# FY23 results presentation

February 2024



MA Financial Group

We invest. We lend. We advise.

We respectfully acknowledge the Traditional Owners of lands across Australia and pay our respects to their Elders, past, present and emerging.

Our head office is located on Gadigal land.

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MA


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# Explanation of Underlying measures in this presentation



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

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

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

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

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

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

- Align with when management has greater certainty of timing of cash flows;
- Regulate the variability in the value of key strategic assets; and
- Normalise for the impacts of one-off transaction costs.

A detailed reconciliation and explanation of the Statutory to Underlying results is included on pages 50–52 of this presentation.

# MA Financial Group – We invest. We lend. We advise.

Our purpose is to create sustainable, long-term value for all of our stakeholders

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1. We are a global alternative asset manager specialising in private credit, real estate and alternative real estate. We lend to real estate, corporates and specialty finance sectors and provide corporate advice
2. We are driven to be co-creators of sustainable, long-term value and deliver attractive shareholder returns by investing in long-term growth and the development of our people
3. We specialise in alternative asset management and our operating platform is driven by a sophisticated distribution platform and multiple capital sources
4. We have a demonstrated history of growth, delivering Underlying EPS CAGR of 12% and annualised TSR of 17% since listing in 2017
5. There is a strong alignment between all of our stakeholders. We strive to make MA Financial a great place to work. Focus on staff and culture is a win-win. Staff own approximately 45% of MA Financial and invest in many of our managed funds, providing strong alignment between all stakeholders

| | |
|---|---|
| **$9.2b** Assets under Managementt[1] | **$270m** FY23 Underlying revenue |
| **10.6%** FY23 Return on Equity | **21%** AUM CAGR (since IPO) |
| **12%** Underlying EPS CAGR (Since IPO)[3] | **17%** Annualised TSR[2] (since IPO) |

1. As at 31 December 2023
2. As at closing share price of $5.84 at 20 February 2024
3. Based on growth from IPO prospectus forecast FY17 Underlying EPS of 13.4cps to FY23 Underlying EPS

# Evolution of MA Financial

MA

Scaling established businesses alongside investing in growth opportunities

| CAGR 2013 – 2023 | |
|---|---|
| Underlying revenue | 21% |
| Assets under Management | 81% |

**2009**
Corporate Advisory
Moelis Australia
MOELIS AUSTRALIA

**2010**
Equities

**2013**
Est. Asset Management
Real Estate

**2014**
Asset Management – hotels
Opened Melbourne office

**2016**
Asset Management
Est. Private Credit

**2017**
IPO of Moelis Australia on the ASX
Acquired Redcape & Armada

**2018**
First office in China

**2021**
Name changed to MA Financial Group
MA Financial Group

**2022**
Acquired
FINSURE

**2023**
MA Money
launched
Opened offices in Singapore, NZ
Acquired US credit business
Launched
middle

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Underlying revenue | $40m | $35m | $62m | $107m | $132m | $215m | $302m | $270m |
| AUM | $25m | $0.4b | $1.1b | $2.9b | $3.7b | $6.9b | $7.8b | $9.2b |

# FY23 results & highlights

MA



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# FY23 result – key themes

Strong underlying business momentum despite challenging economic conditions



1 **Record inflows into Asset Management funds – $1.9 billion gross inflows were 27% higher than FY22**
$262 million of additional inflows post balance date up 4% on same period in FY23

2 **Recurring revenue up 23% on FY22**
High quality earnings profile with growth in recurring revenue diluting the impact of lower performance fees and advisory fees

3 **Strong volume growth across Residential Mortgage Marketplace platform**
Finsure managed loans up 21% to $110 billion and MA Money loan book up 244% to $829 million (currently up to ~$1 billion[1])

4 **Strong balance sheet and capital efficient business model**
Funding synergies across the business reducing capital intensity

5 **Investment for growth impacted earnings in FY23. Builds multiple scalable growth opportunities for future years**
5 cps direct earnings impact from strategic initiatives in FY23

**MA Financial well positioned for strong growth in FY24 and beyond**

1. MA Money loan book as at 20 February 2024

# Focused on medium-term growth targets

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Confidence in ongoing growth derived from our history of successful strategic investment in platform to build highly scalable businesses. Management targets for growth in major business metrics consistent with historic track-record

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| Asset class | Measure | Dec 23 | FY26 target | Implied target CAGR (Dec 23 – Dec 26) | Historical CAGR / average (Dec 19 – Dec 23) |
|---|---|---|---|---|---|
| Asset Management | Assets under Management | $9.2 billion | **$15 billion** | **18%** | **17%** |
| MA Money | Loan book | $0.8 billion | **$4 billion** | **71%** | **61%** |
| Finsure | Managed Loans | $110 billion | **$190 billion** | **20%** | **25%** |
| Corporate Advisory | Revenue per executive (p.a.) | $0.8m | **$1.1 – $1.3 million** | **n.a** | **$1.1 million** (average p.a.)[1] |
| Group | EBITDA margin | 30%[3] | **40%** | **n.a** | **35%**[2] |

1. Annual average since listing (FY17–FY23)
2. Average FY19–FY23
3. EBITDA margin for FY23. Excluding strategic investments EBITDA margin would have been 34.7%

Please refer to disclaimer on slide 65

# FY23 result highlights

Strong platform growth across Asset Management and Lending & Technology. Material investment in business platform and brand poised to deliver future growth but impacted FY23 EPS by 5 cents

**$178m**
Recurring revenue[1]
↑ 23% on FY22

**26.0cps**
Underlying EPS
↓ 32% on FY22

**20.0cps**
Fully Franked Dividend
in line with FY22

**$9.2b**
Assets under Management
↑ 18% on FY22

**$1.9b**
Gross fund inflows
↑ 27% on FY22

**$983m**
Residential & Specialty loan book
↑ 150% on FY22

**$110b**
Finsure Managed Loans
↑ 21% on FY22

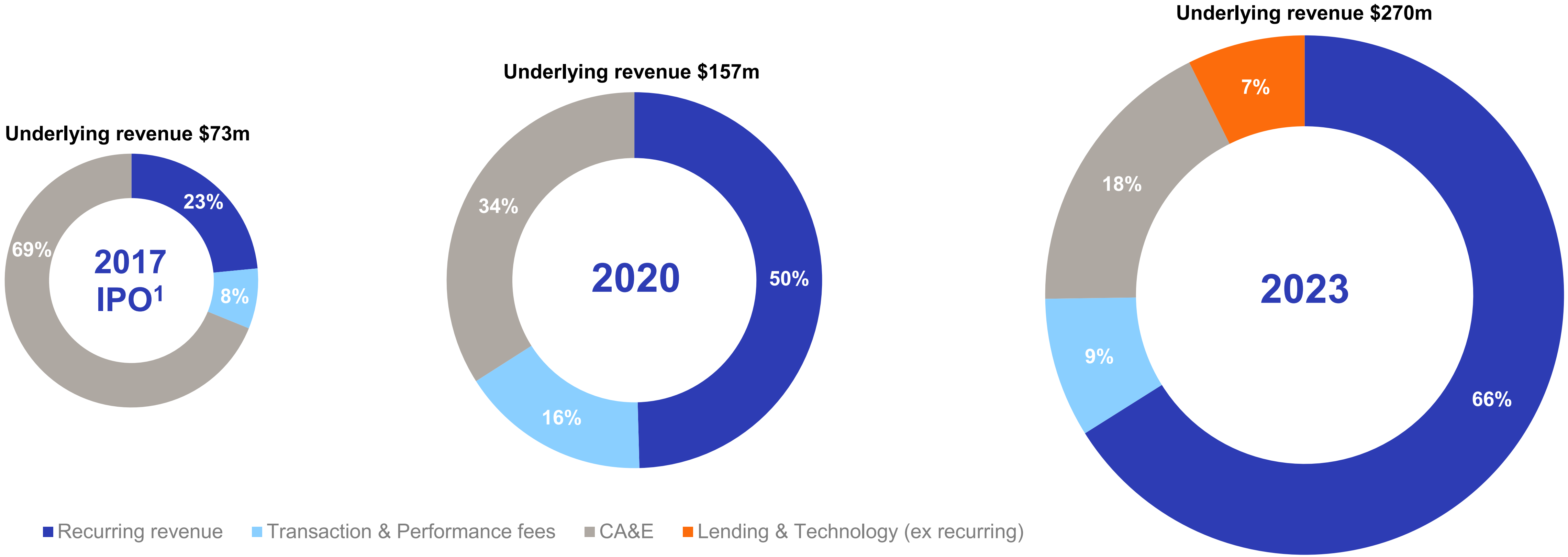
**$43m**
Corporate Advisory fees
↓ 24% on FY22

1. Includes Asset Management recurring revenue, Finsure subscriptions fees and ongoing trail commissions

# We continue to invest in growth and improved revenue quality

Since IPO year of 2017, the Group's recurring revenue has grown 10x and Group underlying revenue 3.7x.

This growth has been driven by ongoing targeted strategic investment




**OPERATING GEOGRAPHIES**

| | | |
|---|---|---|
| Sydney & Melbourne | Australia, China/Hong Kong | Australia, China/HK, USA, Singapore, New Zealand, Japan |

1. Based on 2017 Prospectus forecast

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# FY23 results

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| Underlying Results[1] | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Revenue | $269.9m | $301.8m | (11%) |
| Expenses | $188.3m | $195.1m | (3%) |
| EBITDA | $81.6m | $106.7m | (24%) |
| Net profit after tax | $41.6m | $61.4m | (32%) |
| Earnings per share | 26.0¢ | 38.3¢ | (32%) |
| EBITDA margin | 30.2% | 35.4% | (5.2 pps) |
| Return on equity | 10.6% | 15.9% | (5.3 pps) |
| Cash and undrawn facilities[5] | $123.1m | $138.8m | (11%) |

| Statutory Results[1] | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Revenue[2] | $392.8m | $335.0m | 17% |
| Expenses[3] | $218.6m | $216.1m | 1% |
| EBITDA[4] | $174.2m | $118.9m | 47% |
| Net profit after tax | $31.1m | $44.9m | (31%) |
| Earnings per share | 17.8¢ | 28.0¢ | (36%) |
| Dividend per share (fully franked) | 20.0¢ | 20.0¢ | - |

Stronger earnings composition in FY23 with:

- 66% of Underlying revenue recurring in nature versus 48% in FY22

Underlying revenue decreased 11% on FY22, driven by:

- Reduction in performance fees versus exceptionally strong prior period
- Corporate advisory activity impacted across the market by difficult macroeconomic conditions making deal execution and timing uncertain

Expenses down 3% on FY22 despite material investment in strategic growth initiatives and an inflationary operating environment.

- Underlying EPS contains a ~5 cps impact from planned investment in strategic initiatives which positions MA Financial for strong future earnings growth
- ROE and EBITDA margin impacted by strategic investment spend (ex. impact would have been 12.4% & 34.7% respectively)
- Cash and undrawn facilities of $123.1m down slightly on FY22, reflecting investment in growth initiatives offset by the Group's expanded corporate facility
- Corporate facility extended to $80 million currently undrawn, providing increased flexibility for strategic and growth initiatives. Allows for reduced cash balances in future periods in line with the Group's focus on capital light growth.

1. Refer to pages 50–52 for a reconciliation of Statutory to Underlying Results
2. Statutory Revenue refers to total income in the consolidated statement of profit or loss and other comprehensive income
3. Statutory Expenses excludes depreciation, amortisation and finance costs
4. Statutory EBITDA is not a recognised IFRS measure but has been presented to give a comparable measure to the Underlying result
5. Represents Operating Balance Sheet cash plus undrawn amount of bank working capital facility (FY23:$80m; FY22: $40m). Refer to page 53–55 for details of the Operating Balance Sheet

# Material investment made in FY23 to deliver future growth

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Short term earnings are impacted (~5cps in FY23 and similar expected in FY24) by strategically investing in future growth opportunities. We have a proven track record of delivering a high return on strategic investments.



| | Strategic Investment | Type of Investment | Medium term Opportunity |
|---|---|---|---|
| Group | MA Financial Brand | New website and enhanced brand strategy | Building brand awareness as we focus on expanding and diversifying fund raising channels. Brand awareness assists all areas of the business |
| Asset Management | US Credit Platform | Relocated staff to US and hired a CFO. Commenced the establishment of a new fund structure for retail investors | Multibillion opportunity in the world's largest credit market leveraging strong 10-year track record of acquired US Private Credit platform |
| Asset Management | Singapore distribution | Establishment of new Singaporean office including Country Head, licensing, staff relocation and build out | Access to large and growing Singapore HNW private wealth market and leverages the Group's Asian distribution platform |
| Asset Management | Japan distribution | Established digital distribution platform in Japan and secured licensing in Dec 2023 | Multibillion market opportunity to attract Japanese savers away from cash and deposits into higher yielding investment product |
| Lending & Technology | MA Money | Best in class loan product, operating infrastructure technology and expanded distribution capability | Potential to grow a highly scalable platform in Australia's largest credit market, residential mortgages. Targeting $4bn loan book by end FY26 |
| Lending & Technology | Middle technology | Build and roll out of revolutionary digital experience for mortgage brokers and their clients | Opportunity to become the client interface of choice across the Australian mortgage broking market. Technology demonstrating strong momentum |
| CA&E | Natural Resources research & advisory | Senior hires across Natural Resources in both Advisory and Equities | Opportunity to expand industry offering in CA&E with a high-quality expertise in both Advisory and Equities |

# Financial performance

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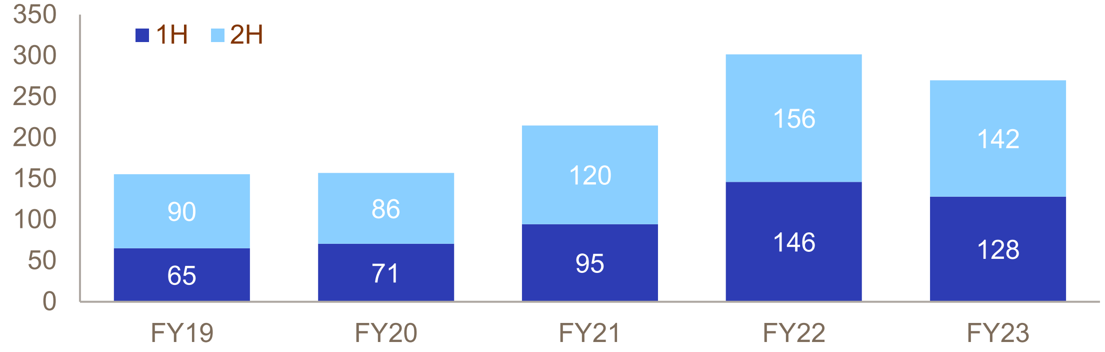
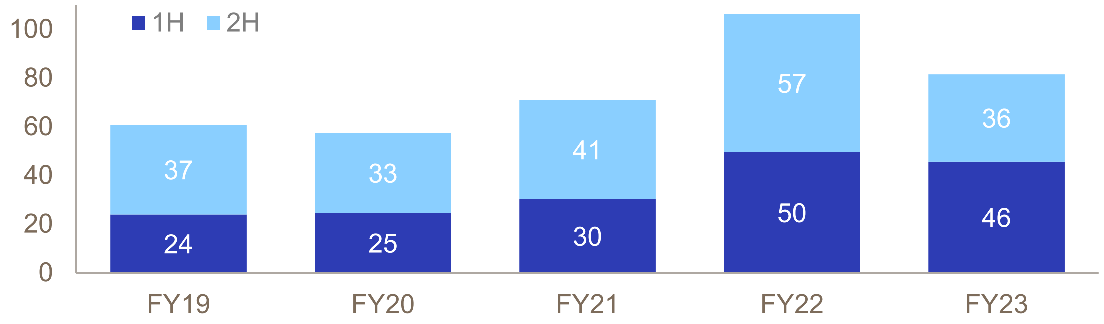
Improved earnings composition following exceptionally large performance fee contribution in the prior corresponding period

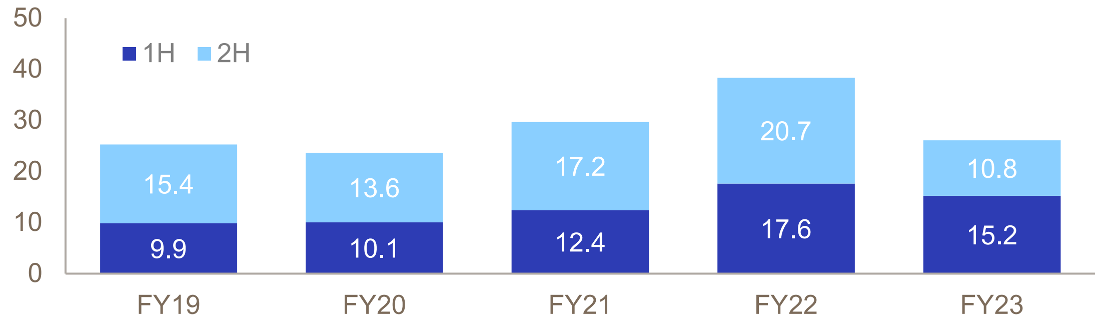
## Underlying revenue ($m)



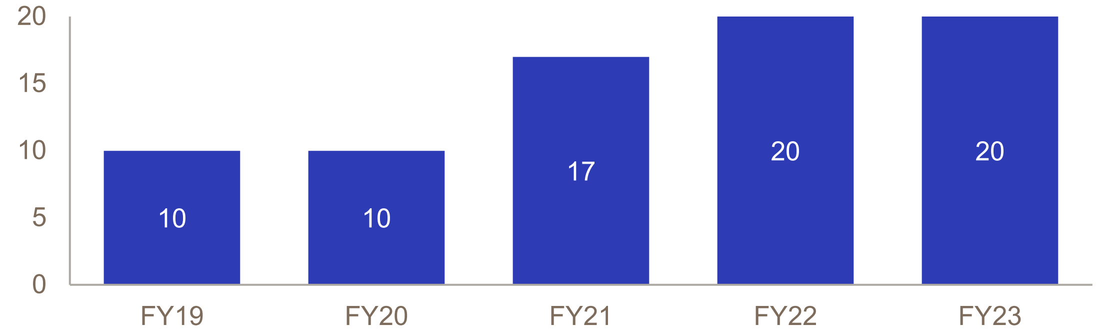

## Underlying EBITDA ($m)




## Underlying earnings per share (cps)




## Dividend per share (CPS)



# Business Unit Highlights

80% of EBITDA derived from Asset Management. Complementary business segments provide a valuable ecosystem with diversification.



**Asset Management** — EBITDA contribution[1] 80%

- Gross inflows of $1.9b, driven by strong demand for Private Credit and launch of MA Marina Fund
- AUM up 18% (+$1.4b) on FY22 to $9.2b
- Recurring revenue up 22% on FY22
- Recurring revenue margin[2] elevated at 173bps due to strong performance of Private Credit funds
- Materially lower performance fees, down $44m on FY22

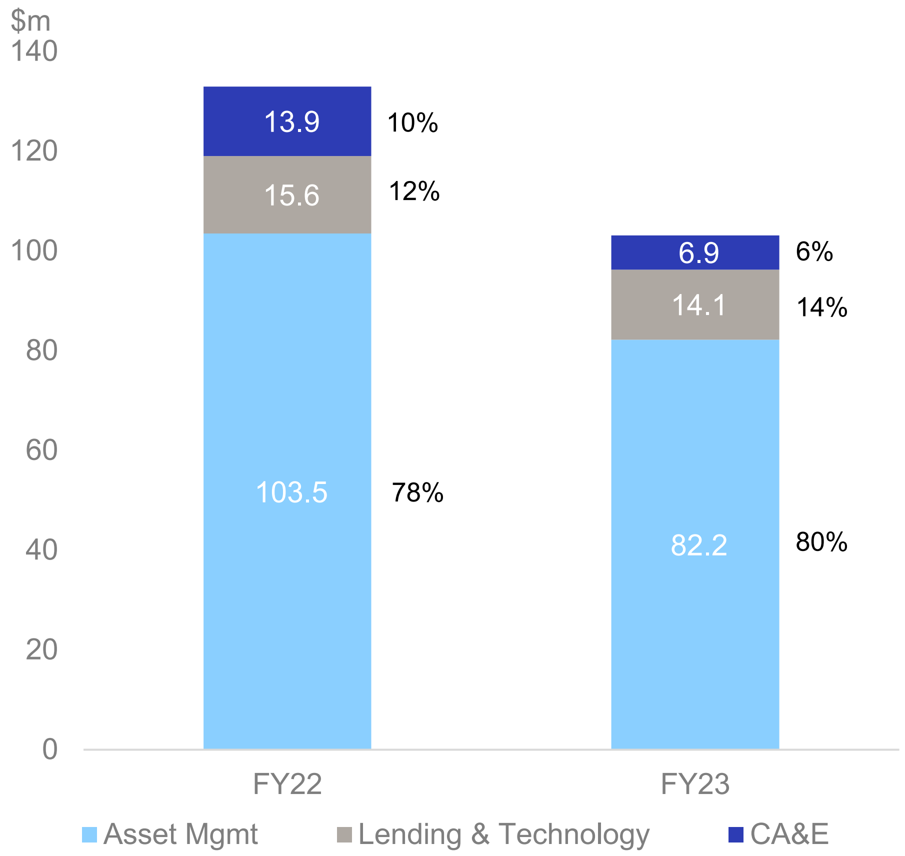
**Lending & Technology** — EBITDA contribution[1] 14%

- Total loan book grew 150% from 31 Dec 22 to $983m
- MA Money volume growth continuing to accelerate, on target for run rate breakeven in 2H24
- MA Money successfully completed its inaugural RMBS issuance totaling $500 million
- Finsure's managed loans up 21% to $110b since 31 Dec 22
- Brokers on Finsure's platform grew to 3,129, up 19% from 31 Dec 22

**Corporate Advisory & Equities** — EBITDA contribution[1] 6%

- Advised on $3.5b of transactions during FY23 as difficult operating environment made deal execution and timing uncertain
- Continued bias towards M&A activity. ECM remained difficult.
- Revenue per executive below target range due to difficult market conditions
- Equities revenue up modestly despite softer market volumes

## EBITDA contribution by business division




1. EBITDA contribution based on FY23 Underlying EBITDA before unallocated corporate cost.
2. Fee margin % calculated on an annualised basis divided by average AUM over the 12-month period. Excludes RetPro third party revenue

# FY23 strategic outcomes

Delivering on key priorities despite challenging market conditions



**Grow recurring revenue base**

Asset Management recurring revenue was $153m in FY23, up 22% from $126m in FY22

Finsure generated $25m of recurring fee-based revenue in FY23, up 33% from $19m in FY22

**Expand & diversify distribution**

Gross fund inflows up 27%, highlighted by 81% growth in domestically sourced inflows which exceeded $1.1bn in FY23

Increased diversification leads to the current consistent run rate of ~$150m gross inflows per month

**Scale existing platform & expertise**

Initial investment into broadening distribution channels into Singapore, Japan and the United States

Material investment in Lending & Technology platform to unlock growth potential in future years

**Capital efficient growth**

Successfully established a capital flex model, enabling capital light growth of credit and lending activities;

- $100 million of balance sheet assets recycled in FY23
- $500 million securitisation by MA Money highlights funding flexibility and strong market demand

**Grow & retain our talent**

Focus on retaining and rewarding our staff. Uplift in staff compensation ratio an important investment in stability and growth. Investment and development of staff improves shareholder returns over time

Continue to invest in staff development and career opportunities through the MA Academy and across the MA platform

# Post balance date activity & outlook

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02

# Key business activity since 31 December 2023

Strong fund inflows and loan settlements to start 2024

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| | |
|---|---|
| **Asset Management** | • **Positive momentum in AUM and client fund flows continues**<br>– $262 million of gross fund inflows (net inflows: $194 million) received in the first six weeks of 1H24<br>– Strong inflows into Private Credit funds continue to be driven by attractive product and macro tailwinds<br>• **Investment in US distribution with appointment of US Head of Distribution**<br>• **Launched MA Accommodation Hotel Fund seeded with Vibe Docklands hotel acquisition ($96m). Significant opportunity to grow.**<br>• **Successful registration and licence granted to distribute investment product into Japan** |
| **Lending & Technology** | • **MA Money volume growth continues to accelerate**<br>– $170+ million of loan settlements to date in 2024<br>• **Finsure continued positive growth** – strong loan settlement momentum in December 2023 carried into January 2024<br>• **Middle technology** – still in investment phase but gaining traction. Approximately $500m in loan applications received in January 2024. This is anticipated to reach $1 billion per month by end 1H24 |
| **Corporate Advisory & Equities** | – **Positive start to the year with announced deals (where work was largely completed in FY23) expected to deliver $10 million[1] of fees in 1H24:**<br>– M&A transaction announcements include Autocare Services, A2B and Ansarada<br>– Successfully completed $23 million equity raising for REX Minerals<br>– Resources research team has initiated coverage across gold sector<br>• **Strong transaction pipeline**<br>– M&A and capital solution activity remains strong, with ECM conditions showing early signs of improvement<br>– Transactional activity will continue to be market condition dependent |

1. Subject to usual closing conditions

# FY24 outlook commentary

MA

Positive business momentum continuing with increasing contribution from recurring revenue lines



| | |
|---|---|
| **Asset Management** | • Expectation for continued growth in fund inflows<br>• Recurring revenue margin expected to be lower in FY24 due to impact of rising interest rates on real estate (core and alternative) assets, sale of approximately $205m of hospitality assets and FY23 margin being elevated due to strong performance of Private Credit funds<br>• Performance and transaction fees to remain broadly consistent with FY23 |
| **Lending & Technology** | • MA Money on track to deliver breakeven run-rate in 2H24<br>• Expectation remains for MA Money to deliver $15 million to $20 million NPAT (EPS range 9–12 cps) to the Group in FY26<br>• Ongoing investment in Lending platforms and talent builds foundations for strong growth beyond FY24 |
| **Corporate Advisory & Equities** | • Operating conditions likely to remain challenging, although improving on FY23<br>• Targeting corporate advisory revenue at the lower end of the Group's $1.1m – $1.3m per executive historical average, due to ongoing market uncertainty |
| **Strategic Investment** | • Investment in strategic initiatives including US Credit Platform, MA Brand, MA Money, Middle and Singapore distribution expected to impact earnings by 6cps in FY24. Ongoing investment in growth since our founding has delivered great outcomes.<br>• Strategic investment expense expected to be skewed to 1H24 as MA Money continues to ramp into breakeven in 2H24 |

This outlook commentary is subject to market conditions, completion rates and timing of corporate advisory transactions and no material regulatory change

# 03

# MA Financial is an active manager of alternative asset classes

The active management of longer duration alternative assets presents a strong proposition for our clients. Adding value with operational expertise requires hands-on management capability. We are more than just financial managers of assets

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Specialists in managing and operating assets across three key segments

Access to diverse funding sources to deliver capital efficient growth

**Private Credit & Fixed Income**
Est 2014
AUM: $4.0b[2]
CAGR[1]: 75%

**Core Real Estate**
Est 2013
AUM: $2.3b
CAGR[1]: 55%

**Alternative Real Estate**
Est 2014
AUM: $1.9b
CAGR[1]: 60%

**Asset Origination & Active Management Capabilities**

- MA Hospitality Management
- RetPro – Retail Property Professionals
- MA Money
- MA Specialty Finance
- FINSURE
- middle

**Capital light growth**

DIVERSE FUNDING SOURCES: Managed funds, bank and warehouse facilities, balance sheet co-investment capital

1. AUM CAGR since inception
2. Includes $409 million of cash and bonds that are managed on behalf of International HNW (Migration) clients

# Asset Management Performance

MA



| Underlying Financials ($M) | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Base management fees | 104.2 | 92.4 | 13% |
| Credit funds income | 42.4 | 25.7 | 65% |
| Principal investments income | 6.8 | 7.6 | (11%) |
| **Total recurring revenue** | **153.4** | **125.7** | **22%** |
| Transaction fees | 10.7 | 7.2 | 49% |
| Performance fees | 10.0 | 54.0 | (81%) |
| **Transaction based revenue** | **20.7** | **61.2** | **(66%)** |
| Realised gains on investments | 2.0 | 10.9 | (82%) |
| **Total Underlying Revenue** | **176.1** | **197.8** | **(11%)** |
| Expenses | 93.9 | 94.3 | (0%) |
| **Underlying EBITDA** | **82.2** | **103.5** | **(21%)** |
| EBITDA margin | 46.7% | 52.3% | (5.6 pps) |
| Recurring revenue margin %[1] | 1.73% | 1.66% | |
| Base fees margin %[1] | 1.15% | 1.20% | |

Recurring revenue up strongly underpinned by strong demand for credit funds

FY23 includes the launch and settlement of the d'Albora Marina portfolio with $2.8m of transaction fees

FY22 includes $43.9m performance fee from Redcape Hotel Group

Strong cost management keeping expenses flat despite establishing offices in New York and Singapore

Strong growth and performance of Private Credit funds improved the recurring revenue margin

## Highlights

**Strong growth in recurring revenue offset by reduction in performance fees relative to exceptionally strong FY22**

- 17% average AUM increase drives base fee growth
- Recurring revenue margin was elevated in FY23 due to strong growth and performance of the Private Credit funds

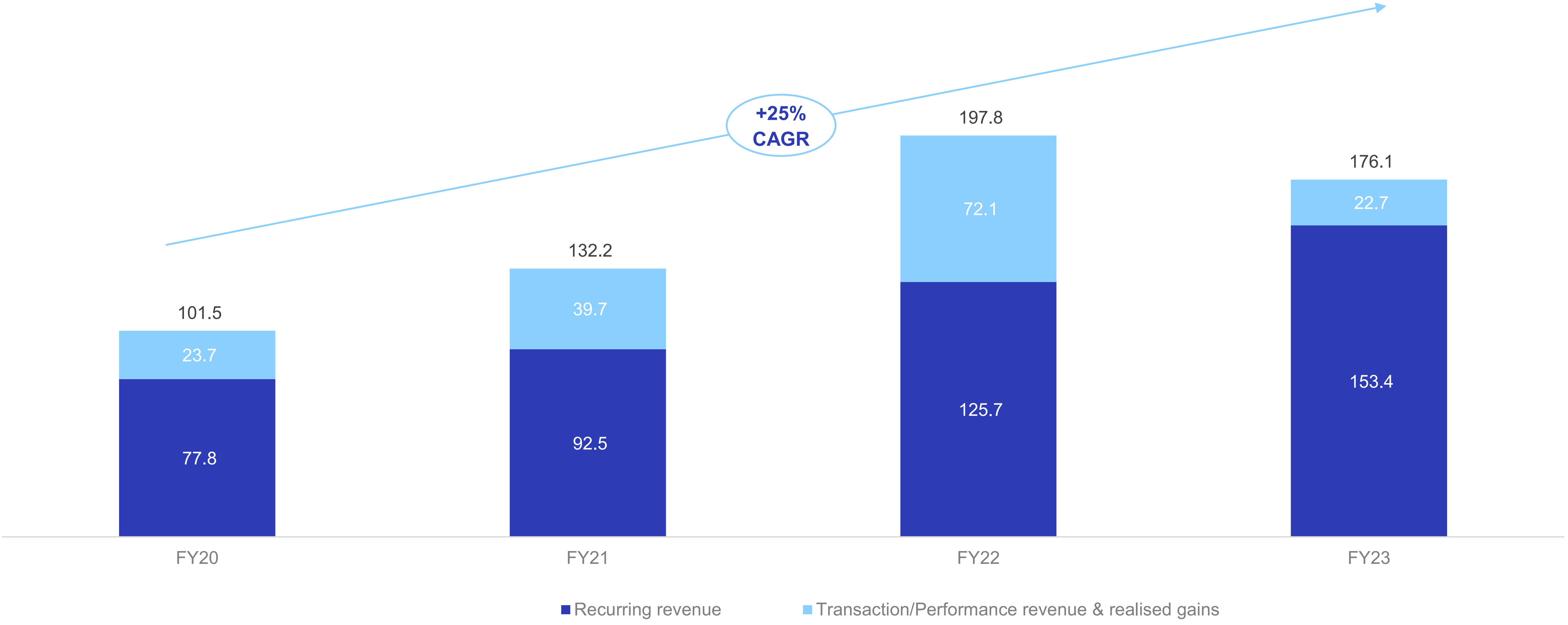
**Expenses remain flat year on year**

- Despite expansion into the US market with the acquisition of Blue Elephant and establishing office in Singapore
- $4.8m of additional investment expense relates to US and Singapore strategic initiatives lowering the EBITDA margin by 2.0% in FY23

1. Fee margin % calculated on average AUM over the 12-month period. Excludes RetPro third party revenue

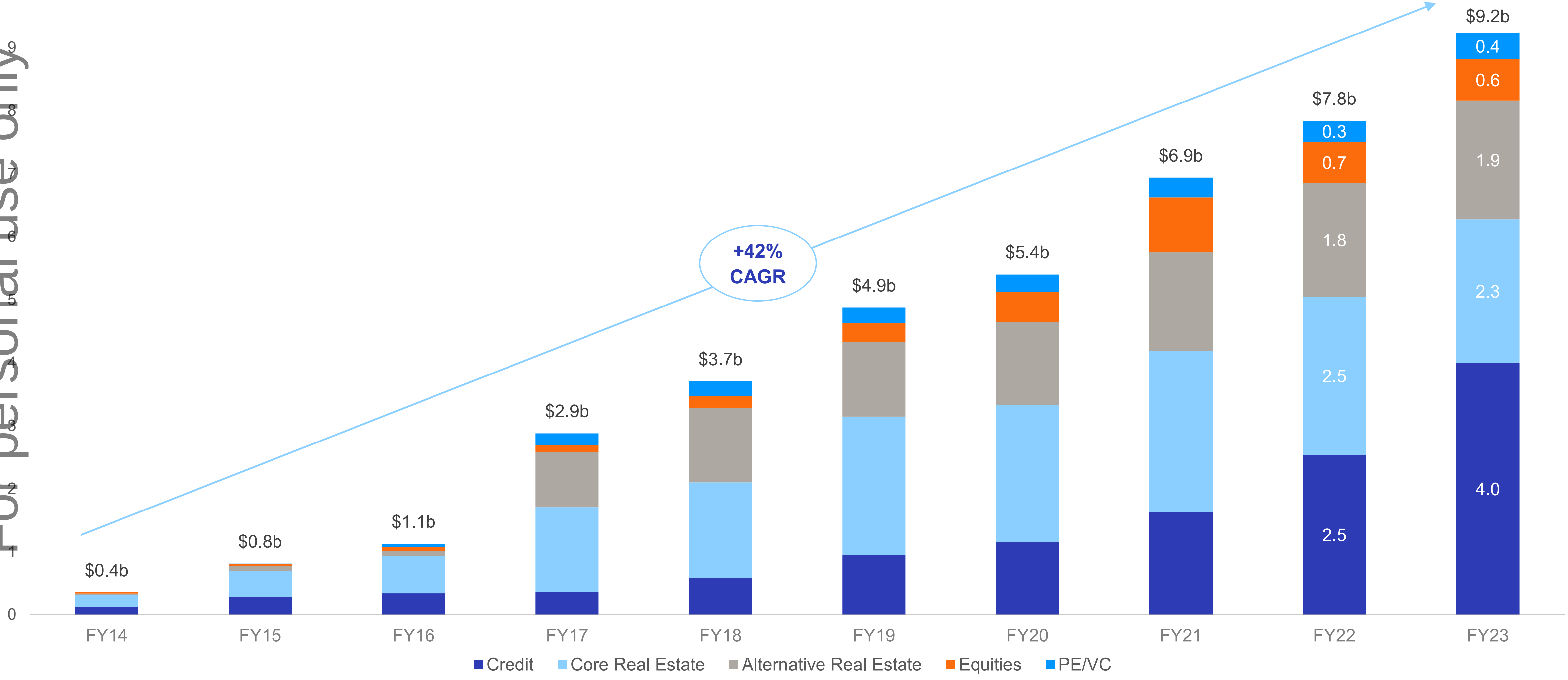
# Continued growth in recurring revenue

25% CAGR in recurring revenue since FY20



# Assets Under Management

AUM up 18% to $9.2 billion with a focus on alternative asset classes



# FY23 Fund Flows



## Strong growth in fund flows with Domestic flows up 81% on FY22

| Flows by Asset Class[1] ($M) | FY23 | | FY22 | |
|---|---|---|---|---|
| | Gross | Net | Gross | Net |
| Credit | 1,694 | 1,162 | 1,077 | 877 |
| Core Real Estate | 5 | (44) | 124 | 10 |
| Alternative Real Estate | 163 | 134 | 163 | 119 |
| Equities | 3 | (20) | 114 | 97 |
| PE/VC | 76 | 73 | 54 | 11 |
| **Total** | **1,941** | **1,305** | **1,532** | **1,114** |

Strong flows into Credit products from domestic, international and institutional clients, 57% growth

Real Estate net outflows largely due to sale of Warrnambool Shopping Centre

Equities net flows impacted by subdued migration flows

| Flows by Investor Channel[1] ($M) | FY23 | | FY22 | |
|---|---|---|---|---|
| | Gross | Net | Gross | Net |
| Domestic HNW[2] & Retail | 1,102 | 859 | 609 | 456 |
| International HNW (Non-Migration) | 647 | 464 | 509 | 387 |
| International HNW (Migration) | 19 | (93) | 273 | 168 |
| Institutional | 173 | 75 | 141 | 103 |
| **Total** | **1,941** | **1,305** | **1,532** | **1,114** |

81% growth in domestic flows driven by strong interest in Private Credit and the MA Marina Fund

International (Non-Migration) flows continued strong growth

Subdued migration inflows

Institutional mandate of $96m ended in Nov-23

1. Gross flows include internal switches between asset class, which net to zero in the totals. Gross flows including switch-ins for FY23 were $2,071m.
2. High Net Wealth investor as per Corporations Act definition of wholesale investor.

# Investor Flows

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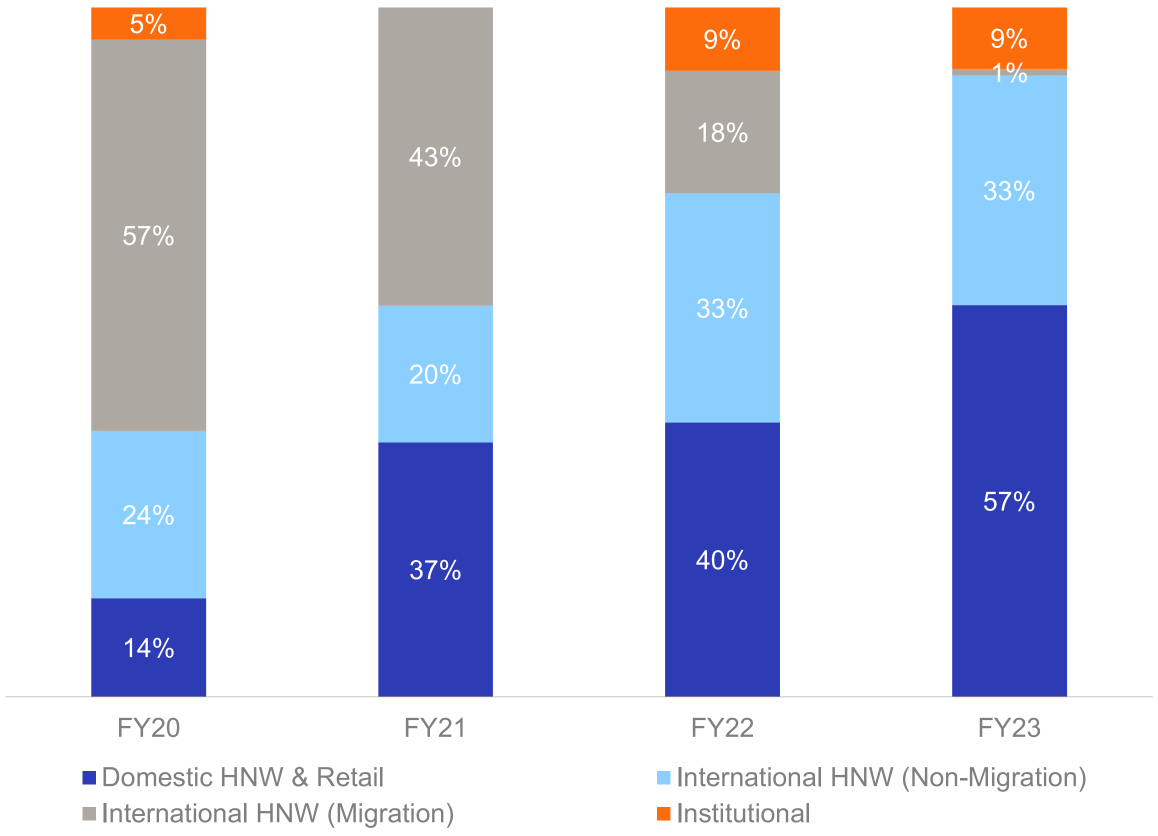
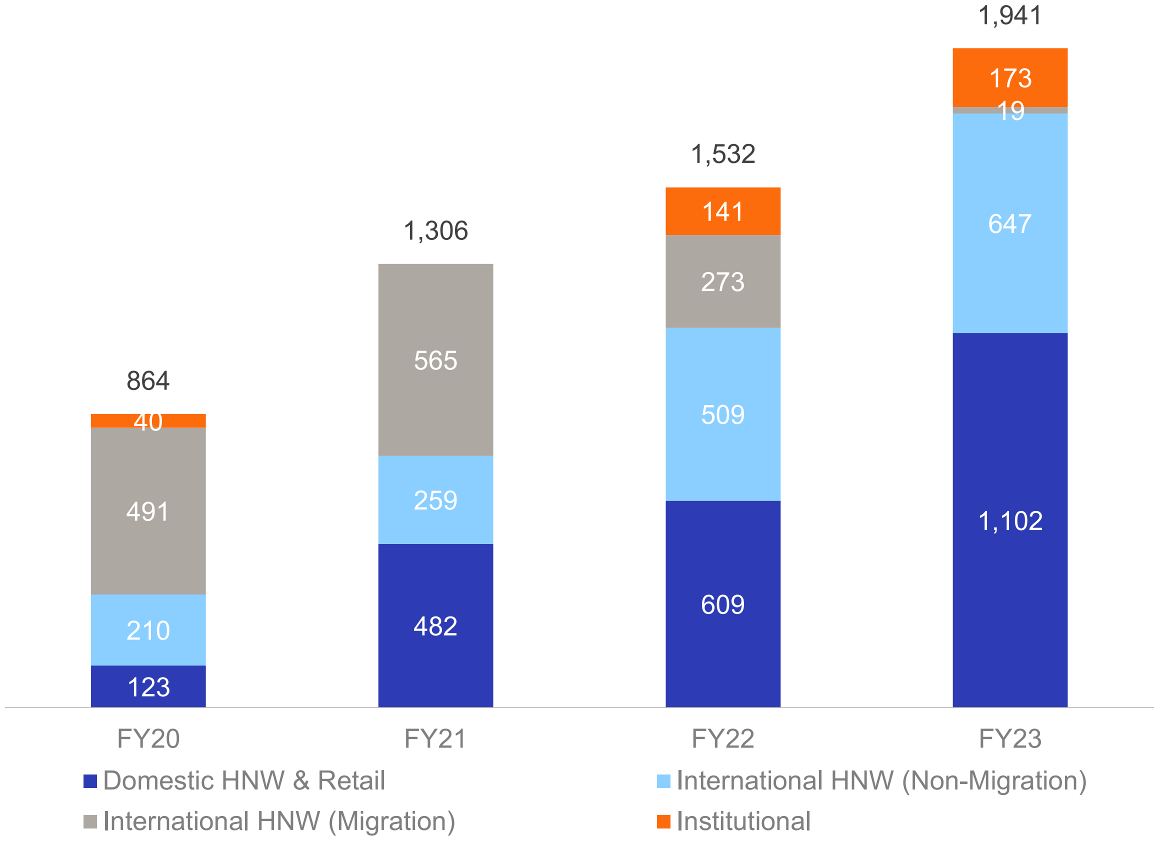
Distribution channels continue to grow and diversify – only 1% of flows in FY23 from Migration related sources



Investor channel **gross inflows** by proportion (%)




Investor channel **gross inflows** ($)

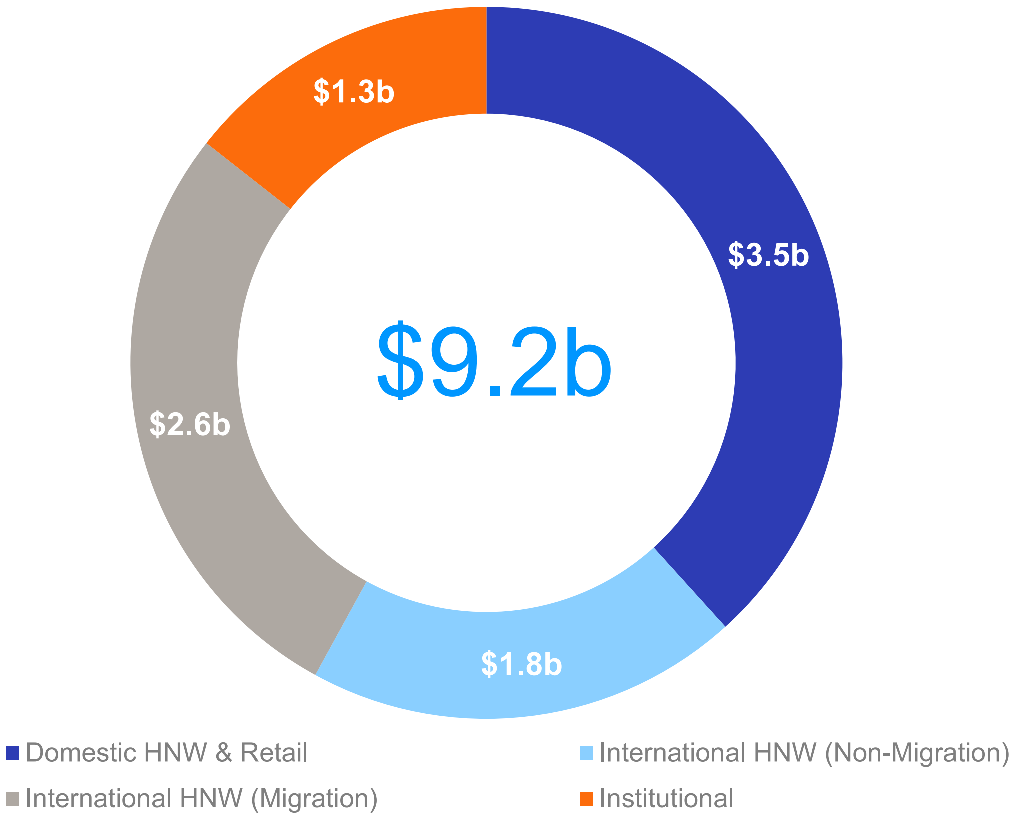


# Asset Management client base

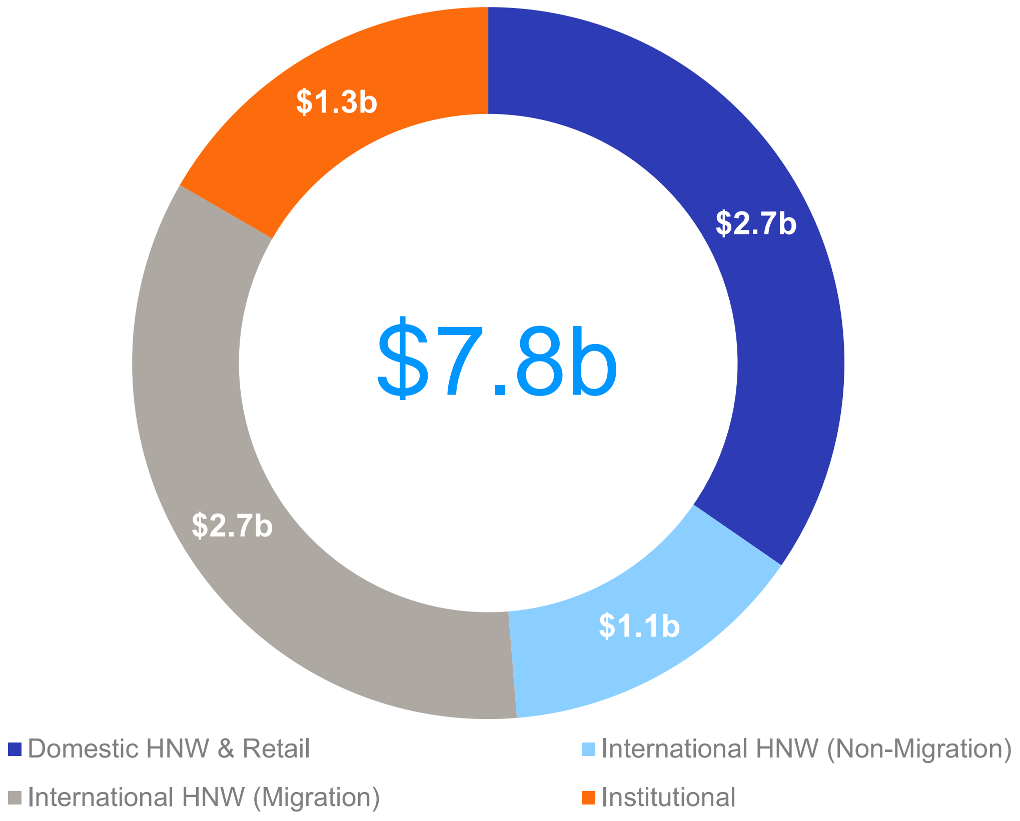
Domestic and International Non-Migration clients increasing as a proportion of total AUM



FY23 AUM by investor channel




FY22 AUM by investor channel



# MA Financial's focus is to be an active manager of alternative asset classes

MA

## Diversity of fund strategies delivers continued AUM growth

### Private Credit & Fixed Income
### AUM: $4.0 billion

- Increased participation in platforms and model portfolios continues to drive flows and market penetration
- Strong investor demand for Private Credit funds. Real Estate Credit and Priority Income Fund strategy both surpassed $1 billion AUM during the year
- Diversified Credit and Real Estate Credit Strategies all delivering consistent returns in line with stated targets
- Expansion into US Private Credit following the acquisition of Blue Elephant Capital Management
  - Launched MA Global Private Credit Fund
  - Early investment in build out of US Private Credit platform, including domestic US-based distribution
- Launched MA Credit Income Fund as a single access point fund for all MA credit strategies

### Real Estate
### AUM: $4.2 billion

**Core Real Estate (AUM: $2.3 billion)**

- The real estate market remains predominantly dislocated creating opportunities for those with capital. We continue to selectively target assets on compelling acquisition terms at a low point in the cycle
- Divestment of Warrnambool shopping centre for $71 million delivering 10.8% pa return to investors over a ten-year hold period
- Increased ESG focus with successful solar panel implementation at various shopping centres

**Alternative Real Estate (AUM: $1.9 billion)**

- Launched MA Marina Fund as a new scalable alternative real estate strategy, initially acquiring D'Albora marina portfolio and ending the period with AUM of $275 million
- Launched MA Accommodation Hotel Fund, seeded with Vibe Docklands post balance date
- Proactively managed Redcape Hotel Group through period of uncertainty for hospitality venues, completing a successful program of asset sales and 3-year extension of the Group's $250m debt facility. The fund's liquidity facility will reopen in the June 24 quarter
- Demonstrating the continued demand for hospitality assets. Since June 2023 Redcape has contracted to sell eight hotels for $205 million at a premium to book value and acquire one leasehold business. The sale of four of the hotels had completed as at December 2023

The Product Disclosure Statement and Target Market Determination and continuous disclosure notices applicable to Redcape Hotel Group (comprising Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) and the MA Priority Income Fund (ARSN 648 809 849) is available at https://mafinanical.com/asset-management/retail-funds/

# Credit Investing + Lending & Technology = Powerful driver of growth

MA

Sourcing credit assets directly through our proprietary relationships and in-house platforms is a significant strategic advantage. Over 75% of our $4.0b in credit investment funds have been directly originated in our proprietary channels, including our lending platform



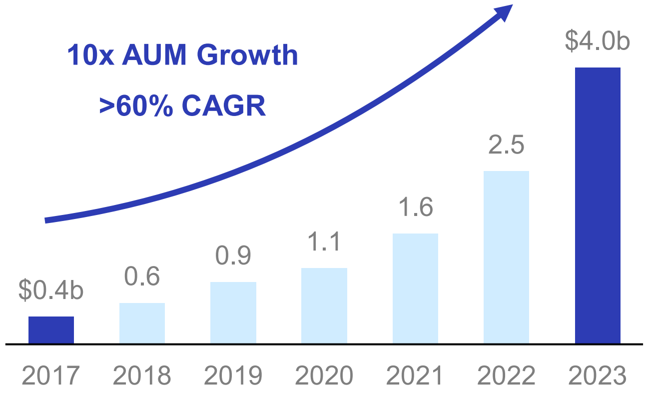
## DIVERSIFIED CREDIT

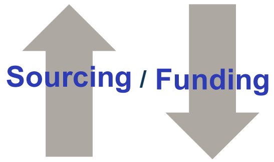
### FUNDS
MA Priority Income Funds
MA Global Private Credit Fund
MA Credit Opportunities Fund
MA Credit Income Fund

### CAPABILITY
Asset backed loans
Specialty Credit
Corporate Debt

### STRATEGIC ADVANTAGE
Lending division
Asset origination
Data analytics
Balance sheet co-investment

## ACCELERATING GROWTH




Powerful combination with Lending & Technology Platform

## REAL ESTATE CREDIT

### FUNDS
MA Real Estate Credit Strategies
– Retail and Wholesale product

### CAPABILITY
Real Estate Secured Loans
Investment Loans
Development Loans

### STRATEGIC ADVANTAGE
Finsure – data and origination
Asset origination
Data analytics
Real Estate project management

# Lending & Technology

MA

04

# We are building a tech-enabled highly scalable Lending ecosystem

Creation of a tech-enabled highly scalable lending ecosystem that generates fee-based income, spread income and investment product for our managed funds

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## Lending

Spread income

MA Money

Loan book: $829m
12-month growth: 244%

### MA Specialty Finance

Loan book: $154m
12-month growth: 1%

## Financial Technology

Fees and commissions

FINSURE

Managed loans: $110b
12-month growth[1]: 21%

Serviced 400,000+ borrowers via 3,129 brokers and 80+ lenders

middle

Currently rolling out broker / client digital experience

### Residential Lending Market Place

Unique combination of our complementary Lending & Technology Platforms and our Asset Management business to penetrate the $2 trillion Australian residential mortgage market

### Capital light growth

**Diverse funding sources**: Asset Management funds, bank and warehouse facilities, balance sheet co-investment capital

1. Creation of a tech-enabled highly scalable lending ecosystem that generates fee-based income, spread income and investment product for our managed funds

# Lending & Technology Divisional Performance

MA

Emerging Division with acquisition of Finsure and MA Money complementing existing Specialist Finance platform



| Underlying Financials ($M) | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Financial Technology | 37.3 | 30.1 | 24% |
| Lending Platforms | 7.4 | 11.0 | (33%) |
| **Total Underlying Revenue** | **44.7** | **41.1** | **9%** |
| Expenses | 30.6 | 25.5 | 20% |
| **Underlying EBITDA** | **14.1** | **15.6** | **(10%)** |
| EBITDA margin | 31.5% | 38.0% | (6.5 pps) |

Represents growth in Finsure managed loans and total brokers

Lower revenue from Specialty Finance as balance sheet credit asset recycled through a MA managed fund

Investment into people and platforms

### Highlights

- Technology contributed strong growth in FY23 with a 33% increase in recurring revenue and 11% increase in exit recurring revenue run rate
- Lending platform expanded rapidly with 150% portfolio growth in the first year of relaunching MA Money
- MA Money successfully completed a $500m securitisation in November 2023, creating a new record for the largest inaugural non-bank RMBS issuance by a first-time issuer in Australian history

# Financial Technology Performance

MA

Includes acquisition of Finsure in February 2022 and emerging Middle technology platform

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| Underlying Financials ($M) | FY23 | FY22[1] | FY23 v FY22 |
|---|---|---|---|
| Fees & commissions | | | |
| Subscription fees and trail commissions | 24.8 | 18.7 | 33% |
| Upfront commissions and other fees | 4.2 | 4.3 | (2%) |
| Trail book value movement | 8.3 | 7.1 | 17% |
| **Total Underlying Revenue** | **37.3** | **30.1** | **24%** |
| Expenses | 17.7 | 13.7 | 29% |
| **Underlying EBITDA** | **19.6** | **16.4** | **20%** |
| EBITDA margin | 52.5% | 54.5% | |

Organic growth of loan book and brokers coupled with fee model shift

In accordance with revenue growth

| Fee and Commission Drivers | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Managed Loans ($b) | 110 | 91 | 21% |
| Brokers on Platform | 3,129 | 2,640 | 19% |
| Revenue per Broker[2] ($k) | 10.1 | 10.3 | |

Finsure's technology platform and market-leading broker revenue model are key to delivering growth

Slight reduction in revenue as new brokers season to full productivity levels

1. Represents 11 months of Finsure performance since acquisition on 7 February 2022.
2. Revenue excluding trail book value movement divided by average number of brokers.

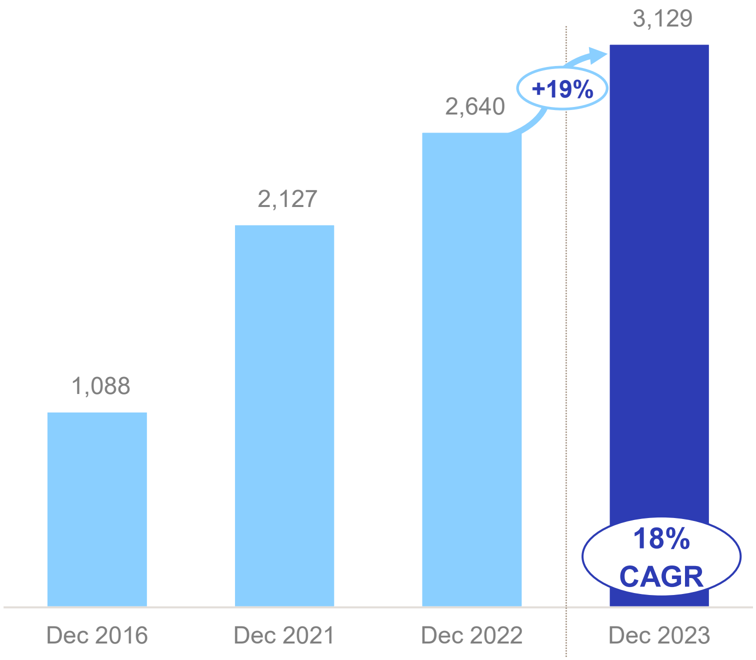
# Finsure Platform Growth

MA

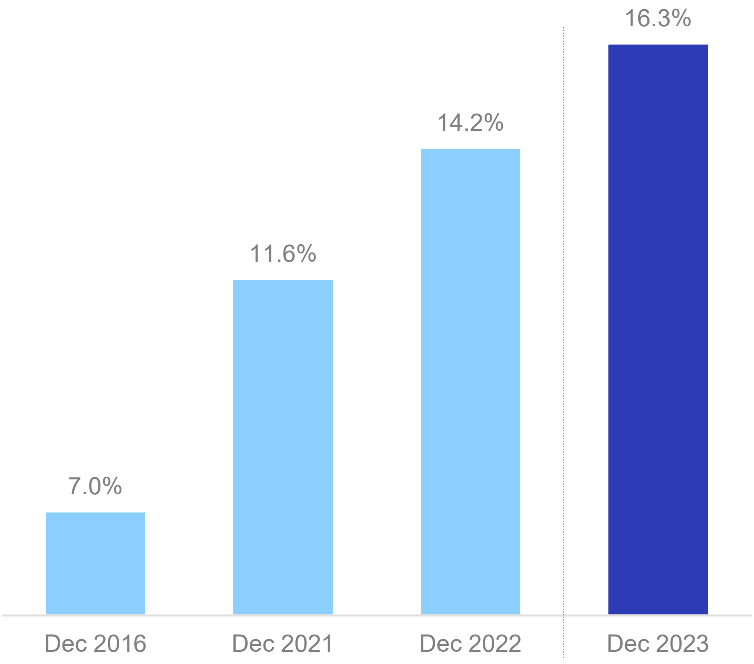
Finsure continues to grow its market position with a differentiated proposition for brokers focused on value-add service innovation and technology



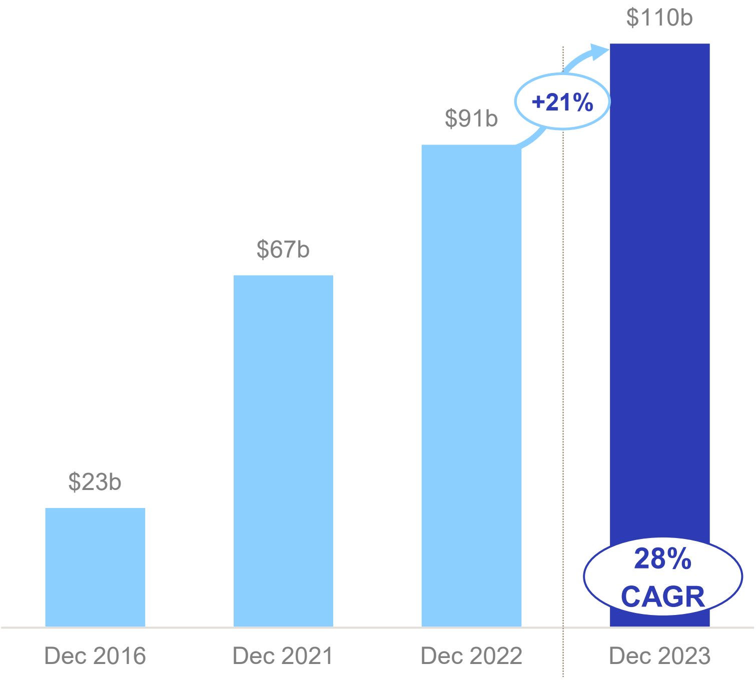
## Brokers on Platform




## Finsure's Broker market share[1]




## Managed Loans




1. Finsure share of broker market based on dividing Finsure brokers on platform by total Australian broker numbers, per MFAA Industry Intelligence Service 15th edition report (MFAA report uses March period ends).

# Lending Platforms Performance

MA

Includes Specialty Finance and MA Money residential lending business. Significant investment in platform during FY23



| Underlying Financials ($M) | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| MA Money | 3.8 | 3.7 | 3% |
| Specialty Finance | 3.6 | 7.3 | (51%) |
| **Total Underlying Revenue** | **7.4** | **11.0** | **(33%)** |
| Expenses | 12.9 | 11.8 | 9% |
| **Underlying EBITDA** | **(5.5)** | **(0.8)** | **(588%)** |

Strong business growth offset by competitive pricing and product mix changes

Reduction of income as balance sheet credit asset recycled through a MA managed fund and NIM compression due to higher funding costs

Operating expense frontloaded to enable business expansion

| Performance Drivers | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Total Loan Book ($M) | 983 | 393 | 150% |
| Average Invested Capital ($M) | 14 | 13 | 8% |
| **Net Interest Margin (NIM) %** | **1.4%** | **3.2%** | |
| MA Money NIM % | 1.2% | 2.3% | |
| Specialty NIM % | 2.2% | 5.6% | |
| **Net Return on Average Invested Capital (ROIC) %[1]** | **(39.3%)** | **(6.3%)** | |
| MA Money ROIC %[1] | (57.9%) | (48.1%) | |
| Speciality ROIC %[1] | 22.6% | 62.5% | |

244% growth of MA Money loan book

Increased funding costs not fully recovered in a competitive market and a shift to a more diverse product offering at lower rates

1. Based on underlying EBITDA

# Loan Book Growth and Invested Capital

MA

New and competitive MA Money product offering drives higher loan settlements facilitating loan book growth in a capital light manner

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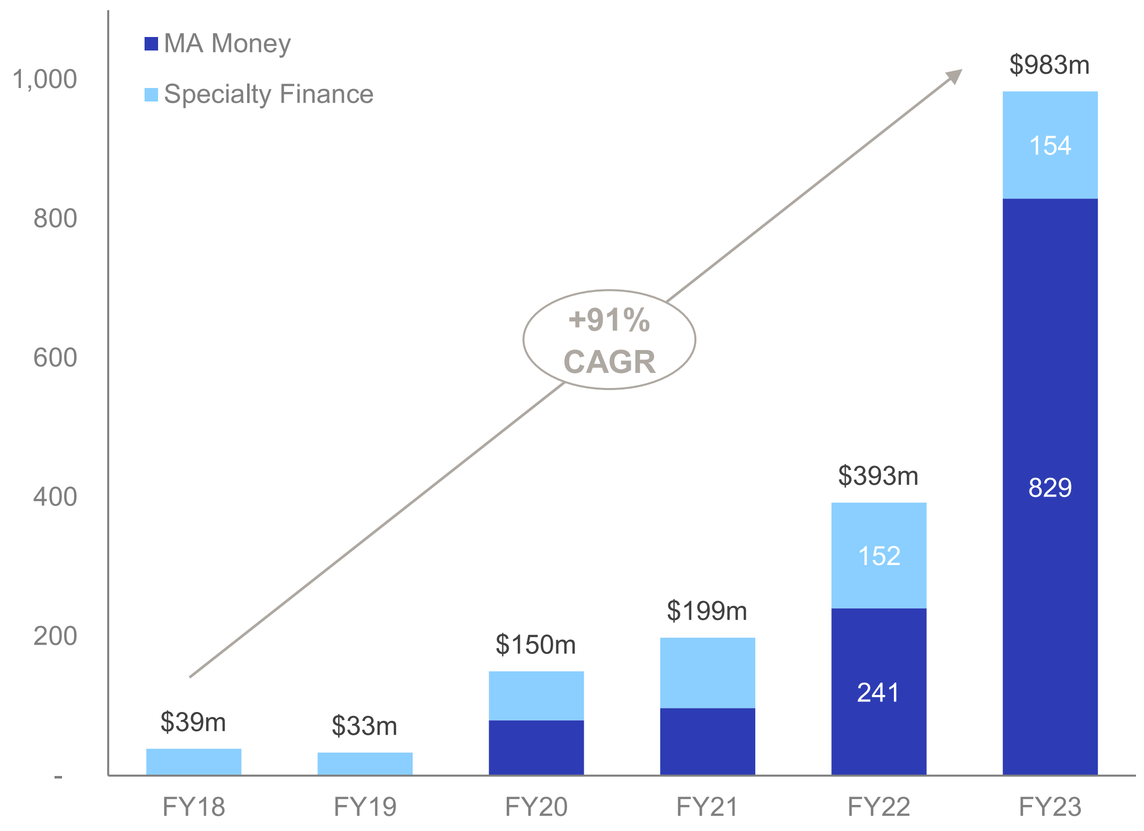
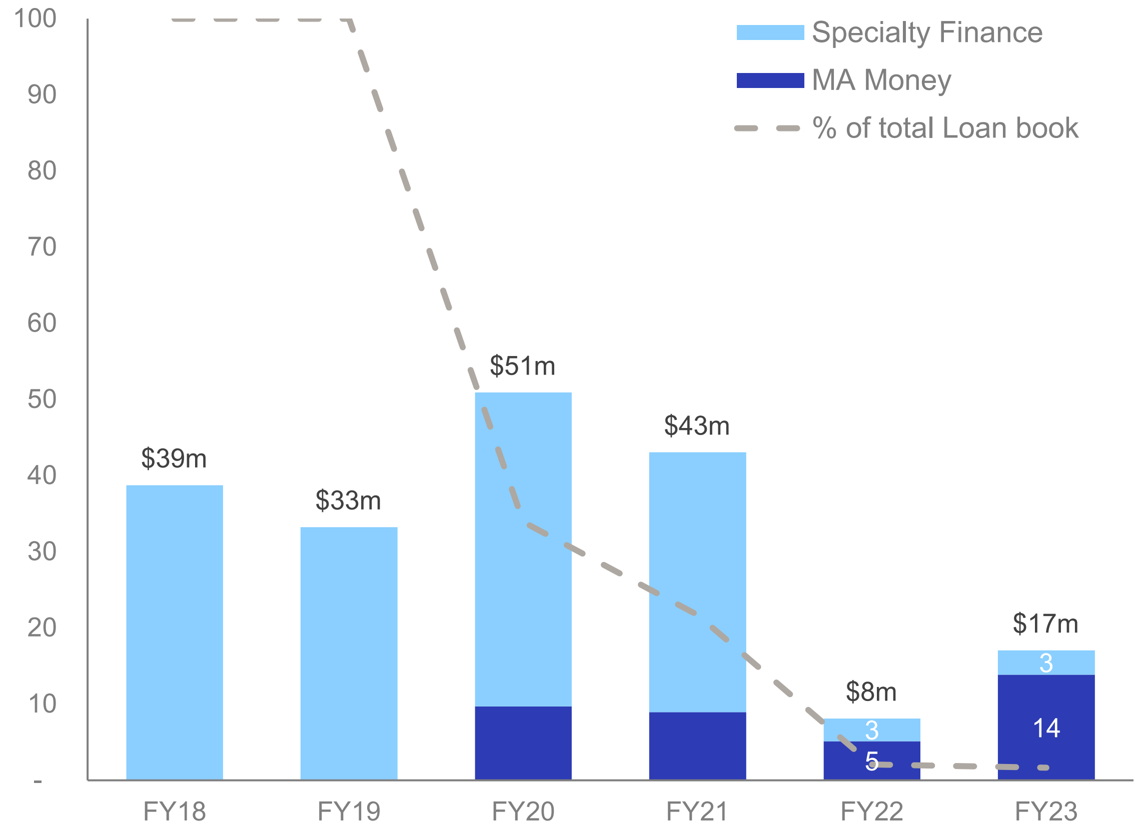
Loan Book growth (A$m at year end)




Invested capital[1] (A$m / % at year end)




1. Invested capital reflects invested Operating Balance Sheet capital that generates spread income.

# Corporate Advisory & Equities

MA

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05

# Corporate Advisory & Equities Performance

MA

| Underlying Financials ($M) | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Corporate Advisory fees | 43.1 | 56.9 | (24%) |
| Equities commissions | 5.2 | 4.6 | 13% |
| **Total Underlying Revenue** | **48.3** | **61.5** | **(21%)** |
| Expenses | 41.4 | 47.6 | (13%) |
| **Underlying EBITDA** | **6.9** | **13.9** | **(50%)** |
| EBITDA margin | 14.2% | 22.7% | (8.5 pps) |
| Advisory headcount (avg FTE) | 53 | 58 | (9%) |
| Equities headcount (avg FTE) | 17 | 17 | - |

## Highlights

**Corporate Advisory fees down 24% reflective of a difficult environment for deal execution**

- Deal timelines and execution difficult to predict
- Limited ECM activity during FY23. Early signs of improving market conditions in FY24
- Focus on protecting the business through staff investment in a difficult year led to a slightly elevated compensation ratio in FY23
- Headcount gradually reduced over FY23 due to natural attrition. Currently 47 executives in Corporate Advisory

- Improving momentum for start to FY24 with new mandates added to already strong pipeline
- Operating environment still creates risk around deal timing and execution
- Will continue to evaluate incremental investment in teams and new hires that build the platform and broaden growth potential. Investment made in senior natural resources expertise in 2H23

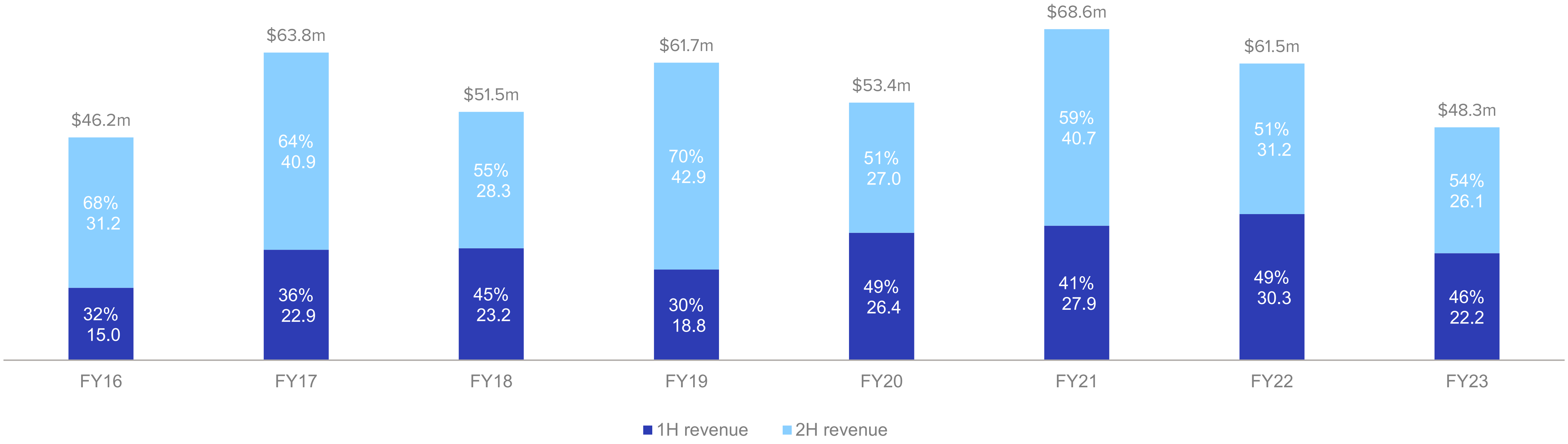
# Revenue seasonality

Corporate Advisory revenue typically weighted to second half



- Corporate Advisory & Equities revenue is typically seasonal with, on average, second half weighting of approximately 60%
- Seasonality was below the historical average in FY23 as uncertain market conditions made deal execution difficult as the year progressed.

## Historical Corporate Advisory & Equities Revenue ($m)

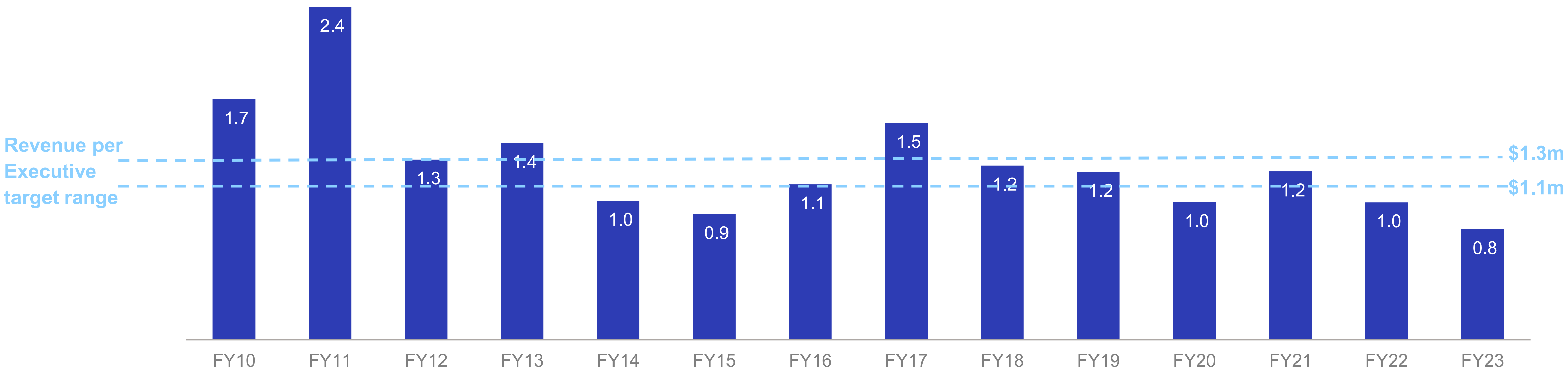


# Corporate Advisory – relatively consistent across cycles

Corporate Advisory has a consistent overall revenue productivity performance

- Our target productivity range of $1.1m – $1.3m per executive is supported by over a decade of operation. Market uncertainty, and particularly a lack of ECM revenue, made this range difficult to achieve in FY22 and FY23.

## Corporate Advisory Revenue per Broker ($M)




| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue ($m)** | 10.3 | 42.8 | 29.6 | 35.1 | 27.8 | 28.7 | 36.6 | 54.2 | 42.3 | 52.8 | 44.2 | 61.3 | 56.9 | 42.9 |
| **Executives (avg.)** | 6 | 18 | 23 | 25 | 28 | 32 | 33 | 35 | 34 | 46 | 45 | 51 | 58 | 53 |

# FY23 Financials

MA



06

# Group Underlying Profit and Loss[1]

MA

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| Summary Underlying Profit & Loss Statement ($M) | FY23 | FY22 | FY23 v FY22 |
|---|---|---|---|
| Asset Management | 176.1 | 197.8 | (11%) |
| Lending & Technology | 44.7 | 41.1 | 9% |
| Corporate Advisory & Equities | 48.3 | 61.5 | (21%) |
| Corporate | 0.8 | 1.4 | (43%) |
| **Total Underlying Revenue** | **269.9** | **301.8** | **(11%)** |
| **Expenses** | | | |
| Compensation | 153.7 | 156.0 | (1%) |
| Marketing and business development | 8.8 | 8.0 | 10% |
| Communications, IT & Market Data | 10.0 | 9.2 | 9% |
| Legal, compliance and other professional fees | 6.6 | 11.8 | (44%) |
| Other costs | 9.2 | 10.1 | (9%) |
| **Total expenses** | **188.3** | **195.1** | **(3%)** |
| | | | |
| **Underlying EBITDA** | **81.6** | **106.7** | **(24%)** |
| Depreciation & Amortisation | 13.0 | 11.1 | 17% |
| Net Interest Expense | 9.2 | 7.9 | 16% |
| **Underlying PBT** | **59.4** | **87.7** | **(32%)** |
| Tax expense (30%) | 17.8 | 26.3 | (32%) |
| **Underlying NPAT** | **41.6** | **61.4** | **(32%)** |
| EPS (cents / shares) | 26.0¢ | 38.3¢ | (32%) |
| | | | |
| Underlying EBITDA margin | 30.2% | 35.4% | |
| Compensation ratio[2] | 55.5% | 49.9% | |

Strong growth in recurring revenue, offset by cycling of strong performance fees in FY22

Corporate Advisory & Equities revenue impacted by weaker market conditions

Full year impact of new acquisitions and higher FTE, offset by lower revenue related compensation

New MA brand launched in FY23 as well as travel returning to pre-COVID levels

Cost management and the impact one-off costs in FY22

Increase in right of use amortisation and lease interest expense reflects impact of expanded premises to accommodate growth of the business

1. Refer to pages 50–52 for a reconciliation of Statutory to Underlying Results
2. Compensation expense used in the ratio calculation has been adjusted to remove one-off charges

# Group Operating Balance Sheet[1]

MA

| Operating Balance Sheet ($M) | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Cash and cash equivalents | 43.1 | 98.8 |
| Loans receivable | 6.2 | 9.0 |
| Investments | 203.6 | 210.5 |
| Net trail book asset | 44.1 | 35.9 |
| Goodwill and other intangibles | 195.9 | 185.0 |
| Right-of-use asset | 66.0 | 61.8 |
| Other assets | 105.1 | 73.6 |
| **Total Assets** | **664.0** | **674.6** |
| | | |
| Borrowings | 95.0 | 95.0 |
| Lease liabilities | 71.5 | 65.0 |
| Other liabilities | 100.0 | 105.0 |
| **Total Liabilities** | **266.5** | **265.0** |
| | | |
| **Net Assets** | **397.5** | **409.6** |
| | | |
| Net Tangible Assets | 219.5 | 240.1 |
| **Net Tangible Assets per share** | **1.37** | **1.50** |

Reduced from US Private Credit platform acquisition, MA Money warehouse funding and share buy back

Refer to following slide for detail

Increase reflects goodwill acquired in the Blue Elephant acquisition

Comprises fee and indirect tax receivables

Includes payables, provisions and net deferred tax liability

Reduced due to Blue Elephant acquisition

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## Highlights

- Strong balance sheet has facilitated strong growth in Private Credit funds, acquisition of Blue Elephant Capital Management and build out of the MA Money platform
- Expanded undrawn $80m revolving corporate debt facility enhances balance sheet flexibility
- Recycled in excess of $100m of prior investments during the year and re-invested a similar amount to support new and existing fund growth and strategic initiatives
- Successfully established a capital efficient model to grow credit and lending activity

1. Refer to page 53-55 for a reconciliation of the Operating to Statutory Balance Sheet.

# Group Investments

Ability to recycle capital and maintain a dynamic investment portfolio underpins balance sheet strength



| Summary of Investments ($M) | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Lending (MA Money & Specialty Invested Capital) | 17.1 | 8.2 |
| Co-investments | 51.4 | 66.7 |
| Private Credit funds | 87.6 | 84.1 |
| Redcape Hotel Group (RDC) | 49.3 | 57.1 |
| Other equity investments | 4.4 | 3.4 |
| **Total** | **209.8** | **219.5** |

## Highlights

- Lending investments increase reflects growth of MA Money
- Redcape change driven by a net increase in ownership, offset by statutory movements and distributions received
- Redcape investment valued at $76m based on 31 December 2023 unit price of $1.4951

# What we do

MA



07

# Our core capabilities position us well for medium term growth

MA

Focus on building sustainable earnings growth



**01.**

Builder of valuable businesses in large addressable markets

**02.**

Scalable business powered by unique distribution

**03.**

Diversified capital sources and client investor base

**04.**

Strong balance sheet to support growth initiatives

**05.**

Specialised advisory capabilities aligned to a leading independent global platform

**06.**

Experienced management strongly aligned with shareholders

# MA in the community

- Established in 2018, the MA Foundation has three long-term community partners: GO Foundation, BackTrack, and the Mirabel Foundation.
- It also supports charities and community causes that hold significant importance to our staff. To date**, the Foundation has donated over $8.1 million to more than 35 charities**.
- MA Financial is the principal partner of the Sydney Contemporary Art Fair and the MA Art Prize, granted annually to an emerging artist whose work shows potential.
- We're proud of the role we play in providing this platform for emerging and established artists



MA Art Prize Winner 2023 | Corban Clause Williams.

# Appendices

MA

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08

# Appendix – Financials

# FY23 Financials - Statutory to Underlying Profit Reconciliation

MA

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| | Note | Revenue[1] | EBITDA | NPAT | CI[1] |
|---|---|---|---|---|---|
| **FY23 Statutory Results ($m)** | | **392.8** | **174.2** | **31.1** | **21.6** |
| **Differences in measurement** | | | | | |
| Business acquisition adjustments | (a) | - | 5.5 | 11.0 | 11.0 |
| Net losses on investment | (b) | - | - | - | 2.4 |
| Adjustments relating to associates | (c) | 4.0 | 4.0 | 4.0 | 12.8 |
| Software development adjustments | (d) | - | 4.1 | 3.5 | 3.5 |
| **Differences in classification** | | | | | |
| Adjustments relating to Lending Trusts[2] | (e) | (107.8) | (103.6) | (2.6) | (2.6) |
| Credit investments | (f) | (0.8) | - | - | - |
| Interest Income | (g) | (2.6) | (2.6) | - | - |
| Expense reallocations | (h) | (15.7) | - | - | - |
| *Tax on adjustments* | | - | - | (5.4) | (7.1) |
| Total adjustments | | (122.9) | (92.6) | 10.5 | 20.0 |
| **FY23 Underlying results** | | **269.9** | **81.6** | **41.6** | **41.6** |

**Refer to page 51 for detailed notes to the Underlying Profit Reconciliation**

1. Revenue refers to Total Income and CI refers to Total Comprehensive Income in the Consolidated statement of profit or loss and other comprehensive income
2. Lending Trusts refers to residential mortgage-backed securitisation trusts, specialty lending trusts and credit funds in the Priority Income Fund strategies that the Group manages and consolidates

# FY22 Financials - Statutory to Underlying Profit Reconciliation

MA

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| | Note | Revenue[1] | EBITDA | NPAT | CI[1] |
|---|---|---|---|---|---|
| **FY22 Statutory Results ($m)** | | **335.0** | **118.9** | **44.9** | **45.8** |
| **Differences in measurement** | | | | | |
| Business acquisition adjustments | (a) | - | 3.7 | 9.8 | 9.8 |
| Net losses on investment | (b) | (0.2) | (0.2) | (0.2) | 2.6 |
| Adjustments relating to associates | (c) | 14.8 | 14.8 | 14.8 | 12.6 |
| Software development adjustments | (d) | - | 3.2 | 3.2 | 3.2 |
| Credit investments | (f) | (2.2) | (0.4) | (0.4) | (0.4) |
| **Differences in classification** | | | | | |
| Adjustments relating to Lending Trusts[2] | (e) | (33.5) | (32.1) | - | - |
| Interest Income | (g) | (1.2) | (1.2) | - | - |
| Expense reallocations | (h) | (10.9) | - | - | - |
| *Tax on adjustments* | | - | - | (10.7) | (12.2) |
| Total adjustments | | (33.2) | (12.2) | 16.5 | 15.6 |
| **FY22 Underlying results** | | **301.8** | **106.7** | **61.4** | **61.4** |

**Refer to page 51 for detailed notes to the Underlying Profit Reconciliation**

1. Revenue refers to Total Income and CI refers to Total Comprehensive Income in the Consolidated statement of profit or loss and other comprehensive income
2. Lending Trusts refers to residential mortgage-backed securitisation trusts, specialty lending trusts and credit funds in the Priority Income Fund strategies that the Group manages and consolidates

# Notes to Statutory to Underlying Profit Reconciliation

MA



## Differences in Measurement

a) The Underlying treatment removes one-off transaction costs related to the acquisition of subsidiaries. In addition, the Underlying treatment removes earn-out cash and share-based payments to vendors, who are now employees of the Group, that are required to be recognised under IFRS as either salary and wages or share-based payment expenses. During the year $5.5m of expenses (31 December 2022: $3.7 million) related to business acquisitions has been removed from Underlying EBITDA. Underlying NPAT also excludes the non-cash IFRS expenditure relating to the amortisation of intangible assets, recognised in a business combination, of $5.4 million (31 December 2022: $6.1 million).

b) The Underlying treatment only recognises realised gains/losses on disposal of financial investments in Underlying Revenue. The Underlying treatment does not include unrealised gains and losses on financial investments, in line with the change in approach announced during 2022. During the year, unrealised gains on financial investments of $0.5 million have been excluded from the Underlying result (31 December 2022: $2.9 million loss). The adjustment also removes the foreign currency translation loss for the Group's offshore entities of $2.9 million (31 December 2022: $0.2 million gain).

c) The Underlying treatment records dividends and distributions receivable from associates in Underlying Revenue as opposed to the IFRS treatment of recording the Group's share of accounting profit or loss of an associate. Underlying Revenue also recognises the realised gains/losses on any disposal of an investment in associate.

d) The Underlying treatment capitalises and amortises certain operational platform and software development costs that are required to be expensed per accounting standards.

## Differences in Classification

e) The Underlying treatment records the net distributions received from the Lending Trusts in Underlying Revenue. As such interest and other expenses are reclassified to interest income to reflect this net position.

f) The Underlying ECL expenses are reclassified from Statutory expense to Underlying revenue to be consistent with how management view the movement in the value of investments. The Underlying treatment records the net distributions received from the Lending Trusts in Underlying Revenue. As such interest and other expenses are reclassified to interest income to reflect this net position.

g) Interest income on cash and bank balances of $2.6 million (31 December 2022: $1.2 million) is reclassified to Underlying interest expense.

h) The Underlying adjustment reclassifies revenue against those expenses that have been recovered to reflect the net nil impact to the Group.

# FY23 Balance Sheet – Operating to Statutory Reconciliation

MA



| Summary Consolidated Balance Sheet ($M) | 31 Dec 2023 Operating | 31 Dec 2023 Lending Trusts[1] | 31 Dec 2023 Reclassifications | 31 Dec 2023 Statutory |
|---|---|---|---|---|
| Cash and cash equivalents | 43.1 | 137.2 | - | 180.3 |
| Loans receivable | 6.2 | 2,073.5 | - | 2,079.7 |
| Investments | 203.6 | (107.5) | 141.6 | 237.7 |
| Trail book contract asset | 44.1 | - | 661.2 | 705.3 |
| Goodwill and other intangibles | 195.9 | - | - | 195.9 |
| Right-of-use asset | 66.0 | - | - | 66.0 |
| Other assets | 105.1 | (3.1) | 6.2 | 108.2 |
| **Total Assets** | **664.0** | **2,100.1** | **809.0** | **3,573.1** |
| | | | | |
| Borrowings | 95.0 | 891.9 | 39.1 | 1,026.0 |
| Fund Preferred Units | - | 1,127.5 | - | 1,127.5 |
| Trail book contract liability | - | - | 661.2 | 661.2 |
| Lease liability | 71.5 | - | - | 71.5 |
| Other liabilities | 100.0 | 80.7 | 108.7 | 289.4 |
| **Total Liabilities** | **266.5** | **2,100.1** | **809.0** | **3,175.6** |
| | | | | |
| **Net Assets** | **397.5** | **-** | **-** | **397.5** |

**Refer to page 54 for detailed notes to the Operating Balance Sheet Reconciliation**

1. Lending Trusts refers to residential mortgage-backed securitisation trusts, specialty lending trusts and credit funds in the Priority Income Fund strategies that the Group manages and consolidates

# FY22 Balance Sheet – Operating to Statutory Reconciliation

MA

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| Summary Consolidated Balance Sheet ($M) | 31 Dec 2022 Operating | 31 Dec 2022 Lending Trusts[1] | 31 Dec 2022 Reclassifications | 31 Dec 2022 Statutory |
|---|---|---|---|---|
| Cash and cash equivalents | 98.8 | 45.8 | - | 144.6 |
| Loans receivable | 9.0 | 846.5 | - | 855.5 |
| Investments | 210.6 | (39.1) | 116.4 | 287.9 |
| Trail book contract asset | 35.8 | - | 571.4 | 607.2 |
| Goodwill and other intangibles | 185.0 | - | - | 185.0 |
| Right-of-use asset | 61.8 | - | - | 61.8 |
| Other assets | 73.6 | (3.7) | 34.3 | 104.2 |
| **Total Assets** | **674.6** | **849.5** | **722.1** | **2,246.2** |
| | | | | |
| Borrowings | 95.0 | 276.5 | - | 371.5 |
| Fund Preferred Units | - | 568.6 | - | 568.6 |
| Trail book contract liability | - | - | 571.4 | 571.4 |
| Lease liability | 65.0 | - | - | 65.0 |
| Other liabilities | 105.0 | 4.4 | 150.7 | 260.1 |
| **Total Liabilities** | **265.0** | **849.5** | **722.1** | **1836.6** |
| | | | | |
| **Net Assets** | **409.6** | **-** | **-** | **409.6** |

**Refer to page 54 for detailed notes to the Operating Balance Sheet Reconciliation**

1. Lending Trusts refers to residential mortgage-backed securitisation trusts, specialty lending trusts and credit funds in the Priority Income Fund strategies that the Group manages and consolidates

# Notes to Operating Balance Sheet Reconciliation



### Lending Trust Adjustments

- The Group utilises non-recourse funding vehicles (Lending Trusts) typically in the form of securitisation trusts and bank warehouses for spread income generation in its Lending business and Credit Funds Income in its Asset Management business.
- The Lending Trusts are funded by a combination of equity provided by the Group (Invested Capital and PIF B units) and third-party funding in the form of bank debt or Fund Preferred Units (FPU).
- The proceeds of the funding are invested into asset backed securities such as receivables and residential mortgages.
- The Operating adjustment removes the gross assets and third-party funding of the Lending Trusts to reflect only the carrying value of the Group's Invested Capital and PIF B units.
- The Invested Capital and PIF B units represent the Group's economic exposure to the Lending Trusts and the capital invested against which return metrics are measured by management.

### Reclassifications

- The reclassification adjustments seek to present the balance sheet on a net basis rather than a gross basis to align with management's view.
- Key adjustments relate to the presentation of:
  - Finsure's trail commission contract asset and contract liability on a net basis as opposed to the gross statutory basis; and
  - the net investment and economic exposure of seed investments in certain funds which are otherwise required to be consolidated on a statutory basis.

# Group Underlying Profit & Loss – Divisional Summary



| Underlying Profit & Loss ($M) | FY23 | FY22 |
|---|---|---|
| **Revenue** | | |
| Asset Management | 176.1 | 197.8 |
| Lending & Technology | 44.7 | 41.1 |
| Corporate Advisory and Equities | 48.3 | 61.5 |
| Corporate | 0.8 | 1.4 |
| **Total Revenue** | **269.9** | **301.8** |
| **Expenses** | | |
| Asset Management | 93.9 | 94.3 |
| Lending & Technology | 30.6 | 25.5 |
| Corporate Advisory and Equities | 41.4 | 47.6 |
| Corporate | 22.4 | 27.7 |
| **Total Expenses** | **188.3** | **195.1** |
| **Underlying EBITDA** | | |
| Asset Management | 82.2 | 103.5 |
| Lending & Technology | 14.1 | 15.6 |
| Corporate Advisory and Equities | 6.9 | 13.9 |
| Corporate | (21.6) | (26.3) |
| **Total Underlying EBITDA** | **81.6** | **106.7** |

# Borrowings - Operating

MA

| Borrowings ($M) | | Maturity date | Coupon | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|---|---|
| MA Bond IV | Unsecured note | Sep 2024 | 5.85% | 40.0 | 40.0 |
| MA Bond VI | Unsecured note | Sep 2027 | 5.75% | 25.0 | 25.0 |
| MACI Bond | Unsecured note – limited recourse | May 2024 | 4.35% + RBA cash rate | 30.0 | 30.0 |
| **Total Drawn** | | | | **95.0** | **95.0** |
| Corporate Facility | $80m undrawn at 31 December 2023 | | 2.35% + 3mth BBSY | 80.0 | 40.0 |

## Highlights

- Corporate facility extended to $80 million currently undrawn, providing increased flexibility for strategic and growth initiatives
- Ord Minnett has been mandated to arrange a series of debt investor meetings. Subject to market conditions, an AUD denominated debt transaction is likely to follow
- Unsecured notes are guaranteed by the Company and are covenant-lite, requiring only payment of interest and return of principal
- Limited recourse notes have been issued for International Migration program investors. The notes are unsecured, have recourse to the assets of the issuing special purpose entity only and are not guaranteed by the Company

# Shares on issue

MA

| Summary of Shares on Issue | 31 Dec 23 | 31 Dec 22 |
|---|---|---|
| Total shares on issue | 178,331,811 | 175,073,933 |
| Less: Treasury shares | 18,437,383 | 15,346,005 |
| **Net shares on issue** | **159,894,428** | **159,727,928** |
| | | |
| Weighted average number of shares on issue | 177,658,634 | 174,769,686 |
| Less: Weighted average number of treasury shares | 17,478,799 | 14,356,595 |
| **Weighted average number of net shares - used in Underlying E** | **160,179,835** | **160,413,091** |

### Highlights

- On 31 October 2023, the Group announced an on-market share buy-back of up to $5.1 million. The program started on 4 November 2022 and ended 3 November 2023. During the year, the Company purchased 236,000 shares at an average price of $4.35 per share. Shares acquired under the buy-back were subsequently cancelled resulting in a reduction of the paid-up share capital of the Company.
- Treasury shares represent unvested shares the Group holds on behalf of the Staff Share Plan
- Treasury shares reduce as vesting and/or performance conditions are met and the shares are transferred to the relevant staff members

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# Appendix – Assets under Management

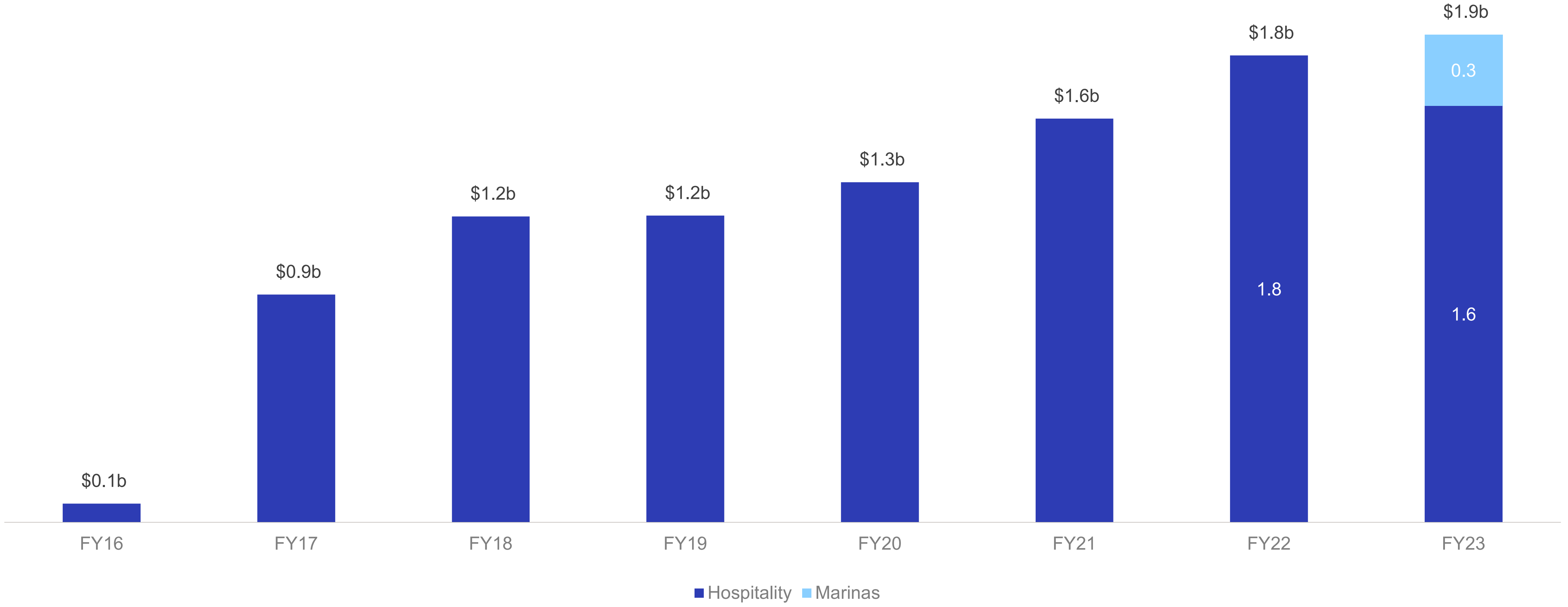
# Core Real Estate AUM

Real Estate AUM of $2.3 billion following successful asset realisations



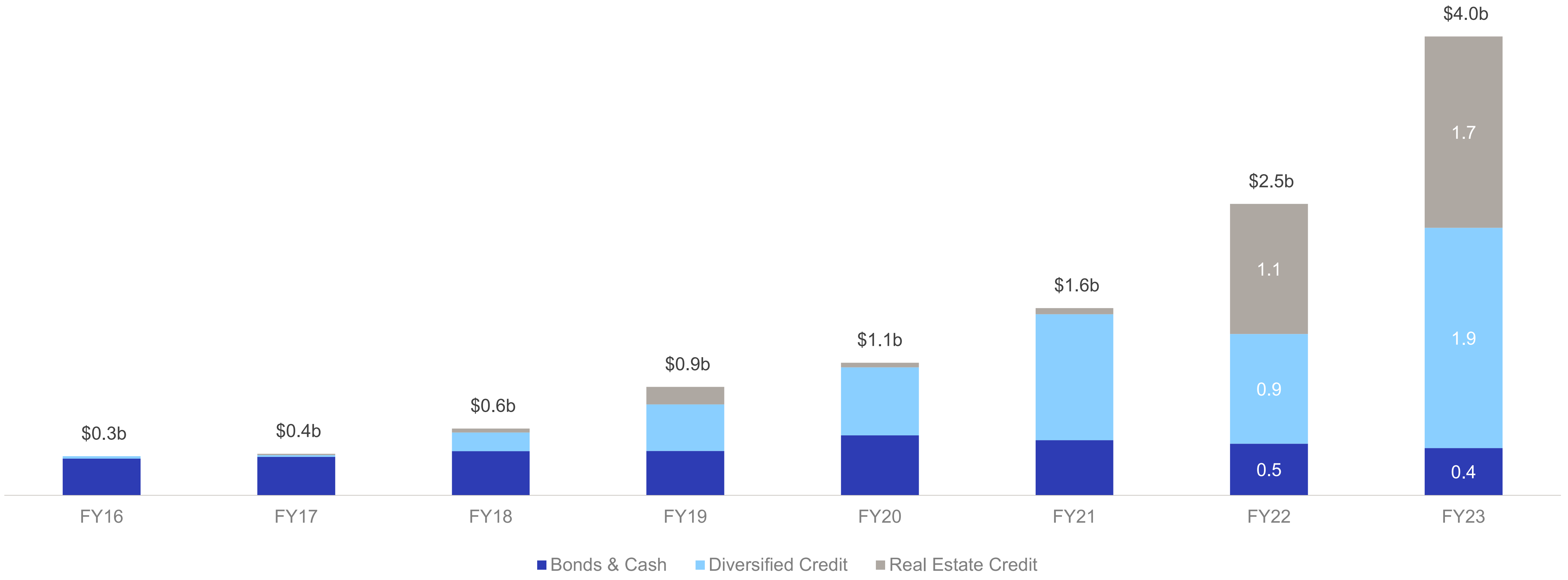
# Alternative Real Estate AUM

Launched MA Marina Fund as a new scalable alternative real estate strategy



# Credit AUM

Credit AUM continues to grow strongly driven by growth in Real Estate Credit funds and Asset Backed Lending (including Priority Income Funds)

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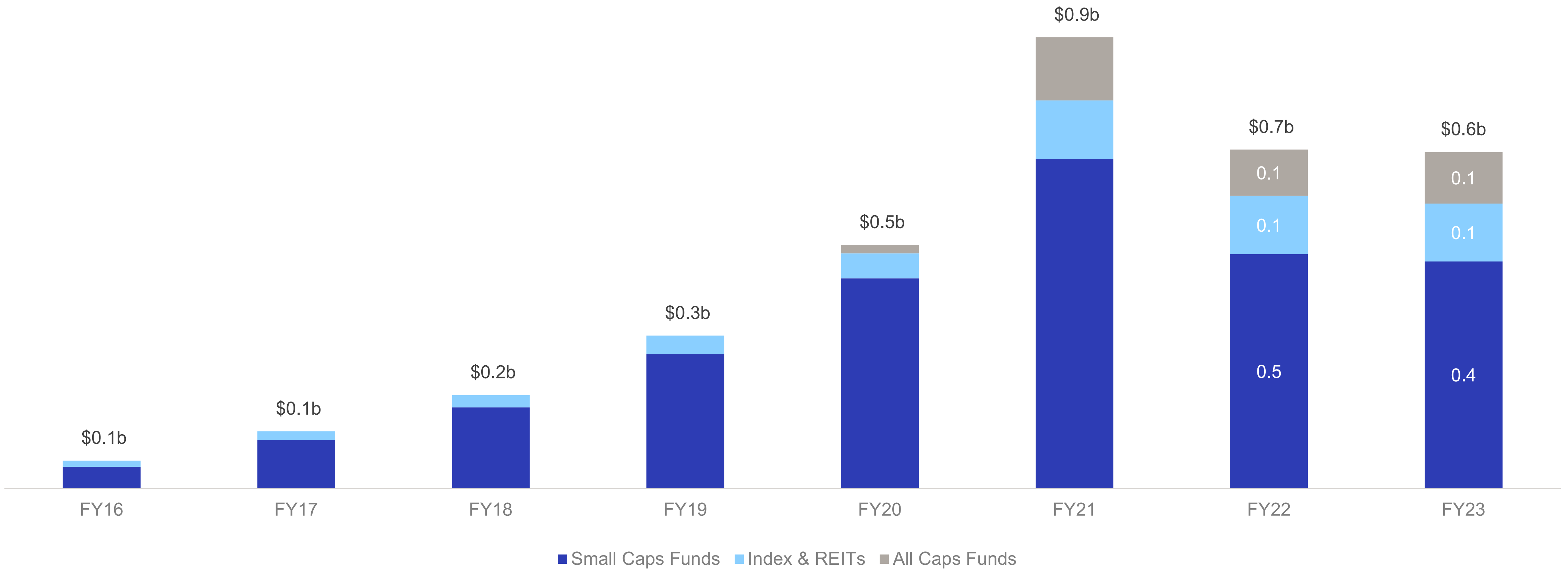
# Listed Equities AUM

Equities AUM impacted by market performance cycle





# PE/VC AUM

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Growth credit strategy established with MA Sustainable Future Fund

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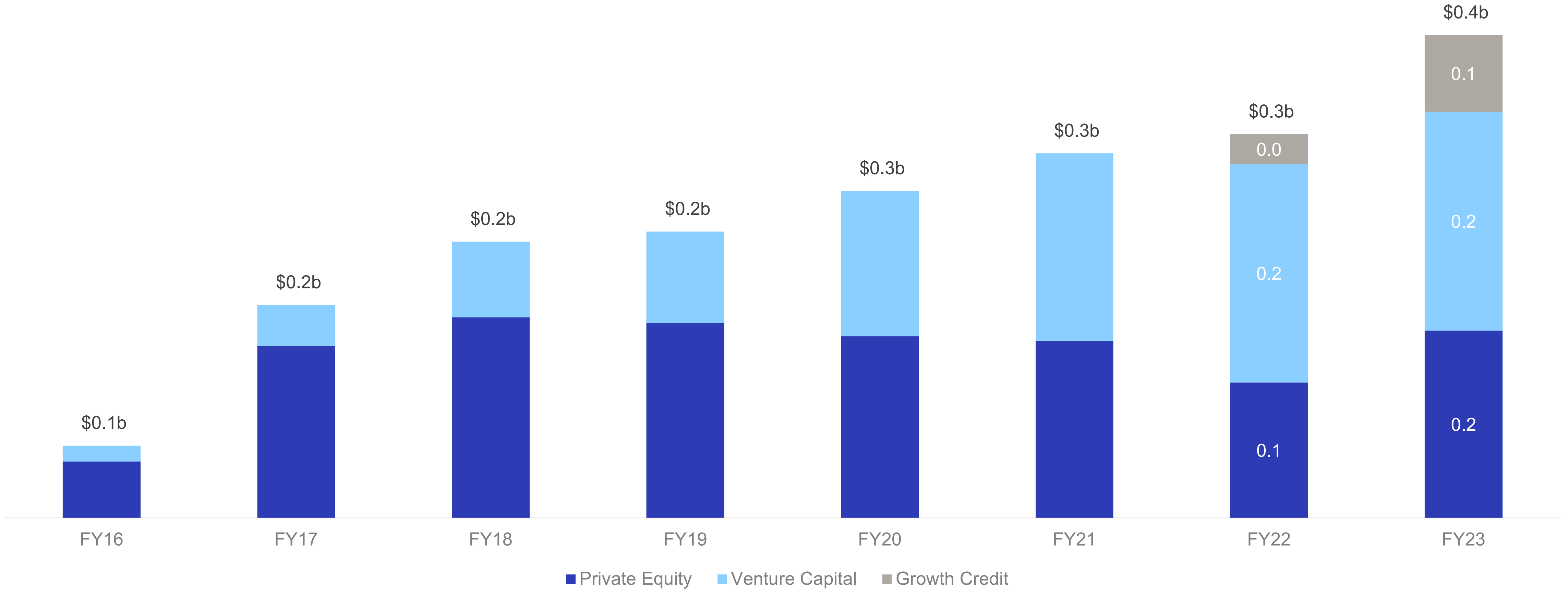

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This presentation provides further detail in relation to key elements of MA Financial's financial performance and financial position.

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