ASX Announcement _____ 23 November 2023

Chairman's Address to 2023 Annual General Meeting

Welcome everyone to today's Annual General Meeting for Generation Development Group. My name is Rob Coombe and I am privileged to Chair the Board of your Company and this meeting.

I would like to begin by acknowledging the traditional owners of the land on which we meet today, the Wurundjeri people of the Kulin Nation and pay my respects to the elders past and present.

Joining me today, are fellow Board members Bill Bessemer and Giselle Collins. In addition, we have in attendance our audit partner Dean Waters from KPMG.

Also present are senior members of our management team namely the CEO of Generation Life, Grant Hackett, our CFO, Terence Wong and our Company Secretary, Amanda Gawne.

In a moment, I will ask Grant to provide you with an overview of the Company's performance over the past 12 months, covering key highlights. However before doing so, I would note that financial year 2023 was another outstanding year for Generation Development Group with underlying profit after tax increasing by 35% to \$7.2m. We achieved our second highest year of gross investment bond sales of \$515m and increased our funds under management (FUM) by 22% to end the year at \$2.6 billion.

LifeIncome, our investment-linked, lifetime annuity product, finished the year with \$15m in sales. We continue to educate financial advisers on the strengths of this product and recently released five new product features and six additional investment options that better cater for a higher interest rate environment. We remain very optimistic about the long-term attractiveness of this offering given demographic shifts in Australia. We believe this will be a pivotal product that will become even more attractive as the government continues to incentivise these type of products to supplement pension income.

Through the year, we increased our interest in Lonsec from 41% to 49% by virtue of a selective share buyback. Lonsec is a significant provider of Self Managed Accounts (SMA) and are going through significant growth given the ability for an SMA to improve compliance and save advisers' time. Consequently, FUM has increased by 143%, or \$5.2bn to \$8.8bn in the last year, and we have seen Lonsec's underlying EBITDA increase by 57% from \$11m to \$17m in the last 12 months.

While high interest rates and industry tailwinds may result in more economic uncertainty in Australia in the immediate term, we are very optimistic about the longer-term outlook for our business with the government seeking to limit the amount that is going into superannuation because of the affordability of tax concessions on superannuation. Proposed legislative changes include increasing the concessional tax rate on earnings on superannuation balances over \$3m with the additional taxes to be applied to any unrealised gains. It is also important to note the federal government does not plan to index the \$3m tax threshold, which means significantly more Australians will be subject to this new legislation over time. This bodes very well for investment bond sales in the next two years as investors look for tax effective alternative investment structures to superannuation.



Lonsec is now well advanced in surpassing its aspirational targets in the final year of their 3-year accelerated growth plan with no signs of investor demand for SMA products abating. Further, we continue to see increasing coverage opportunities in the Research business.

Before handing over to Grant, I would like to acknowledge the services of my fellow directors Bill Bessemer and Giselle Collins who have supported our successes during the year and provided guidance on the path forward in the current uncertain times. I would also like to applaud the Generation Development Group team on a job well done in 2023.

In signing off, as always, I would like to thank our shareholders for their continuing support. 2023 was a strong year for Generation Development Group and we are glad to see that momentum continue into 2024.

I'll now hand over to Grant for his overview of the Company's performance in 2023.

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