, The Pyjama Foundation, Transafe WA, Telethon Speech and Hearing, and Youth Off The Streets.

Steadfast Foundation

Steadfast's mission is to continue to deliver value to our Broker Network and stakeholders by being a market leader and an innovator in insurance and risk management.

Contents

2023 Annual Report

Directors' Report

The Directors present their report together with the consolidated financial statements of Steadfast Group Limited (Steadfast or the Company), its subsidiaries and interests in associates and joint ventures (collectively Steadfast Group or the Group) for the financial year ended 30 June 2023 (FY23) and the Auditor's Report thereon.

Directors

The Directors of the Company in office at any time during or since the end of the financial year are as follows:

Name	Date of appointment
Chair	
Frank O'Halloran, AM	21 October 2012
Managing Director & CEO	
Robert Kelly, AM	18 April 1996
Other Directors	
David Liddy, AM (Deputy Chair)	1 January 2013
Vicki Allen	18 March 2021
Joan Cleary	28 July 2022
Gai McGrath	1 June 2018
Greg Rynenberg	10 August 1998
Former Director	
Anne O'Driscoll[1]	1 July 2013

[1] Anne O'Driscoll retired as a Non-Executive Director on 15 March 2023.

Directorships of other listed companies

Directorships of other listed companies held by the Directors in the three years preceding the end of the financial year are as follows:

Name	Company	Period of directorship
David Liddy, AM	EML Payments Limited	April 2012 to February 2023
Robert Kelly, AM	Johns Lyng Group Limited	Since November 2017
Vicki Allen	Mortgage Choice Limited	June 2017 to July 2021
Gai McGrath	Helia Group Limited	Since August 2016
Anne O'Driscoll	Infomedia Limited	December 2014 to March 2023
	FINEOS Corporation Holdings Plc	Since July 2019

Particulars of the Directors' experience are set out under Board of Directors on pages 20 to 21.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were as follows:

Committee		Board		Audit & Risk		Nomination		Remuneration & Performance		People, Culture & Governance
Total number of meetings held		10		4		4		6		3
Director[1,2]	**H**	**A**	**H**	**A**	**H**	**A**	**H**	**A**	**H**	**A**
Frank O'Halloran, AM	10	10	-	-	4	4	6	6	-	-
David Liddy, AM	10	9	3	3	4	3	3	3	-	-
Robert Kelly, AM	10	10	-	-	-	-	-	-	3	3
Vicki Allen	10	10	1	1	4	4	6	6	-	-
Joan Cleary	9	9	4	4	-	-	3	3	3	3
Gai McGrath	10	10	-	-	-	-	-	-	3	3
Anne O'Driscoll	9	8	3	3	-	-	-	-	-	-
Greg Rynenberg	10	10	4	4	-	-	-	-	3	3

[1] H Number of meetings held while a Board or Committee member.
[2] A Number of meetings attended while a Board or Committee member.

Details of the responsibilities of the members of the Board and the various committees are set out in the Corporate Governance section in this report, and in the corporate governance section of the Steadfast investor website (http://investor.steadfast.com.au/investor-centre/).

Principal activities

The principal activities of the Group during the financial year were the provision of services to Steadfast Network brokers, the distribution of insurance policies via insurance brokerages and underwriting agencies, and related services.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group. The Group continued to acquire businesses during the financial year. Refer Note 10.

Operating and financial review

A. Operating results for the financial year

The trading results for the financial year are summarised as follows (refer Note 4 and Note 5):

	2023 $'m	2022 $'m
Underlying net profit after income tax (NPAT) attributable to owners of Steadfast Group Limited	**207.0**	169.0
Adjustments for non-trading items (net of tax and non-controlling interests):		
Deferred consideration expense (where actual earnout was more than expected)	**(17.8)**	(18.0)
Deferred consideration income (where actual earnout was less than expected, excluding IBA)	**1.4**	5.5
Net adjustment relating to IBA acquisition (refer note 7F)	**0.5**	-
Impairment of non-IBA investments	**(1.9)**	(3.5)
Mark-to-market (losses)/gains from revaluation of listed investments	**(1.7)**	1.6
Net gain from change in value or sale of businesses and other movements	**1.7**	17.0
Statutory NPAT attributable to owners of Steadfast Group Limited	**189.2**	171.6
Underlying diluted earnings per share (EPS) (cents per share)	**20.2**	17.6
Statutory diluted EPS (cents per share)	**18.4**	17.9

The underlying NPAT was $207.0 million compared with $169.0 million in 30 June 2022. The increase was mainly due to:

- organic growth including revenue growth from price increases by insurers as well as volume increases;
- acquisition of Insurance Brands Australia (IBA) and interests in other Network brokers, including from the Trapped Capital project; and
- full period contribution from Coverforce and other businesses acquired in the financial year ended 30 June 2022 (FY22).

The underlying NPAT reflects the basis upon which performance is measured and monitored by the Board and management. Underlying NPAT has been disclosed in accordance with ASIC's Regulatory Guide RG230. The adjustments to profit have been extracted from the audited books and records. Underlying NPAT is disclosed to provide a more meaningful analysis of the Group's financial results from normal operating activities.

B. Review of financial condition

I. Financial position

During the financial year net equity increased by $431.0 million, primarily due to a capital raise in August 2022 and the retention of profits in excess of dividends paid. This capital raised, along with debt drawdowns, was deployed on acquisitions throughout the year. As a result, goodwill increased by $515.3 million as detailed in Note 10 to the financial statements.

II. Cash from operations

Net cash inflows from operating activities of $318.2 million (excluding trust account and premium funding movements) reflected continued full conversion of profits into cash flows. After funding dividends to shareholders, the remaining free cash flow is available for corporate activities, including acquisitions of further business interests.

III. Capital management

At 30 June 2023, the Company had 1,038.6 million ordinary shares on issue, up from the 977.6 million ordinary shares on issue at 30 June 2022, principally as a result of the institutional and retail share placement of 45.5 million shares ($233.4 million) in August 2022 to fund acquisitions and 14.1 million shares ($72.8 million) issued to vendors of IBA and other businesses. Additionally, 1.4 million shares ($7.2 million) were issued under the September 2022 Dividend Reinvestment Plan (DRP). The Company continues to acquire shares on market to provide for potential share issues to employees, including Key Management Personnel (KMP), under equity-based incentive schemes.

The Group leverages its equity, adopting a maximum 30.0% total gearing ratio (excluding premium funding borrowings). At 30 June 2023, the Group's gearing ratio was 19.0% (2022: 19.0%). Refer Note 9C.

At 30 June 2023, the Group had a $660.0 million multibank syndicated facility with a combination of three year and five year tranches, allowing the Group to borrow a further $216.6 million from this facility. The facility was extended and increased to $860.0 million subsequent to balance date.

At 30 June 2023, the Warehouse Trust limit for IQumulate Premium Funding Pty Ltd was $570.0 million (including a $60.0 million overdraft facility). In July 2023, the Warehouse Trust limit was increased by $90.0 million to $660.0 million (including a $60.0 million overdraft facility) with an extended availability period to July 2024. The premium funding borrowings, secured primarily by the premium funding receivables, have a one-year term (renewed on an annual basis) to attract a lower cost of borrowing which is standard commercial practice for this sector. Whilst the contractual availability period ends in July 2023, the premium funding borrowings have been classified as non-current in the statement of financial position as the contractual maturity date includes an amortisation period giving the Group 12 months to repay from the date of the last maturing premium funding loan in the Warehouse Trust.

The corporate debt and premium funding facilities are not cross collateralised.

Strategy and prospects

The Group's business strategy is to maintain its position as the largest intermediated insurance distribution network in Australasia by continuing to grow shareholder value through expansion of the Steadfast insurance distribution and risk management services model and related businesses, including provision of these services to Steadfast's international network.

Despite the backdrop of an uncertain economic environment, Steadfast Group has proven to be a stable and resilient business. The Group aims to increase value for all shareholders by delivering excellence in insurance services to all stakeholders including Network brokers, customers, strategic partners, employees and our community. The Group's strategic plan is a framework for decision making and planning for the Group's development of the strategic objectives which include:

- Maintaining and enhancing the premier service offering to Steadfast Network brokers
- Realising the potential in our existing equity businesses to achieve strong organic growth and improve/maintain margins
- Disciplined M&A strategy to drive focused execution of domestic/international opportunities
- Developing cultural, organisational and leadership development solutions that enhance employee engagement and drive business performance
- Maintaining strong insurer partnerships and industry stakeholder relationships
- Technology strategy focused on delivering growth on core platforms and improving overall governance including cyber risk management

A. Steadfast Group

FY23 highlights

- Underlying revenue growth of 24.1%
- Underlying EPS growth of 14.6%
- Dividend per share growth of 15.4%
- Completed a number of earnings accretive investments for a total outlay of $574.2 million, with the largest acquisition being IBA

Steadfast Group grew underlying FY23 EBITA by 26.5% to $430.7 million. This result was driven by both organic growth of 13.6% and acquisition growth of 12.9%.

As an industry leader, Steadfast continued to actively review and implement new legislation applicable to the sector. This included engagement with industry peers and industry bodies on the conflicted remuneration and quality of advice issue. Steadfast has also implemented customer centric solutions including the Steadfast Client Trading Platform (SCTP) and our Steadfast Broker Code of Conduct framework to support transparency.

Medium-term

Steadfast has a strong corporate governance foundation, including risk management framework and culture, to enable sustainable growth over the long term. This positions the business well to continue to improve operational efficiency through a culture of excellence and talent, seeking opportunities to promote entrepreneurship and improve underlying margins.

B. Steadfast Broking

FY23 highlights

- $11.6 billion Network GWP, up 12.8% on FY22
- 426 broker members in the Network, down from 427 in FY22 after numerous mergers and sales within the Network
- Steadfast has an equity stake in 68 brokers, up from 67 in FY22 following several acquisitions made during the financial year and a number of hubbings
- Underlying EBITA up 27.7%

During FY23, growth in the Steadfast Broker Network was driven by organic growth and the acquisition of a number of Steadfast Network brokers. Organic growth of 16.5% in underlying EBITA was primarily a result of strategic partners further increasing insurance premiums. Acquisitions provided a further 11.2% increase in underlying EBITA.

Medium-term

Steadfast is well positioned to respond to the current market conditions and will continue to build resilience within the business by focusing on proceeding with caution to implement management buy-ins, hubbing and co-owner opportunities when its strict cultural, risk and financial acquisition guidelines are met. Steadfast Group has an equity holding in 48% of the GWP and 16% of the number of brokers within the Steadfast Network, which provides potential future acquisition growth for the Group. The Trapped Capital initiative continues to execute on this strategy. The Trapped Capital initiative provides Steadfast Network brokers the opportunity to unlock trapped capital by partial or full sale to Steadfast.

C. Steadfast Underwriting Agencies

FY23 highlights

- $2.1 billion GWP, up 16.7% on FY22
- Steadfast has equity stakes in 29 agencies, up from 28 in FY22
- Underlying EBITA up 15.7%

FY23 growth in Steadfast Underwriting Agencies is predominately organic growth, primarily driven by price and volume uplift. Most agencies experienced strong growth during FY23, particularly in property and professional lines. The division's excellent performance was also due to the long-term strategy of closely aligning capacity providers, technology and a strong service ethic with the agencies' niche product offerings.

By enhancing the partnerships between underwriting agencies and strategic insurer partners and working effectively together, Steadfast Underwriting Agencies expanded its product range for the benefit of brokers and their clients. Development of actuarial and data analytics capabilities have contributed significantly to improved portfolio management and performance reporting. This will be a continued focus to ensure that we are managing our exposures and ultimately improving loss ratios.

Medium-term

Steadfast Underwriting Agencies is well positioned to maintain organic growth through a high retention of customers and new business, as it aims to further improve customer service, and the expectation of further price increases coming from strategic partners. Brokers truly value the differentiated service they receive from Steadfast Underwriting Agencies, and this has been a key competitive advantage of the business.

Steadfast Underwriting Agencies' focus remains on seeking new opportunities with strategic partners to expand its product range, as a number of insurers reposition their approach to distribution.

D. Steadfast Complementary Businesses

FY23 highlights

- $1.2 billion GWP written through SCTP, up 24% on FY22
- 205 brokers live on INSIGHT (after merging of brokers) and over 6,000 INSIGHT users

The technology team continued the migration of Network brokers onto the Group's proprietary broking management system (INSIGHT) and continued enhancing the offering on SCTP – increasing the number of strategic partners and product lines offered. Steadfast continues to invest in further enhancements to the platform.

The Group continued to expand its complementary businesses with the further development of a range of risk management, claims management and complementary offerings. The Group also acquired a minority stake in Flame Security International, a company which develops fire protection products and technologies.

Medium-term

As an industry leader in innovation, Steadfast is well positioned to continue modernising its technology platforms to improve broker and client experience and support growth. Steadfast remains focused on further enhancing SCTP by adding more product lines, new insurers and auto-rating capabilities, driving increased SCTP usage and more transparent alternative pricing and coverage for clients.

The Steadfast team will continue to support the migration of brokers onto the INSIGHT platform, with an additional 16 brokers committed to migrate and discussions ongoing with another 28 brokers. Focus will also remain on the development of enhancements to the security and efficiency of INSIGHT, seeking to continue to provide Steadfast brokers and their clients with a market leading, secure and efficient platform.

Steadfast Risk Group has established an array of complementary businesses which address major challenges of the Broker Network which is trying to differentiate its services, and ultimately provide a more holistic solution around risk identification and management. These services focus on risk identification, management, and control as well as valuations, claims and alternative risk transfer solutions and extend to our insurer partners.

Principal risks and uncertainties

The principal risks and uncertainties outlined in this section reflect the risks that could materially affect Steadfast Group or its ability to meet its strategic objectives, either directly or by triggering a succession of events that in aggregate become material to the Group.

Set out below are the key risk categories used by Steadfast Group to manage risk, underpinned by a strong focus on risk culture. The risks discussed should not be considered an exhaustive list of every possible risk associated with the Group.

Risk	Description	Managing the risk
Financial risk	The risk that the Group fails to achieve its financial objectives as set out within the Business Plan.	We work with management of the businesses in which Steadfast is invested to optimise sustainable results. Regular reviews of operating businesses are undertaken and action plans to improve performance agreed and monitored as appropriate. We actively manage our liquidity and funding positions and ensure appropriate contingency arrangements are maintained. We maintain a strong liquidity position to preserve financial flexibility. Corporate gearing ratios, as agreed with the Board, and borrowing covenants are closely monitored and reported.
› Impairment risk	The risk that investments are subject to a permanent decrease in value, resulting in an expense for the Group.	We have a highly experienced mergers and acquisitions team that reviews the performance of our investments on an ongoing basis, including agreeing actions for improvement where appropriate. We have a due diligence process to assess risk profile, with contractual representations and warranties. Contingent consideration is used where appropriate to reduce uncertainty. A formal impairment review is undertaken at least annually, or more frequently if there are indications of impairment.
Strategic risk	The risk associated with the pursuit of the Group's strategic objectives, including the risk that the Group fails to execute its chosen strategy effectively or in a timely manner.	We consider and manage strategic risks through our annual strategic planning process led by management and overseen by the Board. The Board monitors management's progress in implementing key strategic initiatives and any change in our key strategic risks is managed in accordance with our risk management framework.
Operational risk	The risk of loss from inadequate or failed internal processes, people and/or systems, or from external events. Operational risk can arise in many forms such as fraud or errors by employees, and business interruptions caused by external parties (e.g. cyber attacks) or a breakdown in key internal business or system processes.	Steadfast manages operational risk through policies and procedures that include relevant internal controls, including authorisation and reconciliation procedures, effective segregation of duties and information security. We have a risk management process which identifies, assesses, evaluates and manages the key business risks. We also have a risk appetite statement, which sets out the type and magnitude of risk that the Board is willing to accept in order to achieve the organisation's objectives. A risk appetite scorecard which tracks performance against the risk appetite statement is presented to the Audit and Risk Committee quarterly.

Risk	Description	Managing the risk
Technology & cyber security risk	The risk of failure of critical technology assets, infrastructure and services and the risk of loss from theft or unauthorised access to systems including the compromise of an IT asset's confidentiality, integrity or availability.	Our technology and information security strategy is underpinned by an ongoing improvement program designed to support our infrastructure and a strong cyber security posture. Our approach to cyber security is constantly evolving in response to changes in the threat landscape so that we can maintain system availability and support ongoing business operations. Our dedicated technology teams focus on migration, implementation, continued development and support of our core platforms. We have a range of activities to continuously test and assess the resilience and sustainability of our platforms, including cyber awareness training, phishing simulation exercises, penetration tests, vulnerability and patch management, and risk assessments. Business continuity, disaster recovery and crisis management plans are in place, and tested at least annually. We have introduced additional cyber security controls to assess third-party risk in our supply chain and vendor assessment process in response to an increase globally in cyber attacks resulting from vulnerabilities in third-party systems and applications.
People risk	The risk associated with ineffective recruitment, retention and engagement of skilled/key personnel or failure to appropriately manage work health and safety. These risks may affect Steadfast's assets, reputation, financial performance and its ability to operate efficiently or successfully execute its strategy.	We manage people risk through a combination of controls including: › succession & development planning; › employee engagement & experience surveys and feedback; › workforce planning; › regular monitoring of skills gaps; › KPI setting and performance reviews; › employee training; and › appropriate remuneration arrangements.
Legal and regulatory risk	The risk of loss arising from the change in regulations and law that might affect the industry in which Steadfast operates.	We have been actively engaged in addressing this risk, both within our business and through stakeholder engagement. Activities undertaken include: › working with the National Insurance Brokers Association to identify and assess the impact of changes, liaising with regulators as appropriate; › providing a range of services including professional development days and town hall meetings to help Group entities understand and embed regulatory change; and › implementing Steadfast's Broker Code of Conduct that supports the principles of clients' best interest.
Compliance risk	The risk of failure to act in accordance with laws, regulations, industry standards and codes, internal policies and procedures and principles of good governance as applicable to the Group's businesses.	Key features of how we manage compliance risk as part of our operational risk framework include: › embedding key obligations into our operations; › identifying changes in regulations and the business environment to enable us to proactively assess emerging compliance obligations; › implementing robust reporting and certification processes; › identifying, reporting and managing incidents/breaches in a timely manner; › monitoring compliance through an ongoing internal audit program; and › a whistleblower protection policy, encouraging employees and contractors to raise concerns relating to accounting, internal control, compliance, audit and other matters. Confidentiality is assured and anonymous submissions allowed.
Counterparty/ outsourcing risk	The risk arising from a service provider's failure to meet their contractual obligations or termination of material contracts.	Steadfast manages counterparty/outsourcing risk through the following activities: › a procurement process for selecting suppliers is performed by the relevant business unit; › legal review of supplier contracts; and › monitoring of supplier performance by the relevant business unit.

Risk	Description	Managing the risk
Reputational risk	The risk of loss that directly or indirectly impacts earnings or value that is caused by adverse perceptions of the Group held by brokers, customers, shareholders, employees, regulators and the broader community.	We manage reputation risk by maintaining a positive and dynamic culture that emphasises the need to always act with integrity and which enables us to build strong and trusted relationships with brokers, customers, shareholders, employees, regulators and the broader community. We have established decision-making frameworks and policies to ensure our business decisions are guided by sound financial, social and environmental standards. We also have an active internal audit program to review each of the businesses in which we have invested to assist in identifying potential reputational exposures to the Group from individual business operations.

Climate risk

Being a services-based business with operations in local communities, Steadfast has a relatively small environmental footprint. Nonetheless, we recognise that climate change continues to be a global risk and a material issue for the insurance industry, including insurers, customers, and the whole economy.

As part of our Environmental, Social and Governance focus, we have committed to pursuing a reduction in the intensity of our operating emissions (Scope 1 & 2), with a target for our Australian controlled businesses to be carbon neutral by 2030. Details about how we plan to achieve this target are included in our Carbon Neutral Transition Plan, published in December 2022. We understand that this plan needs to evolve and, as our capacity improves, we will include Scope 3 emissions.

Dividends

Details of dividends paid or declared by the Company are set out in Note 6 to the financial statements.

During FY23, a final dividend for FY22 of 7.8 cents per share and an interim dividend for FY23 of 6.0 cents per share were declared and paid, both fully franked.

Events after the reporting period

Final dividend

On 16 August 2023, the Board declared a final dividend for FY23 of 9.0 cents per share, fully franked. The dividend will be paid on 21 September 2023.

Facility extension

At 30 June 2023, the Group had a $660.0 million multibank syndicated facility with a combination of three year and five year tranches. The Group had the ability to borrow a further $216.6 million from this facility.

Subsequent to the balance date, these facilities were increased to $860.0 million and extended as follows:

- two revolving tranches totalling $385.0 million, maturing August 2026;
- two fixed-term tranches totalling $175.0 million, maturing August 2026;
- a $200.0 million fixed-term tranche, maturing November 2026; and
- a $100.0 million fixed-term tranche, maturing August 2028.

IQumulate Premium Funding Warehouse Trust extension

At 30 June 2023, the Warehouse Trust limit for IQumulate Premium Funding Pty Ltd was $570.0 million (including a $60.0 million overdraft facility). In July 2023, the Warehouse Trust limit was increased by $90.0 million to $660.0 million (including a $60.0 million overdraft facility) with an extended availability period to July 2024.

Likely developments

The Group's strategy is to grow shareholder value through maintaining and growing its market position in the provision of insurance and related services, with a core focus on general insurance intermediation. Details are provided in the strategy and prospects section of the Directors' Report.

The Group continues to work closely with the management team of each acquired business, and allows each business to operate in a manner consistent with the Group's co-ownership model. In most cases, this model involves ongoing equity participation of key management in the business acquired.

The Board has provided the following FY24 guidance:

- Underlying EBITA of $500.0 million to $510.0 million
- Underlying NPAT of $230.0 million to $240.0 million
- Underlying NPATA of $277.0 million to $287.0 million
- Underlying diluted EPS (NPAT) growth of 10% to 15%

This is subject to the key risks set out on pages 49 to 51 and the following key assumptions:

- insurers to continue to increase premium rates as anticipated;
- completion of $280.0 million of the current pipeline of acquisitions; and
- no material adverse impacts from current global uncertainties.

Environmental regulation

The Group's operations are not subject to any particular significant environmental regulations under a law of the Commonwealth or under State or Territory legislation.

Indemnification and insurance of officers

In accordance with its Constitution, and where permitted under relevant legislation or regulation, the Company indemnifies the Directors and Officers against all liabilities to another person that may arise from their position as Directors or Officers of the Company and its subsidiaries, except for conduct involving a lack of good faith and other matters set out in the Company's Constitution.

In accordance with the provisions of the *Corporations Act 2001*, the Company has insured the Directors and Officers against liabilities incurred in their role as Directors and Officers of the Company. The terms of the insurance policy, including the premium, are subject to confidentiality clauses and therefore the Company is prohibited from disclosing the nature of the liabilities covered and the premium paid.

Non-audit services

During the financial year, KPMG, the Group's auditor, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services engagements were subject to the corporate governance procedures adopted by the Group, and have been reviewed by the Audit & Risk Committee to ensure they do not affect the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its network firms, for audit and non-audit services provided during the financial year are provided in Note 22 to the financial statements.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 77 and forms part of the Directors' Report for the financial year ended 30 June 2023.

Steadfast Group's remuneration framework links reward with the strategic goals and performance of the individual and the Group.

Remuneration Report

Dear Shareholders,

On behalf of the Steadfast Group Board, I am pleased to present the Remuneration Report for the financial year ended 30 June 2023. The purpose of this report is to outline Steadfast Group's approach to remuneration for Executives and Non-Executive Directors and, in particular, the links between Steadfast Group's remuneration framework and business strategy, performance and reward. To continue to enhance the content and useability of our Remuneration Report, this year we have streamlined and refreshed some of our reporting.

The objectives of Steadfast Group's remuneration framework are to:

- maintain market competitive remuneration that enables the Group to attract and retain key talent;
- align remuneration to the Group's strategic and business objectives and the creation of shareholder value;
- be fair, transparent and easily understood by all stakeholders; and
- be acceptable to shareholders and meet community expectations.

FY23 performance

During the past 12 months the Steadfast Group has continued to perform strongly and achieved record full year financial results, in excess of initial guidance announced on 17 August 2022. We believe that the results achieved by the Steadfast Group reflect our approach to implementing our strategies and plans, and the professionalism and dedication of our high quality Executive team.

The Group reported underlying earnings before interest, tax and amortisation (EBITA) of $430.7 million and underlying net profit after tax (NPAT) of $207.0 million. This represents a 26.5% increase in underlying EBITA and a 22.5% increase in underlying NPAT over the prior year. The Group's underlying earnings per share (EPS) growth assessed for remuneration purposes was 14.6% and return on capital (ROC) was 12.2%. for the financial year. The total shareholder return (TSR) since our listing has been 498%. In addition to achievement of financial outcomes, the Board also assesses the Executives' demonstration of TOGETHER values.

Annual remuneration review

The Board regularly reviews the Steadfast Group's Executive remuneration arrangements to ensure that our framework is fit-for-purpose and continues to support the delivery of our core business objectives. We continue to receive positive support from shareholders and other interested parties and, as a result, changes for FY24 are limited to a review of performance hurdles.

An independent benchmarking review of Non-Executive Directors' fees was undertaken in 2023 by the Godfrey Remuneration Group (GRG). GRG recommended some increases to Non-Executive Director fees from FY24 and these changes are detailed in the report.

I invite you to read our Remuneration Report and welcome any feedback on our remuneration framework to ensure it meets the needs and expectations of shareholders, employees and other key stakeholders. I am personally available to discuss any aspects of our remuneration framework with our shareholders at our upcoming Annual General Meeting.

Sincerely,

Vicki Allen
Chair, Remuneration & Performance Committee

1. Introduction

The Remuneration Report outlines Steadfast's remuneration principles, framework and outcomes for FY23 for all key management personnel (KMP), comprising all Non-Executive Directors and the Executive Team made up of the Managing Director & Chief Executive Officer (MD & CEO) and certain direct reports. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly.

1.1. Remuneration framework

The objective of the Group's executive remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of sustainable long-term value for shareholders and conforms to market practice for delivery of remuneration. The incentive schemes are designed to incentivise performance that is better than market.

The Group's remuneration structure aligns with ASX Corporate Governance Council Principles & Practice (4th edition).

The Group aims to reward Executives with a level of remuneration commensurate with their responsibilities and position within the Group and their ability to influence shareholder value creation. The incentive schemes are designed to encourage participants to strive to ensure Steadfast outperforms the market on an ongoing basis. Refer to table 2.4 for EPS growth of the Group over a five year period.

The remuneration framework links reward with the strategic goals and performance of the individual and the Group and provides a market competitive mix of both fixed and variable rewards. Key Performance Indicators (KPIs), together with weightings, are established for each individual which are aligned to the Group's strategic objectives.

The key elements of executive remuneration are:

- fixed remuneration consisting of cash salary, superannuation and non-monetary benefits;
- an annual short-term incentive (STI) plan (Section 2.1); and
- a long-term incentive (LTI) plan (Section 2.2).

Refer to Section 2.5 for targeted maximum remuneration mix.

Remuneration principles

The remuneration framework embodies these remuneration principles:

Principle	Purpose
Competitive	Retain and attract talent
Alignment	Creation of shareholder value over time
Fair	Fair for all stakeholders
Strategic	Delivery of strategic plans within risk appetite
Culture	Meet TOGETHER values
Transparent	Able to be understood by all stakeholders

Remuneration structure

	Fixed pay	Short-term incentive	Long-term incentive
Purpose	› Attract and retain talent › Reflects individual roles and experience, based on comparative remuneration in the market and total organisation salary budget	› Reward achievement of personal and Group goals over a 12 month period	› Reward creation of longer-term shareholder value
Composition	› Fixed remuneration (cash salary, superannuation, and non-monetary benefits like car parking) › Fixed remuneration targeted at 25%-40% of total remuneration, depending on the role	› STI opportunity comprising cash and deferred equity award (DEA)	› LTI opportunity comprising DEA
Performance measures	› Competitive benchmarking	› Return on capital (ROC)	› Earnings per share (EPS); and › Total shareholder return (TSR)

1.2. Remuneration governance

This report meets the remuneration reporting requirements of the *Corporations Act 2001* and Accounting Standard AASB 124 Related Party Disclosures. The term remuneration used in this report has the same meaning as compensation as prescribed in AASB 124.

Role of the Remuneration & Performance Committee

The Remuneration & Performance Committee of the Board is responsible for reviewing and recommending to the Board remuneration arrangements for the Non-Executive Directors and the Executive Team made up of the MD & CEO and his direct reports listed in the KMP table in Section 1.3.

The Board and committee structure is outlined below:

Remuneration Report continued

1.3. Key management personnel

The KMP of the Group for the entire financial year, unless otherwise stated, are as follows:

Name	Role	Date of appointment
Non-Executive Directors		
Frank O'Halloran, AM	Chair, Non-Executive Director	21 October 2012
David Liddy, AM	Deputy Chair, Non-Executive Director	1 January 2013
Vicki Allen	Non-Executive Director	18 March 2021
Joan Cleary	Non-Executive Director	28 July 2022
Gai McGrath	Non-Executive Director	1 June 2018
Greg Rynenberg	Non-Executive Director	10 August 1998
Former Non-Executive Directors		
Anne O'Driscoll[1]	Non-Executive Director	1 July 2013
Executive Director		
Robert Kelly, AM	Managing Director & CEO	18 April 1996
Other key management personnel		
Nigel Fitzgerald	Chief Operating Officer	4 April 2023
Samantha Hollman	Chief Executive Officer – International	4 January 2000
Stephen Humphrys	Chief Financial Officer	2 January 2013
Allan Reynolds	Executive General Manager – Direct, New Zealand & Asia	5 December 2002

[1] *Anne O'Driscoll retired as a Non-Executive Director on 15 March 2023.*

2. Remuneration explained

2.1. STI for FY23 and FY24

The table below outlines the key details of the STI plan.

Component	Details
Purpose and link to strategy	Rewards the achievements of the Group's business plan and individual goals over a 12 month period.
Operation	STI plan consisting of cash and DEA.
Potential reward	STI awards are performance-based, at-risk reward arrangements subject to Board discretion . The total of at-risk remuneration for STI is targeted at 35%-55% of total remuneration, depending on the role.
Performance measures	**Non-financial measures:** The Board sets the individual objectives for the MD & CEO. The members of the Executive Team must meet expectation or better in annual KPIs and TOGETHER values assessment to be eligible for any STI. The MD & CEO achieved a substantial majority of his FY23 non-financial objectives with weightings (refer Section 2.3). **Financial measures relating to awards issued during FY23:** ROC being underlying NPAT divided by opening equity attributable to owners of Steadfast Group Limited, is the key metric upon which the STI is calculated.
Potential maximum STI (including outperformance)	The MD & CEO can earn an STI up to 200% of his annual fixed remuneration. The other members of the Executive Team can earn up to 100% of their annual fixed remuneration; however, they are not eligible for outperformance incentives.
Approval of the STI	The MD & CEO's STI is recommended by the Remuneration & Performance Committee based on the Group's financial and his non-financial performance outcomes and approved by the Board. The STI of other members of the Executive Team is recommended by the MD & CEO to the Remuneration & Performance Committee, based on the Group's financial and their non-financial performance outcomes. It is recommended by the Remuneration & Performance Committee and approved by the Board.
Rationale for choosing performance measures	The non-financial measures are chosen to ensure each member of the Executive Team delivers outcomes that support the success of Steadfast. The financial measure of ROC is chosen to ensure long-term shareholder value is increased.
Forms of the STI reward elements	60% is paid as cash, normally in September following the end of financial year. 40% is granted as a DEA of conditional rights (rights) to Steadfast ordinary shares which vest over a one-year tenure performance hurdle from the grant date.
Key terms of DEA	A DEA is normally granted on the date the audited financial results are announced. These rights are granted to the participants at no cost. The number of rights granted is calculated by dividing the dollar value of the DEA award by the volume weighted average price (VWAP) of shares over the five trading days before the grant date. The participants in the STI plan become eligible to receive one Steadfast ordinary share per right, subject to their continuing employment with the Group over the vesting period post grant date, and no material adverse change to the reported results. The Remuneration & Performance Committee noted there had not been any material subsequent deterioration in reported results due to any prior year adjustments for the year of the grant. These rights will accrue notional dividends and may accrue, subject to Board discretion, any bonus element inherent in any rights issue, which will be paid as additional shares upon vesting.
Forfeiture conditions	The Board retains the discretion to adjust any unpaid or unvested performance-related remuneration (such as STI – cash, STI – DEA) downwards if it is appropriate to do so. Malus provisions also apply. The rights will be forfeited if the Executive resigns before the vesting date. When an Executive ceases employment as a "good leaver", such as genuine retirement, death, redundancy or ill health, any unvested rights may be paid in cash and/or Steadfast ordinary shares, subject to Board discretion.

Component	Details
Change of control	The rights vest upon a change of control event.
Vesting conditions	› Continued employment to date of vesting, being one year from the grant date. › No material adverse change to the FY23 result (resulting in a material overstatement of NPAT for that year).

The DEA component of the STI award vests one year from grant date. 30% of the amount calculated will be awarded only if there has been achievement of both the financial target as well as strategic and individual personal goals. 70% of STI is calculated with reference to the ROC hurdles set out in the table below. The hurdles are calculated with reference to the shareholders' equity at the start of the financial year and, in the current financial year, underlying NPAT used in the calculation of ROC excludes the IBA acquisition completed in the financial year.

Financial year ended 30 June 2023		Financial year ending 30 June 2024	
Return on capital	**Award outcome**	**Return on capital**	**Award outcome**
Below 11.35%	0%	Below 11.55%	0%
11.35% to 11.75%	50% vesting to maximum award on a straight line basis	11.55% to 11.95%	50% vesting to maximum award on a straight line basis
11.75%	Maximum award	11.95%	Maximum award
11.75% to 12.25%	Outperformance award on a straight line basis	11.95% to 12.45%	Outperformance award on a straight line basis
The maximum outperformance amount will be calculated as a percentage of fixed pay as follows:			
KMP	**Outperformance award**	**KMP**	**Outperformance award**
Robert Kelly, AM	50%	Robert Kelly, AM	50%

2.2. LTI for FY23 and FY24

The table below outlines the key details of the LTI plan.

Component	Details
Purpose and link to strategy	Provides opportunity for the Executive Team to acquire equity in the Company as a reward for increasing EPS and TSR over the longer term and helps to attract and retain talent.
Operation	LTI plan consisting of DEA.
Potential reward	LTI awards are discretionary, performance-based, at-risk reward arrangements. At-risk remuneration for LTI is targeted at 20%-35% of total remuneration, depending on the role.
Future performance hurdle	**Non-financial measures:** The members of the Executive Team must meet expectation or better in annual KPIs and TOGETHER values assessment to be eligible to receive any LTI. The MD & CEO achieved a substanial majority of his FY23 non-financial objectives with weightings (refer Section 2.3). **Financial measures relating to awards issued during FY23:** 50% is based on average underlying diluted EPS growth, and the remaining 50% is based on TSR.
Potential maximum LTI	The MD & CEO and CFO can earn up to 100% of their annual fixed remuneration. The other members of the Executive Team can earn 75% to 100% of their annual fixed remuneration.
Approval of the LTI	The Board approves the LTI based on the financial and non-financial performance outcomes as recommended by the Remuneration & Performance Committee.
Forms of LTI reward	DEA of rights to Steadfast ordinary shares which vest after the achievement of three-year future performance and tenure hurdles.
Rationale for choosing performance measures	The financial measures of EPS growth and TSR are chosen to ensure long-term shareholder value is increased. The non-financial measures are chosen to ensure each member of the Executive Team delivers outcomes that support the success of Steadfast.
Key terms of DEA	DEA is normally granted on the date the audited financial results are announced. These rights are granted to the participants at no cost. The number of rights granted is calculated by dividing the dollar value of the DEA award by the VWAP of shares over the five trading days before the grant date. The participants in the LTI plan become eligible to receive one Steadfast ordinary share per right, subject to their continuing employment with the Group for the three-year period from the grant date and meeting performance hurdles, subject to Board discretion. These rights will not accrue notional dividends and may accrue, subject to Board discretion, any bonus element inherent in any rights issue, which will be paid as additional shares upon vesting.
Forfeiture conditions	The Board retains the discretion to adjust any unpaid or unvested LTI downwards if it is appropriate to do so. Malus provisions also apply. The rights will be forfeited if the Executive resigns before the vesting date. When an Executive ceases employment as a "good leaver", such as genuine retirement, death, redundancy or ill health, any unvested rights may be paid in cash and/or Steadfast shares subject to Board discretion.
Change of control	The rights will vest upon change of control; however, the Board has discretion for them to immediately vest or to vest over the vesting period.
Vesting conditions	› Continued employment to date of vesting, being three years from the grant date. › 50% based on average underlying diluted EPS increasing by a straight line 8% to 11% per annum over a three-year vesting period; resulting in vesting of 25-100% on a straight line basis. › 50% based on minimum TSR measured against 50^{th} to 75^{th} percentile of the peer group. › No material adverse change to the FY23 result (resulting in a material overstatement of EPS or TSR for that year).

Key financial metrics for the calculation of LTI are detailed in the below table.

Financial year ending 30 June 2023		Financial year ending 30 June 2024	
Straight line underlying diluted EPS growth	**Vesting outcome**	**Straight line underlying diluted EPS growth**	**Vesting outcome**
Below 8.0%	0%	Below 10.0%	0%
At 8.0%	25%	At 10.0%	25%
8.0% to 11.0%	Straight line between 25% to 100%	10.0% to 13.0%	Straight line between 25% to 100%
11.0% or higher	100%	13.0% or higher	100%
50% based on TSR measured against Top 200 ASX companies excluding those in the mining industry (peer group).			
TSR		**TSR**	
Equal to or less than 50th percentile of peer group	0%	Equal to or less than 50th percentile of peer group	0%
Greater than 50th but less than 75th percentile of peer group	Straight line between 25% to 100%	Greater than 50th but less than 75th percentile of peer group	Straight line between 25% to 100%
Equal to or exceeding 75th percentile of peer group	100%	Equal to or exceeding 75th percentile of peer group	100%

All LTIs granted in August 2019 (vested August 2022) were awarded and vested using underlying diluted EPS growth inclusive of any mark-to-market adjustment in Johns Lyng Group; however, for LTIs granted in August 2020 (vesting August 2023), August 2021 (vesting August 2024) and August 2022 (vesting August 2025), they will be awarded and vested based on underlying diluted EPS growth exclusive of any mark-to-market adjustments in listed investments.

2.3. Maximum potential and actual STI and LTI outcomes

The table below provides details of maximum potential STI and LTI, and actual STI and LTI awarded to KMP. The MD and CEO measures the Executive Team's performance and recommends an outcome to the Remuneration & Performance Committee. All KMPs achieved their non-financial and vast majority of financial performance measures and TOGETHER values hurdle assessment.

	Fixed pay $	Maximum STI potential[c] (% of fixed pay)	Actual STI outcome[a] (% of fixed pay)	STI – cash outcome (60% of outcome) $	STI – DEA outcome[b] (40% of outcome) $	Maximum LTI potential (% of fixed pay)	Actual LTI outcome[a] (% of fixed pay)	LTI – DEA outcome[b] $
Robert Kelly, AM	1,242,000	200%	192%	1,433,131	955,421	100%	100%	1,242,000
Nigel Fitzgerald[d]	231,875	100%	100%	185,500	123,667	100%	100%	309,167
Samantha Hollman	565,000	100%	100%	339,000	226,000	100%	100%	565,000
Stephen Humphrys	750,000	100%	100%	450,000	300,000	100%	100%	750,000
Allan Reynolds	510,000	100%	100%	306,000	204,000	75%	75%	382,500

Table notes

a. All participants in the FY23 STI and LTI plans exceeded the non-financial performance hurdle and were awarded all of the 30% of STI pertaining to achieving strategic and individual personal goals.
b. The number of rights granted is determined by the dollar value of the DEA outcome divided by the VWAP of shares over the five trading days prior to the date of this report. The LTI award outcome is subject to the achievement of future financial performance hurdles detailed in Section 2.2.
c. Maximum STI potential for Robert Kelly includes the outperformance potential.
d. Nigel Fitzgerald started as a KMP on 4 April 2023. Amounts disclosed reflect his time as KMP.

The MD & CEO's performance against his annual KPIs set at the beginning of FY23 is set out below. Achievement of TOGETHER values assessment hurdles is required to be eligible for participation in the plans:

FY23 performance measures	Weighting %	Achieved %	Comments
› Achievement of FY23 plan and budget	25%	25%	FY23 plan and budget exceeded. ROC is 12.17%, satisfying 100% of maximum and 84% of outperformance STI requirement.
› Successful integration of IBA acquisition including achieving minimum FY23 EBITA of $19.4 million	15%	15%	IBA integration completed.
› Successful completion of Trapped Capital acquisitions with annualised EBITA of $26.1m (excluding IBA)	15%	15%	Achieved
› Development of plan for cost saving initiatives to improve EBITA margins in FY24	10%	7.5%	Cost saving plan initiated.
› Implementation of plans for UnisonSteadfast	5%	2.5%	UnisonSteadfast strategy approved by board.
› Hiring of a new Group COO with appropriate delegation of responsibilities	10%	10%	New Group COO hired.
› Follow up TOGETHER results for key executives in Group Head Office	10%	8%	Achieved
› Continue development of key executives	10%	7%	Achieved
	100%	90%	

2.4. Link between Steadfast's performance and remuneration

A. Reconciliation of underlying NPAT and EPS

The reconciliation of reported NPAT to underlying NPAT used to calculate EPS for STI and LTI is as follows:

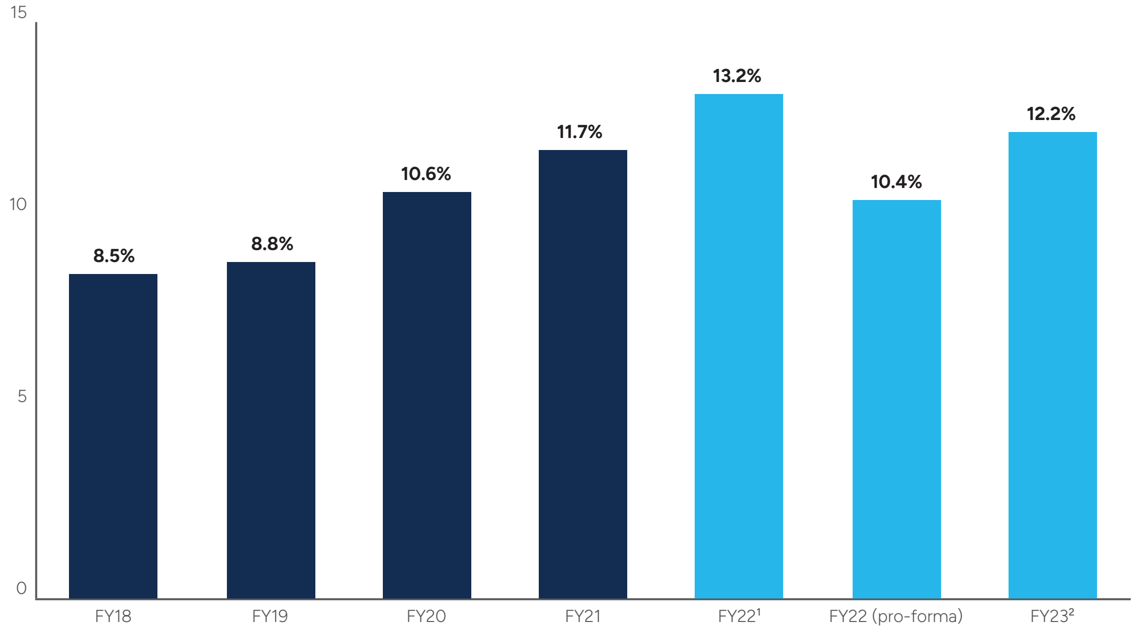
	2019 $'m	2020 $'m	2021 $'m	2022 $'m	2023 $'m
Reported NPAT attributable to owners of the Company	103.8	(55.2)	143.0	171.6	**189.2**
Less: non-trading income	(15.0)	(18.0)	(24.2)	(9.1)	**(24.1)**
Add: non-trading expenses	-	190.9	5.3	3.9	**24.1**
Less: non-trading tax effect	0.1	(10.9)	5.1	1.5	**17.0**
Less: non-controlling interests in non-trading items (net of tax)	0.3	5.1	1.5	1.1	**0.8**
Underlying NPAT attributable to owners of the Company	89.2	111.9	130.7	169.0	**207.0**
Less: adjustments for executive incentives	-	(5.4)	(4.0)[1]	-	**-**
Underlying NPAT attributable to owners of the Company for executive incentives	89.2	106.5	126.7	169.0	**207.0**
Adjusted underlying diluted EPS (cents per share) for executive incentives	11.27	12.70	14.63	17.58	**20.15**
Growth from prior financial year (%)	16.1%	10.5%	15.2%[2]	16.5%[3]	**14.6%**
Growth required for minimum STI (%)	5.0%	5.0%	7.5%	N/A	**N/A**
Growth required for maximum STI (%)	10.0%	10.0%	12.5%	N/A	**N/A**
Growth required for maximum outperformance STI (%)	N/A	N/A	15.0%	N/A	**N/A**
ROC required for minimum STI (%)	N/A	N/A	N/A	12.20%	**11.35%**
ROC required for maximum STI (%)	N/A	N/A	N/A	12.40%	**11.75%**
ROC required for maximum outperformance STI (%)	N/A	N/A	N/A	12.70%	**12.25%**
Opening equity[4]	N/A	N/A	1,120.1	1,158.9	**1,684.5**
Underlying net profit attributable to owners of the Company for calculating ROC[4]	N/A	N/A	130.7	153.0	**205.1**
ROC for calculating executive incentives[4]	N/A	N/A	11.70%	13.20%	**12.17%**
Opening share price ($)	2.81	3.51	3.36	4.40	**5.02**
Closing share price ($)	3.51	3.36	4.40	5.02	**6.00**
Change in share price (cents per share)	70.0	(15.0)	104.0	62.0	**98.0**
Dividend declared per share (cents per share)	8.5	9.6	11.4	13.0	**15.0**
TSR for the financial year (cents per share)	78.5	(5.4)	115.4	75.0	**113.0**
TSR for the financial year (%)	27.9%	(1.5%)	34.3%	17.0%	**22.5%**
Dividends paid for the financial year ($'m)	62.6	73.1	90.0	111.8	**138.6**

[1] This includes the impact of Jobkeeper ($1.5m) which has been deducted from FY21 earnings to calculate executive incentives.
[2] The FY20 base EPS for assessing FY21 incentives and for future periods is 12.70 cents per share.
[3] The FY21 base EPS for assessing FY22 incentivies was 15.09 cents per share.
[4] In August 2021 and August 2022, the Company raised capital to acquire Coverforce and IBA respectively. The capital raised and the profits in the first year of acquisition of these investees were removed from the ROC calculations to ensure that incentives were not biased by these acquisitions.

B. Return on capital

The graph below shows the base, minimum, maximum and actual ROC used for determining STI for FY23.

Return on capital (underlying NPAT divided by opening equity attributable to owners of Steadfast Group Limited)



[1] *Excludes Coverforce.*
[2] *Excludes IBA.*

The pro-forma FY22 result shown above adjusts the FY22 ROC calculations to show the actual impact of the acquisition of Coverforce for the year together with the capital raised to fund that acquisition. This provides the appropriate "like for like" base upon which the FY23 ROC performance can be measured.

Outcome

The STI awarded in August 2023 is determined against the hurdles set out in the table below:

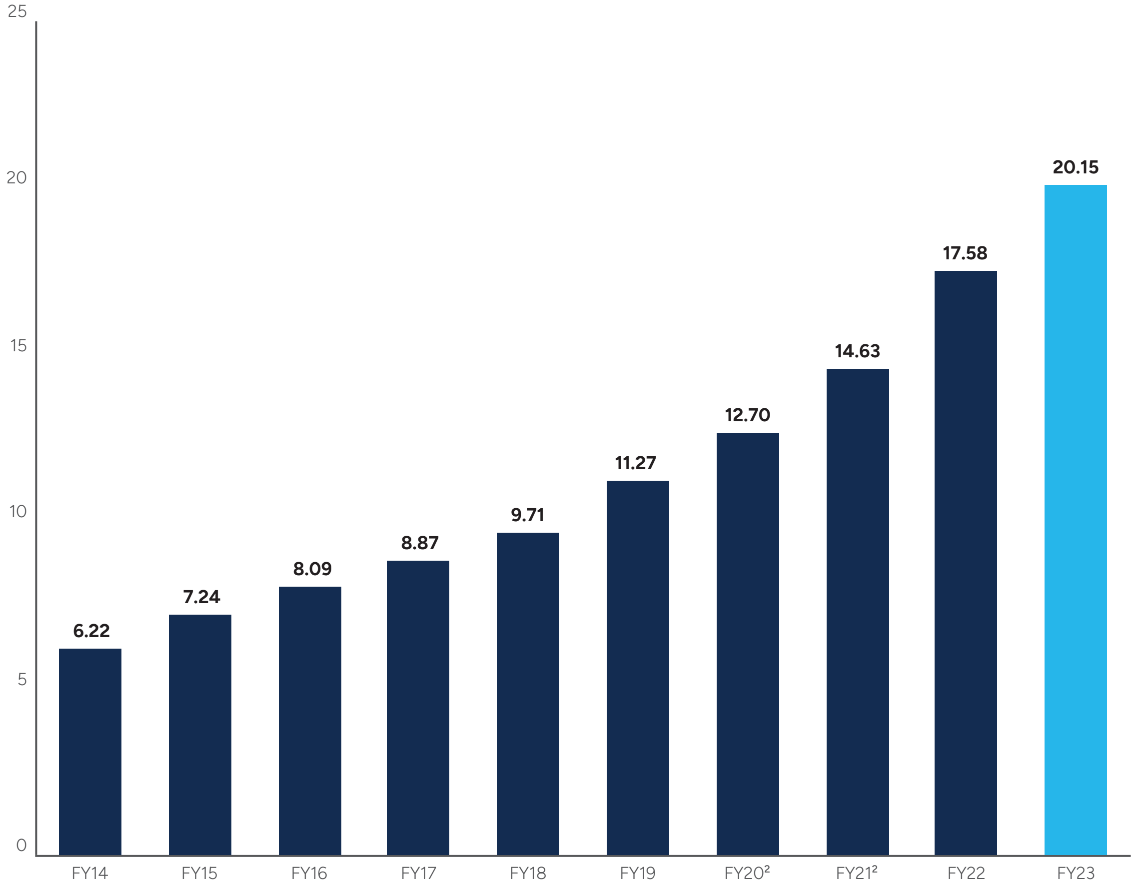
ROC hurdle	ROC (%)
FY23 ROC to acheive minimum STI	11.35
FY23 ROC to achieve maximum STI	11.75
FY23 ROC to achieve maximum STI with outperformance	12.25
Actual FY23 ROC	12.17
Outcome	The ROC in FY23 was 12.17%, meaning maximum STI was awarded and 84% of the outperformance STI was awarded.

C. Underlying diluted EPS

The graph below shows actual underlying diluted EPS used for determining LTI for FY13 through to FY23. The underlying diluted EPS for the prior financial year is the base used for calculating growth for the following financial year.

The underlying diluted EPS growth accounts for 50% weighting on LTI awards (FY22: 50%), which is not payable unless at least 8.0% (FY22: 7.5%) straight line growth is achieved over the three-year vesting period.

Underlying diluted EPS for incentives (cents per share)



[1] FY13 data is based on pro-forma financial information as if the Group operations, which listed in August 2013, had operated as the Group for FY13.
[2] The base EPS for assessing FY21 incentives and for future periods was 12.70 cents per share. To calculate FY20 incentives, 12.45 cents per share was utilised.

Outcome

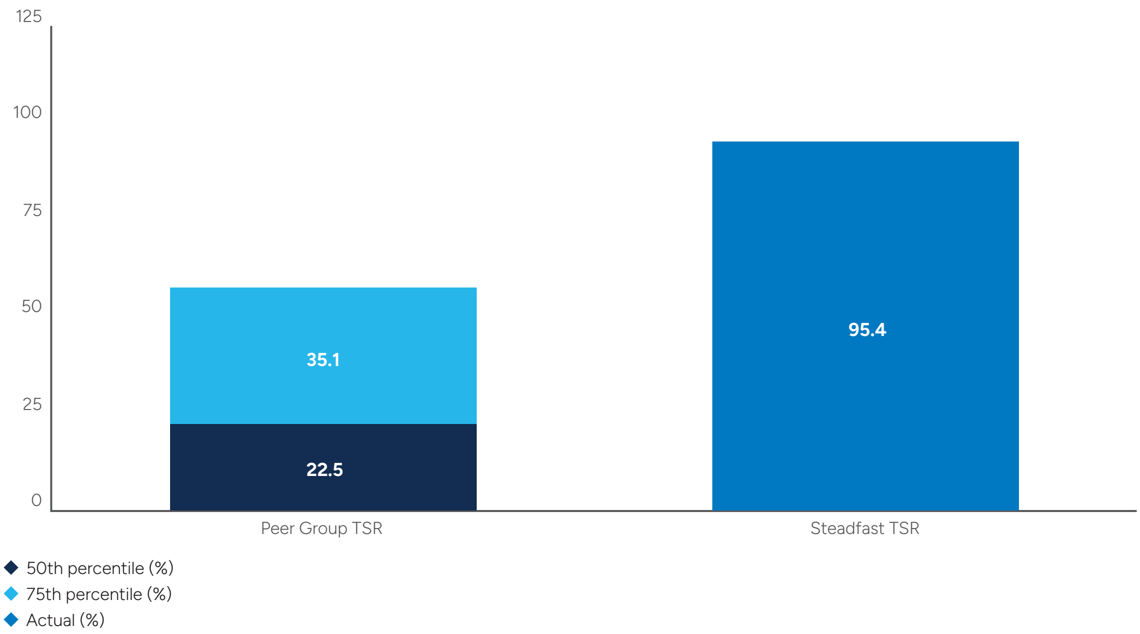
The underlying diluted EPS growth accounts for 50% weighting on LTI awards (FY22: 50%), which is not payable unless at least 8.0% (FY22: 7.5%) straight line growth is achieved over the three-year vesting period. 75% of the LTI that will vest in August 2023 is referenced against the three year EPS performance since FY20. The below table outlines the requirements and outcome in relation to EPS growth:

EPS hurdle	EPS (cents per share)
FY20 Base EPS	12.70
FY23 EPS to achieve minimum LTI	14.61
FY23 EPS to achieve maximum LTI	16.51
Actual FY23 EPS	20.15
Outcome	The straight line growth between FY20 and FY23 was 19.6% per annum, exceeding the required growth of 10% per annum. Therefore maximum EPS LTI was awarded.

D. Total shareholder return

TSR is calculated as the change in share price plus dividends declared and any capital returns measured over the financial year. The graph below shows the Company's cumulative TSR since FY20, compared against the median TSR of top 200 ASX listed companies excluding those in the mining industry (peer group).

Total shareholder return for incentives (%)

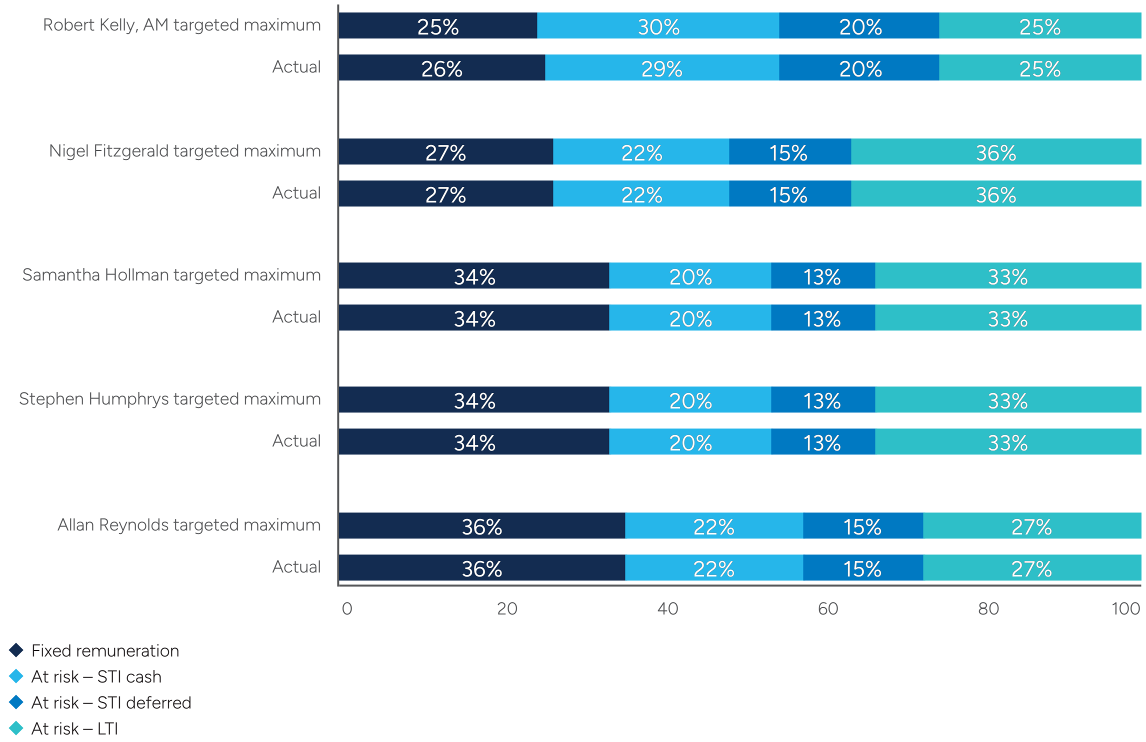


Outcome

TSR accounts for 50% of the LTI award, which is not payable unless equal to or above the 50th percentile of the peer group is achieved over the three-year vesting period. Maximum award occurs if TSR is at or above the 75th percentile of the peer group. 25% of the LTI that will vest in August 2023 is determined with reference to the three year TSR performance since FY20. The below table outlines the requirements and outcome in relation to TSR:

TSR hurdle	TSR percentile (%)
FY20-FY23 TSR to achieve minimum LTI	50th percentile (22.5%)
FY20-FY23 TSR to achieve maximum LTI	75th percentile (57.6%)
Actual FY20-FY23 TSR	Top Quartile
Outcome	The TSR over the three years since FY20 exceeded the maximum LTI benchmark. Therefore the maximum TSR LTI was awarded.

2.5. Targeted maximum potential and actual remuneration mix for FY23



2.6. STI and LTI vesting information

The current vesting schedule for the DEA of rights to convert to Steadfast ordinary shares during the financial year or granted since is set out below, subject at all times to the vesting conditions being met (refer Section 5.2 for the vesting date of the STI and LTI rights):

DEA awarded		Vesting date				
		August 2022	August 2023	August 2024	August 2025	August 2026
August 2019	STI	⚫				
	LTI	🔵				
August 2020	STI	⚫	⚫			
	LTI		🔵			
August 2021	STI	⚫	⚫	⚫		
	LTI			🔵		
August 2022	STI		🟠			
	LTI				🔵	
August 2023	STI			🟠		
	LTI					🔵

- ⚫ Vesting occurs in three equal tranches after one, two, and three years from grant date
- 🔵 Vesting occurs three years after grant date
- 🟠 Vesting occurs one year from grant date

Details of the Steadfast ordinary shares transferred to the relevant Executive Team members (at nil cost to them) for the DEAs that vested during the current financial year are set out in Section 5.3.

2.7. Keeping Executives' and shareholders' interests aligned

The Executive Team holds Steadfast's ordinary shares, which helps align Executives' and shareholders' interests. The below table details how Executives have acquired Steadfast's ordinary shares:

Component	Details
Executive shareholdings	The Executive Team has acquired Steadfast's ordinary shares through the following means: › shares allocated at IPO to three Executives either directly or through loans, which have since been repaid by the Executives; › subscription for ordinary shares as part of the Company's IPO and subsequent rights issues; › participation in the Company's DRP; › rights converting into ordinary shares; › potential vesting of DEAs granted through the STI and LTI plans from FY14 onwards (refer Sections 2.1 and 2.2 for further details of the STI and LTI plans); and › purchase of shares on market within trading windows.

2.8 Accounting treatment

The fair value of each DEA is recognised over the service period ending on the vesting date.

3. Remuneration in detail

3.1. Statutory remuneration disclosure

The table below provides remuneration details for KMP.

	Short-term employment benefits			Post-employment benefits	Other long-term employment benefits	Subtotal (excluding share-based payments)	Share-based payments	Total
	(1)	(2)	(3)	(4)	(5)		(6)	
	Cash salary and leave accruals $	Cash STI $	Non-monetary benefits $	Super-annuation $	Long service leave accruals $	$	$	$
Robert Kelly, AM, Managing Director & CEO								
2023	**1,229,940**	**1,433,131**	**127,398**	**25,292**	**41,030**	**2,856,791**	**2,352,000**	**5,208,791**
2022	1,171,529	1,386,000	90,161	23,568	30,894	2,702,152	2,079,000	4,781,152
Nigel Fitzgerald, Chief Operating Officer(7)								
2023	**241,979**	**185,500**	**4,658**	**6,323**	**3,608**	**442,068**	**567,000**	**1,009,068**
2022	-	-	-	-	-	-	-	-
Samantha Hollman, Chief Executive Officer – International								
2023	**540,891**	**339,000**	**37,600**	**25,292**	**13,511**	**956,294**	**676,000**	**1,632,294**
2022	525,392	393,750	20,181	23,568	10,699	973,590	656,250	1,629,840
Stephen Humphrys, Chief Financial Officer								
2023	**769,760**	**450,000**	**58,530**	**25,292**	**30,860**	**1,334,442**	**958,000**	**2,292,442**
2022	677,051	472,500	30,882	23,568	14,100	1,218,101	945,000	2,163,101
Allan Reynolds, Executive General Manager – Direct, New Zealand & Singapore								
2023	**456,608**	**306,000**	**22,105**	**25,292**	**15,684**	**825,689**	**577,000**	**1,402,689**
2022	480,295	291,000	10,848	23,568	14,861	820,572	557,750	1,378,322

Table notes

1. Cash salary includes amounts paid in cash plus any salary sacrifice items. Annual leave accruals are determined in accordance with Accounting Standard AASB 119 Employee Benefits.
2. The 2023 STI represents 60% of the total STI awarded and approved by the Board and will be paid in cash in September 2023.
3. KMP are provided with non-monetary benefits such as car parking, income protection and life insurances.
4. Superannuation contributions are paid in line with legislative requirements.
5. Long service leave accruals are determined in accordance with AASB 119 Employee Benefits.
6. Share-based payments reflect the expense accrued in the financial year for DEA (both STI and LTI). The 2023 expense is higher than prior year due to the cumulative effect of prior year grants plus increased probability of meeting vesting conditions.
7. Nigel Fitzgerald commenced as Chief Operating Officer on 4 April 2023.

3.2. Conditional rights

The table below provides the number of rights held by KMPs as at 30 June 2022 and 30 June 2023. These are aggregate holdings of unvested DEAs from the various grants that remain on foot (see chart in section 2.6).

	Balance 30 June 2022	STI granted during FY23	LTI granted during FY23	Dividends reinvested	Sign on bonus DEA granted during FY23	STI/LTI vested during FY23[1]	Balance 30 June 2023
Robert Kelly, AM	1,225,003	171,543	214,429	9,443	-	(482,653)	**1,137,765**
Nigel Fitzgerald[2]	-	-	-	-	400,000	-	**400,000**
Samantha Hollman	366,770	48,734	73,101	2,715	-	(123,502)	**367,818**
Stephen Humphrys	554,685	58,480	116,961	3,258	-	(188,069)	**545,315**
Allan Reynolds	309,933	36,016	67,531	1,978	-	(97,451)	**318,007**

[1] *The third tranche of the STI DEAs granted in August 2019, the second tranche of the STI DEAs granted in August 2020, the first tranche of the STI DEAs granted in August 2021 and the LTI DEAs granted in August 2019 vested in the current financial year. In accordance with the terms of the STI and LTI plans, eligible participants of the plans received one Steadfast ordinary share per conditional right at nil cost to them upon vesting.*
[2] *Nigel Fitzgerald commenced as KMP on 4 April 2023. The sign on bonus will vest in equal tranches in March 2024, 2025 and 2026, subject to continued tenure.*

Refer Section 5.2 for the fair value of the rights awarded in August 2022.

3.3. Executive service agreements

Steadfast has ongoing executive service agreements with each KMP. These agreements may be terminated by written notice from either party or by the Company making a payment in lieu of notice.

The agreements outline the components of remuneration paid to executives and require the remuneration of Executives to be reviewed annually. The agreements do not require the Company to increase base salary, pay a short-term incentive or offer a long-term incentive in any given year.

The table below contains the key terms of the agreements. The agreements do not provide for any termination payments, other than payment in lieu of notice by the Company.

Name	Notice period from the Company	Notice period from the employee	Termination provisions in relation to payment in lieu of notice
Robert Kelly, AM	12 months	12 months	12 months fixed remuneration
Nigel Fitzgerald	12 months	12 months	12 months fixed remuneration
Samantha Hollman	6 months	6 months	6 months fixed remuneration
Stephen Humphrys	6 months	6 months	6 months fixed remuneration
Allan Reynolds	6 months	6 months	6 months fixed remuneration

In accordance with the requirements of the *Corporations Act 2001*, termination provisions include the payment of unused annual leave and long service leave accruals where applicable.

3.3.1. Retrenchment entitlements

In the event of redundancy, death or ill health, Mr Kelly will be paid an amount equal to 12 months fixed remuneration.

3.3.2. Termination under other situations

In the event of gross negligence or gross misconduct, the Company may terminate the executive agreement immediately by notice in writing and without payment in lieu of notice.

4. Non-Executive Director remuneration

4.1. Fee structure and policy

Non-Executive Directors' fees are determined within an aggregate fee pool, which is reviewed periodically and recommended for approval by shareholders.

The fee structure is designed to provide the Group with the ability to attract and retain Directors of the highest calibre.

The aggregate amount of remuneration sought to be approved by shareholders and the manner in which it is paid to Directors is reviewed annually. The Board considers advice from external consultants as well as fees paid to Non-Executive Directors of comparable companies when undertaking the review process.

Independent and non-independent Non-Executive Director remuneration consists of three elements:

- Board fees;
- committee fees; and
- superannuation, which is paid in line with legislative requirements.

Directors do not receive retirement benefits beyond superannuation contributions and do not participate in any incentive programs.

Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs.

At the Annual General Meeting held on 22 October 2021, the shareholders approved the maximum aggregate Directors' fee pool of $2,000,000 per annum for each financial year effective from and including the financial year commencing 1 July 2021.

The remuneration for the Steadfast Board and committees was determined and paid in accordance with the table below which was the committee structure as at 30 June 2023.

Role	Audit & Risk Committee[1]	Nomination Committee	Remuneration & Performance Committee	People, Culture & Governance Committee
Chair	Joan Cleary	Frank O'Halloran, AM	Vicki Allen	Gai McGrath
Members	David Liddy AM Greg Rynenberg	David Liddy, AM Vicki Allen	Frank O'Halloran AM Joan Cleary	Robert Kelly, AM Joan Cleary Greg Rynenberg

[1] *Joan Cleary commenced as Chair of the Audit & Risk Committee on 16 March 2023 following Anne O'Driscoll retiring as a Non-Executive Director on 15 March 2023.*

The table below contains the annual fee structure for the Steadfast Board and committees (inclusive of superannuation). The remuneration details are set out in Section 4.3.

		Board $[1]	Audit & Risk Committee $	Nomination Committee $	Remuneration & Performance Committee $	People, Culture & Governance Committee $
Chair	**2023**	**305,000**	**40,000**	**-**	**40,000**	**30,000**
	2022	305,000	40,000	-	40,000	30,000
Deputy Chair	**2023**	**230,000**	**-**	**-**	**-**	**-**
	2022	230,000	-	-	-	-
Members	**2023**	**170,000**	**7,500**	**-**	**7,500**	**7,500**
	2022	170,000	7,500	-	7,500	-

[1] *The board had previously increased Non-Executive Director fees in FY22 and deemed no increase for FY23.*

Following a review by external consultants, the Directors have determined that fees will increase by a total of 10% in FY24. These increases were benchmarked to comparable listed entities in terms of market capitalisation, revenue, assets and operations by GRG.

No additional remuneration will be paid to the Chair and members of the Nomination Committee nor for any directorships of subsidiaries.

Board members are allocated to different Committees based on the requirements of the Committee, hence Board members do not sit on all the Committees. All Directors are invited to attend all Committee meetings.

4.2. Minimum shareholding requirement

Non-Executive Directors are not required under the Company's constitution to hold any Steadfast ordinary shares; however, contained in each Director's letter of appointment from the Company is a requirement that the Non-Executive Directors must hold an amount equal to 50% of their annual remuneration in the Company's ordinary shares by the end of their second year in office.

Refer Section 5.3 for details of Steadfast's ordinary shares held by the Non-Executive Directors.

4.3. Remuneration details for Non-Executive Directors

The table below provides remuneration details of the Non-Executive Directors.

	Short-term employment benefits		Post-employment benefits	Total
	Board fees $	Committee fees $	Superannuation $	$
Frank O'Halloran, AM				
2023	**279,708**	**-**	**25,292**	**305,000**
2022	281,432	-	23,568	305,000
David Liddy, AM				
2023	**208,145**	**-**	**21,855**	**230,000**
2022	209,091	-	20,909	230,000
Vicki Allen				
2023	**153,846**	**36,199**	**19,955**	**210,000**
2022	170,000	31,667	-	201,667
Joan Cleary[1]				
2023	**141,026**	**20,456**	**16,956**	**178,438**
2022	-	-	-	-
Gai McGrath				
2023	**170,000**	**30,000**	**-**	**200,000**
2022	170,000	30,000	-	200,000
Greg Rynenberg				
2023	**153,846**	**13,575**	**17,579**	**185,000**
2022	154,546	13,636	16,818	185,000
Former Non-Executive Director				
Anne O'Driscoll[2]				
2023	**115,385**	**27,149**	**14,966**	**157,500**
2022	154,545	36,364	19,091	210,000

[1] *2023 fees for Joan Cleary are from 28 July 2022 being her appointment date.*
[2] *2023 fees for Anne O'Driscoll are until 15 March 2023 being her retirement date.*

5. Additional information

5.1. Use of remuneration consultant

The Remuneration & Performance Committee directly engages with, and considers market remuneration data from, remuneration consultants as required as a guide for remuneration decisions with respect to the Executive Team. Remuneration consultants are engaged no less than every three years to provide information on fixed remuneration packages and incentives to the Remuneration & Performance Committee.

An external remuneration consultant, Godfrey Remuneration Group, was engaged during the financial year to conduct remuneration benchmarking of the Non-Executive Directors fees.

5.2. Valuation of conditional rights

The table below details the fair value of rights issued affecting remuneration of KMP in the previous, current or future reporting periods:

Description of conditional rights	Recipient	Grant date	Vesting date	Fair value at grant date $[1]	Volume weighted average share price $[2]
October 2022 STI[3]	MD & CEO	20-Oct-22	16-Aug-23	4.7378	5.3864
August 2022 STI[3]	Other Executives	17-Aug-22	16-Aug-23	5.3810	5.3864
October 2021 STI[3]	MD & CEO	22-Oct-21	16-Aug-22	4.7884	4.6856
October 2021 STI[3]	MD & CEO	22-Oct-21	16-Aug-23	4.7783	4.6856
October 2021 STI[3]	MD & CEO	22-Oct-21	16-Aug-24	4.7635	4.6856
August 2021 STI[3]	Other Executives	16-Aug-21	16-Aug-22	4.6832	4.6856
August 2021 STI[3]	Other Executives	16-Aug-21	16-Aug-23	4.6678	4.6856
August 2021 STI[3]	Other Executives	16-Aug-21	16-Aug-24	4.6450	4.6856
October 2020 STI[4]	MD & CEO	28-Oct-20	25-Aug-22	3.5496	3.5146
October 2020 STI[4]	MD & CEO	28-Oct-20	25-Aug-23	3.5338	3.5146
August 2020 STI[4]	Other Executives	25-Aug-20	25-Aug-22	3.5018	3.5146
August 2020 STI[4]	Other Executives	25-Aug-20	25-Aug-23	3.4830	3.5146
October 2019 STI[4]	MD & CEO	17-Oct-19	21-Aug-22	3.5723	3.5057
August 2019 STI[4]	Other Executives	21-Aug-19	21-Aug-22	3.5194	3.5057
October 2022 LTI	MD & CEO	20-Oct-22	16-Aug-25	4.4177	5.3864
August 2022 LTI	Other Executives	17-Aug-22	16-Aug-25	5.0011	5.3864
October 2021 LTI	MD & CEO	22-Oct-21	16-Aug-24	4.5686	4.6856
August 2021 LTI	Other Executives	16-Aug-21	16-Aug-24	4.3561	4.6856
October 2020 LTI	MD & CEO	28-Oct-20	25-Aug-23	3.3398	3.5146
August 2020 LTI	Other Executives	25-Aug-20	25-Aug-23	3.2525	3.5146
October 2019 LTI	MD & CEO	17-Oct-19	21-Aug-22	3.3868	3.5057
August 2019 LTI	Other Executives	21-Aug-19	21-Aug-22	3.2975	3.5057

[1] The fair value at grant date is determined in accordance with Accounting Standard AASB 2 Share-based Payment.
[2] To calculate the number of conditional rights to be granted, the award value is divided by the VWAP of shares of Steadfast over the five trading days on the Australian Securities Exchange prior to Steadfast announcing its full year results.
[3] The STI conditional rights granted all vest after one year from grant date.
[4] The STI conditional rights granted all vest in three equal tranches after one, two and three years from the grant date.

5.3. Shareholdings

The table below summarises the movement in holdings of ordinary shares during the financial year and the balance at the end of the financial year both in total and held nominally by related parties of KMP.

	Total shares held at 1 July 2022	Purchases	SPP allocation	Shares transferred upon vesting of DEA	DRP	Sales	Total shares held at 30 June 2023	Shares held nominally at 30 June 2023[1]
Frank O'Halloran, AM[2]	1,122,961	-	25,212	-	-	(170,000)	978,173	934,673
David Liddy, AM[2]	161,090	-	-	-	-	(61,090)	100,000	100,000
Robert Kelly, AM[2]	3,152,927	-	-	482,653	-	(845,702)	2,789,878	-
Vicki Allen[2]	45,000	-	-	-	-	-	45,000	45,000
Joan Cleary[2]	10,000[3]	10,000	6,303	-	426	-	26,729	-
Gai McGrath[2]	55,840	-	6,303	-	-	-	62,143	62,143
Anne O'Driscoll[2]	175,150	-	-	-	-	-	175,150[4]	175,150
Greg Rynenberg[2]	1,004,860	-	-	-	25,915	-	1,030,775	1,030,775
Nigel Fitzgerald	-[5]	-	-	-	-	-	-	-
Samantha Hollman	368,226	-	-	123,502	-	(131,298)	360,430	162,420
Stephen Humphrys	400,301	-	-	188,069	-	(188,370)	400,000	-
Allan Reynolds	606,234	-	-	97,451	883	(35,000)	669,568	58,612

[1] Shares held nominally are included in the column headed 'Total shares held at 30 June 2023'. Total shares are held directly by the KMP and indirectly by the KMP's related parties, inclusive of domestic partner, dependants and entities controlled, jointly controlled or significantly influenced by the KMP.
[2] For the Directors, total shares held directly and nominally also represented the relevant interest in the listed securities, being ordinary shares of the Company, as notified by the Directors to the ASX in accordance with section 205G(1) of the Corporations Act 2001.
[3] Joan Cleary commenced as a Non-Executive Director on 28 July 2022
[4] Anne O'Driscoll retired as a Non-Executive Director on 15 March 2023.
[5] Nigel Fitzgerald commenced as KMP on 4 April 2023.

5.4. Related party transactions

The following transactions occurred with Directors' (Robert Kelly, AM and Greg Rynenberg) related parties which are part of Steadfast Network but are not part of Steadfast Group:

	2023 $	2022 $
i. Sale of goods and services		
Professional service fees received by Directors' related entities on normal commercial terms	**22,000**	16,000
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
ii. Current receivable from related parties		
Trade receivables from Directors' related entities	**8,800**	24,976

5.5. Hedging prohibition

All DEAs must remain at risk until they have fully vested. Accordingly, Executives must not enter into any scheme that specifically hedges the value of equity allocated.

Directors' Report continued

Rounding

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities & Investments Commission. In accordance with that Instrument, amounts in the Directors' Report and financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

Signed at Sydney on 16 August 2023 in accordance with a resolution of the Directors.

Frank O'Halloran, AM
Chair

Robert Kelly, AM
Managing Director & CEO

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Steadfast Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Steadfast Group Limited for the financial year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

David Kells
Partner

Sydney

16 August 2023

Consolidated statement of profit or loss and other comprehensive income

For the financial year ended 30 June 2023

	Notes	2023 $'m	2022 $'m
Fee and commission income		**1,292.0**	1,048.3
Less: brokerage commission paid		**(283.6)**	(255.1)
Net fee and commission income		**1,008.4**	793.2
Premium funding interest income		**92.9**	72.8
Share of profits of associates and joint ventures	12	**30.7**	25.9
Fair value (loss)/gain on listed investment		**(2.4)**	2.3
Net gain from change in ownership in equity businesses and deferred consideration		**23.4**	9.3
Interest income		**23.4**	3.9
Other income		**3.6**	4.0
		1,180.0	911.4
Employment expense		**(484.0)**	(377.2)
Operating, brokers' support service and other expenses		**(158.7)**	(116.2)
Selling expense		**(60.7)**	(44.0)
Amortisation expense	7	**(62.9)**	(51.5)
Depreciation expense		**(25.4)**	(21.7)
Impairment expense – non-financial assets	7,12	**(19.7)**	(3.6)
Finance cost		**(31.0)**	(18.0)
		(842.4)	(632.2)
Profit before income tax expense		**337.6**	279.2
Income tax expense	18	**(109.8)**	(79.8)
Profit after income tax expense for the financial year		**227.8**	199.4
PROFIT FOR THE FINANCIAL YEAR IS ATTRIBUTABLE TO:			
Non-controlling interests		**38.6**	27.8
Owners of Steadfast Group Limited	4	**189.2**	171.6
		227.8	199.4

	Notes	2023 $'m	2022 $'m
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedge change in fair value		**4.3**	-
Net movement in foreign currency translation reserve		**1.9**	(2.2)
Income tax expense on other comprehensive income		**(1.3)**	-
Total other comprehensive income for the financial year, net of tax		**4.9**	(2.2)
Total comprehensive income for the financial year, net of tax		**232.7**	197.2
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR IS ATTRIBUTABLE TO:			
Non-controlling interests		**38.6**	27.8
Owners of Steadfast Group Limited		**194.1**	169.4
		232.7	197.2
EARNINGS PER SHARE			
Basic earnings per share (cents per share)	5	**18.4**	17.9
Diluted earnings per share (cents per share)	5	**18.4**	17.9

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 $'m	2022 $'m
ASSETS			
Current assets			
Cash and cash equivalents	19	**259.2**	279.8
Cash held on trust	19	**879.3**	665.2
Trade and other receivables	13	**261.3**	206.1
Premium funding receivables	13	**662.2**	575.7
Other		**19.5**	11.0
Total current assets		**2,081.5**	1,737.8
Non-current assets			
Goodwill	7	**1,985.7**	1,494.1
Intangible assets	7	**346.6**	265.5
Investments in associates and joint ventures	12	**222.6**	210.3
Property, plant and equipment		**64.0**	59.3
Right-of-use assets		**58.7**	45.3
External shareholder loans	14C	**36.1**	31.9
Loans to associates and joint ventures	20	**5.9**	3.4
Other financial assets		**41.9**	33.0
Deferred tax assets	18	**35.5**	29.4
Other		**6.6**	6.5
Total non-current assets		**2,803.6**	2,178.7
Total assets		**4,885.1**	3,916.5

	Notes	2023 $'m	2022 $'m
LIABILITIES			
Current liabilities			
Payables on broking/underwriting agency operations		**868.3**	648.7
Trade and other payables		**161.8**	121.4
Premium funding payables		**206.4**	139.5
Corporate and subsidiary borrowings	8	**4.3**	10.2
Premium funding borrowings	8	**45.7**	32.1
Bank overdrafts	8	**0.5**	-
Lease liabilities		**19.4**	14.7
Deferred consideration	10	**86.5**	51.9
Provisions		**57.8**	47.0
Income tax payable		**47.5**	29.5
Total current liabilities		**1,498.2**	1,095.0
Non-current liabilities			
Corporate and subsidiary borrowings	8	**514.5**	409.4
Premium funding borrowings	8	**406.5**	434.8
Deferred tax liabilities	18	**134.3**	98.0
Lease liabilities		**46.5**	37.5
Provisions		**14.0**	11.6
Deferred consideration	10	**25.8**	15.7
Other payables		**0.4**	0.6
Total non-current liabilities		**1,142.0**	1,007.6
Total liabilities		**2,640.2**	2,102.6
Net assets		**2,244.9**	1,813.9
EQUITY			
Share capital	9	**1,949.0**	1,638.9
Treasury shares held in trust	9	**(15.9)**	(15.9)
Revaluation reserve		**12.1**	12.1
Other reserves	9D	**(46.5)**	(42.7)
Retained earnings		**142.7**	92.1
Equity attributable to the owners of Steadfast Group Limited		**2,041.4**	1,684.5
Non-controlling interests		**203.5**	129.4
Total equity		**2,244.9**	1,813.9

The above consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

Consolidated statement of changes in equity

For the financial year ended 30 June 2023

2023	Equity attributable to owners of Steadfast Group Limited							
	Share capital $'m	Treasury shares held in trust $'m	Reval-uation reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
Balance at 1 July 2022	1,638.9	(15.9)	12.1	(42.7)	92.1	1,684.5	129.4	1,813.9
Profit after income tax expense	-	-	-	-	189.2	189.2	38.6	227.8
Other comprehensive income for the period, net of tax	-	-	-	4.9	-	4.9	-	4.9
Total comprehensive income	-	-	-	4.9	189.2	194.1	38.6	232.7
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								
Issue of share capital (Note 9)	310.1	-	-	-	-	310.1	-	310.1
Shares acquired and held in trust (Note 9)		(5.4)	-	-	-	(5.4)	-	(5.4)
Share-based payments	-	-	-	7.8	-	7.8	-	7.8
Shares (allotted)/allocated (Note 9)	-	5.4	-	(5.7)	-	(0.3)	-	(0.3)
Non-controlling interests of acquired entities (Note 10)	-	-	-	-	-	-	5.9	5.9
Revaluation of put options over non-controlling interests (Note 10G)	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Change in equity interests in subsidiaries without loss of control	-	-	-	(9.7)	-	(9.7)	63.7	54.0
Dividends declared and paid (Note 6)	-	-	-	-	(138.6)	(138.6)	(34.1)	(172.7)
Balance at 30 June 2023	1,949.0	(15.9)	12.1	(46.5)	142.7	2,041.4	203.5	2,244.9

2022	Share capital $'m	Treasury shares held in trust $'m	Revaluation reserve $'m	Other reserves $'m	Retained earnings $'m	Total $'m	Non-controlling interests $'m	Total equity $'m
	Equity attributable to owners of Steadfast Group Limited							
Balance at 1 July 2021	1,178.3	(13.9)	12.1	(51.1)	33.4	1,158.8	108.2	1,267.0
Profit after income tax expense	-	-	-	-	171.6	171.6	27.8	199.4
Other comprehensive loss	-	-	-	(2.2)	-	(2.2)	-	(2.2)
Total comprehensive income	-	-	-	(2.2)	171.6	169.4	27.8	197.2
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:								
Issue of share capital (Note 9)	460.6	-	-	-	-	460.6	-	460.6
Shares acquired and held in trust (Note 9)		(6.5)	-	-	-	(6.5)	-	(6.5)
Share-based payments	-	-	-	7.3	(1.1)	6.2	-	6.2
Shares (allotted)/allocated (Note 9)	-	4.5	-	(4.9)	-	(0.4)	-	(0.4)
Non-controlling interests of acquired entities (Note 10)	-	-	-	-	-	-	2.2	2.2
Revaluation of put options over non-controlling interests (Note 10G)	-	-	-	(1.9)	-	(1.9)	-	(1.9)
Change in equity interests in subsidiaries without loss of control	-	-	-	10.1	-	10.1	13.5	23.6
Dividends declared and paid (Note 6)	-	-	-	-	(111.8)	(111.8)	(22.3)	(134.1)
Balance at 30 June 2022	1,638.9	(15.9)	12.1	(42.7)	92.1	1,684.5	129.4	1,813.9

The above consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

Consolidated statement of cash flows

For the financial year ended 30 June 2023

	Notes	2023 $'m	2022 $'m
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**1,229.3**	927.2
Payments to suppliers and employees, and Network broker rebates		**(829.1)**	(603.3)
Dividends received from associates and joint ventures		**27.3**	26.9
Interest received		**22.8**	3.4
Interest and other finance cost paid		**(26.5)**	(16.2)
Income taxes paid		**(105.6)**	(77.0)
Net cash from operating activities before customer trust account and premium funding movements		**318.2**	261.0
Net cash outflow from premium funding customers		**(22.3)**	(80.3)
Net movement in customer trust accounts (net cash receipts/payments on behalf of customers)		**128.7**	67.0
Net cash from operating activities	19	**424.6**	247.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisitions of subsidiaries and business assets		**(405.9)**	(258.0)
Cash acquired from acquisitions of subsidiaries and business assets	10	**106.3**	103.7
Payments for investments in associates and joint ventures	12	**(13.1)**	(62.7)
Payments for step-up investment in subsidiaries on hubbing arrangements		**(16.6)**	(22.0)
Dividends received from listed investment		**0.6**	0.3
Payments for additional shares in other financial assets		**(5.8)**	(5.1)
Payments for deferred consideration of subsidiaries, associates and business assets	10	**(33.7)**	(48.5)
Proceeds from disposal of investment in subsidiaries, net of cash disposed		**-**	1.7
Proceeds from part disposal of investment in subsidiaries on hubbing arrangements		**30.0**	35.5
Proceeds from disposal of investment in associates		**6.2**	1.2
Payments for property, plant and equipment		**(11.2)**	(4.1)
Payments for intangible assets		**(5.0)**	(4.4)
Net cash used in investing activities		**(348.2)**	(262.4)

	Notes	2023 $'m	2022 $'m
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**233.4**	253.1
Payments for transaction costs on issue of shares		**(4.7)**	(4.3)
Dividends paid to owners of Steadfast, net of Dividend Reinvestment Plan		**(131.4)**	(107.9)
Dividends paid to non-controlling interests		**(34.1)**	(22.3)
Proceeds from borrowings (excluding premium funding)	8	**207.9**	466.9
Repayment of borrowings (excluding premium funding)	8	**(110.5)**	(399.4)
Net cash (outflow)/inflow from premium funding borrowings	8	**(14.7)**	68.9
Payments for purchase of treasury shares	9	**(5.4)**	(6.5)
Repayment of related party loans		**13.6**	2.7
Payments for related party loans		**(12.4)**	(9.1)
Repayment of non-related party loans		**1.1**	2.6
Payments for non-related party loans		**(6.7)**	(7.3)
Payment of lease liabilities		**(18.5)**	(14.0)
Net cash from financing activities		**117.6**	223.4
Net increase in cash and cash equivalents		**194.0**	208.7
Cash and cash equivalents at the beginning of the financial year		**945.0**	736.8
Effect of movements in exchange rates on cash held		**(0.5)**	(0.5)
Cash and cash equivalents at the end of the financial year	19	**1,138.5**	945.0

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

For the financial year ended 30 June 2023

Note 1. General information

This general purpose financial report is for the financial year ended 30 June 2023 and comprises the consolidated financial statements for Steadfast Group Limited (Steadfast or the Company) and its subsidiaries and the Group's interests in associates and joint ventures (Steadfast Group or the Group). These financial statements are presented in Australian dollars, which is Steadfast's functional and presentation currency.

The Company is a for-profit listed public company limited by shares, which is incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 99 Bathurst Street, Sydney NSW 2000.

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report, which is not part of this financial report.

This general purpose financial report was authorised for issue by the Board on 16 August 2023.

Note 2. Significant accounting policies

A. Statement of compliance

This financial report has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, as appropriate for for-profit entities and the Australian Securities Exchange (ASX) Listing Rules.

International Financial Reporting Standards (IFRS) refer to the overall framework of standards and pronouncements approved by the International Accounting Standards Board. IFRS forms the basis of the Australian Accounting Standards. This financial report of the Group complies with IFRS.

B. Basis of preparation of the financial report

The significant accounting policies adopted in the preparation of this financial report have been applied consistently by all entities in the Group and are the same as those applied for the previous reporting period unless otherwise noted. These financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

I. Rounding

The Group is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission. In accordance with that Instrument, amounts in this financial report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

C. Principles of consolidation

I. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. The excess of the consideration transferred over the fair value of identifiable net assets acquired and non-controlling interests (NCI) is recorded as goodwill. If the consideration transferred is less than the fair value of identifiable net assets acquired and NCI, the difference is recognised directly in the consolidated statement of profit or loss and other comprehensive income. Costs of acquisition are expensed as incurred, except if they relate to the issue of debt or equity securities.

II. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date on which control commences until the date on which control ceases.

III. Non-controlling interests

NCI are measured at their proportionate share of the acquired subsidiaries' identifiable net assets at the date of acquisition. For operations and businesses being put into a business hub, NCI represent the fair value at the hubbing date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

IV. Loss of control

When the Group ceases control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

V. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full.

VI. Investments in associates and joint ventures

Associates are those entities where the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Group's share of the profit or loss of associates and joint ventures is included in the Group's consolidated statement of profit or loss and other comprehensive income.

D. Revenue recognition

Revenue is recognised as the Group provides services. Revenue is recognised to the extent there is no future performance obligation. Where there is a future performance obligation, a portion is deferred over the expected service period.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract. The Group's revenue does not have a significant financing component so, for the purposes of determining the transaction price, there is no difference between the promised consideration and the cash selling (invoice) price.

The Group's revenue is disaggregated by reportable segment as disclosed in Note 4.

The Group recognises revenue on contracts when the service is provided, which is generally at the point in time when the invoice is raised resulting in the recognition of a receivable. In circumstances where revenue earned but not invoiced is deemed material, revenue is recognised on an accrual basis providing the relevant performance obligations have been satisfied.

I. Fee and commission income

The Group retains a portion of policy premiums as fee and commission income. Premiums are typically collected on an annual basis, at or near invoice date (which could be up to 90 days from contract inception). In some cases, customers are given the option to pay by instalments or are directed to a premium credit provider.

Commission, brokerage and fees are recognised when the related service has been provided (that is, when the quote has been accepted and the policy is placed and bound by the insurer) and it is probable that the Group will be compensated for services rendered, and the amount of consideration for such services can be reliably measured. This is deemed to be the invoice date. Where there is a future obligation to provide claims handling services, a portion of the fee income is deferred over the expected service period. The Group calculates the portion to be deferred by applying a cost plus margin approach to determine the stand-alone selling price given this cost is unobservable.

The Group receives professional services fees from strategic partners such as insurers, premium funders and underwriting agencies for services provided.

The Group utilises the practical expedient in AASB 15 to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity would have recognised is one year or less. The Group applies a cost plus margin approach to determine the stand-alone selling price given this cost is unobservable.

The Group may receive a claims experience benefit payment or payments in respect of certain types of insurance purchased for the benefit of Steadfast Network brokers. Revenue is recognised for a claims experience benefit for a particular policy year when it is likely that a claims experience benefit is receivable and the amount can be reliably measured.

Factors taken into account in recognising a claims experience benefit include the number of years that have passed since the end of a policy year and whether various claims have been closed or can be reliably measured.

II. Premium funding income

Premium funding interest income is brought to account at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument and allocates the interest income or expense and any application fee income that is considered an integral part of the effective interest rate over the relevant period. The effective interest rate is that rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

III. Other income

Other income is recognised when the right to receive payment is established.

E. Taxation

The Company (the head entity) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Consequently, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements.

In addition, certain controlled subsidiaries and their wholly-owned Australian subsidiaries have formed income tax consolidated groups under the tax consolidation regime. These entities are also taxed as a single entity and the deferred tax assets and liabilities of these tax consolidated groups are offset in the consolidated financial statements.

F. Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash. This includes cash held by the subsidiaries for business operation/operating expense purposes.

Cash held on trust is cash held for insurance premiums received from policyholders, which will ultimately be paid to underwriters or insurers. Cash held on trust cannot be used to meet business operations/operating expenses other than payments to underwriters, insurers and/or refunds to policyholders.

G. Trade and other receivables

Trade and other receivables includes fee and commission receivables recognised at amoritised cost, net of the associated expected credit loss (ECL) provision, as well as other receivables. Refer to Note 3F for additional information on the calculation of the ECL provision.

H. Premium funding receivables

Premium funding receivables represent the amounts due from clients in the Group's premium funding businesses and are recognised at amortised cost, net of the associated ECL provision. Funds are collected on a monthly instalment basis and generally within 12 months of the loan issuance date. Refer to Note 3F for additional information on the calculation of the ECL provision.

I. Property, plant and equipment

Items of plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The carrying value of plant and equipment is periodically reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any gain or loss on disposal of an item of plant and equipment is recognised in the consolidated statement of profit or loss and other comprehensive income.

I. Land and buildings

The Group recognises land and buildings at fair value, being Board valuation based on an independent appraisal. The Group obtains regular independent appraisals to ensure that the carrying amount of land & buildings reported does not differ materially from its fair value.

Any surplus arising on the revaluation of land and buildings is accumulated in equity under 'revaluation reserve'. Any deficit on revaluation is recognised in profit or loss except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the deficit is recognised as a reduction in the revaluation reserve within equity.

J. Intangible assets

Intangible assets acquired separately or in a business combination (mainly goodwill, customer relationships and capitalised software) are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. The useful lives of these intangible assets are assessed on acquisition.

Internally developed software costs are capitalised once the project is assessed to be feasible. The costs capitalised include licensing and direct labour costs. The useful lives of capitalised software assets are assessed when the projects are completed and available for use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and provision for impairment.

Intangible assets with finite lives are amortised over their useful lives, currently estimated to be up to 10 years, and their useful lives are reviewed annually.

Software-as-a-Service (SaaS) arrangements are service contracts that provide the Group with the right to access the cloud provider's application software over the contract period. As no intangible asset is created at the contract commencement date, the costs incurred in relation to SaaS arrangements are treated as follows:

- Fee for use of application software and customisation costs - recognised as an expense over the term of the service contract.
- Configuration, migration, testing and training costs - recognised as an expense as the service is received.

K. Premium funding borrowings

The Group’s premium funding borrowings are loans from third party financial institutions to finance the premium funding businesses. These loans have recourse to the assets of the premium funding businesses only and are not cross-collateralised with other borrowings in the Group.

They are initially recognised at the value of the consideration received, less any directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

L. Payables on broking/underwriting agency operations

These amounts represent insurance premiums payable to insurers for broking/underwriting agency operations on amounts received from customers (policyholders) prior to the end of the financial year.

M. Hedge accounting

Hedge accounting is applied when the Group designates certain derivatives to be part of a hedging relationship and they meet the criteria for hedge accounting.

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to interest rate fluctuations associated with the corporate debt facility. For cash flow hedges, the portion of the gain or loss on the hedge instrument that is effective is recognised in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts deferred in equity are transferred to profit or loss in the same period the hedged item is recognised in profit or loss.

N. Australian Accounting Standards issued and not yet effective

The Group has not early adopted nor applied any new, revised or amending Australian Accounting Standards and Interpretations that are not yet mandatory for the financial year ended 30 June 2023.

The Group intends to adopt new, revised or amending Australian Accounting Standards and Interpretations in the operating year commencing 1 July after the effective date of these standards and interpretations as set out in the table below. Additional disclosures as a result of adopting these new accounting standards will be provided in accordance with the disclosure requirements. The Group does not expect any material impact on the financial position or performance of the Group as a result of applying the new accounting standard.

Title	Description	Effective Date	Operating year
AASB 17[1]	Insurance Contracts	1 January 2023	30 June 2024

[1] *AASB 17 Insurance Contracts was issued in July 2017 as a replacement for AASB 4 Insurance Contracts and is applicable to general, life and health insurance businesses. As the Group is an intermediary and does not assume or retain any material underwriting risk on insurance contracts or reinsurance contracts issued on behalf of licensed insurers, no significant financial impact to the Group is expected from AASB 17.*

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ from the actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) subsequent to the financial year ended 30 June 2023 are discussed below.

The Group has considered the impact of economic conditions such as inflation and the rising interest rate environment when preparing the consolidated financial statements and related note disclosures, including the impact on the Group's forecast cash flows and liquidity. While the effects of these uncertainties do not change the significant estimates, judgements and assumptions considered by management in the preparation of the consolidated financial statements, they increase the level of estimation uncertainty and the application of further judgement within these identified areas.

A. Goodwill

Goodwill is not amortised but assessed for impairment annually or more frequently when there are indicators of impairment.

The recoverable amount of goodwill is estimated using the higher of fair value or the value in use of the relevant cash-generating unit (CGU) deducting the carrying amount of the identifiable net assets of the CGU. Key assumptions used in the calculation of recoverable amounts are the discount rates, terminal value growth rates and inputs to revenue and expense growth assumptions.

B. Intangible assets

The carrying amounts of intangible assets with finite lives are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated on the same basis as goodwill above.

An impairment loss is recognised if the carrying amount of the intangible asset exceeds its recoverable amount.

C. Investments in associates and joint ventures

Investments in associates and joint ventures are carried at the lower of the equity-accounted amount and the recoverable amount.

The carrying amounts of investments in associates and joint ventures are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated on the same basis as goodwill above.

An impairment loss is recognised if the carrying amount of the investment in associates and joint ventures exceeds its recoverable amount.

D. Fair value of assets acquired

The Group measures the net assets acquired in a business combination at their fair value at the date of acquisition. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the fair value, then the amounts recognised at the acquisition date will be retrospectively revised.

Fair value is estimated with reference to market transactions for similar assets or discounted cash flow analysis.

E. Fair value of assets and liabilities

The Group's assets and liabilities are measured at fair value (including costs to dispose) at balance date. The following table gives information about how the fair value of assets and liabilities is determined, including the valuation techniques and inputs used. For the Group's assets and liabilities where a fair value methodology is not noted below, their carrying amounts provide a reasonable approximation of their fair values.

Fair values are categorised into different levels in a fair value hierarchy, based on the inputs used in the valuation techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

Asset or liability	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Deferred consideration	Level 3	The fair value is calculated based on a contracted multiple, typically of forecast EBITA or fees and commissions	Forecast EBITA or fees and commissions	The estimated fair value would increase/decrease if the forecast EBITA or fees and commissions were higher/lower
Land and buildings	Level 3	The fair value is determined using an independent appraisal by qualfied property valuers. An appraisal was performed for the year ending 30 June 2023, which has formed the basis of management's valuation. The valuation is based on the capitalisation of net income (discounted cash flow) and direct comparison approaches.	Forecast cash flows and market value are driven largely by market yield. Yield is impacted by numerous factors including rental growth, occupancy rates and rental incentives which are all driven by supply and demand forces. Forecast cash flows are also impacted by the discount rate adopted.	The estimated fair value would increase/decrease if market yields were higher/lower The estimated fair value would decrease/increase if the discount rate used was higher/lower
Interest rate swaps (other financial assets)	Level 2	The fair value is calculated using the present value of the estimated future cash flow based on observable yield curves	Not applicable	Not applicable
Investment in listed shares (other financial assets)	Level 1	The fair value is calculated based on the number of shares multiplied by the quoted price on the ASX at balance date	Not applicable	Not applicable

F. Expected credit loss provision

The ECL provision is estimated based on the analysis of aged receivables, as the Group assumes that the credit risk on fee and commission receivables increases significantly if it is more than 90 days past due, as well as based on assumptions made on forward-looking information. For the premium funding businesses, the ECL provision is based on historical analysis of credit losses for loans in arrears, having considered whether this remains appropriate.

G. Climate change

Climate change is a global risk that is material for the insurance industry including insurers' operations, customers and the whole economy. Climate change may increase the frequency and severity of acute weather-related events such as floods, bushfires and storms, as well as giving rise to changes such as rising sea levels, increased heat waves and droughts.

The principal activities of the Group are the provision of services to Steadfast Network brokers, the distribution of insurance policies via insurance brokerages and underwriting agencies, and related services. As such the Group is not exposed to climate change risk to the same extent as insurers that underwrite the risk of an insurance policy. Whilst the potential risks and related opportunities from climate change are considered as part of the Group's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on the Group's principal activities, particularly from an asset impairment standpoint.

Notes to the financial statements continued

Note 4. Operating segments

The Group's corporate structure includes equity investments in insurance intermediary entities (insurance broking and underwriting agencies), premium funders and complementary businesses. Discrete financial information about each of these service lines is reported to management on a regular basis and, accordingly, management considers each service line to be a discrete business operation.

The Group distributes insurance and issues premium funding products primarily in Australia and New Zealand. The Group is also expanding its footprint in the United Kingdom and Singapore, and has a controlling interest in UnisonSteadfast, a network headquartered in Germany. Regarding geographical information, the revenue and non-current assets attributed to geographies outside of Australasia are currently immaterial to the Group and hence no separate geographical disclosure has been provided.

The financial performance of the Group's operating segments is regularly provided to the Chief Operating Decision Maker (considered to be the Managing Director & CEO) for each discrete business operation. The table below presents the financial performance for the Group's insurance intermediaries and premium funders on an aggregated basis as each discrete business operation within these operating segments is considered to have similar economic characteristics. The financial performance of each of these operating segments is presented on an unconsolidated basis, that is, gross of transactions between reportable segments. Intercompany eliminations between insurance intermediaries and premium funders are disclosed separately below.

2023	Insurance intermediary $'m	Premium funding $'m	Other $'m	Intercompany eliminations $'m	Total underlying $'m	Re-classifications $'m[1]	Non-trading items $'m[2]	Total statutory $'m
Total revenue	**1,292.5**	**91.1**	**35.3**	**(9.4)**	**1,409.5**	**(253.3)**	**23.8**	**1,180.0**[3]
Total expenses	**(985.3)**	**(81.2)**	**(39.2)**	**9.4**	**(1,096.3)**	**278.0**	**(24.1)**	**(842.4)**
Share of EBITA from associates and joint ventures	**37.7**	**0.1**	**1.2**	**-**	**39.0**	**(39.2)**	**0.3**	**0.1**
Financing expense - associates	**(1.9)**	**-**	**(0.1)**	**-**	**(2.0)**	**1.9**	**-**	**(0.1)**
Amortisation expense - associates	**(1.4)**	**-**	**(0.7)**	**-**	**(2.1)**	**2.1**	**-**	**-**
Net profit/(loss) before income tax	**341.6**	**10.0**	**(3.5)**	**-**	**348.1**	**(10.5)**	**-**	**337.6**
Income tax (expense)/benefit	**(101.0)**	**(2.7)**	**0.4**	**-**	**(103.3)**	**10.5**	**(17.0)**	**(109.8)**
Net profit/(loss) after income tax	**240.6**	**7.3**	**(3.1)**	**-**	**244.8**	**-**	**(17.0)**	**227.8**
Non-controlling interests	**(37.5)**	**(0.3)**	**-**	**-**	**(37.8)**	**-**	**(0.8)**	**(38.6)**
Net profit after income tax attributable to owners of Steadfast Group Limited	**203.1**	**7.0**	**(3.1)**	**-**	**207.0**	**-**	**(17.8)**	**189.2**

[1] Much of the reclassification relates to commissions paid by the Group's underwriting agencies. Such commissions are netted off against fee and commission income in the statutory numbers, and are disclosed as expenses in the underlying numbers.
[2] Refer Note 5B for a breakdown of non-trading item adjustments.
[3] Total statutory revenue includes all income net of brokerage commission, as set out in the statement of profit or loss and other comprehensive income.

2022	Insurance intermediary $'m	Premium funding $'m	Other $'m	Intercompany eliminations $'m	Total underlying $'m	Re-classifications $'m	Non-trading items $'m	Total statutory $'m
Total revenue	1,063.9	70.4	8.9	(7.3)	1,135.9	(235.6)	11.1	911.4
Total expenses	(805.3)	(60.9)	(20.6)	7.3	(879.5)	251.2	(3.9)	(632.2)
Share of EBITA from associates and joint ventures	26.9	0.2	0.9	-	28.0	(27.1)	(0.9)	-
Financing expense - associates	(0.6)	-	(0.1)	-	(0.7)	0.7	-	-
Amortisation expense - associates	(1.7)	(0.1)	(0.2)	-	(2.0)	2.0	-	-
Net profit/(loss) before income tax	283.2	9.6	(11.1)	-	281.7	(8.8)	6.3	279.2
Income tax (expense)/benefit	(79.7)	(3.2)	(3.2)	-	(86.1)	8.8	(2.5)	(79.8)
Net profit/(loss) after income tax	203.5	6.4	(14.3)	-	195.6	-	3.8	199.4
Non-controlling interests	(26.2)	(0.4)	-	-	(26.6)	-	(1.2)	(27.8)
Net profit after income tax attributable to owners of Steadfast Group Limited	177.3	6.0	(14.3)	-	169.0	-	2.6	171.6

Note 5. Earnings per share

A. Reporting period value

	2023 Cents	2022 Cents
Basic earnings per share	**18.4**	17.9
Diluted earnings per share	**18.4**	17.9

Excluding non-trading items, the underlying earnings per share would be as follows:		
Basic earnings per share	**20.2**	17.6
Diluted earnings per share	**20.2**	17.6

B. Reconciliation of earnings used in calculating earnings per share

	2023 $'m	2022 $'m
Profit after income tax	**227.8**	199.4
Non-controlling interests	**(38.6)**	(27.8)
Profit after income tax attributable to the owners of Steadfast Group Limited for calculation of statutory basic and diluted earnings per share	**189.2**	171.6
Adjustments for non-trading items (net of tax and non-controlling interests):		
Deferred consideration expense (where actual earnout was more than expected)	**17.8**	18.0
Deferred consideration income (where actual earnout was less than expected, excluding IBA)	**(1.4)**	(5.5)
Net adjustment relating to IBA acquisition (refer note 7F)	**(0.5)**	-
Impairment of non-IBA investments	**1.9**	3.5
Mark-to-market losses/(gains) from revaluation of listed investments	**1.7**	(1.6)
Net gain from change in value or sale of businesses and other movements	**(1.7)**	(17.0)
Underlying profit after income tax attributable to the owners of Steadfast Group Limited for calculation of underlying basic and diluted earnings per share	**207.0**	169.0

C. Reconciliation of weighted average number of shares used in calculating earnings per share

	2023 Number in 'm	2022 Number in 'm
I. Weighted average number of ordinary shares issued		
Weighted average number of ordinary shares issued	**1,028.5**	962.9
Weighted average number of treasury shares held in trust	**(3.4)**	(3.9)
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,025.1**	959.0
II. Weighted average number of dilutive potential ordinary shares		
Weighted average number of ordinary shares	**1,025.1**	959.0
Dilutive potential ordinary shares issuable under share-based payments arrangements	**2.0**	2.2
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,027.1**	961.2

The weighted average number of ordinary shares or dilutive potential ordinary shares is calculated by taking into account the period from the issue date of the shares to the reporting date unless otherwise stated as below:

Steadfast operates share-based payment arrangements (being an employee rights scheme, a short-term incentive plan and a long-term incentive plan) where eligible employees may receive conditional rights (rights) instead of cash. One right will convert to one ordinary share subject to vesting conditions being met. These share-based payment arrangements are granted to employees free of cost and no consideration is payable on conversion to Steadfast's ordinary shares. These arrangements have a dilutive effect on the basic EPS.

Note 6. Dividends

A. Dividends on ordinary shares

	Cents per share	Total amount $'m	Payment date	Tax rate for franking credit	Percentage franked
2023					
2023 interim dividend	6.0	62.3	22 March 2023	30%	100%
2022 final dividend	7.8	76.3	9 September 2022	30%	100%
2022					
2022 interim dividend	5.2	50.8	23 March 2022	30%	100%
2021 final dividend	7.0	61.0	10 September 2021	30%	100%

It is standard practice that the Board declares the dividend for a period after the relevant reporting date. A dividend is not accrued until it is declared and so the dividends for a period are generally recognised and measured in the financial reporting period following the period to which the dividends relate.

The dividends recognised in the current reporting period include $0.4 million (2022: $0.4 million) paid in relation to treasury shares held in a trust controlled by the Group. All the treasury shares participate in the DRP.

B. Dividend policy

The Company targets a dividend payout ratio in the range of 65% to 85% of underlying NPAT attributable to shareholders of the Company with a minimum dividend payout ratio of 50% of net profit after tax and before amortisation, impairment and other non-trading items (NPATA).

C. Dividend Reinvestment Plan

A DRP allows equity holders to elect to receive their dividend entitlement in the form of the Company's ordinary shares. The price of DRP shares is the average share market price calculated over the pricing period (which is at least five trading days) less any discount as determined by the Board for each dividend payment date.

D. Dividend not recognised at reporting date

On 16 August 2023, the Board resolved to pay the following dividend. As this occurred after the reporting date, the dividends declared have not been recognised in this financial report.

	Cents per share	Total amount $'m	Expected payment date	Tax rate for franking credit	Percentage franked
2023 final dividend	**9.0**	**93.5**	**21 September 2023**	**30%**	**100%**

The Company's DRP will operate by the on-market purchase of shares. No discount will be applied. The last election notice for participation in the DRP in relation to this final dividend is 23 August 2023.

E. Franking credits

	2023 $'m	2022 $'m
Franking account balance at reporting date at 30%	**112.8**	92.6
Franking credits to arise from payment of income tax payable	**26.3**	15.0
Franking credits available for future reporting periods	**139.1**	107.6
Franking account impact of dividends declared before issuance of financial report but not recognised at reporting date	**(40.1)**	(32.7)
Franking credits available for subsequent financial year based on a tax rate of 30%	**99.0**	74.9

Note 7. Intangible assets

A. Composition

2023	Customer relationships $'m	Capitalised software $'m	Other intangible assets $'m	Total identifiable intangible assets $'m	Goodwill $'m
At cost	**568.7**	**93.1**	**5.0**	**666.8**	**2,052.5**
Accumulated amortisation and impairment	**(264.8)**	**(51.3)**	**(4.1)**	**(320.2)**	**(66.8)**
	303.9	**41.8**	**0.9**	**346.6**	**1,985.7**

B. Movements

2023	Customer relationships $'m	Capitalised software $'m	Other intangible assets $'m	Total identifiable intangible assets $'m	Goodwill $'m
Balance at the beginning of the financial year	**225.9**	**38.8**	**0.8**	**265.5**	**1,494.1**
Additions	**3.5**	**13.5**[1]	**0.1**	**17.1**	**-**
Additions through business combinations	**126.7**	**2.6**	**-**	**129.3**	**515.3**
Reduction upon loss of control	**(0.9)**	**(0.3)**	**(0.1)**	**(1.3)**	**(8.3)**
Amortisation expense	**(49.9)**	**(13.0)**	**-**	**(62.9)**	**-**
Impairment expense	**(1.6)**	**-**	**-**	**(1.6)**	**(16.2)**
Net foreign currency exchange difference	**0.2**	**0.2**	**0.1**	**0.5**	**0.8**
Balance at the end of the financial year	**303.9**	**41.8**	**0.9**	**346.6**	**1,985.7**

[1] *Comprises $13.0 million of internally developed software and $0.5 million of acquired software.*

C. Composition

2022	Customer relationships $'m	Capitalised software $'m	Other intangible assets $'m	Total identifiable intangible assets $'m	Goodwill $'m
At cost	439.7	79.1	8.1	526.9	1,544.6
Accumulated amortisation and impairment	(213.8)	(40.3)	(7.3)	(261.4)	(50.5)
	225.9	38.8	0.8	265.5	1,494.1

D. Movements

2022	Customer relationships $'m	Capitalised software $'m	Other intangible assets $'m	Total identifiable intangible assets $'m	Goodwill $'m
Balance at the beginning of the financial year	167.8	33.5	0.7	202.0	1,082.2
Additions	5.3	16.8[1]	0.1	22.2	-
Additions through business combinations	94.9	-	-	94.9	424.5
Reduction upon loss of control	(1.9)	(0.1)	-	(2.0)	(8.6)
Amortisation expense	(40.0)	(11.5)	-	(51.5)	-
Impairment expense	(0.3)	-	-	(0.3)	(3.3)
Net foreign currency exchange difference	0.1	0.1	-	0.2	(0.7)
Balance at the end of the financial year	225.9	38.8	0.8	265.5	1,494.1

[1] *Comprises $16.5 million of internally developed software and $0.3 million of acquired software.*

E. Amortisation rates per annum

2023	Customer relationships	Capitalised software	Other intangible assets	Goodwill
Amortisation rates per annum	10.0% - 12.5%	20.0% - 100.0%	20.0% - 33.3%	-

F. Impairment testing

On an annual basis the Group performs impairment testing of goodwill and any identifiable intangibles and investments in associates and joint ventures that have impairment indicators. In performing impairment testing, each business acquired or portfolio of businesses acquired is considered a separate CGU or grouped into one CGU where operations are interdependent. Goodwill and identifiable intangible assets are allocated across each of the Group's CGUs, the majority of which operate in the insurance intermediary segment. The goodwill and identifiable intangible assets allocated to each individual CGU outside the insurance intermediary segment are not considered significant in comparison to the Group's total carrying value of these assets.

For FY23, the Group recognised an impairment expense of $19.7 million in relation to two CGUs. One of these was Insurance Brands Australia where, at acquisition, it was anticipated that the full earn out EBITA would be achieved. The FY23 underlying EBITA was less than the full amount, so the asset was impaired $17.8 million ($17.4 million net of tax). This also reduced the earnout payable to the vendors, meaning there was a gain on change in deferred consideration estimates of $17.9 million.

The carrying value of assets was reviewed against a number of potential scenarios to consider the potential impact of rising interest rates and the volatile inflation environment.

Impairment losses for each category of intangible assets and investment in associates and joint ventures are shown in Section B and D above and Note 12 respectively. When assessing the recoverable amount of customer relationships, the Group considers client retention rates and current market conditions to determine both fair value and value in use of each CGU.

To conduct impairment testing, the Group compares the carrying value with the recoverable amount of each asset. The recoverable amount is the higher of:

- value in use – determined by reference to a discounted cash flow model, based on a five-year projection of the FY24 approved budget of the tested CGUs with a terminal value; and
- fair value less costs of disposal – based on the Group's estimates of sustainable EBITA for each CGU multiplied by an earnings multiple appropriate for similar businesses less costs to sell.

The following table outlines the key assumptions applied in the value in use and fair value less costs of disposal models:

	2023	2022
Post-tax discount rates[1]	9.1% to 12.9%	9.0% to 12.5%
Pre-tax discount rates	12.4% to 16.1%	12.2% to 15.6%
Revenue growth rate – year two to five extrapolation[2]	2.0% to 5.0% per annum	2.0% to 5.0% per annum
Long-term revenue growth rate[3]	3.0% per annum	3.0% per annum
Earnings multiple[4]	10-14.2x EBITA	10-12.5x EBITA

[1] *Post tax discount rates reflect the Group's weighted average cost of capital (WACC), adjusted for additional risks specific to each CGU. The WACC takes into account market risks, size of the business, current borrowing interest rates, borrowing capacity of the businesses and the risk-free rate. External advice has been sought in relation to the determination of the appropriate WACC. Flame Security International Pty Ltd is assessed on a bespoke model due to the unique nature and circumstances of the business.*
[2] *Year one FY24 approved budget applied*
[3] *The Group considers that a long-term revenue growth rate of 3.0% is appropriate, based on the current market conditions and historical GWP trends.*
[4] *The Group applies an earnings multiple of 10 for all CGUs with the following exceptions: (1) CGUs where goodwill has been allocated for business combinations performed within the last 12 months. For these CGUs, the Group applies the acquisition earnings multiple when determining the recoverable amount unless sources of information suggest otherwise. (2) Large brokers, agencies and premium funders where market trends indicate a higher multiple is appropriate.*

Given the economic outlook with regard to rising interest rates and inflation, and the associated impact on asset valuation, the Group ran a number of scenarios and took a probability weighted approach to estimate value in use. The growth rate assumptions utilised in the value in use model are shown above.

A reasonable change in individual assumptions would result in the following impairments:

- WACC rate increased by 100bps: an additional $4.4 million impairment
- Revenue growth rate in years two to five decreased by 0.5%: an additional $2.6 million impairment
- Long-term revenue growth rate decreased by 0.5%: an additional $0.5 million impairment
- Earnings multiple decreased by 1x: an additional $19.6 million impairment

The Group has also considered the impact of climate change from an asset impairment standpoint. The Group has incorporated the potential risks and opportunities of climate change in the current asset impairment review methodology and processes. The Group operates a decentralised business model with diversified service lines and product offerings, and is not exposed to concentration risk with respect to industry or location. On that basis, it is not expected that climate risks will have a significant impact on the Group's principal activities.

Note 8. Borrowings

The Group has two types of borrowings, as follows:

I. Corporate and subsidiary borrowings - Bank loans and lines of credit in corporate and subsidiaries for the purpose of carrying out the Group's principal activities including the distribution of insurance policies through insurance brokerages and underwriting agencies and related services, as well as acquisitions and bolt-ons. These loans are secured against the Group's assets, excluding IQumulate Premium Funding Pty Ltd (IQumulate).

II. Premium funding borrowings - Borrowings and issuance of notes to finance only the premium funding businesses (predominantly IQumulate). These loans have recourse only to the assets of that premium funding business.

These two types of borrowings are not cross-collateralised, and therefore are shown separately.

The Group complied with all debt covenants during the financial year.

A. Corporate and subsidiary borrowings

I. Bank loans

	2023 $'m	2022 $'m
Proceeds from loans and borrowings		
Current	**4.3**	10.2
Non-current	**513.7**	410.4
Net proceeds	**518.0**	420.6
Accrued interest	**2.6**	1.7
Capitalised transaction costs	**(1.8)**	(2.7)
Carrying amount of liability at end of financial year	**518.8**	419.6

II. Bank facilities available

	2023 $'m	2022 $'m
a. Bank facilities drawn down or applied		
Bank loans - corporate facility	**437.0**	340.0
Bank loans - subsidiaries	**81.0**	80.6
Total bank loans	**518.0**	420.6
Lines of credit - corporate facility[1]	**6.4**	5.2
Lines of credit - subsidiaries	**0.5**	-
	524.9	425.8
b. Bank facilities not drawn down or applied		
Bank loans - corporate facility	**213.0**	310.0
Bank loans - subsidiaries	**10.0**	10.7
Lines of credit - corporate facility	**3.6**	4.8
Lines of credit - subsidiaries	**61.5**	13.7
	288.1	339.2
c. Total bank facilities available		
Bank loans	**741.0**	741.3
Lines of credit	**72.0**	23.7
	813.0	765.0

[1] *Lines of credit represent bank guarantees granted by the Company on behalf of controlled entities, principally in respect of their contractual obligations on commercial leases. They are contingent liabilities and therefore sit outside the Group balance sheet.*

Notes to the financial statements continued

III. Corporate facility details

At 30 June 2023:

- the Company had a $660.0 million multibank syndicated facility (corporate facility) (2022: $660.0 million); and
- $437.0 million of the $660.0 million facility had been drawn down which, together with $6.4 million for bonds and rental guarantees, leaves $216.6 million available in the corporate facility for future drawdowns (2022: $314.8 million).

IV. Key terms and conditions of corporate facility

The $660.0 million corporate facility includes the following tranches:

- a revolving (partly drawn) $320.0 million tranche for three years, maturing November 2024;
- a fully drawn (term loan) $140.0 million tranche for three years, maturing November 2024; and
- a fully drawn (term loan) $200.0 million tranche for five years, maturing November 2026.

Subsequent to the balance date, these facilities were increased to $860.0 million and extended as follows:

- two revolving tranches totalling $385.0 million, maturing August 2026;
- two fixed-term tranches totalling $175.0 million, maturing August 2026;
- a $200.0 million fixed-term tranche, maturing November 2026; and
- a $100.0 million fixed-term tranche, maturing August 2028.

Other key terms of the corporate facility (which were broadly retained in the increased facility finalised subsequent to balance date) are:

- variable interest rate – based on BBSY plus an applicable margin for all tranches of the corporate facility; and
- the facility is guaranteed by certain wholly-owned subsidiaries and is secured over all of the present and future acquired property of the Company and the guarantors (other than certain excluded property), which is standard in facilities of this nature.

The Company has an interest rate swap with a face value of $62.5 million, where the Company swaps the floating rate payment into fixed rate payments, which will mature in January 2025. Refer Note 14B for further details of the interest rate swap. The swap is designed to hedge interest costs associated with the underlying corporate debt obligations.

B. Premium funding borrowings

	2023 $'m	2022 $'m
I. Premium funding borrowings		
Current	**45.7**	32.1
Non-current	**406.5**	434.8
	452.2	466.9
II. Premium funding borrowings available		
Premium funding borrowings drawn down or applied	**452.2**	466.9
Premium funding borrowings not drawn down or applied	**130.7**	72.3
	582.9	539.2

The Group's premium funding subsidiary, IQumulate, has a Warehouse Trust to finance its Australian lending operation through the issuance of notes. The Warehouse Trust is a secured lending facility whereby the collateral is a pool of insurance premium loans receivable rather than an individual property or asset. During the financial year, the Warehouse Trust limit increased to $570.0 million (including a $60.0 million overdraft facility) from $500.0 million with an availability period to July 2023. Subsequently, in July 2023, the Warehouse Trust limit was increased to $660.0 million on renewal (including a $60 million overdraft facility), with an availability period to July 2024. At 30 June 2023, whilst the contractual availability period ends in July 2023, the premium funding borrowings have been classified as non-current in the statement of financial position as the contractual maturity date includes an amortisation period giving the Group 12 months to repay from the date of the last maturing premium funding in the Warehouse Trust.

IQumulate continues to hold trade credit insurance coverage, and recourse to the assets is limited to IQumulate only and is not cross-collateralised with other borrowings in the Group.

C. Reconciliation of movements of liabilities and cash flows arising from financing activities

	Bank loans - corporate facility $'m[1]	Bank loans - subsidiaries $'m	Bank loans - corporate facility and subsidiaries $'m	Premium funding borrowings $'m[2]	Total borrowings $'m
2023					
Balance at the beginning of the financial year	**339.0**	**80.6**	**419.6**	**466.9**	**886.5**
Proceeds from borrowings	**202.0**	**5.9**	**207.9**	**0.1**	**208.0**
Repayment of borrowings	**(105.0)**	**(5.5)**	**(110.5)**	**(14.8)**	**(125.3)**
Accrued interest	**0.9**	**-**	**0.9**	**-**	**0.9**
Amortisation of capitalised transaction costs	**0.9**	**-**	**0.9**	**-**	**0.9**
Balance at the end of the financial year (net of capitalised transaction costs and accrued interest)	**437.8**	**81.0**	**518.8**	**452.2**	**971.0**

[1] The opening balance comprises $340.0 million drawn down less capitalised transaction costs of $2.7 million plus interest accrued of $1.7 million. The closing balance comprises $437.0 million drawn down less capitalised transaction costs of $1.8 million plus interest accrued of $2.6 million.
[2] Proceeds from and repayment of premium funding borrowings are classified as cash flows from operating activities in the Consolidated Statement of Cash Flows.

D. Borrowings by associates and joint ventures

At 30 June 2023, the Group's associates and joint ventures had a total of $96.1 million (2022: $69.5 million) of bank borrowings (including bank overdrafts and loans).

As the associates and joint ventures are equity-accounted, these borrowings are not included in the Group's consolidated statement of financial position. The Group's proportionate share of the associates' and joint ventures' bank borrowings is $40.7 million (2022: $28.9 million). Refer Note 12C for summarised financial information of associates and joint ventures.

Note 9. Notes to the statement of changes in equity

A. Share capital

	2023 Number of shares 'm	2022 Number of shares 'm	2023 $'m	2022 $'m
Reconciliation of movements				
Balance at the beginning of the financial year	**977.6**	871.5	**1,638.9**	1,178.3
Shares issued for:				
Institutional and retail share placement	**45.5**	56.1	**233.4**	253.1
Scrip issued to vendors for acquisitions	**14.1**	49.2	**72.8**	206.7
Dividend reinvestment plan	**1.4**	0.8	**7.2**	3.9
Less: Transaction costs, net of income tax	**-**	-	**(3.3)**	(3.1)
Balance at the end of the financial year	**1,038.6**	977.6	**1,949.0**	1,638.9

The following ordinary shares were issued during the financial year as a result of the capital raise, acquisitions and DRP:

- 43.8 million ordinary shares were issued under the institutional placement, 10.9 million ordinary shares as scrip consideration for the acquisition of IBA and 3.2 million ordinary shares as scrip consideration for the acquisition of Perryman O'Grady Philpott Pty Ltd.
- 1.7 million ordinary shares were issued under the Share Purchase Plan.
- 1.4 million ordinary shares were issued under the DRP.

Ordinary shares in the Company have no par value and entitle the holder to participate in dividends as declared from time to time. All ordinary shares rank equally with regard to the Company's residual assets.

B. Treasury shares held in Trust

	2023 Number of shares 'm	2022 Number of shares 'm	2023 $'m	2022 $'m
Reconciliation of movements				
Balance at the beginning of the financial year	**3.9**	3.9	**15.9**	13.9
Shares acquired	**1.0**	1.3	**5.4**	6.5
Shares allocated to employees	**(1.6)**	(1.4)	**(5.8)**	(4.9)
Shares allotted through the dividend reinvestment plan	**-**	0.1	**0.4**	0.4
Balance at the end of the financial year	**3.3**	3.9	**15.9**	15.9

Treasury shares are ordinary shares of the Company bought on market by the trustee (a wholly-owned subsidiary of the Group) of an employee share plan to meet future obligations under that plan when rights vest and shares are allocated to participants.

C. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, maintain an optimal capital structure to minimise the cost of capital and continue its listing on the ASX, within the risk appetite approved by the Board.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, take on borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of its total gearing ratio excluding premium funding borrowings, as these borrowings are secured only against the assets of the premium funder. The total gearing ratio is calculated as total borrowings of the Company and its subsidiaries (excluding premium funding borrowings) divided by total equity and total borrowings of the Company and its subsidiaries (excluding premium funding borrowings). Currently the total gearing ratio excluding premium funding borrowings is 18.9% compared with the maximum gearing ratio determined by the Board of 30.0%.

The total gearing ratio has been calculated both including and excluding the premium funding borrowings as follows:

	Note	2023 $'m	2022 $'m	Maximum Board approved
Total borrowings of the Company and its subsidiaries (excluding premium funding borrowings)	8	**524.9**	425.8	
Total Group equity		**2,244.9**	1,813.9	
Total Group equity and total borrowings of the Company and its subsidiaries		**2,769.8**	2,239.7	
Total gearing ratio excluding premium funding borrowings		**19.0%**	19.0%	**30.0%**
Total borrowings of the Company and its subsidiaries (including premium funding borrowings)	8	**977.1**	892.7	
Total Group equity		**2,244.9**	1,813.9	
Total Group equity and total borrowings of the Company and its subsidiaries		**3,222.0**	2,706.6	
Total gearing ratio including premium funding borrowings		**30.3%**	33.0%	

D. Nature and purpose of reserves

I. Other reserves

Other reserves includes three components as follows:

- Foreign currency translation reserve: records the foreign currency differences from the translation of the financial information of foreign operations that have a functional currency other than Australian dollars.
- Share-based payments reserve: used to recognise the fair value at grant date of equity settled share-based remuneration provided to employees.
- Other reserves: used to recognise other movements in equity including cumulative net change in fair value of hedging instruments; the present value of liabilities in respect of put options issued to the minority shareholders of certain subsidiaries over those subsidiaries' shares; and the net effect on disposal of partial equity ownership in subsidiaries without loss of control.

II. Revaluation reserve

The revaluation reserve is used to record the movement in the fair value of the Group's property following Board valuation based on independent appraisal.

Note 10. Business combinations

Acquisitions

During the financial year ended 30 June 2023, the Group completed a number of acquisitions in accordance with its strategy. The following disclosures provide the financial impact to the Group at the acquisition date. Only significant acquisitions are disclosed separately. Other acquisitions are disclosed in aggregate.

Acquisition of subsidiaries

The following tables provide:

- detailed information on the acquisition of Insurance Brands Australia Pty Ltd and its subsidiaries (IBA) on 17 August 2022; and
- aggregated information for 38 other acquired businesses (Other acquisitions).

Note 10F includes the ownership interest in businesses acquired which became subsidiaries of the Group.

A. Consideration paid/payable

	2023			
	IBA $'m	Other acquisitions $'m	Total $'m	2022 $'m
Cash	228.7	188.5	417.2	296.4
Consideration shares	57.7[i]	47.9[v]	105.6	206.7
Deemed consideration[ii]	-	31.5	31.5	34.2
Deferred consideration[iii]	25.5[iv]	39.6	65.1	26.0
	311.9	307.5	619.4	563.3

Table notes

i. This amount represents the fair value of shares issued as consideration for the acquisition of IBA ($5.31 per share), which differs from the institutional bookbuild price at the transaction date ($5.14 per share).

ii. This amount represents the fair value of the original investments at the date the Group gained control of an entity which was previously an associate of the Group.

iii. Pursuant to the Share Purchase Agreements, some of the consideration will be settled based on future years' actual financial performance and thus was recognised as deferred consideration by the Group. The deferred consideration is estimated based on a multiple of forecast revenue and/or earnings. Any variations at the time of settlement will be recognised as an expense or income in the consolidated statement of profit or loss and other comprehensive income. The deferred consideration shown above represents:
   - $36.4 million of deferred consideration for which the maximum payment is variable and not capped;
   - $27.5 million of deferred consideration which is variable and capped; and
   - $1.2 million of deferred consideration which is fixed.

   The deferred consideration excludes the present value of liabilities ($26.9 million) in respect of put options issued to the minority shareholders of certain subsidiaries over those subsidiaries' shares (refer Note 10G).

iv. This amount represents $25.0 million in potential earn out payments and $0.5 million paid with respect to working capital adjustments. At 30 June 2023, the earn out payment was agreed to be $7.1 million, with $17.9 million recognised as a gain on reassessment.

v. Some acquisitions made through existing subsidiaries of the Group have been partially completed on a scrip for scrip basis (using the subsidiaries' scrip). The share capital issued by the subsidiary is eliminated on consolidation.

B. Identifiable assets and liabilities acquired

	2023 IBA $'m	2023 Other acquisitions $'m	2023 Total $'m	2022 $'m
Cash and cash equivalents[1]	66.8	39.5	106.3	103.7
Trade and other receivables[2]	10.0	22.3	32.3	15.1
Identifiable intangibles[3]	53.5	75.8	129.3	94.9
Investment in associates & joint ventures	1.0	-	1.0	75.2
Property, plant and equipment	0.4	0.6	1.0	2.6
Right-of-use assets	3.6	4.5	8.1	6.0
Deferred tax assets	2.8	1.8	4.6	6.5
Other assets	3.0	0.8	3.8	2.6
Trade and other payables	(59.2)	(33.6)	(92.8)	(104.8)
Lease liabilities	(4.0)	(4.7)	(8.7)	(6.4)
Provisions	(4.0)	(9.7)	(13.7)	(7.0)
Income tax payable	(0.4)	(2.0)	(2.4)	(4.8)
Deferred tax liabilities	(20.0)	(24.0)	(44.0)	(35.0)
Other liabilities	(3.4)	(11.4)	(14.8)	(7.6)
Total identifiable net assets acquired	50.1[4]	59.9	110.0	141.0

[1] *Includes cash held on trust.*
[2] *Trade receivables comprise contractual amounts and are expected to be fully recoverable.*
[3] *Identifiable intangibles are measured at fair value by reference to a discounted cash flow model.*
[4] *Total identifiable net assets acquired from IBA has changed since 31 December 2022 reporting due to measurement period adjustments.*

If new information obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, then the acquisition accounting will be revised. In the current year, there were no revisions relating to prior year acquisitions.

C. Goodwill on acquisition

	2023 IBA $'m	2023 Other acquisitions $'m	2023 Total $'m	2022 $'m
Total consideration paid/payable	311.9	307.5	619.4	563.3
Total identifiable net assets acquired	(50.1)	(59.9)	(110.0)	(141.0)
Non-controlling interests	-	5.9	5.9	2.2
Goodwill on acquisition[1]	261.8	253.5	515.3	424.5

[1] *The majority of goodwill relates to acquired subsidiaries' ability to generate future profits with the skills and technical talent of their work force as well as the benefits from the combination of synergies. None of the goodwill recognised is expected to be deductible for tax purposes.*

Notes to the financial statements continued

D. Financial performance of acquired subsidiaries

The contribution to the financial performance of the Group by acquired subsidiaries for the period since acquisition is outlined in the table below.

	2023		
	IBA $'m	Other acquisitions $'m	Total $'m
Revenue	64.6	41.6	106.2
EBITA	21.5	17.6	39.1
NPAT	12.5	10.7	23.2

If the acquisitions of subsidiaries occurred on 1 July 2022, the Group's underlying revenue from acquisitions for the financial year ended 30 June 2023 would have further increased by $43.5 million to $1,223.5 million, underlying EBITA would have further increased by $14.2 million to $444.9 million and underlying NPAT would have further increased by $7.9 million to $214.9 million.

E. Acquisition-related costs

The Group incurred acquisition-related costs of $0.1 million on legal, accounting and consulting with respect to the IBA acquisition. These costs have been included in 'Operating, brokers' support service and other expenses'. A further $3.3 million (net of tax) in respect of the capital raise and scrip issue attributable to the IBA acquisition was capitalised to share capital.

F. Subsidiaries acquired

The table below outlines the subsidiaries acquired during the financial year ended 30 June 2023. Some acquisitions represent portfolio or business purchases by subsidiaries and are therefore not included in this table.

		Ownership interest	
Name of subsidiaries acquired	Table note	2023 %	2022 %
Austinsure Limited		100.00	-
Baileys Insurance Limited	(i)	58.50	40.00
Bruce Group Australia Pty Ltd		90.00	-
Clear Insurance Pty Ltd		64.96	-
Fenchurch Insurance Brokers Pty Ltd	(i)	72.50	22.50
Insurance Brands Australia Pty Ltd and its subsidiaries		100.00	-
Insurance Finance Group Pty Ltd		100.00	-
Melbourne Insurance Brokers Pty Ltd	(i)	61.00	49.00
Perryman O'Grady Philpott Pty Ltd	(ii)	51.95	-
Surefire Insurance Brokers Pty Ltd and its subsidiaries		50.00	-
Trans-West Insurance Brokers (NSW) Pty Ltd (formerly Unity Trade Credit Pty Ltd)		100.00	-
Woodleigh Fields Pty Ltd (trading as Breakwater Insurance Brokers)		100.00	-

Table notes

i. During the year, the Group acquired additional shares in Fenchurch Insurance Brokers Pty Ltd (Fenchurch), Melbourne Insurance Brokers Pty Ltd (Melbourne) and Baileys Insurance Ltd (Baileys). As a result, Fenchurch, Melbourne and Baileys, which were previously associates, became subsidiaries of the Group. Fenchurch was initially increased to 70.00% and had an additional step up to 72.50% in December 2022. The consideration paid/payable disclosed in section A relates to the initial step up to 70.00%. Baileys had an initial investment of 43.5% in December 2022. In June 2023, Baileys stepped down to 38.5%, then stepped up to 56.5% and became a subsidiary. This was followed by an additional step up to 58.5%. The consideration paid disclosed in section A relates to the step up from 38.5% to 56.5%.

ii. In December 2022, the Group acquired 80.00% of Perryman O'Grady Philpott Pty Ltd (Perryman). In February 2023, the Group sold its shares to Network Insurance Group Pty Ltd (NIG). As NIG is 64.94% owned by the Group, the indirect ownership of Perryman at 30 June 2023 is 51.95%. The consideration paid/payable disclosed in section A relates to the initial purchase of 80.00%.

G. Deferred consideration reconciliation

The following table shows a reconciliation of movements in deferred consideration.

	2023 $'m	2022 $'m
Balance at the beginning of the financial year	**67.6**	68.6
Settlement of deferred consideration	**(33.7)**	(48.5)
Non-cash settlement of deferred consideration	**-**	(0.5)
Additions from acquisitions in business combinations	**65.1**	26.0
Additions from subsidiary business combinations	**-**	1.8
Additions from revaluation of put options over non-controlling interests	**1.1**	1.9
Additions from acquisitions of associates	**11.5**	2.4
Additions from acquisitions of identifiable intangibles	**0.5**	1.1
Additions from step-up investments	**1.2**	2.0
Net (gain)/loss in profit or loss on settlement or reassessment	**(1.0)**[1]	12.8
Balance at the end of the financial year	**112.3**	67.6
Comprises:		
Deferred consideration current:		
Put options over non-controlling interests[2]	**26.9**	25.8
Other	**59.6**	26.1
Deferred consideration non-current:		
Other	**25.8**	15.7
Balance at the end of the financial year	**112.3**	67.6

[1] *This includes $17.9 million gain on change in deferred consideration for IBA.*
[2] *This deferred consideration will only be payable if the put option is exercised by the minority shareholder. If the option remains unexercised, the financial liability will be derecognised against equity through other reserves at the expiry date.*

The balance of deferred consideration at the end of the financial year represents:

	2023 $'m	2022 $'m
Amount payable is variable and capped	**8.7**	1.6
Amount payable is variable and not capped	**91.9**	62.8
Amount payable is fixed	**11.7**	3.2
	112.3	67.6

Notes to the financial statements continued

Note 11. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following key subsidiaries.

Name	Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
A. Parent entity			
Steadfast Group Limited	Australia		
B. Subsidiaries - operating entities			
I. Insurance broking businesses			
Steadfast Insurance Brokers Pty Limited	Australia	**100.00**	100.00
Steadfast Insurance Brokers (New Zealand) Pty Ltd	New Zealand	**100.00**	100.00
Steadfast Group (UK) Ltd	United Kingdom	**100.00**	100.00
Abbott NZ Holdings Limited and its subsidiaries	New Zealand	**71.31**	68.34
AFA Insurance Brokers Pty Ltd	Australia	**71.00**	71.00
Austinsure Limited	New Zealand	**100.00**	-
Ausure Group Pty Ltd and its subsidiaries	Australia	**50.07**	50.07
Baileys Insurance Limited	New Zealand	**58.50**	40.00
Ballyglisheen Pty Ltd	Australia	**59.63**	59.63
Bill Owen Insurance Services Pty Ltd[1]	Australia	-	100.00
Body Corporate Brokers Pty Ltd	Australia	**100.00**	100.00
Bruce Group Australia Pty Ltd and its subsidiaries	Australia	**90.00**	-
Centrewest Holdings Pty Limited and its subsidiaries	Australia	**79.96**	70.18
Clear Insurance Pty Ltd	Australia	**64.96**	-
Community Broker Network Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Consolidated Insurance Agencies Pty Ltd and its subsidiary	Australia	**55.00**	55.00
Consult Insurance Solutions Pty Ltd	Australia	**100.00**	100.00
Corporate Insurance Brokers Ballina (NSW) Pty Ltd	Australia	**100.00**	100.00
Coverforce Holdco Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Domina Group Pty Ltd and its subsidiary	Australia	**70.00**	70.00
Edgewise Insurance Brokers Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Fenchurch Insurance Brokers Pty Ltd	Australia	**72.50**	22.50
Galaxy Insurance Consultants Pte Ltd	Singapore	**60.00**	60.00
Ginn & Penny Pty Ltd	Australia	**70.00**	100.00
Great Wall Insurance Services Pty Ltd	Australia	**67.50**	67.50
GSA Insurance Brokers Pty Ltd	Australia	**58.82**	60.00
Holdfast Insurance Brokers Pty Ltd	Australia	**70.00**	70.00
Ian Bell Insurance Brokers Pty Ltd	Australia	**75.05**	75.05
ICF (Australia) Pty Ltd and its subsidiary	Australia	**100.00**	100.00
Insurance Brands Australia Pty Ltd and its subsidiaries	Australia	**100.00**	-
Mega Capital Holdings Pty Ltd	Australia	**100.00**	100.00
Melbourne Insurance Brokers Pty Ltd	Australia	**61.00**	49.00

Name	Country of incorporation	Ownership interest 2023 %	2022 %
Miller Avenue Pty Ltd	Australia	**100.00**	100.00
National Credit Insurance (Brokers) Pty Ltd and its subsidiaries	Australia	**83.75**	85.66
Network Insurance Group Pty Ltd and its subsidiaries	Australia	**64.94**	60.00
Newmarket Grandwest Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Newsure Insurance Brokers Pty Ltd	Australia	**67.41**	67.41
Onefocus Consolidated Pty Ltd and its subsidiaries (Formerly Asparq Consolidated Pty Ltd)	Australia	**97.56**	97.56
Paramount Insurance Brokers Pty Ltd and its subsidiaries	Australia	**62.50**	62.50
Phoenix Insurance Brokers Pty Ltd	Australia	**80.00**	65.00
PID Holdings Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Pollard Advisory Services Pty Ltd[2]	Australia	-	95.00
QIB Group Holdings Pty Limited and its subsidiaries	Australia	**78.34**	81.70
Resolute Property Protect Pty Ltd	Australia	**78.50**	78.50
Risk Broking Pty Ltd and its subsidiary	Australia	**60.00**	60.00
Risk Partners Pty Limited	Australia	**100.00**	100.00
Rose Stanton Insurance Brokers Pty Ltd[3]	Australia	-	100.00
Scott & Broad Pty Ltd and its subsidiaries	Australia	**65.00**	65.00
Scott Winton Nominees Pty Ltd	Australia	**74.00**	90.00
Simplex Insurance Solutions Pty Ltd	Australia	**60.00**	60.00
SRB Management Pty Limited and its subsidiaries	Australia	**50.00**	50.00
Steadfast Distribution Services Pte Ltd	Singapore	**100.00**	100.00
Steadfast NZ Holdings Limited	New Zealand	**100.00**	100.00
Steadfast NZ Limited	New Zealand	**100.00**	100.00
Steadfast Shared Services Pty Ltd	Philippines	**100.00**	100.00
Steadfast Taswide Insurance Brokers Pty Ltd and its subsidiaries	Australia	**60.14**	66.12
Steadfast Workplace Risk Pty Ltd (Formerly Work Health Alternatives Pty Ltd)	Australia	**57.00**	57.00
Surefire Insurance Brokers Pty Ltd and its subsidiaries	Australia	**50.00**	-
Timjamway Pty Ltd	Australia	**90.00**	90.00
Trans-West Insurance Brokers (NSW) Pty Ltd (Formerly Unity Trade Credit Pty Ltd)	Australia	**100.00**	-
Trident Insurance Group Pty Ltd	Australia	**83.00**	78.00
Tudor Insurance Agency Unit Trust	Australia	**74.00**	74.00
Webmere Pty Ltd and its subsidiaries	Australia	**76.00**	76.00
Whitbread Holdings Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Whitbread Life Pty Ltd	Australia	**100.00**	100.00
Woodleigh Fields Pty Ltd (trading as Breakwater Insurance Brokers)	Australia	**100.00**	-
II. Underwriting agency businesses			
Steadfast Underwriting Agencies Holdings Pty Limited	Australia	**100.00**	100.00
Axis Underwriting Services Pty Ltd	Australia	**90.00**	90.00
Calliden Group Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
CHU Underwriting Agencies Pty Ltd and its subsidiaries	Australia	**100.00**	100.00

Notes to the financial statements continued

Name	Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Coast Insurance Pty Ltd (Formerly Hostsure Underwriting Agency Pty Ltd)	Australia	**51.00**	51.00
Emergence Insurance Group Pty Ltd and its subsidiaries	Australia	**50.00**	50.00
HMIA Pty Ltd	Australia	**70.80**	70.80
JMT Insurance Holdings Pty Ltd and its subsidiaries	Australia	**79.99**	89.19
Miramar Underwriting Agency Pty Limited	Australia	**100.00**	100.00
NM Insurance Pty Ltd and its subsidiaries	Australia	**90.00**	90.00
Platinum Placement Solutions Pty Ltd	Australia	**100.00**	100.00
Primassure (Australia) Pty Ltd	Australia	**100.00**	100.00
Procover Underwriting Agency Pty Ltd	Australia	**100.00**	100.00
Quanta Insurance Group Pty Ltd	Australia	**100.00**	100.00
Sports Underwriting Australia Pty Ltd	Australia	**100.00**	90.00
Steadfast Placement Solutions Pty Ltd	Australia	**100.00**	100.00
Steadfast Placement Solutions (UK) Ltd	United Kingdom	**100.00**	100.00
SUA Services Pty Ltd	Australia	**100.00**	100.00
Underwriting Agencies of Australia Pty Ltd and its subsidiaries	Australia	**88.33**	88.33
WM Amalgamated Pty Ltd and its subsidiary	Australia	**100.00**	100.00
III. Complementary businesses			
Gold Seal I.P. Pty Ltd	Australia	**100.00**	100.00
Gold Seal Practice Management Pty Ltd	Australia	**100.00**	100.00
InsuranceConnect Pty Ltd[4]	Australia	-	100.00
Insurance Finance Group Pty Ltd	Australia	**100.00**	-
IQumulate Premium Funding Pty Ltd	Australia	**90.00**	90.00
Steadfast Business Solutions Pty Ltd	Australia	**100.00**	100.00
Steadfast Convention Pty Limited	Australia	**100.00**	100.00
Steadfast Foundation Pty Ltd	Australia	**100.00**	100.00
Steadfast INSIGHT Holdings Pty Ltd	Australia	**100.00**	100.00
Steadfast Risk Group Pty Ltd and its subsidiaries	Australia	**100.00**	100.00
Steadfast Share Plan Nominee Pty Ltd	Australia	**100.00**	100.00
Steadfast Technologies Group Holdings Pty Ltd	Australia	**100.00**	100.00
Steadfast Technologies NZ Limited	New Zealand	**100.00**	100.00
Steadfast Technologies Pty Ltd	Australia	**100.00**	100.00
Steadfast Technologies Shared Services Pty Ltd	Australia	**100.00**	100.00
Steadfast Technology Services NZ Limited	New Zealand	**100.00**	100.00
Steadfast Technology Services Pty Ltd	Australia	**100.00**	100.00
Steadfast UnderwriterCentral Holdings Pty Ltd[5]	Australia	-	100.00
Steadfast Virtual Underwriter Holdings Pty Ltd	Australia	**100.00**	100.00
UnisonSteadfast AG	Germany	**60.00**	60.00

[1] Bill Owen Insurance Services Pty Ltd was acquired by QIB Group Holdings Pty Limited.
[2] Pollard Advisory Services Pty Ltd was acquired by Insurance Brands Australia Pty Ltd.
[3] Rose Stanton Insurance Brokers Pty Ltd was acquired by QIB Group Holdings Pty Limited.
[4] InsuranceConnect Pty Ltd was disposed outside the Group.
[5] Steadfast UnderwriterCentral Holdings Pty Ltd Pty Ltd was disposed outside the Group.

Note 12. Investments in associates and joint ventures

A. Details of associates and joint ventures

Interests in associates and joint ventures are accounted for using the equity method of accounting. Information relating to key associates is set out below.

Name	Ownership interest 2023 %	Ownership interest 2022 %	Equity-accounted 2023 $'m	Equity-accounted 2022 $'m
I. Insurance broking businesses				
Ausure Group Pty Ltd – associates thereof	**20.82**	17.13	**12.8**	10.6
Baileys Insurance Limited[1]	**58.50**	40.00	**-**	6.0
Baileys Premium Funding Limited	**40.00**	40.00	**1.2**	1.1
Blackburn (Insurance Brokers) Pty Ltd and Liability Brokers Pty Ltd	**40.00**	40.00	**3.0**	2.5
Collective Insurance Brokers Pty Ltd	**49.00**	49.00	**0.3**	0.3
Covercorp Pty Ltd	**49.00**	49.00	**1.0**	1.0
Coverforce HoldCo Pty Ltd - associates thereof	**24.58**	24.09	**35.8**	36.5
Fenchurch Insurance Brokers Pty Ltd[2]	**72.50**	22.50	-	1.9
Finpac Insurance Advisors Pty Ltd[3]	**-**	49.00	-	1.0
Insurance Brands Australia Pty Ltd – associates thereof	**20.00**	-	**1.1**	-
J.D.I. (Young) Pty. Limited	**25.00**	25.00	**1.1**	1.0
Johansen Insurance Brokers Pty Ltd	**48.35**	48.35	**4.0**	4.1
Listsure Pty Ltd	**29.80**	26.30	**-**	1.4
McKillops Insurance Brokers Pty Ltd	**49.00**	49.00	**4.5**	4.2
McLardy McShane Partners Pty Ltd and McLardy McShane Insurance Brokers Pty Ltd	**37.00**	37.00	**3.9**	3.4
Melbourne Insurance Brokers Pty Ltd[4]	**61.00**	49.00	**-**	1.5
Origin Insurance Brokers Pty Ltd	**49.00**	49.00	**-**	-
Quattro Risk Services Pty Ltd - associates thereof[5]	**-**	12.00	**-**	0.2
Rothbury Group Limited and its subsidiaries	**43.39**	42.80	**32.6**	29.9
RSM Group Pty Ltd	**49.00**	49.00	**4.5**	4.8
Sapphire Star Pty Ltd	**30.00**	30.00	**0.8**	0.8
Southside Insurance Brokers Pty Ltd	**49.00**	49.00	**0.6**	0.6
Steadfast Eastern Insurance Brokers Pty Ltd[6]	**62.50**	25.00	**-**	1.2
Steadfast IRS Pty Ltd - associates thereof[7]	**-**	47.00	**-**	3.1
Steadfast Life Pty Ltd and its subsidiary	**50.00**	50.00	**4.6**	3.2
UnisonSteadfast AG - associates thereof	**30.00**	30.00	**-**	-
Watkins Insurance Brokers Pty Ltd and D&E Watkins Unit Trust	**35.00**	35.00	**1.2**	1.2

Notes to the financial statements continued

Name	Ownership interest 2023 %	Ownership interest 2022 %	Equity-accounted 2023 $'m	Equity-accounted 2022 $'m
II. Underwriting agency businesses				
Community Broker Network Pty Ltd - associates thereof	**41.06**	37.09	**2.9**	1.1
QUS Pty Ltd	**45.00**	45.00	**0.4**	0.8
Sterling Insurance Pty Ltd	**39.50**	39.50	**5.0**	4.9
III. Complementary businesses				
Flame Security International Pty Ltd	**26.30**	26.30	**23.8**	7.2
HJS Unit Trust	**33.33**	33.33	**2.0**	1.8
Meridian Lawyers Limited	**25.00**	25.00	**2.5**	2.3
IV. Joint ventures				
Abbott NZ Holdings Limited - joint ventures thereof	**50.00**	50.00	**0.4**	0.4
Ausure Group Pty Ltd - joint ventures thereof	**22.36**	22.36	**5.2**	4.4
BAC Insurance Brokers Pty Ltd and its subsidiary	**50.00**	50.00	**11.9**	11.5
Blend Insurance Solutions Pty Ltd and its subsidiary	**50.00**	50.00	**0.9**	1.7
Coverforce HoldCo Pty Ltd - joint ventures thereof	**35.34**	33.65	**52.0**	47.1
Network Insurance Group Hospitality Pty Ltd - joint ventures thereof	**32.50**	30.00	**2.2**	3.5
Steadfast Risk Group Pty Ltd - joint ventures thereof	**50.00**	50.00	**0.1**	1.8
Steadfast Technologies Group Holdings Pty Ltd - joint ventures thereof	**50.00**	50.00	**0.2**	0.2

[1] *Baileys Broking Ltd became a subsidiary in FY23 and is disclosed for comparative purposes.*
[2] *Fenchurch Insurance Brokers Pty Ltd became a subsidiary in FY23 and is disclosed for comparative purposes.*
[3] *Finpac Insurance Advisors Pty Ltd was acquired by a subsidiary of the Group during FY23. No direct interest has been retained.*
[4] *Melbourne Insurance Brokers Pty Ltd became a subsidiary in FY23 and is disclosed for comparative purposes.*
[5] *Quattro Risk Services Pty Ltd disposed of its associate during FY23.*
[6] *Steadfast Eastern Insurance Brokers Pty Ltd became a subsidiary in FY23 and is disclosed for comparative purposes.*
[7] *Steadfast IRS Pty Ltd disposed of its associate during FY23.*

B. Reconciliation of movements of associates and joint ventures

	2023 $'m	2022 $'m
Balance at the beginning of the financial year	**210.3**	115.6
Additions - cash	**13.1**	62.7
Additions - non-cash	**16.9**	10.0
Additions - scrip issued	**-**	38.3
Step-up investment to subsidiaries	**(13.2)**	(13.8)
Disposals - cash	**(3.3)**	-
Other adjustments	**(3.0)**	(0.7)
	220.8	212.1
Share of EBITA from associates and joint ventures	**43.6**	36.0
Less share of:		
Finance cost	**(2.0)**	(0.7)
Amortisation expense	**(2.4)**	(2.3)
Income tax expense	**(8.5)**	(7.1)
Share of associates and joint ventures' profit after income tax	**30.7**	25.9
Dividends received/receivable	**(27.3)**	(26.9)
Impairment	**(1.9)**	-
Net foreign exchange movements	**0.3**	(0.8)
Balance at the end of the financial year	**222.6**	210.3

C. Summarised financial information of associates and joint ventures

I. Disclosure in aggregate

These disclosures relate to the investment in all associates and joint ventures in aggregate. The figures below represent the financial position and performance of the associates and joint ventures as a whole and not just the Group's share.

	2023 $'m	2022 $'m
Current assets	**451.0**	371.8
Non-current assets	**191.7**	157.0
Current liabilities	**(425.3)**	(347.2)
Non-current liabilities	**(99.2)**	(73.3)
Net assets	**118.3**	108.3
Revenue	**311.7**	283.1
EBITA	**74.6**	67.8
Profit after income tax	**46.8**	44.2
Total comprehensive income	**46.8**	44.2

Note 13. Trade and other receivables

Trade and other receivables	2023 $'m	2022 $'m
Fee and commission receivable	**183.0**	137.8
Less: ECL (refer Note 14C)[1]	**(4.9)**	(3.6)
Net fee and commission receivable	**178.1**	134.2
Other receivables	**83.2**[2]	71.9
	261.3	206.1

[1] *$0.7 million of the increase in the ECL provision during the period is attributable to business acquisitions.*
[2] *Comprises primarily trade receivables and accrued income.*

Premium funding receivables	2023 $'m	2022 $'m
Premium funding receivables	**663.4**	576.9
Less: ECL (refer Note 14C)	**(1.2)**	(1.2)
	662.2	575.7

Note 14. Financial instruments

A. Financial risk management objectives

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Group's overall risk management framework focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Financial risk management is carried out by senior finance executives (Finance) under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and may hedge financial risks within the Group's operating units. Finance reports to the Board on a regular basis.

B. Market risk

Interest rate risk

As at the reporting date, the Group had the following variable rate bank accounts and borrowings:

	2023 Weighted average interest rate %	2023 Balance $'m	2022 Weighted average interest rate %	2022 Balance $'m
Non-derivatives				
Cash at bank	**2.43**	**834.8**	0.20	769.2
Cash on deposit	**3.52**	**303.7**	0.98	175.8
Bank overdrafts	**-**	**(0.5)**	-	-
Bank loans[1]	**5.68**[2]	**(518.8)**	2.93[2]	(419.6)
Premium funding borrowings	**6.17**[2]	**(452.2)**	2.97[2]	(466.9)
		167.0		58.5
Derivatives				
Interest rate swaps[3]	**2.80**	**(62.5)**	1.98	(212.5)

[1] Balances include principal and outstanding interest payable effective 30 June 2023.
[2] Weighted average interest rate excludes any applicable line fee paid to lenders.
[3] The Group entered into two interest rate swaps, with face values of $150.0 million and $62.5 million, where BBSY indexed floating rate payments were swapped for 1.84450% and 2.29875% fixed rate payments respectively. The $150.0 million face value swap matured in January 2023 and the remaining $62.5 million swap will mature in January 2025. The Group entered into the interest rate swaps to minimise the Group's exposure to interest rate risk by the Group agreeing to exchange the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon face value. The swaps are designed to hedge interest costs associated with the underlying corporate debt obligations. At 30 June 2023, after taking into account the effect of the interest rate swaps, approximately 85.7% of the Group's corporate debt is exposed to variable rates (2022: 37.3%).

An increase/decrease in interest rates of 100 (2022: 100) basis points would have the following effect on profit/(loss) after tax:

- Increase of 100 basis points: $1.6 million favourable per annum (2022: $0.4 million favourable)
- Decrease of 100 basis points: $1.6 million unfavourable per annum (2022: $3.9 million favourable).

The basis point change is based on the expected volatility of interest rates using market data, historical trends over prior years and the Group's ongoing relationships with financial institutions.

C. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount (net of any provisions for impairment of those assets) as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral, except for the collateral specified in relation to loans to facilitate management buy-ins as described below.

Credit risk of the Group mainly arises from cash and cash equivalents, and trade and other receivables.

The Group has funded $36.1 million (2022: $31.9 million) of loans to facilitate management buy-ins to certain businesses under the Group's owner-driven business model. These loans are disclosed as other non-current assets in the consolidated statement of financial position. These loans attract commercial interest rates, with dividends from these businesses used to fund interest and loan repayments. The shares held by management in those businesses are provided as loan collateral.

The Group's exposure to credit risk is concentrated in the financial services industry with parties that are considered to be of sufficiently high credit quality (including cash held with major Australian banks) to minimise credit risk losses. Receivables include amounts due from policyholders in respect of insurances arranged by controlled entities. The Group assumes that the credit risk on fee and commission receivable increases significantly if outstanding 90 days past credit due terms. An ECL provision is recognised in respect of fee and commission receivable.

The Group also has exposure to credit risk from premium funding loans. The ECL provision for premium funding loans is based on historical data as a percentage of total loans written, after expected recoveries from trade credit policies.

The following table shows the movement in ECL that has been recognised for fee and commission receivable and premium funding receivables in accordance with the simplified approach set out in AASB 9:

ECL - Fee & commission receivables	2023 $'m	2022 $'m
Balance at the beginning of the financial year	**3.6**	3.1
Increase in ECL	**0.6**	0.2
Additions through business combinations	**0.7**	0.3
Balance at the end of the financial year	**4.9**	3.6

ECL - Premium funding receivables	2023 $'m	2022 $'m
Balance at the beginning of the financial year	**1.2**	2.0
Decrease in ECL	**-**	(0.8)
Balance at the end of the financial year	**1.2**	1.2

D. Liquidity risk

Vigilant liquidity risk management requires that the Group maintains sufficient liquid assets to be able to pay debts as and when they become due and payable and satisfy each AFSL holders' requirements. For both the Group's insurance intermediaries and premium funders, this is largely achieved by maintaining sufficient cash reserves in the forms of cash and cash equivalents and available borrowing facilities.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities, continuously monitoring actual and forecast cash flows, and by matching the maturity profiles of financial assets and liabilities.

For the Group's premium funders, liquidity risk is mitigated by allocating premium funding to a diverse range of corporate and SME businesses, limiting the majority of premium funding loans to no more than 11 monthly instalments, minimising the life cycle of funds in use, retaining adequate levels of available funds to safeguard against exceeding facility limits, and by matching the maturity profile of current and prospective financial assets against available funding limits.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

	Weighted average interest rate %	1 year or less $'m	1 to 2 years $'m	2 to 5 years $'m	Over 5 years $'m	Total contractual maturities $'m
2023						
Non-derivatives						
I. Non-interest bearing						
Payables on broking/underwriting agency operations		**868.3**	**-**	**-**	**-**	**868.3**
Trade and other payables		**161.8**	**-**	**-**	**-**	**161.8**
Premium funding payables		**206.4**	**-**	**-**	**-**	**206.4**
Deferred consideration		**86.5**	**24.3**	**1.5**	**-**	**112.3**
II. Interest bearing						
Bank loans	**5.68**	**4.5**	**265.4**	**258.4**	**20.0**	**548.3**
Premium funding borrowings	**6.17**	**48.5**	**-**	**431.6**	**-**	**480.1**
Total non-derivatives		**1,376.0**	**289.7**	**691.5**	**20.0**	**2,377.2**
Derivatives						
Hedge interest rate swaps (net settled)		**(2.5)**	**(2.0)**	**-**	**-**	**(4.5)**
Total derivatives		**(2.5)**	**(2.0)**	**-**	**-**	**(4.5)**
2022						
Non-derivatives						
I. Non-interest bearing						
Payables on broking/underwriting agency operations		648.7	-	-	-	648.7
Trade and other payables		121.4	-	-	-	121.4
Premium funding payables		139.5	-	-	-	139.5
Deferred consideration		51.9	15.7	-	-	67.6
II. Interest bearing						
Bank loans	2.93	10.5	8.4	396.1	16.9	431.9
Premium funding borrowings	2.97	33.0	-	447.7	-	480.7
Total non-derivatives		1,005.0	24.1	843.8	16.9	1,889.8
Derivatives						
Hedge interest rate swaps (net settled)		(0.3)	-	-	-	(0.3)
Total derivatives		(0.3)	-	-	-	(0.3)

Note 15. Contingencies

Contingent liabilities

Macquarie Bank put options

The Group has granted options to Macquarie Bank Limited (Macquarie) to enable Macquarie to put shares held by other shareholders in associates and controlled entities of the Group at fair value if Macquarie enforces its security over those shares. These have been granted in relation to shares held by other shareholders in associates and controlled entities over which Macquarie holds a security interest to secure indebtedness by those shareholders. The Group expects no material net exposure from this arrangement as the contingent liabilities have contingent assets (being rights to shares held by the relevant shareholders) of similar values.

Bank guarantee

In the normal course of business, certain controlled entities in the Group have provided security for bank guarantees principally in respect of their contractual obligations on commercial leases.

Other

In the normal course of business, the Group is also exposed to contingent liabilities (net of any recoveries) in relation to litigation arising out of its activities. The Group may also be exposed to the possibility of contingent liabilities in relation to litigation including but not limited to regulatory test cases and class actions, taxation and compliance matters which may result in legal or regulatory penalties and financial or non-financial losses and other impacts.

Note 16. Events after the reporting period

Final dividend

On 16 August 2023, the Board declared a final dividend for FY23 of 9.0 cents per share, fully franked. The dividend will be paid on 21 September 2023.

Facility extension

The Group had a $660.0 million multibank syndicated facility with a combination of three year and five year tranches. At balance date, the Group had the ability to borrow a further $216.6 million from this facility.

Subsequent to the balance date, this facility was increased to $860.0 million and extended as follows:

- two revolving tranches totalling $385.0 million, maturing August 2026;
- two fixed-term tranches totalling $175.0 million, maturing August 2026;
- a $200.0 million fixed-term tranche, maturing November 2026; and
- a $100.0 million fixed-term tranche, maturing August 2028.

IQumulate Premium Funding Warehouse Trust extension

At 30 June 2023, the Warehouse Trust limit for IQumulate Premium Funding Pty Ltd was $570.0 million (including a $60.0 million overdraft facility). In July 2023, the Warehouse Trust limit was increased by $90.0 million to $660.0 million (including a $60.0 million overdraft facility) with an extended availability period to July 2024.

Note 17. Share-based remuneration

Share-based payments – employee related

Share-based remuneration encourages employee share ownership, links employee reward to the performance of the Group and assists with attracting, retaining and motivating highly qualified and key personnel.

The Company intends to settle its obligations under share-based payment arrangements by the on-market purchase of the Company's ordinary shares which will be held in trust pending exercise of vested rights by employees. The Group has established a practice of purchasing a tranche of shares on or near grant date at the prevailing market price to facilitate building up a portfolio sufficient to meet the obligations when rights vest.

Trading in the Company's ordinary shares awarded under the share-based remuneration arrangements is covered by the same restrictions that apply to all forms of share ownership by employees. These restrictions prohibit an employee trading in the Company's ordinary shares when they are aware of price sensitive information and limit their trading at other times.

The Group has the following types of share-based remuneration arrangements provided to employees; each arrangement has different purposes and different rules:

- short-term incentive (STI) plan;
- long-term incentive (LTI) plan; and
- sign on bonus.

The share-based payments are included in the employment expense line in the statement of profit or loss and other comprehensive income.

Senior management and executive share plans

The senior management and executive share plan arrangements are awarded based on the terms and conditions as set out in the STI and LTI plans. When granted, the awards in these two plans may be in the form of cash and/or rights. The Board has approved the participation of each individual in these arrangements as well as the actual awards based on the performance conditions in these two plans being met.

A. STI

The STI plan is a discretionary, performance-based, at-risk reward arrangement. STI is awarded based on each participant's performance hurdles and the achievement of a minimum 11.35% underlying ROC (FY22: 12.2%) defined as underlying NPAT (adjusted to remove impact of the IBA acquisition in FY23 and Coverforce acquisition in FY22) as a percentage of opening shareholders' equity attributable to the owners of Steadfast Group Limited.

The key terms of the STI plan for the 2023 financial year are:

- total STI will be awarded and settled in the form of cash and rights as approved by the Board if ROC and individual participant's performance criteria for the performance period (i.e. 1 July to 30 June) are met. If met:
  - 60% of STI will be settled in the form of cash and will be paid in August after the performance period; and
  - 40% of STI awarded will be deferred and granted in the form of rights;
- rights are granted for nil consideration;
- the vesting condition of rights is not market related and requires the participant to continue in relevant employment from the grant date of the rights (retention period) to the vesting date, being one year after grant date;
- the rights will accrue notional dividends during the retention period;
- when vesting (after completion of the retention period), each right will be converted into one Steadfast ordinary share for nil consideration upon exercise by the participant. The notional dividends will be converted into an equivalent number of Steadfast ordinary shares based on the DRP issue price applicable to each dividend;
- the Board has discretion to settle the rights in cash instead of Steadfast ordinary shares;
- the vesting is conditional on there being no material deterioration in the FY23 reported results during the performance period before the exercise of the rights; and
- if the vesting condition is not met then the rights lapse.

Further details of the 2023 STI in relation to the Group's KMP are disclosed in the Remuneration Report.

B. LTI

The LTI plan is a discretionary, performance-based, at-risk reward arrangement. LTI is awarded based on each participant's performance hurdles and the achievement of the minimum diluted EPS growth and TSR performance hurdles.

The key terms of the LTI plan for the 2023 financial year are:

- LTI will be awarded in the form of rights as approved by the Board and will be granted in August following the end of each financial year;
- rights are granted for nil consideration;
- the vesting condition of rights is conditional on meeting the following performance hurdles:
  - the participants meeting their individual performance hurdles during the three-year employment tenure from the grant date of the rights (retention period);
  - 50% (FY22: 50%) based on the Group achieving a minimum 8.5% (maximum at 12.25%) average straight line per annum diluted EPS growth during the retention period; and

  - 50% (FY22: 50%) based on the Group achieving a minimum TSR above the 50th percentile (maximum at 75th percentile) of the peer group during the retention period;
- the rights will not accrue notional dividends during the retention period;
- before vesting, the Board will determine the number of rights to vest based on the combined outcome of the performance hurdles;
- when vesting (after completion of the retention period), each right will be converted into one Steadfast ordinary share for nil consideration upon exercise by the participant;
- the Board has discretion to settle the rights in cash instead of Steadfast ordinary shares;
- the vesting is conditional on there being no material deterioration in the FY23 reported results during the performance period before the exercise of the rights; and
- if the vesting conditions are not met then the rights lapse.

Further details of the 2023 LTI in relation to the Group's KMP are disclosed in the Remuneration Report.

Employee share plan

The Short-Term Employee Incentive Plan (STEIP) is a discretionary, performance based at-risk reward arrangement for employees other than senior management and executives that aims to recognise the contributions of the eligible employees of the Group when outstanding financial results and individual performance objectives are achieved.

The 2023 STEIP consists of two potential reward components:

- cash component – a cash award which may be delivered if ROC targets are met; and
- deferred equity component – a DEA of rights to Steadfast shares if ROC targets are met and subject to a tenure hurdle and no material deterioration in ROC. Participation in the DEA component of the STEIP is by invitation only and is limited to participants approved by the Group Managing Director & CEO.

The ROC growth targets for the STEIP are aligned with those in the senior management and executive STI plan.

Notional dividends on the rights will accrue during the tenure hurdle period from the first interim dividend after the grant date. The notional dividends will be calculated in accordance with the DRP as varied from time to time. The accrued value of notional dividends will be provided to a participant on the vesting date of a conditional right in the form of additional Steadfast shares (or cash in lieu).

Note 18. Taxation

	2023 $'m	2022 $'m
A. Income tax (expense)/benefit		
Profit before income tax expense	**337.6**	279.2
Income tax expense at statutory tax rate	**(101.3)**	(83.8)
Tax effect of difference in corporate tax rates in foreign jurisdictions	**0.3**	0.4
Tax effect of amounts that are not (deductible)/taxable in calculating taxable income		
Share of after-tax profits of associates and joint ventures	**5.7**	5.2
Non-assessable and other deductible items	**52.5**	58.2
Non-deductible and other assessable items	**(67.2)**	(58.3)
Under/(over) provision for income tax in prior periods	**0.2**	(1.5)
Income tax expense	**(109.8)**	(79.8)
B. Major components of income tax expense		
Current tax	**(116.9)**	(77.1)
Movement in deferred tax assets	**1.6**	(1.5)
Movement in deferred tax liabilities	**5.5**	(1.2)
	(109.8)	(79.8)
C. Income tax on items recognised directly in equity		
Deferred tax assets	**1.4**	1.9
Deferred tax liabilities	**-**	(0.2)
	1.4	1.7

	2023 $'m	2022 $'m
D. Deferred tax assets		
I. Composition		
Accrued expenses	**16.0**	12.9
Provisions	**15.8**	13.5
Deferred income	**14.6**	12.1
Business related capital costs	**6.7**	9.6
Leases	**2.0**	2.0
Other	**9.2**	6.7
	64.3	56.8
II. Movements		
Balance at the beginning of the financial year	**29.4**	23.5
Add: reversal of offset against deferred tax liabilities	**27.4**	29.3
Gross balance at the beginning of the financial year	**56.8**	52.8
Opening balance adjustments	**-**	0.4
Charged to profit or loss	**1.6**	(1.5)
Charged to equity	**1.4**	1.9
Additions through business combinations	**4.6**	6.5
Disposals	**(0.1)**	(3.3)
Balance at the end of the financial year before offset	**64.3**	56.8
Less: offset against deferred tax liabilities	**(28.8)**	(27.4)
Balance at the end of the financial year	**35.5**	29.4
E. Deferred tax liabilities		
I. Composition		
Intangible assets	**91.2**	66.4
Receivables and investments	**65.0**	53.7
Asset revaluation	**6.5**	5.2
Other	**0.4**	0.1
	163.1	125.4
II. Movements		
Balance at the beginning of the financial year	**98.0**	65.0
Add: reversal of offset against deferred tax assets	**27.4**	29.3
Gross balance at the beginning of the financial year	**125.4**	94.3
Charged to profit or loss	**(5.5)**	1.2
Charged to equity	**1.3**	(0.2)
Additions through business combinations	**44.0**	35.0
Disposals	**(2.1)**	(4.9)
Balance at the end of the financial year before offset	**163.1**	125.4
Less: offset against deferred tax assets	**(28.8)**	(27.4)
Balance at the end of the financial year	**134.3**	98.0

F. Tax transparency reporting

The Australian Taxation Office (ATO) publishes total income, taxable income and tax payable in relation to large taxpayers, with the 2021 financial year being the latest information released. The information published is sourced from the income tax return lodged by Steadfast Group Limited as the head company of the Australian tax consolidated group (which captures only the entities that are 100% owned by the Group).

Total income includes all Australian income, including commission and fee income, investment return and dividends. It does not include any business expenses such as commission and fees expense, salaries or other operating expenses.

Taxable income is the net profit that is subject to tax and takes into account allowable deductions for business expenses and other tax concessions, including non-taxable dividends from foreign subsidiaries.

Tax payable on taxable income is calculated with reference to the Australian corporate tax rate of 30%, adjusted for franking credits and other tax concessions. On release of the 2022 financial year tax information, we envisage the following will be reported:

	2022 $'m	2021 $'m
Total income	**746.5**	533.0
Taxable income	**198.3**	158.5
Tax paid by head entity	**26.6**	16.0
Effective tax rate	**13.41%**	10.09%

The most significant reason for the low effective tax rate for the parent entity is that a substantial portion of its disclosed taxable income is dividends received and the attached franking credits (derived from those entities paying tax) reduce the tax payable by the head entity.

For a complete view of the effective tax rate, the following needs to be considered:

	2022 $'m	2021 $'m
Tax paid by head entity	**26.6**	16.0
Tax paid by investees (and passed to head entity as franking credits)	**32.9**	31.6
Underlying tax paid	**59.5**	47.6
Taxable income	**198.3**	158.5
Effective tax rate (excl. franking credits)	**30%**	30%

The 2023 income tax return for Steadfast Group Limited is expected to have an effective rate continuing at circa 30%.

Note 19. Notes to the statement of cash flows

A. Composition

	2023 $'m	2022 $'m
Cash and cash equivalents	**259.2**	279.8
Cash held on trust	**879.3**	665.2
	1,138.5	945.0

B. Reconciliation of profit after income tax to net cash from operating activities

	2023 $'m	2022 $'m
Profit after income tax expense for the year	**227.8**	199.4
Adjustments for		
Depreciation, amortisation and gain/loss on disposal of property, plant and equipment	**88.3**	73.3
Share of profits of associates and joint ventures	**(30.7)**	(25.9)
Income taxes paid	**(105.6)**	(77.0)
Dividends received from associates/joint ventures	**27.3**	26.9
Fair value loss/(gain) on listed investments	**2.4**	(2.3)
Net gain from investments	**(23.4)**	(9.3)
Share-based payments and incentives accruals	**(6.1)**	(5.4)
Impairment expense	**19.7**	3.6
Interest income on loans	**(0.6)**	(0.4)
Capitalised interest on loans	**4.5**	1.8
Change in operating assets and liabilities		
Increase in trade and other receivables	**(33.5)**	(24.8)
(Increase)/decrease in deferred tax assets	**(1.6)**	1.5
Increase in other assets	**(5.7)**	(2.9)
Increase in trade and other payables	**148.0**	4.5
Increase in income tax payable	**116.9**	77.1
(Decrease)/increase in deferred tax liabilities	**(5.5)**	1.2
(Decrease)/increase in other liabilities	**(3.5)**	0.1
Increase in provisions	**5.8**	6.3
Net cash from operating activities	**424.5**	247.7

Note 20. Related party transactions

A. Key management personnel compensation

The aggregate remuneration received/receivable by KMP of the Group is set out as follows:

	2023 $'000	2022 $'000
Short-term benefits	**7,552**	7,434
Post-employment benefits	**224**	202
Long-term benefits	**105**	74
Accrued share-based expenses	**5,130**	4,460
	13,011	12,170

B. Transactions with subsidiaries

All transactions that have occurred among the subsidiaries within the Group have been eliminated on consolidation.

C. Transactions with other related parties

The following transactions occurred with related parties:

	2023 $'000	2022 $'000
I. Sale of goods and services		
Professional services fees received from associates and joint ventures on normal commercial terms	**210**	210
Commission income received/receivable from associates and joint ventures on normal commercial terms	**205**	1,499
Professional service fees received by Director's related entities on normal commercial terms	**22**	16
II. Payment for goods and services		
Commission expense paid/payable to associates on normal commercial terms	**15,542**	12,466
Professional service fees paid to associates and joint ventures	**1,563**	545
III. Receivable from and payable to related parties		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
a. Current receivables		
Receivables from associates and joint ventures	**151**	422
Trade receivables from Director's related entities	**9**	25
b. Current payables		
Payables to associates and joint ventures	**3,590**	2,577
IV. Loans to/from related parties		
Loans to associates and joint ventures - current	**152**	-
Loans to associates and joint ventures - non-current	**5,882**	3,391

Note 21. Parent entity information

The financial information provided in the table below is only for Steadfast Group Limited, the parent entity of the Group.

A. Statement of comprehensive income

	2023 $'m	2022 $'m
Profit after income tax	**185.5**	127.0
Other comprehensive income / (loss)	**3.0**	(0.3)
Total comprehensive income	**188.5**	126.7

B. Statement of financial position

	2023 $'m	2022 $'m
Current assets	**159.5**	95.5
Total assets	**2,661.0**	2,180.6
Current liabilities	**89.6**	70.9
Total liabilities	**535.9**	417.5
Net assets	**2,125.1**	1,763.1
Total equity of the parent entity comprising:		
Share capital	**1,949.0**	1,638.9
Share-based payments reserve	**13.4**	11.4
Retained earnings	**147.6**	100.7
Revaluation reserve	**12.1**	12.1
Other reserves	**3.0**	-
Total equity	**2,125.1**	1,763.1

C. Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2, except for investments in subsidiaries, associates and joint ventures which are accounted for at cost, less any impairment. Dividends received are recognised as income by the parent entity.

D. Going concern

The parent entity financial statements have been prepared on a going concern basis.

E. Contingent assets/liabilities not considered remote

The Company is exposed to the contingent assets and liabilities pertaining to the Macquarie Bank put options and other contingencies set out in Note 15.

F. Parent entity capital commitments for acquisition of property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at 30 June 2023 and 30 June 2022.

G. Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity provided no guarantees in relation to the debts of its subsidiaries at 30 June 2023 and 30 June 2022.

Note 22. Remuneration of auditors

A. KPMG

	2023 $'000	2022 $'000
I. Audit and review services		
Audit and review of financial statements - Group	856	858
Audit and review of financial statements - controlled entities	2,046	1,469
	2,902	2,327
II. Assurance services		
Regulatory assurance services	162	72
Other assurance services	90	6
	252	78
III. Other services		
Taxation advice and tax compliance services	29	127
Other services	227	80
	256	207

B. Other auditors

	2023 $'000	2022 $'000
I. Audit and review services		
Audit and review of financial statements	862	508
II. Assurance services		
Regulatory assurance services	16	40
Other assurance services	33	4
	49	44
III. Other services		
Taxation advice and tax compliance services	186	45
Other services	58	-
	244	45

Directors' declaration

1. In the opinion of the Directors of Steadfast Group Limited (the Company):
   a. the consolidated financial statements and notes that are set out on pages 78 to 127 and the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:
      i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.
3. The Directors draw attention to Note 2A to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed at Sydney on 16 August 2023 in accordance with a resolution of the Directors:

Frank O'Halloran, AM
Chair

Robert Kelly, AM
Managing Director & CEO

Independent Auditor's Report

To the shareholders of Steadfast Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Steadfast Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2023
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of Goodwill, Intangible assets and Investments in associates and joint ventures;
- Acquisition accounting for Insurance Brands Australia Pty Ltd; and
- Decentralised operations.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Valuation of Goodwill, Intangible assets, and Investments in associates and joint ventures</th></tr>
<tr><td colspan="2">Refer to Note 7: Goodwill ($1,985.7m) and Other intangible assets ($346.6m), Note 12: Investments in associates and joint ventures ($222.6m), and Note 3: Critical accounting judgements, estimates and assumptions</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
The valuation of Goodwill, Intangible assets, and Investments in associates and joint ventures is a key audit matter given the:

Size of the balance (being 52% of the Group's total assets).
High number of individual Cash Generating Units (CGUs), of more than 89 at 30 June 2023. This necessitated our consideration of the Group's determination of CGUs and increases the complexity in the Group's valuation for each of the CGUs, intangible assets and investments in associates and joint ventures.
Impairment of $19.7m recognised by the Group during the financial year.
Forward-looking and judgemental assumptions applied by the Group in its valuation for each of the CGUs, including:

Forecast cash flows, revenue and expense growth assumptions, terminal value growth rates and earnings multiples which are influenced by subjective drivers and rely on the Group's expectation of future customer activity and insurance market developments; and
Discount rates, which are complicated in nature and can vary according to the underlying economic conditions. The Group engaged an external expert to assist in determining the discount rates.

We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
</td><td>
Our procedures included:

Assessing the Group's determination of CGUs based on our understanding of the operation of the Group's businesses, and how independent cash flows were generated, against the requirements of the accounting standards.
Assessing the Group's analysis of indicators of impairment of intangible assets and its investments in associates and joint ventures based on actual business performance and approved forecasts.

Working with our valuation specialists, our procedures included:

Considering the appropriateness of the valuation methods applied (value in use and fair value less costs of disposal) by the Group against the requirements of the accounting standards.
Comparing the forecast cash flows contained in the valuation models to the Board approved budgets. We also evaluated the forecasting process undertaken by the Group and assessed the precision of prior year forecast cash flows by comparison to actual outcomes.
Applying increased professional scepticism to forecast cash flows in the areas where previous forecasts were not achieved. We compared the revenue and expense growth assumptions and terminal value growth rate assumptions to recent external data on inflation rates as an indicator of future customer activity and projected insurance market premium growth in Australia. We used our knowledge of the Group, its past performance, business and customers, and our general insurance industry experience in considering the feasibility of the forecasts used.
Independently developing a range of discount rates and earnings multiples considered comparable based on analysis of comparable companies using publicly available market data, adjusted by risk factors specific to the Group and the industry it operates in.
Performing sensitivity analysis by varying key assumptions, such as forecast growth rates, terminal value growth rates, discount rates and earnings

</td></tr>
</table>

KPMG

	multiples within a reasonably possible range, for all CGUs. We did this to identify those CGUs at higher risk of impairment, assumptions at higher risk of bias, and to focus our further audit procedures. Additionally, we cross checked the valuation results against earnings multiples based on the value of other comparable companies. • Assessing the integrity of the valuation models used, including accuracy of the underlying calculations, agreeing key inputs to relevant sources and recalculating the impairment charge. • We assessed the disclosures in the financial report using our understanding obtained from our testing, and against the requirements of the accounting standards.

Acquisition accounting for Insurance Brands Australia Pty Ltd

Refer to Note 10: Business combinations ($311.9m)

The key audit matter	How the matter was addressed in our audit
The Group acquired Insurance Brands Australia Pty Ltd (IBA) for consideration of $311.9m on 17 August 2022. The acquisition accounting associated with this transaction is a key audit matter given: • The financial significance of the transaction for the Group. • The determination of fair value of acquired intangible assets and goodwill are sensitive to changes in judgemental assumptions. This drives additional audit effort to assess the feasibility of these assumptions and the methods used. Areas of focus included the: – Assessment of the completion date; – Fair value of the acquired customer contract intangible assets at the acquisition date, including focus on the discount rate and client attrition rates as the key assumptions; and – Fair value of the identifiable assets and liabilities as part of the acquisition. The Group engaged an external valuation expert to assist with the identification and measurement of acquired assets and liabilities and the purchase price allocation to goodwill and separately	Our procedures included: • Reading the transaction documents related to the acquisition to understand the structure, key terms and conditions. Using this, we evaluated the accounting treatment of the acquisition against the criteria of a business combination in the accounting standards. • Working with our technical accounting specialists to assess whether the Group's determination of the completion date was in accordance with the accounting standards. Working with our valuation specialists, our procedures included: • Evaluating the Group's external valuation expert's objectivity, competence and scope of work with respect to their involvement in the determination of fair value of acquired customer contract intangible assets and the purchase price allocation to goodwill and other separately identifiable intangible assets. • Assessing the valuation methodologies against accepted industry practice and the requirements of the accounting standards. • Comparing specific assumptions (such as revenue and expense growth assumptions) used by the Group's external valuation expert to Board approved business forecasts and publicly available industry

identifiable intangible assets. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	growth rates. • Challenging the Group's judgmental assumptions related to the fair value of separately identifiable intangible assets including discount rates, client attrition rates and forecasted cashflows. We did this by comparing these assumptions to publicly available market data and valuations from comparable transactions. • Checking the goodwill balance recognised as a result of the transaction and comparing it to the goodwill amount recorded by the Group. • Assessing the disclosures in the financial report, by comparing these to our understanding of the acquisitions obtained from our testing and the requirements of the accounting standards.

Decentralised operations

Refer to Note 2: Significant accounting policies, Note 11: Subsidiaries, and Note 12: Investments in associates and joint ventures

The key audit matter	How the matter was addressed in our audit
The Group comprises more than 155 subsidiaries, associates and joint ventures (components) whose operations are spread across Australia, New Zealand, and to a lesser degree, the United Kingdom, Singapore and Germany. The individual components are wide ranging in size, and the customers and products of each business operation vary. The decentralised and varied nature of these operations requires significant oversight by the Group to monitor the activities, review component financial reporting, and undertake the Group consolidation. This is an extensive process due to the variety of accounting processes and systems used by each component across the Group. This is a key audit matter given: • The number of subsidiaries, associates and joint ventures and the varied operations, accounting processes and systems across the Group. • The level of senior audit team member effort involved to: – Understand the components and identify the significant risks of misstatement within each component;	Our procedures included: • Instructing component audit teams to perform procedures on the financial information prepared for consolidation purposes by 36 components. The selected components covered over 84% of the Group's revenue and 84% of total assets. The objective of this approach was to gather evidence on significant balances that aggregate to form a large part of the Group's financial reporting. • The component audit teams performed audits of the financial information of these components which included specific Group reporting package information and local statutory financial reporting. We worked with the component audit teams to identify risks significant to the audit of the Group and to plan relevant procedures. • Discussing with component audit teams the component audits as they progressed to identify and address any issues. • Reading the audit reports issued to us and the underlying memos to evaluate the work performed by the component audit teams for adequacy with the overall Group audit purpose. This included the components compliance with the Group's accounting policies, including those relating to the recognition of

— Scope relevant audit procedures consistent with the risks identified and to enable sufficient appropriate audit evidence over the significant aggregated balances at the Group; — Assess components compliance with the Group accounting policies; and — Audit the consolidation process and aggregation of results from component audit team procedures.	revenue. • Testing the financial data used in the consolidation process for consistency with the financial data audited by component audit teams. We also assessed the consolidation process for compliance with the accounting standards. • For selected components, inspecting the component auditors' files for consistency between the auditor's opinion and the underlying audit work. • For the other components not within the scope of component audit teams' procedures, our head office audit procedures included testing the Group's key monitoring controls and performance of analytical procedures. We inspected a sample of bank reconciliations, debtors' reports, statutory financial reports, and accompanying audit reports, and inquired with head office management. In our analytical procedures, we compared actual financial results to budgets and the prior year results. We inquired of head office and considered trends within the insurance market.

Other Information

Other Information is financial and non-financial information in Steadfast Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Steadfast Group Limited for the year ended 30 June 2023 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 55-75 of the Directors' report for the year ended 30 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

David Kells
Partner

Julia Gunn
Partner

Sydney
16 August 2023

Shareholders' information

As at 31 July 2023

Ordinary share capital

There were 1,038,561,895 fully paid ordinary shares held by 12,266 shareholders. All the shares carry one vote per share and carry the rights to dividends.

Distribution of shareholders

The number of shareholders by size of holding are as follows:

Range	No. of holders	No. of shares	% of issued capital
100,001 and over	390	964,145,601	92.83%
10,001 to 100,000	1,823	53,404,259	5.14%
5,001 to 10,000	1,332	9,625,458	0.93%
1,001 to 5,000	3,671	9,242,322	0.89%
1 to 1,000	5,050	2,144,255	0.21%
Total	**12,266**	**1,038,561,895**	**100.00%**

There were 283 shareholders holding less than a marketable parcel based on a market price of $5.83 at the close of trading on 31 July 2023.

Twenty largest shareholders

Name	No. of shares	% of issued capital
HSBC Custody Nominees (Australia) Limited	306,627,741	29.52%
J P Morgan Nominees Australia Pty Limited	179,183,316	17.25%
Citicorp Nominees Pty Limited	123,187,785	11.86%
Mr James Alexander Angelis	45,923,468	4.42%
National Nominees Limited	44,338,206	4.27%
Citicorp Nominees Pty Limited	35,497,788	3.42%
Mackay Insurance Services Pty Ltd	27,525,392	2.65%
BNP Paribas Noms Pty Ltd	20,126,533	1.94%
Argo Investments Limited	14,904,109	1.44%
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	8,346,806	0.80%
Mackay Insurance Services Pty Ltd	7,691,016	0.74%
HSBC Custody Nominees (Australia) Limited - A/C 2	4,516,554	0.43%
HSBC Custody Nominees (Australia) Limited	4,477,315	0.43%
Outland Investments Pty Ltd	3,686,734	0.35%
Steadfast Share Plan Nominee Pty Ltd	3,341,202	0.32%
BNP Paribas Nominees Pty Ltd	3,055,946	0.29%
RC & IP Gilbert Pty Ltd	3,000,000	0.29%
NewEconomy.Com.AU Nominees Pty Ltd	2,933,075	0.28%
HSBC Custody Nominees (Australia) Limited	2,883,154	0.28%
Mr Robert Bernard Kelly	2,789,878	0.27%
Total	**844,036,018**	**81.27%**

Shareholders' information continued

Substantial shareholders

Name	Date of notice	No. of shares	% of issued capital
Vanguard Group	30 March 2023	52,068,661	5.01%
First Sentier Investors Holdings	9 March 2023	62,869,101	6.05%

This information is based on the most recent substantial holder notices lodged with the ASX.

Securities purchased on-market

The following securities were purchased on market during the financial year for the purpose of the dividend reinvestment plan:

	Number of shares purchased	Average price paid per share
Ordinary Shares	414,316	$5.81

Dividend details

Dividend	Franking	Amount per share	DRP issue price	Payment date
Interim	Fully franked	6.0 cents	5.80 cents[1]	22 March 2023
Final	Fully franked	9.0 cents	[2]	21 September 2023

[1] The Group provided shares under the DRP through an on-market purchase.
[2] The DRP issue price of the final dividend is scheduled to be announced on 31 August 2023.

The final dividend has an ex-dividend date of 21 August 2023, a record date of 22 August 2023, a payment date of 21 September 2023 and is eligible for Steadfast's DRP which carries no discount.

Glossary of terms

Term	Explanation
AGM	Annual General Meeting
Carbon neutral	Carbon neutral means bringing net carbon emissions to zero through a combination of reducing emissions and carbon offsetting
CGU	Cash-generating unit
Client	Customer of broker/underwriting agency
CPS	Cents per share
DEA	Deferred equity award
DPS	Dividend per share
DRP	Dividend Reinvestment Plan
EBITA	Earnings before interest (including premium funding interest income and expense), tax and amortisation. To ensure comparability, underlying EBITA also deducts the interest expense on lease liabilities and depreciation of right-of-use assets
ECL	Expected credit loss
EPS	Earnings per share
EPS (NPAT)	Earnings per share that reference NPAT
EPS (NPATA)	Earnings per share that reference NPATA
Equity brokers	An insurance broker that is a member of the Steadfast Network, where Steadfast holds an equity interest
FY	Financial Year
Group	Steadfast Group Limited (ABN 98 073 659 677, AFSL 254928) and its controlled entities, associates and joint ventures
GWP	Gross written premium – the amount paid by customers for insurance policies excluding taxes and levies
Hubbing	The merger of two or more insurance intermediary businesses
IFRS	International Financial Reporting Standards
KMP	Key management personnel
KPIs	Key performance indicators
LTI	Long-term incentive
NCI	Non-controlling interests
Network	The collective reference to the distribution network that comprises all Steadfast Network brokers
Network broker	An insurance broker who is a member of the Steadfast Network, where Steadfast has no equity interest
Non-trading items	Includes revenue and/or expense items that are typically one-off in nature and are not reflective of the Group's normal operating activities
NPAT	Net profit after tax
NPATA	Net profit after tax (post non-controlling interests) adjusted for amortisation of customer relationships
PSF	Professional services fee
Rebate	An annual payment made to Steadfast Network brokers, at the discretion of the Board
Return on capital (ROC)	Underlying net profit after tax (adjusted to remove impact of the IBA acquisition in FY23 and Coverforce acquisition in FY22) as a percentage of opening shareholders' equity attributable to the owners of Steadfast Group Limited
SCTP	Steadfast Client Trading Platform – a web based platform that is a digitally contestable market place providing Steadfast Network brokers access to obtain multiple, detailed quotes from a variety of insurers, with only one data input as well as place and maintain policy contracts

Glossary of terms continued

Term	Explanation
SME	Small to medium enterprise
STI	Short-term incentive
Strategic partner	Preferred product partners underwriting or arranging the general insurance policies and premium funding products which are placed by Steadfast Network brokers
TSR	Total shareholder return
Trapped Capital	A project initiated by the Group to offer Network members the ability to sell equity in their business to the Group
Underlying earnings	Underlying earnings refers to statutory earnings adjusted for non-trading items
Underlying NPAT	Underlying NPAT refers to statutory NPAT adjusted for non-trading items
Underwriting agency	Underwriting agencies act on behalf of general insurers to design, develop and provide specialised insurance products and services for specific market segments
Warehouse Trust	A Warehouse Trust is a secured lending facility whereby the collateral is a pool of loans receivable rather than an individual property or asset

Corporate directory

Directors

Frank O'Halloran AM (Chair)
Robert Kelly AM (Managing Director & CEO)
Vicki Allen
Joan Cleary
David Liddy AM
Gai McGrath
Greg Rynenberg

Company secretaries

Linda Ellis (leaving 31 August 2023)
Duncan Ramsay
Peter Roberts

Notice of the AGM

The AGM will be held on Friday, 27 October 2023.

Corporate Office

Steadfast Group Limited
Level 4, 99 Bathurst Street
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PO Box A980
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P 02 9495 6500
E investor@steadfast.com.au
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ACN 073 659 677

Share registry

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Sydney NSW 2000

Postal Address
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Sydney South NSW 1235

P 1300 554 474
E registrars@linkmarketservices.com.au

Stock Listing

Steadfast Group Limited ordinary shares are listed on the Australian Securities Exchange (ASX code: SDF).

Steadfast

Steadfast Group Limited
ABN 98 073 659 677
www.steadfast.com.au

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