FOCUS
FINANCIAL PARTNERS

Fact Sheet

VISION *for*
VISIONARIES.

FOCUS FINANCIAL PARTNERS

Focus Financial Partners Inc.

March 2023

Focus at a Glance

Compelling Investment Thesis

- Global partnership of independent wealth managers
- Substantial, high growth market opportunity
- Pure play acquiror with industry-leading scale
- Unique value proposition and deep intellectual expertise
- Tax-efficient financial model with strong fundamentals

Profile of the Partnership

90 Partner Firms[(1)]

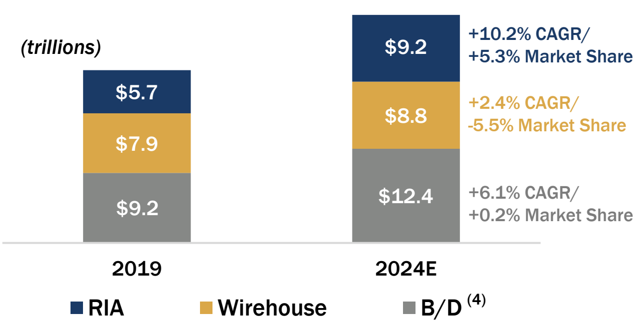
5 Countries • **300+** Offices[(2)]

~5,900 Partners & Employees[(2)]

Addressable Market[(3)]

~$6 trillion *(client assets)*

Managed by registered investment advisors in the U.S.



Multi-Trillion Opportunity

In countries that Focus has a presence in internationally[(3)]

(1) As of May 1, 2023.
(2) As of March 31, 2023.
(3) Sources: Cerulli US Advisor Metrics 2020; Envestnet Industry Trends (March 2021).
(4) Sources: Advocis -- The Financial Advisors Association of Canada; Canadian Investment Funds Industry: Recent Developments and Outlook (2019). Includes private wealth, full-service brokerage and financial advisor assets; IBIS World Report on UK Financial Advice, July 2020; PIMFA, January 2021; 2019 Australian Financial Advice Landscape.
(5) Broker Dealers include National and regional B/D, IBD, Insurance B/D and Retail bank B/D.

Differentiated Value Proposition

INDEPENDENCE & ENTREPRENEURSHIP

- "Never turn an entrepreneur into an employee"
- Maintain entrepreneurial spirit, independence and unique culture of partner firms

PERMANENT CAPITAL

- Unique provider of permanent capital to grow wealth management firms

VALUE-ADDED SERVICES & EXPERTISE

- Empower firms to accelerate growth and operate using best practices
- Services and capabilities that leverage Focus' scale advantages and institutional knowledge, without compromising partner firm autonomy or culture

BUSINESS SOLUTIONS

- Strategy
- Operations & Technology
- Talent Management & Leadership
- Mergers & Acquisitions
- Finance, Legal & Regulatory
- Best Practices & Knowledge Sharing

CLIENT SOLUTIONS

- Cash Solutions
- Credit Solutions
- Portfolio Analytics
- Insurance Solutions
- Family Office Services
- Valuation Services
- Trust Services

Deep M&A Expertise | 3 Acquisition Models

Focus Partner Firms	Acquire wealth management firms led by entrepreneurs who continue to operate their business autonomously while having access to Focus' growth capital and value-added services.
Partner Firm Mergers	Help Focus partner firms further accelerate their growth through acquisitions of wealth management practices and client relationships.
Connectus	Focus partner firm that acquires wealth management practices whose founders want to continue managing their client relationships autonomously while gaining the operational efficiencies of a shared services platform.

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For more information, please contact

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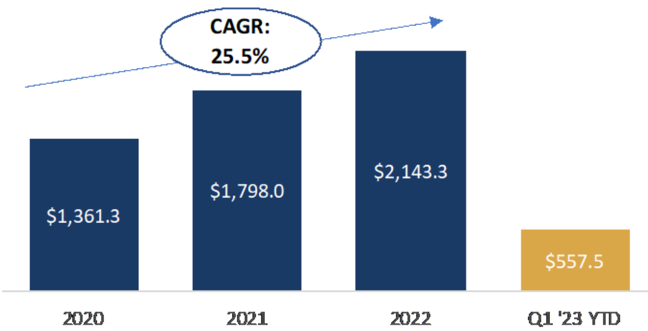
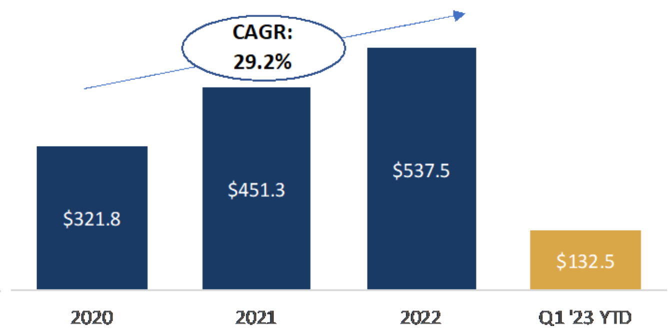
FOCUS FINANCIAL PARTNERS

By the Numbers

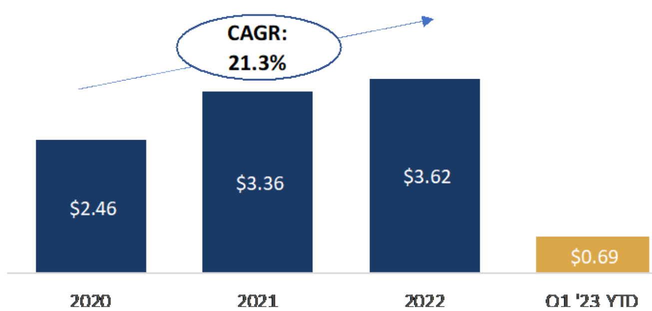
Revenues
($ in millions)



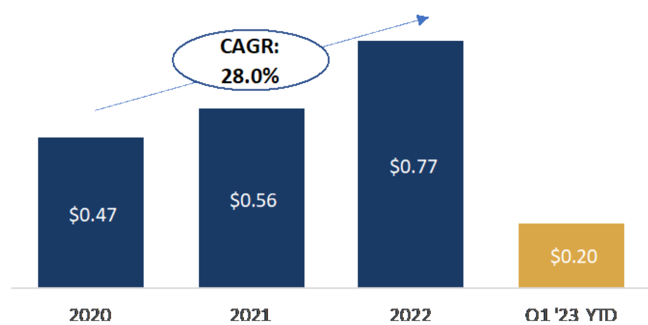
Adjusted EBITDA[1]
($ in millions)



Adjusted Net Income Excluding Tax Adjustments Per Share [1]



Tax Adjustments Per Share [1,2]



Financial Model Has Multiple Elements Which Contribute to its Strength and Resiliency

- 95+%[3] of Revenues Fee-Based & Recurring; No Interest Income Dependency
- ~25%[3] of Revenues Not Correlated to the Financial Markets
- Preference Creates Downside Earnings Protection
- Highly Variable Cost Structure and Cap-Ex Lite
- High Cash Flow Available for Capital Allocation[1] of ~$304M LTM
- Tax-efficient acquisition structure - $2.9+ billion gross unamortized tax shield [4]

(1) Non-GAAP financial measure. See Appendix for reconciliations.
(2) Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where the Company received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to the Company's acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is identified to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis.
(3) For the three months ended March 31, 2023.
(4) As of March 31, 2023.

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Appendix

Net Income (Loss) to Adjusted EBITDA Reconciliation

($ in thousands)	2020	2021	2022	Three months ended Mar. 31, 2022	Three months ended Mar. 31, 2023
Net income (loss)	$ 48,965	$ 24,440	$ 125,278	$ 39,082	$ (6,977)
Interest income	(453)	(422)	(791)	(3)	(464)
Interest expense	41,658	55,001	99,887	17,616	43,929
Income tax expense (benefit)	20,660	20,082	53,077	15,617	(18,703)
Amortization of debt financing costs	2,909	3,958	3,999	1,101	1,105
Intangible amortization	147,783	187,848	261,842	60,276	71,786
Depreciation and other amortization	12,451	14,625	15,281	3,633	3,967
Non-cash equity compensation expense	22,285	31,602	30,453	6,707	7,911
Non-cash changes in fair value of estimated contingent consideration	19,197	112,416	(64,747)	(8,985)	16,488
Loss on extinguishment of borrowings	6,094	—	1,807	—	—
Other expense - net	214	337	11,370	36	2,725
Secondary offering expenses (1)	—	1,409	—	—	—
Merger-related expenses (2)	—	—	—	—	10,751
Adjusted EBITDA	$ 321,763	$ 451,296	$ 537,456	$ 135,080	$ 132,518

(1) Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.
(2) Represents costs incurred in conjunction with the Merger Agreement entered into on February 27, 2023. Refer to our SEC filings for additional information.

For more information, please contact

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March 2023

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Appendix

Reconciliation of Cash Flow Available for Capital Allocation

($ in thousands)	Three months ended Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021 (4)	June 30, 2021	Sept. 30, 2021
Net cash provided by operating activities	$ 74,089	$ 72,894	$ 34,128	$ 117,832	$ 85,888
Purchase of fixed assets	(6,744)	(6,658)	(2,835)	(1,483)	(2,242)
Distributions for unitholders	(8,122)	(6,692)	(9,055)	(10,053)	(7,283)
Payments under tax receivable agreements	—	—	(4,112)	(311)	—
Adjusted Free Cash Flow	$ 59,223	$ 59,544	$ 18,126	$ 105,985	$ 76,363
Portion of contingent consideration paid included in operating activities (1)	3,806	2,394	5,276	11,605	20,415
Portion of deferred acquisition consideration paid included in operating activities (2)	—	—	—	—	—
Cash Flow Available for Capital Allocation (3)	$ 63,029	$ 61,938	$ 23,402	$ 117,590	$ 96,778

($ in thousands)	Three months ended Dec. 31, 2021	Mar. 31, 2022 (4)	June 30, 2022	Sept 30, 2022	Dec 31, 2022	Mar. 31, 2023 (4)	Trailing 4-Quarters ended Mar. 31, 2022 (4)	Mar. 31, 2023 (4)
Net cash provided by operating activities	$ 76,070	$ (4,642)	$ 133,934	$ 101,024	$ 58,283	$ (3,228)	$ 275,148	$ 290,013
Purchase of fixed assets	(4,458)	(3,232)	(3,197)	(6,723)	(7,865)	(5,609)	(11,415)	(23,394)
Distributions for unitholders	(5,920)	(8,209)	(7,747)	(4,563)	(2,465)	(1,531)	(31,465)	(16,306)
Payments under tax receivable agreements	—	(3,856)	—	—	—	(9,598)	(4,167)	(9,598)
Adjusted Free Cash Flow	$ 65,692	$ (19,939)	$ 122,990	$ 89,738	$ 47,953	$ (19,966)	$ 228,101	$ 240,715
Portion of contingent consideration paid included in operating activities (1)	16,439	23,049	18,202	29,571	6,093	8,969	71,508	62,835
Portion of deferred cash consideration paid included in operating activities (2)	—	—	—	16	—	288	—	304
Cash Flow Available for Capital Allocation (3)	$ 82,131	$ 3,110	$ 141,192	$ 119,325	$ 54,046	$ (10,709)	$ 299,609	$ 303,854

(1) A portion of contingent consideration paid is classified as operating cash outflows in accordance with GAAP (with the balance reflected in investing or financing cash outflows) and therefore is a reconciling item to arrive at Cash Flow Available for Capital Allocation.
(2) A portion of deferred cash consideration paid is classified as operating cash outflows in accordance with GAAP (with the balance reflected in financing cash outflows) and therefore is a reconciling item to arrive at Cash Flow Available for Capital Allocation.
(3) Cash Flow Available for Capital Allocation excludes all contingent consideration and deferred cash consideration that was included in either operating, investing or financing activities of our consolidated statements of cash flows.
(4) Net cash provided by operating activities for the three months ended March 31, 2021, 2022 and 2023 include cash outflows related to due to affiliates (i.e. management fees). A portion of management fees were paid in Q1 post the issuance of the respective annual audit included in our Form 10-K.

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Appendix

Net Income to Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share Reconciliation

				Three months ended	
($ in thousands, except share and per share data)	2020	2021	2022	Mar. 31, 2022	Mar. 31, 2023
Net income (loss)	$ 48,965	$ 24,440	$ 125,278	$ 39,082	$ (6,977)
Income tax expense (benefit)	20,660	20,082	53,077	15,617	(18,703)
Amortization of debt financing costs	2,909	3,958	3,999	1,101	1,105
Intangible amortization	147,783	187,848	261,842	60,276	71,786
Non-cash equity compensation expense	22,285	31,602	30,453	6,707	7,911
Non-cash changes in fair value of estimated contingent consideration	19,197	112,416	(64,747)	(8,985)	16,488
Loss on extinguishment of borrowings	6,094	—	1,807	—	—
Secondary offering expenses (1)	—	1,409	—	—	—
Merger-related expenses (2)	—	—	—	—	10,751
Subtotal	267,893	381,755	411,709	113,798	82,361
Pro forma income tax expense (27%) (3)	(72,331)	(103,074)	(111,161)	(30,725)	(22,237)
Adjusted Net Income Excluding Tax Adjustments	$ 195,562	$ 278,681	$ 300,548	$ 83,073	$ 60,124
Tax Adjustments (3) (4)	$ 37,254	$ 46,805	$ 64,359	$ 14,813	$ 17,378
Adjusted Net Income Excluding Tax Adjustments Per Share	$ 2.46	$ 3.36	$ 3.62	$ 0.98	$ 0.69
Tax Adjustments Per Share (4)	$ 0.47	$ 0.56	$ 0.77	$ 0.18	$ 0.20
Adjusted Shares Outstanding	79,397,568	82,893,928	83,093,073	84,579,820	86,844,405
Calculation of Adjusted Shares Outstanding:					
Weighted average shares of Class A common stock outstanding—basic (5)	48,678,584	57,317,477	65,552,592	65,331,370	65,940,004
Adjustments:					
Weighted average incremental shares of Class A common stock related to stock options, unvested Class A common stock and restricted stock units (6)	118,029	513,674	257,623	436,093	443,542
Weighted average Focus LLC common units outstanding (7)	21,461,080	15,200,900	11,857,164	11,621,814	12,072,890
Weighted average Focus LLC restricted common units outstanding (8)	5,005	73,983	199,495	193,625	296,548
Weighted average common unit equivalent of Focus LLC incentive units outstanding (9)	9,134,870	9,787,894	5,226,199	6,996,918	8,091,421
Adjusted Shares Outstanding	79,397,568	82,893,928	83,093,073	84,579,820	86,844,405

(1) Relates to offering expenses associated with the March 2021 and June 2021 secondary offerings.
(2) Represents costs incurred in conjunction with the Merger Agreement entered into on February 27, 2023. Refer to our SEC filings for additional information.
(3) The pro forma income tax rate of 27% reflects the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%. The actual effective income tax rate is the percentage of income tax after taking into consideration various tax deductions, credits and limitations. Among other things, periods of increased interest expense and limits on our ability to deduct interest expense may, in current or future periods, contribute to an actual effective income tax rate that is less than or greater than the pro forma income tax rate of 27%.
(4) Tax Adjustments represent the tax benefits of intangible assets, including goodwill, associated with deductions allowed for tax amortization of intangible assets in the respective periods based on a pro forma 27% income tax rate. Such amounts were generated from acquisitions completed where we received a step-up in basis for tax purposes. Acquired intangible assets may be amortized for tax purposes, generally over a 15-year period. Due to our acquisitive nature, tax deductions allowed on acquired intangible assets provide additional significant supplemental economic benefit. The tax benefit from amortization is included to show the full economic benefit of deductions for acquired intangible assets with the step-up in tax basis. As of March 31, 2023, estimated Tax Adjustments from intangible asset related income tax benefits from closed acquisitions based on a pro forma 27% income tax rate for the next 12 months is $69.6 million.
(5) Represents our GAAP weighted average Class A common stock outstanding – basic.
(6) Represents the incremental shares related to stock options, unvested Class A common stock and restricted stock units as calculated under the treasury stock method.
(7) Assumes that 100% of the Focus LLC common units, including contingently issuable Focus LLC common units, if any, were exchanged for Class A common stock.
(8) Assumes that 100% of the Focus LLC restricted common units were exchanged for Class A common stock.
(9) Assumes that 100% of the vested and unvested Focus LLC incentive units were converted into Focus LLC common units based on the closing price of our Class A common stock at the end of the respective period and such Focus LLC common units were exchanged for Class A common stock.

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Disclaimer

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA is defined as net income (loss) excluding interest income, interest expense, income tax expense (benefit), amortization of debt financing costs, intangible amortization and impairments, if any, depreciation and other amortization, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings, other expense – net, Merger-related expenses, if any, and secondary offering expenses, if any. We believe that Adjusted EBITDA, viewed in addition to and not in lieu of, our reported GAAP results, provides additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following: (i) non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance, (ii) contingent consideration or earn outs can vary substantially from company to company and depending upon each company's growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance, and (iii) amortization expenses can vary substantially from company to company and from period to period depending upon each company's financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance. We use Adjusted EBITDA (i) as a measure of operating performance, (ii) for planning purposes, including the preparation of budgets and forecasts, (iii) to allocate resources to enhance the financial performance of our business, (iv) to evaluate the effectiveness of our business strategies, and (v) as a consideration in determining compensation for certain employees. Adjusted EBITDA does not purport to be an alternative to net income (loss) or cash flows from operating activities. The term Adjusted EBITDA is not defined under GAAP, and Adjusted EBITDA is not a measure of net income (loss), operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are: (i) Adjusted EBITDA does not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments, (ii) Adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and (iii) Adjusted EBITDA does not reflect the interest expense on our debt or the cash requirements necessary to service interest or principal payments. In addition, Adjusted EBITDA can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by relying also on the GAAP results and using Adjusted EBITDA as supplemental information.

We analyze our performance using Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share. Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are non-GAAP measures. We define Adjusted Net Income Excluding Tax Adjustments as net income (loss) excluding income tax expense (benefit), amortization of debt financing costs, intangible amortization and impairments, if any, non-cash equity compensation expense, non-cash changes in fair value of estimated contingent consideration, loss on extinguishment of borrowings, Merger-related expenses, if any, and secondary offering expenses, if any. The calculation of Adjusted Net Income Excluding Tax Adjustments also includes adjustments to reflect a pro forma 27% income tax rate reflecting the estimated U.S. federal, state, local and foreign income tax rates applicable to corporations in the jurisdictions we conduct business and is used for comparative purposes. The actual effective income tax rate, in current or future periods, may differ significantly from the pro forma income tax rate of 27%. The actual effective income tax rate is the percentage of income tax after taking into consideration various tax deductions, credits and limitations. Among other things, periods of increased interest expense and limits on our ability to deduct interest expense may, in current or future periods, contribute to an actual effective income tax rate that is less than or greater than the pro forma income tax rate of 27%.

We believe that Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share, viewed in addition to and not in lieu of, our reported GAAP results, provide additional useful information to investors regarding our performance and overall results of operations for various reasons, including the following: (i) non-cash equity grants made to employees or non-employees at a certain price and point in time do not necessarily reflect how our business is performing at any particular time; stock-based compensation expense is not a key measure of our operating performance, (ii) contingent consideration or earn outs can vary substantially from company to company and depending upon each company's growth metrics and accounting assumption methods; the non-cash changes in fair value of estimated contingent consideration is not considered a key measure in comparing our operating performance, and (iii) amortization expenses can vary substantially from company to company and from period to period depending upon each company's financing and accounting methods, the fair value and average expected life of acquired intangible assets and the method by which assets were acquired; the amortization of intangible assets obtained in acquisitions are not considered a key measure in comparing our operating performance.

Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not purport to be an alternative to net income (loss) or cash flows from operating activities. The terms Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not defined under GAAP, and Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share are not a measure of net income (loss), operating income or any other performance or liquidity measure derived in accordance with GAAP. Therefore, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are: (i) Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect all cash expenditures, future requirements for capital expenditures or contractual commitments, (ii) Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share do not reflect changes in, or cash requirements for, working capital needs, and (iii) Other companies in the financial services industry may calculate Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share differently than we do, limiting its usefulness as a comparative measure. In addition, Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share can differ significantly from company to company depending on strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. We compensate for these limitations by relying also on the GAAP results and use Adjusted Net Income Excluding Tax Adjustments and Adjusted Net Income Excluding Tax Adjustments Per Share as supplemental information.

To supplement our statements of cash flows presented on a GAAP basis, we use non-GAAP liquidity measures on a trailing 4-quarter basis to analyze cash flows generated from our operations. We consider Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation to be liquidity measures that provide useful information to investors about the amount of cash generated by the business and are two factors in evaluating the amount of cash available to pay contingent consideration and deferred cash consideration, make strategic acquisitions and repay outstanding borrowings. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation do not represent our residual cash flow available for discretionary expenditures as they do not deduct our mandatory debt service requirements and other non-discretionary expenditures. We define Adjusted Free Cash Flow as net cash provided by operating activities, less purchase of fixed assets, distributions for Focus LLC unitholders and payments under tax receivable agreements (if any). We define Cash Flow Available for Capital Allocation as Adjusted Free Cash Flow plus the portions of contingent consideration and deferred cash consideration paid which are classified as operating cash flows under GAAP. The balances of such contingent consideration and deferred cash consideration are classified as investing or financing cash flows under GAAP; therefore, we add back the amounts included in operating cash flows so that the full amount of contingent consideration and deferred cash consideration payments are treated consistently. Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation are not defined under GAAP and should not be considered as alternatives to net cash from operating, investing or financing activities. In addition, Adjusted Free Cash Flow and Cash Flow Available for Capital Allocation can differ significantly from company to company.

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