Insignia™ Financial

1H22 Results Presentation

Insignia Financial Ltd

Thursday, 24 February 2022

Renato Mota, CEO and David Chalmers, CFO

Insignia™ Financial

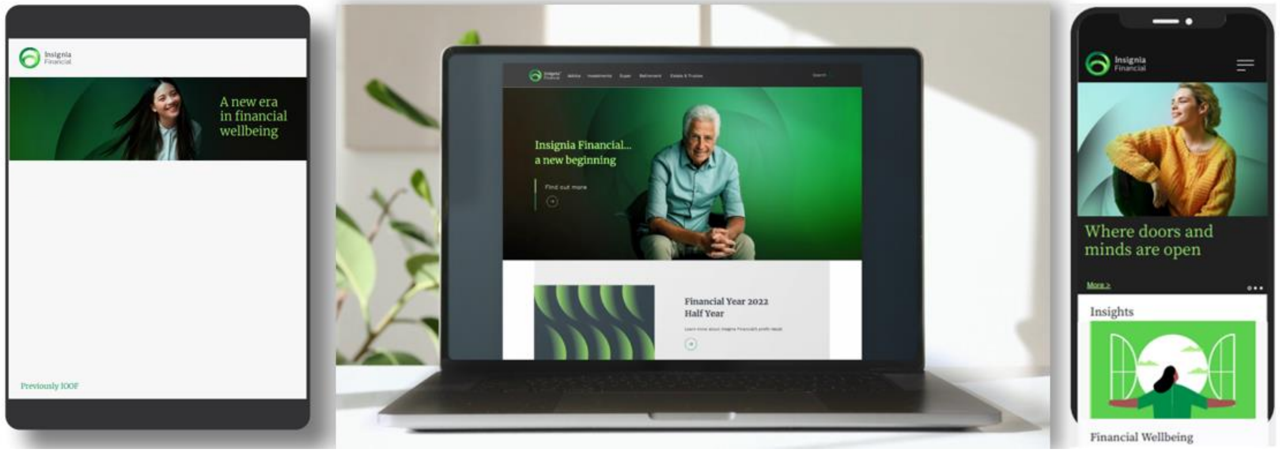
Overview

Renato Mota

Becoming Insignia Financial

a unifying brand representing our ambition to create financial wellbeing for all Australians

Insignia™ Financial



ClientFirst	Simplification	Proprietary technology

1H22 Highlights

delivering on integration and enhancing the client experience

Synergies & Integration	Ahead of plan	1H22 annualised savings of $66 million achieved and FY22 target increased to $100m-$120m In-period synergies of $22 million reflected in 1H22 result Synergy program expected to be largely complete by end of CY22
Evolve21	Delivered	$22.1 billion and 93,000 accounts successfully migrated to the contemporary, client centred, Evolve platform Now administering over $42 billion of client assets across 298,000 accounts Next phase of platform simplification established to deliver additional benefits
Flows & performance	Improved	$2.3 billion improvement in flows in 2Q22, supported by product enhancements and investment performance Positive flows into the Evolve platform and stabilisation of outflows from acquired platforms Over 94% of Asset Management investment funds exceeding benchmark
Advice	On track	Advice business delivering enhanced client experience through higher standards and technology On track to achieve break-even of ex-ANZ Aligned Licensees (ALs) on an annualised basis by end of FY22 Actions identified to improve profitability of MLC Advice. Commitment to break-even run-rate by the end of FY24
Remediation	On track	Advice remediation expected to be largely complete by end of FY22 P&I product remediation significantly progressed Over $86 million paid to clients and members in the half

1H22 Financial Highlights

strong growth and scale through the execution of strategic priorities

$778.4m Gross Margin	▲ 122% on 1H21	**$325.8b** FUMA	▲ 192% on 1H21	**18.2 cps** UNPAT EPS	▲ 47% on 1H21
$117.9m Underlying Profit After Tax	▲ 79% on 1H21	**($2.3b)** Net Flows	▲ 20% on 1H21	**5.6 cps** Basic EPS	▼ 45% on 1H21
$36.2m Net Profit After Tax	▼ 33% on 1H21	**1,765** Advisers	▲ 14% on 1H21	**11.8 cps** Total Interim Dividend	▲ 3% on 1H21

▲ Favourable ▼ Unfavourable

Insignia Financial | Our Business

simplification, focus, diversification

Platforms	Advice	Asset Management
Platform simplification and improved net flows	Moving towards a sustainable advice model	Continued growth in retail offerings
$227.0b Funds Under Administration	1,765 Advisers	$98.8b Funds Under Management
$540.7m Gross Margin 0.48% of FUA	$114.2m Gross Margin	$123.0m Gross Margin 0.25% of FUM
$321.1m Expenses	$145.2m Expenses	$69.1m Expenses
$219.6m EBITDA	($31.0m) EBITDA	$53.9m EBITDA
0.19% Net Operating Margin	$463k Revenue earned per Adviser	0.11% Net Operating Margin

ClientFirst | Helping over 2 million Australians achieve financial wellbeing

Insignia™ Financial

Financial Results

David Chalmers

1H22 Financial Summary

Profit & Loss	1H22A $m	2H21A $m	1H21A $m	1H22A v 1H21A	1H21 Pro Forma (PF)[1]	1H22A v 1H21PF
Gross Margin	**778.4**	419.2	350.8	121.9%	741.4	5.0%
Operating expenses	**(569.2)**	(286.8)	(239.8)	(137.4%)	(590.9)	3.7%
EBITDA	**209.2**	132.4	111.0	88.5%	150.5	39.0%
UNPAT	**117.9**	81.9	65.9	78.9%	97.1	21.4%
Gross Margin (bps)	**41**	42	47	(6 bps)	42	(1 bp)
Net Operating Margin (bps)	**17**	19	21	(4 bps)	15	2 bps
FUMA[2] ($b)	**325.8**	318.7	111.6	192.0%	300.3	8.5%
UNPAT EPS (cps)	**18.2**	12.6	12.4	46.8%	15.0	21.0%
NPAT	**36.2**	(197.3)	53.8	(32.7%)		
Dividends (cps)	**11.8**	11.5	11.5	2.6%		

Actual 1H22 v 1H21:

- Gross Margin increase driven by acquisition of MLC in 2H21 supported by growth in FUMA
- Expense increase reflects inclusion of MLC, partially offset by synergy benefits
- NPAT decreased primarily driven by:
  - higher integration & simplification costs as synergy realisation accelerated
  - increase in the provision for historical remediation costs of $20.4m in 1H22
  - the inclusion of one-off BT settlement in 1H21 ($59.2m)

Actual 1H22 v Pro Forma 1H21:

- Gross Margin increase due to growth in FUMA partially offset by repricing and cessation of BT agreement impacting open architecture income
- Expense decrease driven by synergy and simplification benefits

Notes: (1) Pro Forma represents 1H21 results to include the MLC 1H21 results (pre-acquisition date 1 June 2021) for meaningful comparison purposes. (2) FUMA represents the closing Funds under Management (FUM) and Funds under Administration (FUA). Funds under Advice is no longer included and has been eliminated from historical comparisons.

1H22 Financial Summary by Segment

UNPAT by segment	1H22A ($m)	1H21A ($m)	1H21 Pro Forma (PF) ($m)	1H22A v 1H21PF ($m)
Platforms	**147.3**	57.3	124.2	18.6%
Advice	**(28.3)**	7.9	(27.4)	(3.4%)
Asset Management	**38.2**	16.1	22.9	66.8%
Corporate	**(39.3)**	(15.4)	(22.6)	(73.9%)
Group UNPAT	**117.9**	**65.9**	**97.1**	**21.4%**

Platforms | ~70% of operating revenue

- Gross margin increase of $34.5m (7%) on 1H21 pro forma driven by higher FUMA balances as a result of market performance and stabilisation of net flows.
- Expenses benefitted from synergy realisation to reduce by $4.1m against 1H21 pro forma.

Advice | ~15% of operating revenue

- $11.6m decline in gross margin against 1H21 pro forma includes previously advised $15m impact from the cessation of BT revenue in December 2020.
- Expenses reduction of $14.2m to 1H21 pro forma includes the delivery of Advice 2.0 savings ($10m pa), as well as realisation of synergies.

Asset Management | ~15% of operating revenue

- Performance fees earned by MLC's Private Equity capability and increased FUMA driven by market performance contributed to a $15.3m increase in gross margin compared to 1H21 pro forma.
- $6.0m decrease in expenses was tied to headcount reductions as a result of synergy initiatives.

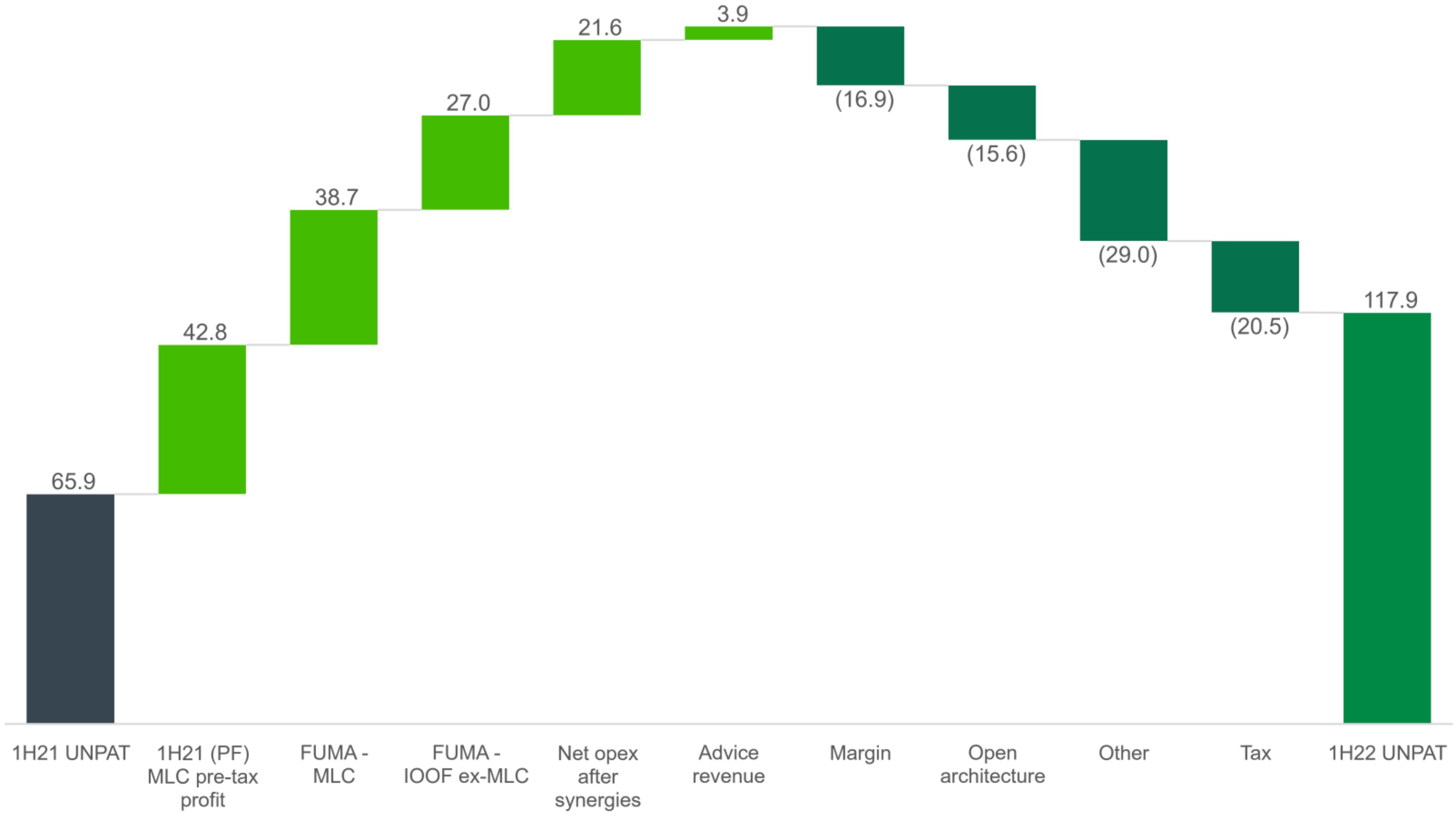
Corporate

Corporate costs include funding costs for the acquisition of MLC.

Group UNPAT Analysis

uplift driven by MLC contribution, synergies and markets, offset by margin pressure and funding costs

($m)

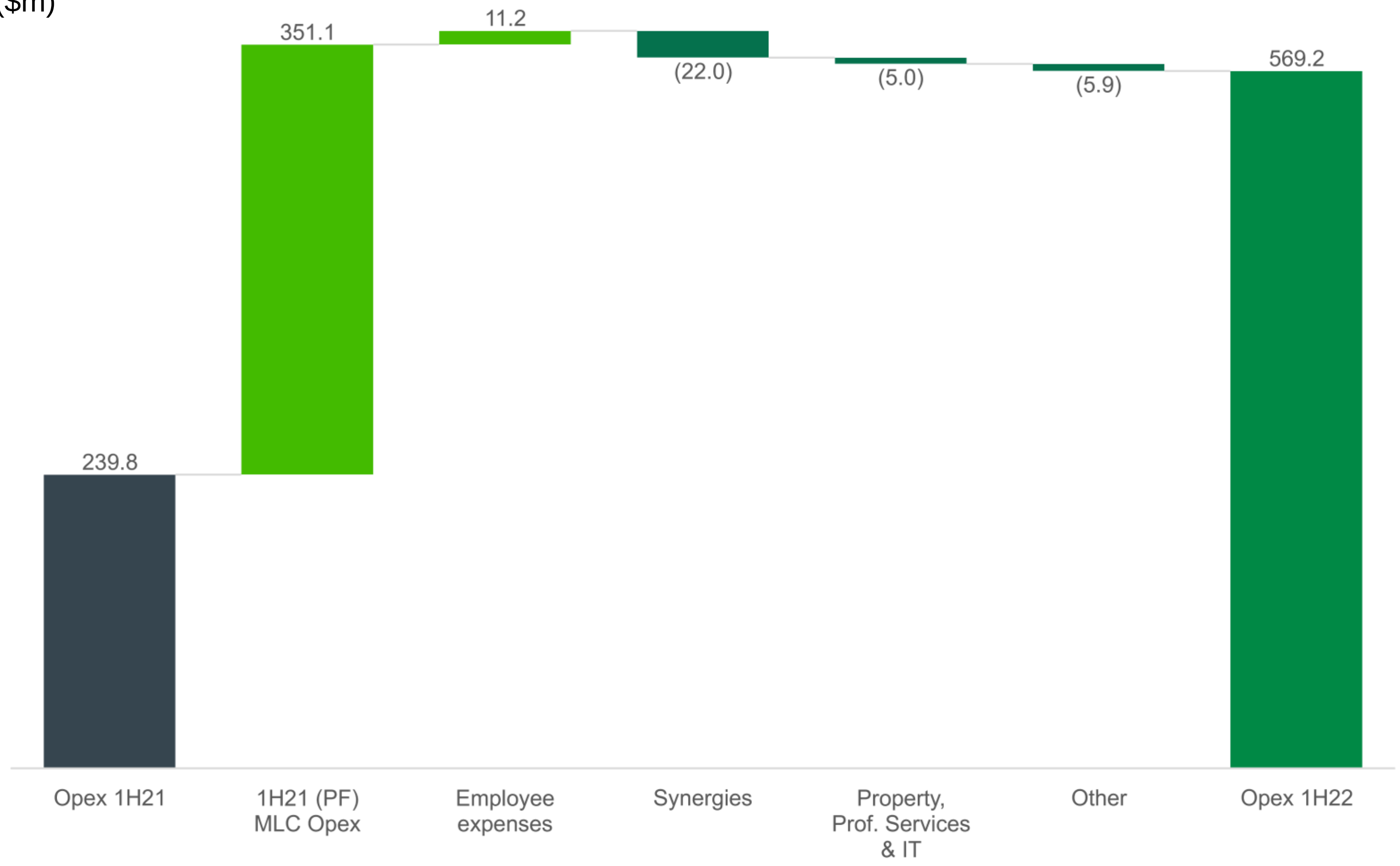


- First full six-month contribution from MLC
- Positive equity markets performance resulted in higher average FUMA balances; benefit partially offset by negative net flows
- Self-employed advisers moved to sustainable fee model Oct 2021
- Margin impacted by alignment of pricing across products
- Open architecture impacted by end of BT third-party agreement in 1H21
- Other includes:
  - Increase in funding costs as a result of the MLC acquisition
  - Impact of accounting treatment of MLC leases
  - Impairment of investments

Expense Base Analysis

synergy benefits accelerated, combined with prudent cost control

($m)



- Employee expenses return to normalised growth profile following minimal salary growth in FY21
- $22m of incremental synergies achieved largely through reductions in employee expenses following organisational design program
- Property, professional services & IT savings as MLC transitional services are replaced
- Lower other non-personnel discretionary spend reflecting prudent cost control

Realising Integration Synergies

cost synergies significantly ahead of plan, FY22 target upgraded, realisation accelerated

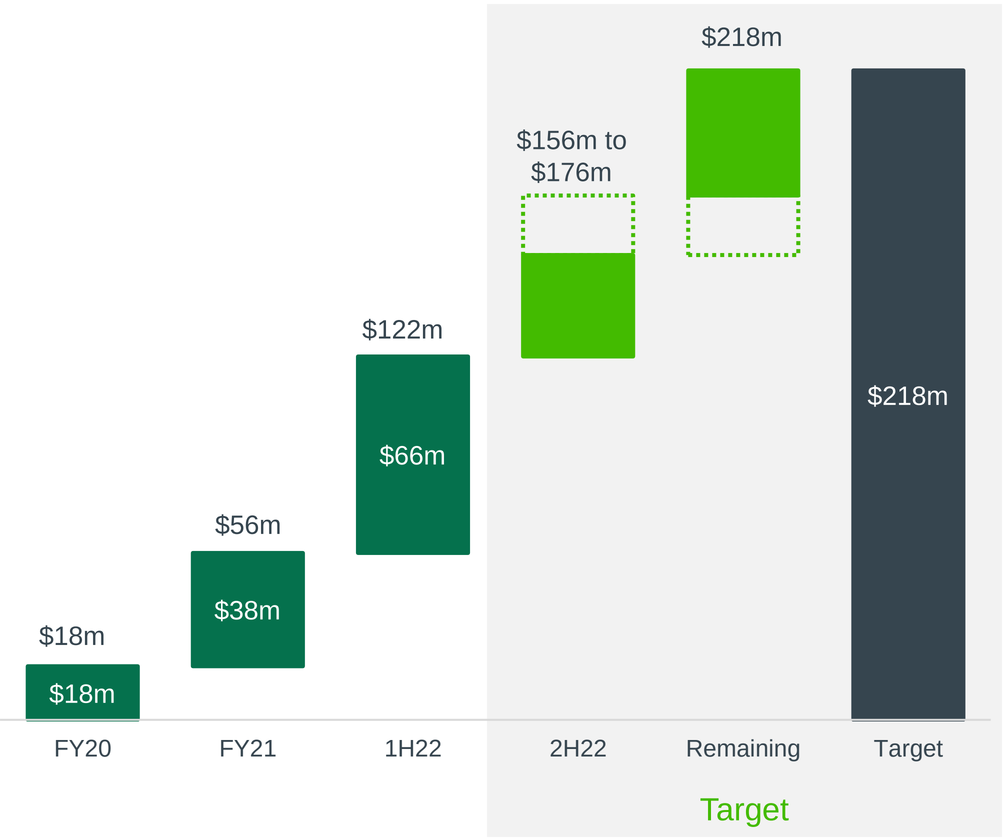
In-period savings of $22m achieved in 1H22

Annualised savings of $66m achieved in 1H22

Cumulative run-rate savings of $122m achieved

FY22 annualised target increased from $80-$100m to $100-$120m

Cumulative synergy run-rate profile

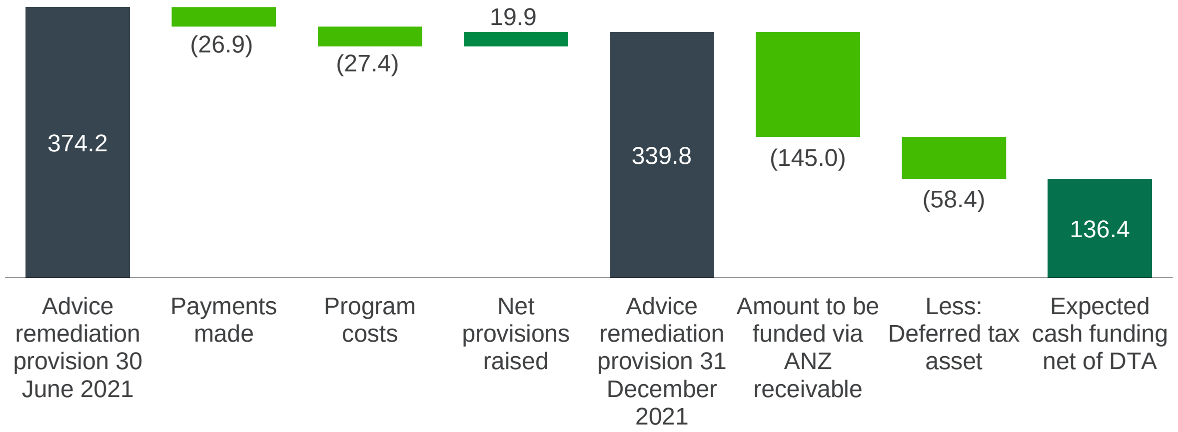


- Integration and synergy realisation is ahead of plan, and achievement of the $218m target[1] has been accelerated
- Synergy target to be largely realised by end of 1H23
- MLC synergies to be delivered in 18 months vs. original plan of 3 years
- Further synergies beyond the original $218m target expected; will be included in business cases for platform simplification

Note: (1) $218m target comprises $68m from P&I acquisition and $150m from MLC acquisition

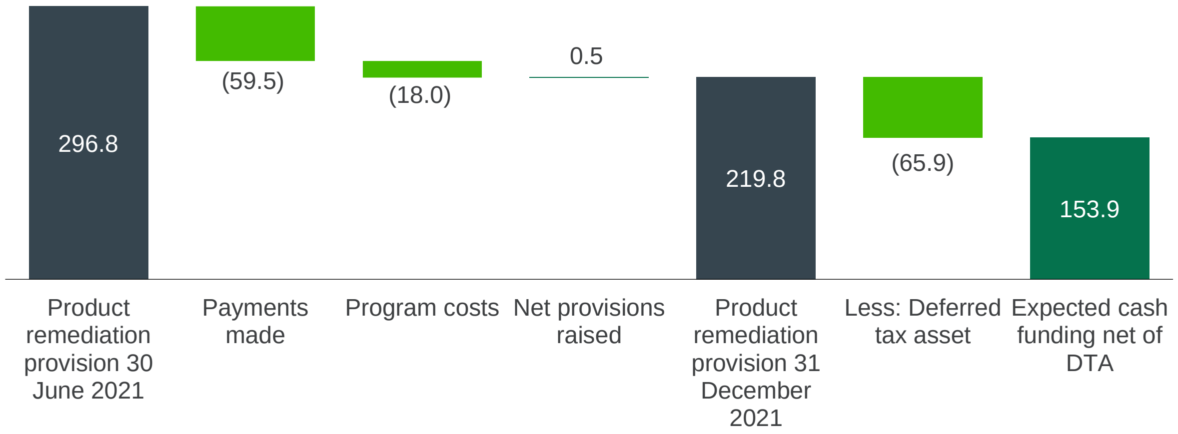
Remediation

Advice remediation ($m)[1]



- Program expected to be largely complete by end of FY22
  - Residual ex-ANZ ALs and IOOF Advice Quality matters (together ~$60m), expected to extend into 1H23
- Cash payments to clients reduced to $26.9m during the half relative to 2H21 payments of $62.0m; acceleration observed in early 2H22
- Focus on completing assessments during the half:
  - 81% of assessments complete for Historical Quality of Advice Program
  - 77% of assessments complete for the IOOF Ongoing Service Program
- Provision increased by $19.9m for increased program costs and minor true-up of assumptions

Product remediation ($m)[2]

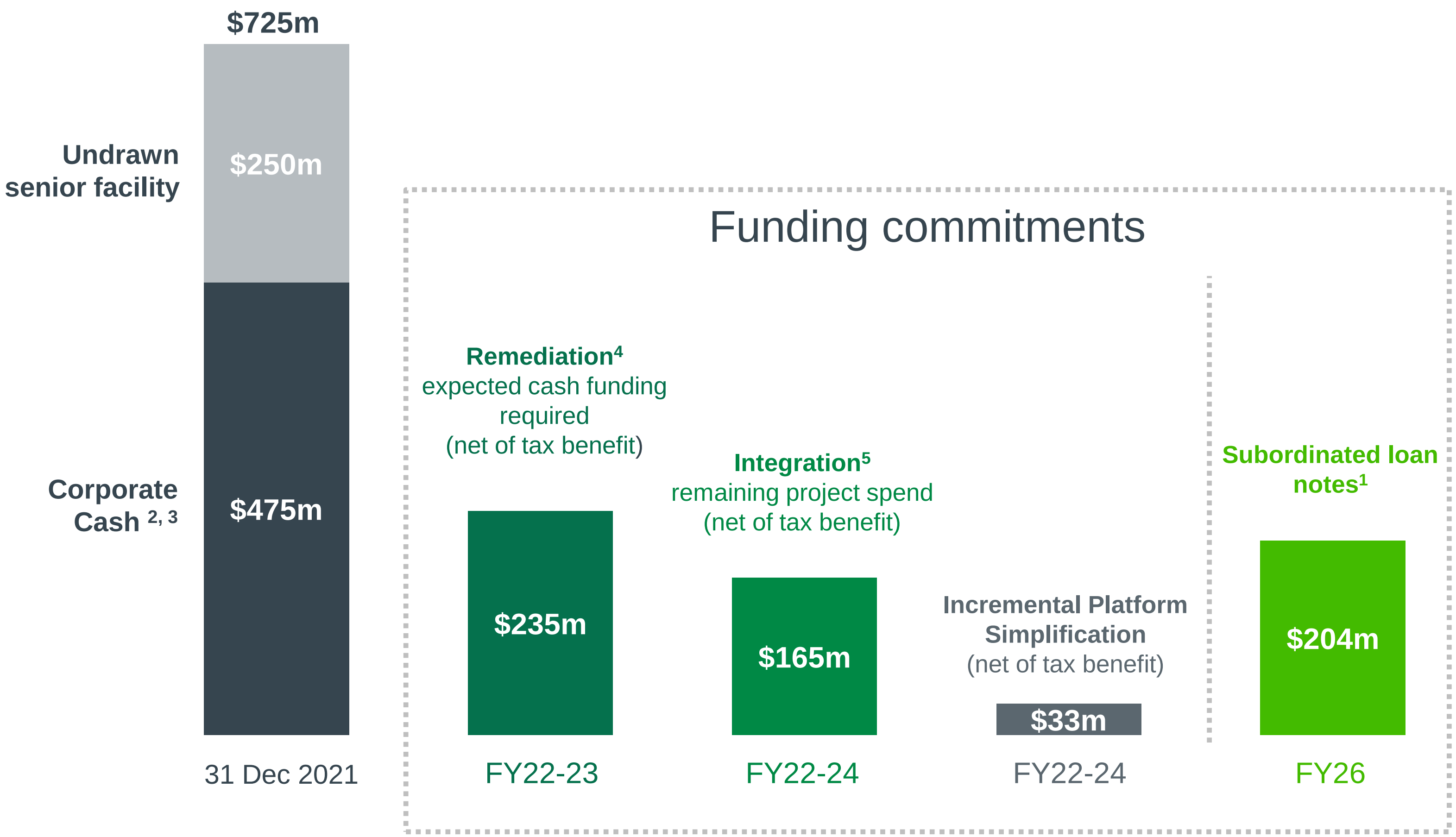


- P&I remediation well progressed and on track to complete by the end of calendar year 2022
- P&I remaining remediation balance is $67.8m as at 31 December 2021
- MLC remediation underway, will progress into FY23
- $59.5m paid out to clients in 1H22 compared to $53.8m in 2H21

Notes: (1) Includes balances relating to structured historical advice remediation programs only. (2) 30 June 2021 provision balance restated from $281.7m to $296.8m primarily due to restatement of MLC provision acquired, this remains subject to finalisation of acquisition accounting.

Corporate Cash & Debt Facilities

Cash & undrawn debt



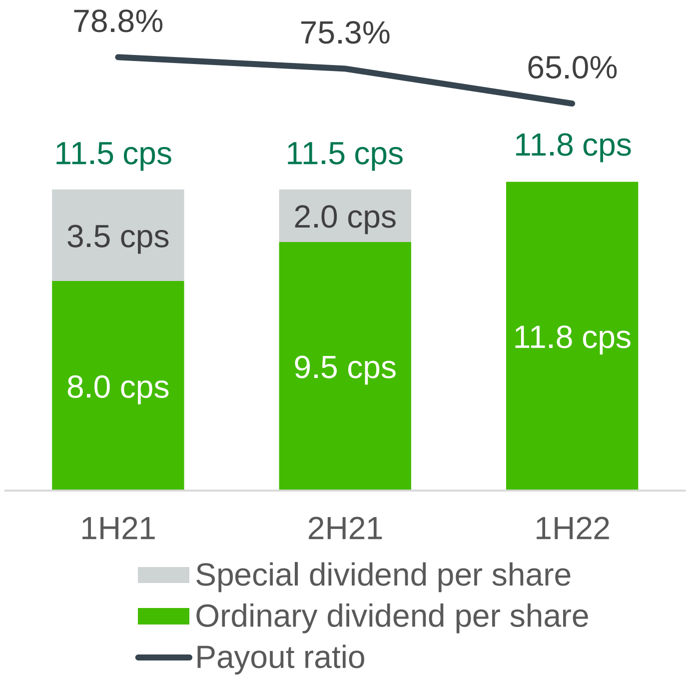
- Cash and available undrawn senior facilities of $725m at 31 December 21
- Revolving cash advance facilities totalling $865m, $240m maturing September 2022, $625m maturing September 2023
- $615m senior debt drawn at 31 December 2021
- 31 December 2021 senior leverage[1] of 1.0x; lower than expected due to timing of remediation payments, partially offset by accelerated integration spend
- Medium-term senior leverage expected to peak in early FY23 at approximately 1.5x; leverage expected to be back in target range by mid FY23 as synergies accelerate

Notes: (1) Subordinated loan notes (SLN) excluded from net debt per terms of SFA. IFL early redemption possible from 31 May 2024. SLN Holder early redemption possible from 30 November 2024, maturity date 31 May 2026. (2) Excludes restricted ORFR cash ($166m) (3) Includes cash held for AFSL requirements and operational buffers, consistent with definition in bank covenants. (4) Shown net of estimated purchase price adjustment in respect of MLC acquisition. Majority expected to finalise in 1H23. (5) Shown for expected spend up to FY23.

Interim Dividend

dividend underpinned by earnings growth; introduction of dividend reinvestment plan

1H22 Ordinary Dividend	Payout ratio
11.8 cps Fully Franked	**65%** Of UNPAT
1H22 Record Date 11th March 2022 1H22 Payment Date 1st April 2022	**Dividend Reinvestment Plan** To be introduced from 2022 Interim Dividend 1.5% Discount[1]



- Payout ratio of 65% in line with policy of paying ordinary dividends within the range of 60-90% of UNPAT
- DRP to be introduced to preserve capital for acceleration of synergy realisation, fund future initiatives and provide shareholders the opportunity to cost-effectively reinvest dividends
- Balance will continue to be sought between maximising payout ratio and funding beneficial projects within prudent levels of debt

Note: (1) refer Dividend Reinvestment Plan Rules for full details

Update to FY22-24 Financial Drivers & Targets

	FY22-24 impact on UNPAT	FY21 Comments	1H22 Update
Synergies	△	Increasing in-year impact of synergies, towards target of $218m; Exploration of further revenue / gross margin synergies.	Realisation accelerated: Targeting $218m in annualised synergies to be largely delivered by 31 December 2022; 2H22 increase in ANZ Transitional Services fee of ~$8m; expected exit by end of CY22.
Advice losses	△	Break-even run-rate expected by end of FY22 for ex-ANZ AL's; breakeven run-rate for MLC advice by end of FY24.	No change.
P&I product pricing changes	◁▷	Active management of product suite, with margin erosion offset by improving net funds flow. Impacts of Smart Choice reprice and OneAnswer to broadly offset on an annualised basis.	No change on annualised basis; OneAnswer revenue reduction of ~$8m in 2H22.
P&I net flows	△	Target neutral net flows by second half of FY23.	No change.
Product migration revenue trend	▽	Evolve21 to reduce revenue by est. $9m FY22, $17m run-rate post-December 2021; Future product simplification revenue decline to be offset by cost savings.	Evolve21 completed in Dec 21- no change to expected reduction in 2H22 revenue of ~$9m; Future product simplification and platform consolidation to be accelerated.
Open architecture	▽	5 months of BT revenue ($15m) in 1H21; no revenue in 2H21 or FY22; Increase in revenue from HUB24.	Impact noted in 1H22 YoY comparatives; no further impact.
Net operating margin	△	Decline in gross margin to be offset by cost efficiencies resulting in improving net operating margin.	On track.
UNPAT methodology	▽	Revised methodology will mean fewer items adjusted from NPAT. It is estimated that UNPAT would have reduced by circa 3% in FY21, with no change to cash flow or NPAT.	Revised methodology reduced 1H22 UNPAT by ~$10m.
Ordinary dividend cps	△	60-90% Payout ratio; eps uplift from full year benefit of earnings from MLC and realised synergies.	60-90% payout ratio maintained; EPS uplift on track.

Priorities & Outlook

Renato Mota

Strategy | Market Context

strong fundamentals underpinning growth in chosen market segments

$3.4 trillion → **$9** trillion

Now 2041

Total Superannuation Assets

(Deloitte)

12% Mandatory Superannuation contribution by 2025

22.6% Increase in household wealth in the 12 months to September 21

(ABS)

61% Australians with unmet advice needs

(Investment Trends)

1.5 million Super fund members approached their super fund for advice in the last 12 months

(Investment Trends)

38% Decline in industry Adviser numbers over the last 3 years

(ASIC data)

Platforms | Simplification Deliverables

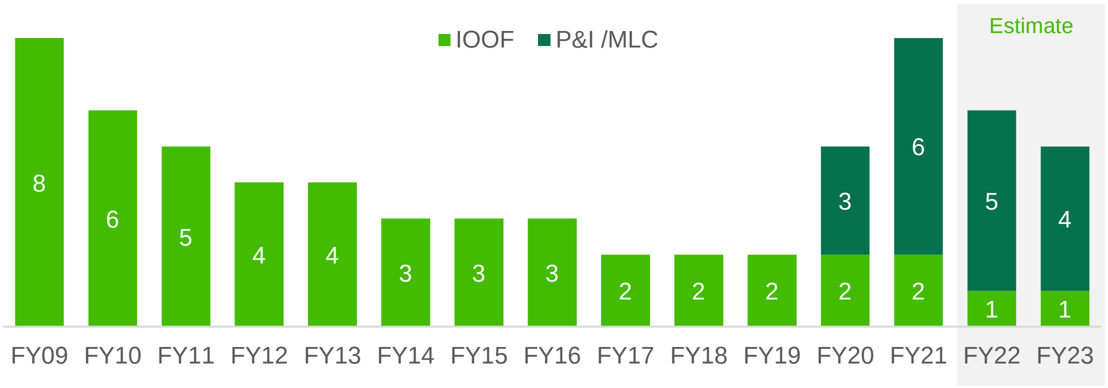
simplification is key to unlocking long term benefits of scale

Simplification targets

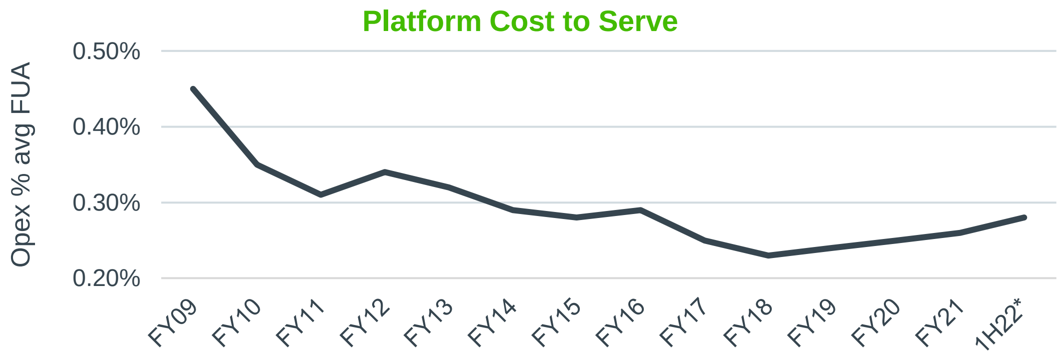
	As at 30 Jun 21	As at 31 Dec 21	As at 30 Jun 22 (Forecast)	FY22 vs FY21 (Forecast)	Target end state
RSE Licensees	4	4	**4**	**-**	**1**
Funds[1]	10	9	**9**	**-1**	**1**
Platforms[2]	8	7	**6**	**-2**	**1-2**
Products[2]	105	74	**72**	**-33**	**~20**

- Evolve21 migration completed in December 2021
- SMF Eligible Rollover Fund terminated in Oct 2021
- Next phase of simplification expected to be executed in 2H23
- Foundational platform enhancements underway to support future migrations

Platform consolidation



Rationalisation drives cost efficiencies



* Opex to average FUA is annualised to calculate 1H22

Notes: (1) Includes the SMF Eligible Rollover Fund but excludes AET Small APRA Funds. (2) Excludes those third party administered platforms (eg Macquarie and HUB24) and Risk-Only products.

Platform Simplification

accelerated focus on simplification to improve client outcomes for the benefit of all stakeholders

- New $40-$50m investment in support of future platform simplification initiatives and to enhance functionality comprising:
  - Foundation investment of $20m-$30m to be leveraged across all phases of simplification
  - Approximately $20m to fund Evolve23 platform migration
- Platform simplification is expected to be positive to net operating margin

	Scope	Reduced complexity	Expected timeline	Expected cost reduction	Expected gross margin reduction	Net operating margin benefit	Client Benefits
Evolve23	~$40-50 billion FUA	-1 platform -10+ products	approvals in 1H23, execution in 2H23	$30m to $35m p.a.	$25m to $30m p.a.	$5m to $10m p.a.	• Improved client experience, functionality and enhanced features • More competitive product offering • Lower fees

Delivering net operating margin expansion, client benefit and enhanced functionality

Advice | Sustainable Business Model

on track to break-even in Advice

Ex-ANZ Aligned Licensees (ALs)

On track to break-even on an annualised basis by FY22:

- New revised fee model
- Contraction in adviser numbers driven by continued focus on practice sustainability as well as uplift in professional standards

MLC Advice

Professional Services (Employed) plan to profit by the end of FY24*:

- Simplification and harmonisation: aligned standards, audit and technology
- Optimise support and planner to client ratios
- Optimise Experience Centre footprint
- Relaunch Bridges brand to drive client and revenue growth

Self-employed pathway to break-even by the end of FY24* underway:

- Efficiencies in Enablement and Licensee teams
- Self-employed future strategy under development

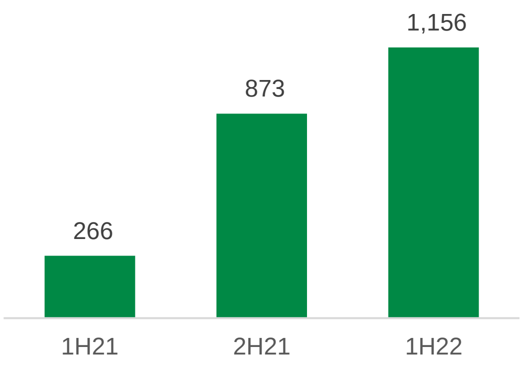
*On a run-rate basis

Flows | Strategic initiatives

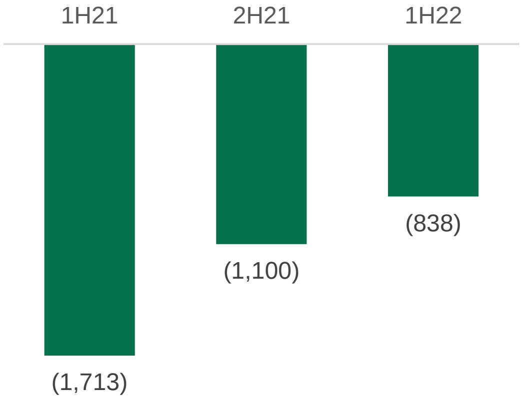
encouraging signs emerging in net flows underpinned by performance and enhancements

Net flows ($m)

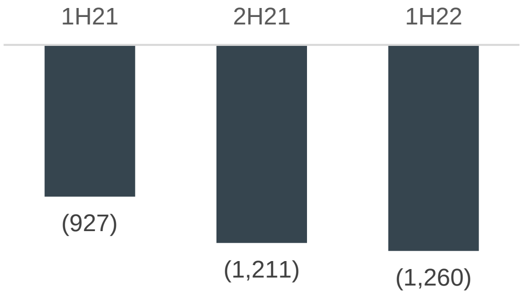
Platforms - IOOF



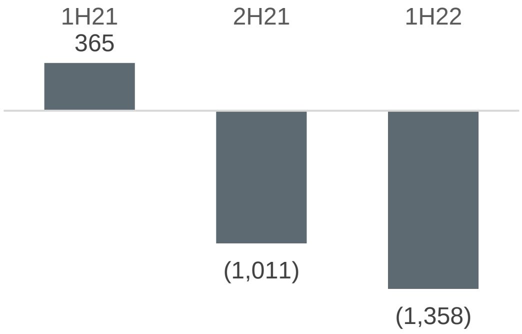
Platforms – MLC[1]



Platforms - P&I



Asset Management[1]



Successful completion of Evolve21: $42 billion of FUA now on this contemporary, client-centred technology

Net inflows into Evolve products of $1.8 billion in 1H22 underlines the competitiveness of the product set

MLC transition to contemporary pricing had commenced prior to acquisition

Workplace Super offering repriced in December 2021, Master Trust investment options repriced in October 2021

Encouraging improvement in flows in 2Q 2022 following the repricing of OneAnswer in September 2021

Smart Choice repositioned in the market with enhanced features and revised pricing in May 2021

38% improvement in outflows 2Q22 vs 1Q22

Retail flows into core multi asset competency have been strong with $837m in net inflows over the first 6 months of FY22, aided by the build out and expansion of MLC's multi asset SMA offering

Over 94% of Asset Management investment funds exceeding benchmark

1. 1H21 and 2H21 include MLC pre-acquisition. (2) MLC flows adjusted for Early Release of Super to show on a comparable basis with other product sets.

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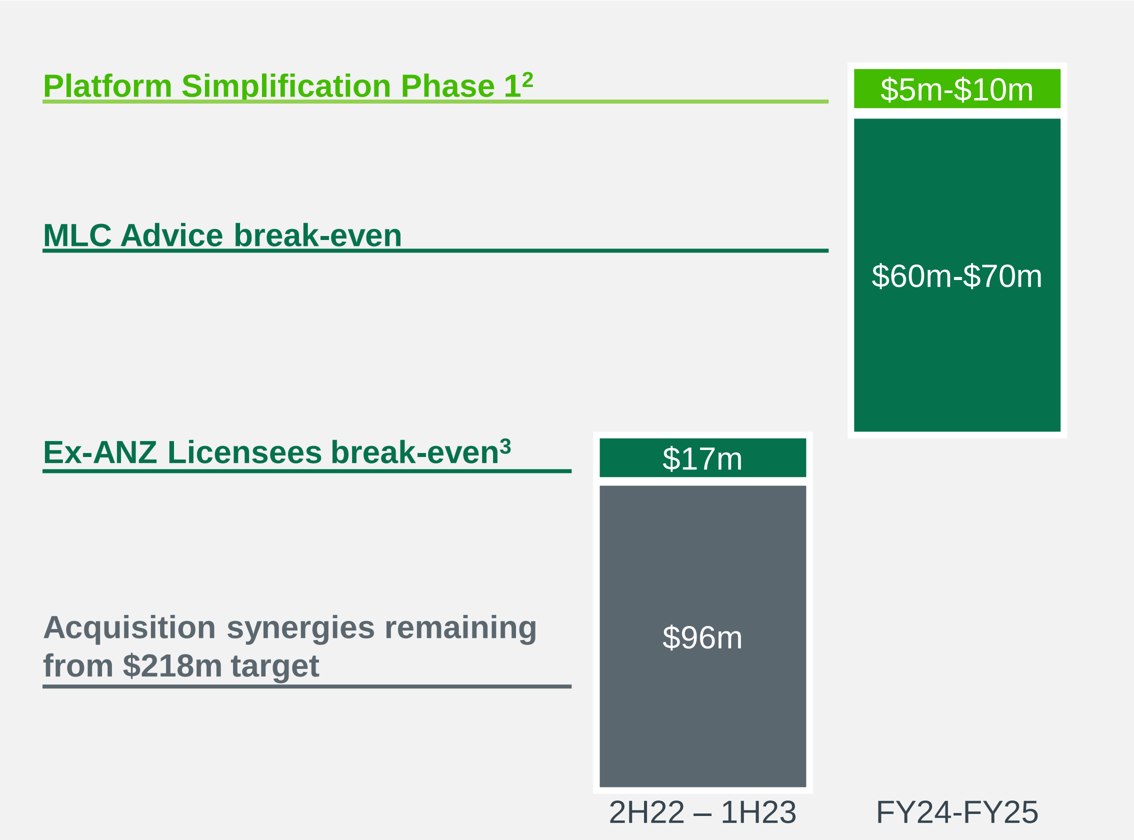
Strategic Opportunities

focus through simplification

Simplification translating to financial benefits[1]



Portfolio simplification providing focus

- Commencing sale process for the Australian Executor Trustees (AET) business through a competitive sale process
- Potential to establish a partnership in estate planning & trustee services
- Specialist adjacency to Insignia Financial's core business

Notes: (1) financial benefits are annualised. (2) $5m - $10m expected benefit net of gross margin impact.
(3) 1H22 Ex-ANZ ALs loss of $5.9m grossed up for tax and annualised

Insignia Financial

clear strategic priorities built on foundation of execution

ClientFirst	• Understanding and delivering what matters to clients • Client-centric and data driven design principles • Purpose led culture: understand me | look after me | secure my future
Simplification	• Deliver continued operating efficiencies: $66m annualised savings in the half, realisation accelerated • Leverage scale to lower cost to serve leading to improvements in net operating margin • Improve organisational agility: simplification of segment structure and organisation redesign
Proprietary Technology	• Contemporary, scalable proprietary platform for growth: encouraging improvement in flows in 2Q 2022 • Investing in system enhancements to improve client experience • Foundation investment to support future platform simplification

Over 2 million clients across Australia	**$227b Funds Under Administration**	**1,765 Advisers**	**$99b Funds Under Management**

Appendices

Corporate Balance Sheet

flexibility to fund simplification, remediation and growth

$m	31 Dec 2021	30 Jun 2021	Change
Cash	641	666	(3.8%)
Other tangible assets	1,350	1,270	6.3%
Intangibles & goodwill	2,629	2,653	(0.9%)
Assets	**4,620**	**4,589**	**0.7%**
Borrowings	793	649	22.2%
Provisions	749	893	(16.1%)
Other liabilities	619	555	11.5%
Liabilities	**2,161**	**2,097**	**3.1%**
Net Assets	**2,459**	**2,492**	**(1.3%)**
Equity	**2,459**	**2,492**	**(1.3%)**

- Corporate cash of $475m, excluding restricted ORFR cash
- Borrowings increased largely in-line with drawdown of funding required for remediation programs, and includes $615m senior debt and $179m subordinated loan notes at fair value
- The reduction in provisions includes $132m in remediation payments made to clients and program costs
- Minimal change in net assets reflecting sustainable returns to shareholders

Note: Excludes balances relating to the statutory benefit funds

1H22 Segment Results | Platforms

	1H22A $m	2H21A $m	1H21A $m	1H22A v 1H21A	1H21 Pro Forma (PF)	1H22A v 1H21PF
Gross Margin	**540.7**	292.5	227.4	137.8%	506.2	6.8%
Operating expenses	**(321.1)**	(167.1)	(136.9)	(134.6%)	(325.2)	1.3%
EBITDA	**219.6**	125.5	90.5	142.7%	181.0	21.3%
UNPAT	**147.3**	80.7	57.3	157.1%	124.2	18.6%
Gross margin (bps)	**48**	48	52	(4 bps)	50	(2 bps)
Net operating margin (bps)	**19**	21	21	(2 bps)	18	1 bps
FUA ($b)	**227.0**	221.0	89.7	152.9%	207.2	9.5%
Net flows	**(0.9)**	(0.3)	(0.7)	(42.4%)	(2.4)[1]	62.5%

Actuals 1H22 v 1H21:

- Revenue increase largely driven by inclusion of MLC platforms business
- Revenue also increased as a result of market performance in the half and an uplift from repricing of Smart Choice
- Partial offset due the repricing of OneAnswer index options in the current year
- Expenses increased due to the inclusion of MLC, partially offset by the realisation of synergy benefits

Actuals 1H22 v Pro Forma 1H21:

- Gross margin increase due to market performance and repricing of Smart Choice
- Partial offsets include the repricing of OneAnswer index options in September 2021, MLC Wrap Series repricing and lower MLC Workplace Super administration fees
- Lower expenses due to realisation of synergies
- Improvement in net flows driven by strong inflows into Evolve products in 1H22, continued improvement in the contemporary priced MLC book and stabilisation of P&I flows following action on strategic product initiatives

Note: (1) Excludes impact of Early Release of Super

1H22 Segment Results | Advice

	1H22A $m	2H21A $m	1H21A $m	1H22A v 1H21A	1H21 Pro Forma (PF)	1H22A v 1H21PF
Gross Margin	**114.2**	79.2	91.5	24.8%	125.8	(9.3%)
Operating expenses	**(145.2)**	(83.0)	(74.4)	(95.2%)	(159.4)	8.9%
EBITDA	**(31.0)**	(3.8)	17.1	n/m	(33.5)	7.4%
UNPAT	**(28.3)**	(7.2)	7.9	n/m	(27.4)	(3.3%)
Advisers	**1,765**	1,948	1,546	14.2%		
Practices	**583**	680	605	(3.6%)		

Actuals 1H22 v 1H21:

- Revenue increased from 1H21 due to the inclusion of MLC Advice
- This was partially offset by the previously advised $15m impact of the BT contract termination in 1H21
- Expenses increased largely due to the inclusion of MLC

Actuals 1H22 v Pro Forma 1H21:

- Revenue decline driven by termination of BT contract, partially offset by growth in Shadforth and repricing in Self-Employed channel (ex-MLC) from Oct 21
- Expense reduction from 1H21 largely attributable to Advice 2.0 savings ($10m p.a.) and realisation of synergies
- Ex-ANZ ALs losses (UNPAT) for the period improved to $5.9m to remain on track for breakeven on a run-rate basis by the end of FY22
- MLC Advice losses of $31.3m improved by $4.2m from 1H21

1H22 Segment Results | Asset Management

	1H22A $m	2H21A $m	1H21A $m	1H22A v 1H21A	1H21 Pro Forma (PF)	1H22A v 1H21PF
Gross Margin	**123.0**	46.0	30.8	large	107.7	14.2%
Operating expenses	**(69.1)**	(17.6)	(7.0)	large	(75.1)	8.0%
EBITDA	**53.9**	28.4	23.8	126.6%	32.6	65.5%
UNPAT	**38.2**	19.0	16.1	137.3%	22.9	66.8%
Gross margin (bps)	**25**	23	27	(2 bps)	24	1 bp
Net operating margin (bps)	**11**	14	21	(10 bps)	7	4 bps
FUM ($b)	**98.8**	97.7	21.8	large	93.1	6.2%
Net flows	**(1.4)**	(0.1)	(2.2)	39.1%	0.4	n/m

Actuals 1H22 v 1H21:

- Revenue increased from 1H21 due to the inclusion of MLC and aided by growth in FUM driven by market performance
- Expenses increased due to the addition of MLC
- Net operating margin reduced post-MLC acquisition, reflecting differing revenue and cost profiles of active vs multi-manager investment structures.

Actuals 1H22 v Pro Forma 1H21:

- Revenue increased by $15.3m as a result of the generation of performance fees in MLC's Private Equity capability in 1H22 as well as growth in overall FUM driven by market performance
- Decreased expenses from 1H21 driven by a reduction in headcount as a result of synergies realised

1H22 Segment Results | Corporate

	1H22A $m	2H21A $m	1H21A $m	1H22A v 1H21A	1H21 Pro Forma (PF)	1H22A v 1H21PF
Gross Margin	**0.5**	1.6	1.1	(54.5%)	1.7	(70.9%)
Operating expenses	**(33.8)**	(19.1)	(21.5)	(57.2%)	(31.2)	(8.2%)
EBITDA	**(33.3)**	(17.6)	(20.4)	(62.8%)	(29.5)	(12.7%)
UNPAT	**(39.3)**	(10.8)	(15.4)	(155.2%)	(22.6)	(73.9%)

Actuals 1H22 v 1H21:

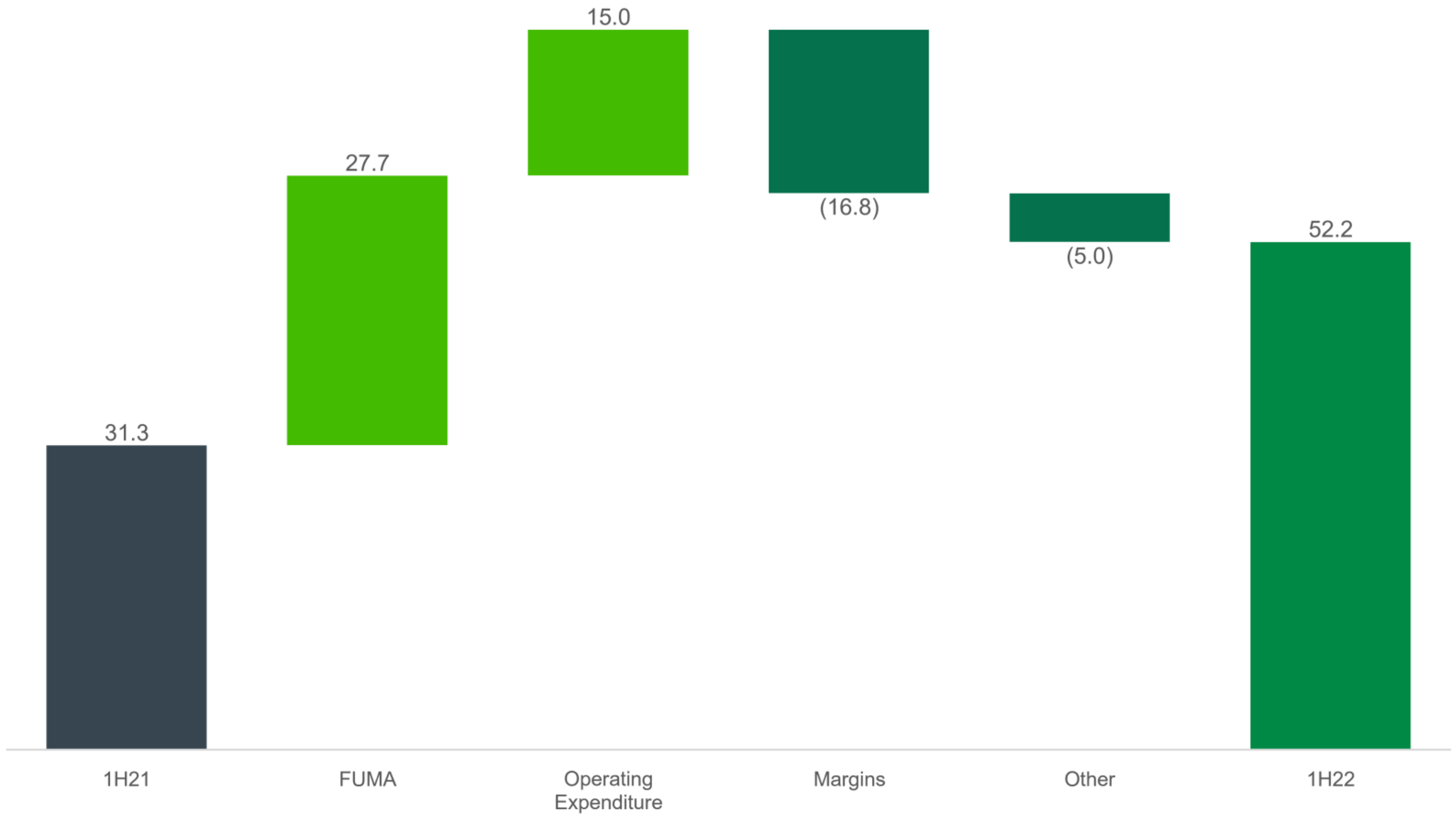
- Expenses increased largely due to the inclusion of MLC and an increase in employee expenses as they return to a normalised growth profile
- The decrease in UNPAT reflects an increase in funding costs as a result of the MLC acquisition and impairment of investments

Pro Forma 1H22 v 1H21:

- Decreased UNPAT is attributable to increased funding costs and impairment of investments

MLC Pro Forma

UNPAT bridge 1H22 vs 1H21 ($m)



- Improved markets delivered higher average FUMA balances
- Lower margins following prior period pricing decisions taken across Workplace Super and MLC Wrap, partially offset by Asset Management performance fee income
- Operating expenses continue to improve due to simplification and synergy benefits
- Lower other income due to lower ORFR investment earnings

Note: (1) Figures are post tax

UNPAT[1] to NPAT Reconciliation

	1H22 $m	1H21 $m
Profit for the period	**36.2**	**53.8**
UNPAT adjustments:		
Amortisation of intangible assets	30.0	28.8
Unwind of deferred tax liability recorded on intangible assets	(7.7)	(7.6)
Transformation and integration costs	47.2	21.8
Project Evolve costs	7.5	6.4
BT settlement income	-	(59.2)
Remediation costs	27.5	-
Legal expenses	5.0	22.0
Unrealised net gain on revaluation of financial instruments	(4.9)	-
Other	-	3.9
Income tax attributable	(22.9)	(4.0)
UNPAT	**117.9**	**65.9**

- Transformation costs increased due to the uplift in costs post-completion of MLC and P&I acquisitions
- Project Evolve costs increase as part of the simplification and integration of heritage and acquired platforms, with phase 2 of Evolve21 completed in 1H22
- Remediation costs increase mainly to support the completion of the IOOF Voluntary Lookback and Advice Quality programs
- Legal expenses include the settlement of legal proceedings in Advice
- Change in UNPAT methodology reduces 1H22 UNPAT ~$10m

1. During the period, the Insignia Financial Group has implemented new principles governing which items qualify for reversing their financial impact on profit. These changes have been implemented prospectively from 1 July 2021. To simplify presentation and improve comparison, certain items have been grouped together in the 1H21 period.

Glossary

Term	Definition	Term	Definition
1H22	Half Year ended 31 December 2021	FUM	Funds under Management
2H21	Half Year ended 30 June 2021	FUMA	Funds under Management and Administration
1H21	Half Year ended 31 December 2020	FY	Financial Year
ALs	Ex-ANZ Aligned Licensees	IOOF	IOOF business pre-acquisition of ANZ P&I and MLC
b	Billion	m	Million
cps	Cents per share	NPAT	Net Profit after Tax
CY	Calendar year	ORFR	Operational Risk Financial Requirement
DPS	Dividend per share	PF	Pro Forma
DRP	Dividend Reinvestment Plan	P&I	Ex-ANZ Pension & Investments business
EBITDA	Earnings before interest, tax, depreciation & amortisation	RSE	Registrable superannuation entity
EPS	Earnings per share	UNPAT	Underlying Net Profit after Tax
FUA	Funds under Administration	YoY	Year on year

Important Information

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Underlying net profit after tax pre amortisation (UNPAT) attributable to equity holders of Insignia Financial reflect an assessment of the result for the ongoing business of the Insignia Financial Group as determined by the Board and management. UNPAT has been calculated with regard to ASIC's Regulatory Guide 230 Disclosing non-IFRS financial information and the adjustments to NPAT are set out on pages 7 and 8 of the 31 December 2021 Half Year Report. UNPAT attributable to equity holders of Insignia Financial has not been reviewed or audited by the Group's external auditors, however the adjustments to NPAT attributable to equity holders of Insignia Financial have been extracted from the books and records that have been reviewed by the external auditor. UNPAT is disclosed as it is useful for investors to gain a better understanding of Insignia Financial's financial results from normal operating activities.

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All references to currency in this presentation are to Australian currency, unless otherwise stated. Certain figures may be subject to rounding differences.

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Insignia Financial provides advisers and their clients with the following services:

- **Platforms** for advisers, their clients and hundreds of employers in Australia;
- **Advice** services via our extensive network of financial advisers; and
- **Asset Management** products that are designed to suit any investor's needs.

Further information about Insignia Financial can be found at www.insigniafinancial.com.au

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