



praemium

Morgan Stanley
Micro-cap conference

14 October 2015



The material contained in this document is a presentation of general information about the Praemium Group's activities current as at the date of this presentation (14 October 2015). It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the Praemium Group or any of its related bodies corporate.

A global fintech company



Financial
Planning
(WealthCraft)

Portfolio
Admin
(V-Wrap)

Separately
Managed
Account
(SMA)

Servicing Financial Advice intermediaries

- Head office in Melbourne
- 7 locations across Europe, Asia & Middle East

Company stats:

- ASX: PPS Listed May 2006
- Shares outstanding – 392.5 million*
- Market cap - \$122 million*

Core products

- Software as a service & custodial investment platform
- Major upgrades released now to market
- Integrated suite significant competitive differentiator



Over 800
global clients



\$80 billion
in assets
administered

Proprietary technology

- Unique technology in account reconstruction and dynamic SMA rebalancing
- Excellence in corporate actions processing
- Web based from the outset

Scalable business

- Recurring revenue
- Diversified revenue streams, global reach
- Independent of financial advice

Strong balance sheet

- Positive operating cash-flow
- \$11.5 million in net cash
- R&D fully expensed

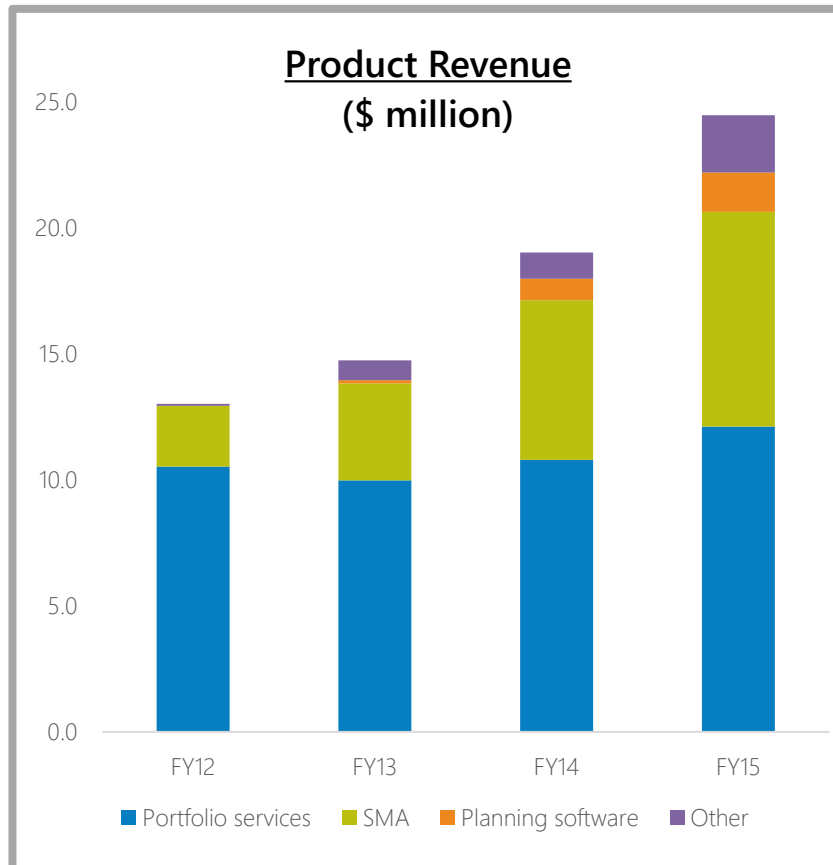
Award winning



SMA Platform Winner at the inaugural 2014 Lonsec Awards in Australia.

Lonsec Research described Praemium as "*an independent technology platform and their reporting is very good, arguably the best*".

Revenue growth of 28%



Compared with FY2014

Revenue up 28% to \$24.4 million

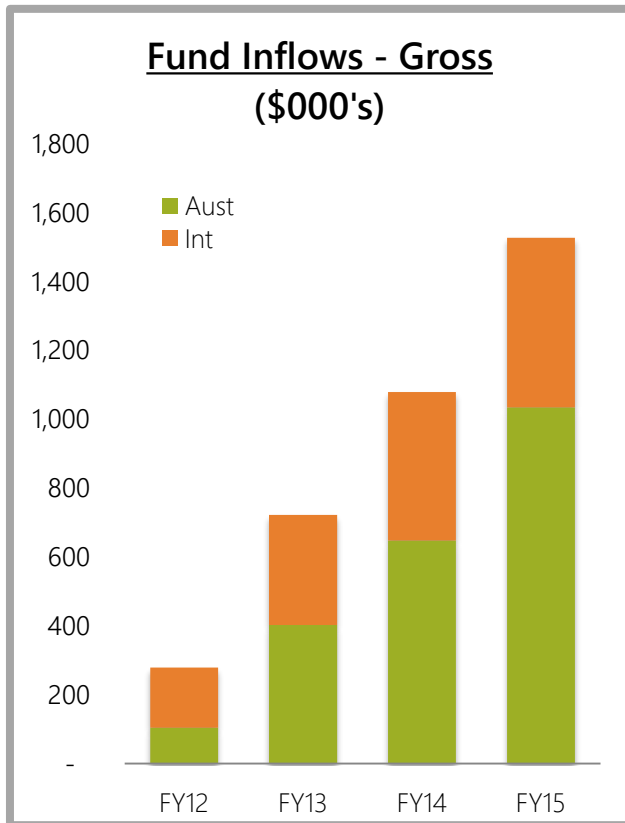
SMA revenue up 35% to \$8.5 million

Planning software \$1.6 million, including 4-month contribution from Plum Software

Portfolio Services of \$12.1 million, up 12%

Other income includes R&D refunds (Aus* & UK)

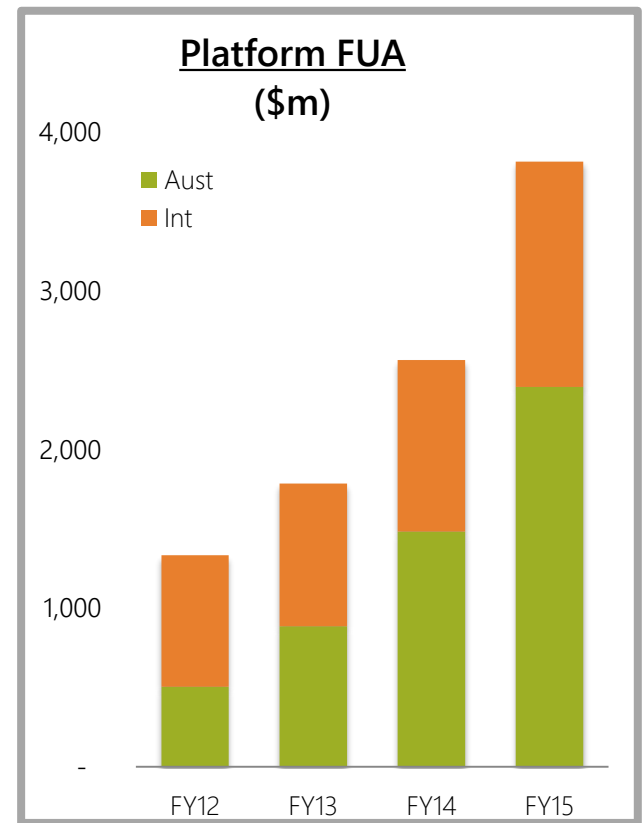
Strong growth in SMA



Growing fund inflows leading to accelerating Funds on Platform



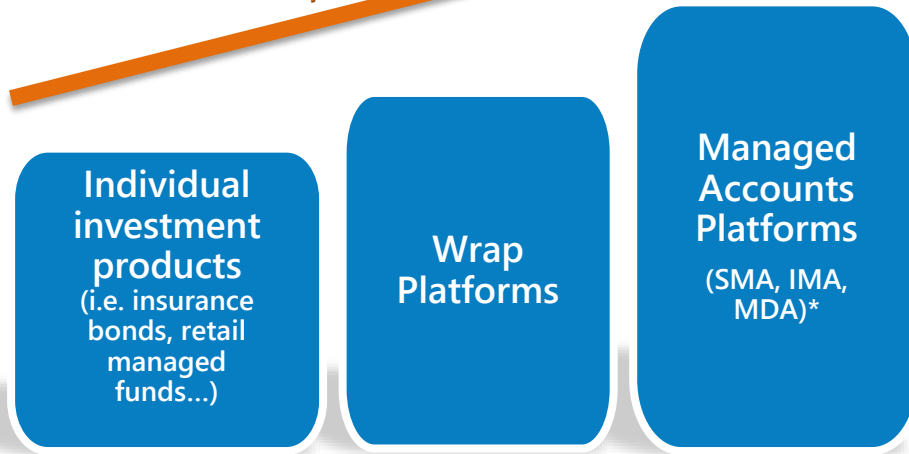
Several new significant clients still in early adoption phase → further upside momentum



Why SMA?

Platform progression

Technology generation



SMA: Transparent, cost effective, beneficial ownership, scalable

SMA's expansion

Considerable increase in demand for managed account solutions

Large institutional wrap platforms announcing plans to enter the SMA space

Emergence of robo-advice well suited to SMA

Praemium well placed in SMA:

- Clear leader with proven track record
- Focused SMA strategy to drive excellence
- Offer retail super & non-super options
- Superior technology with Praemium's proprietary dynamic SMA engine
- Leverages our excellence and market leadership in reporting

Maiden profit in FY15

Praemium (\$m)	FY12	FY13	FY14	FY15
Revenue	13.0	14.9	19.0	24.4
Operations	(3.7)	(3.8)	(4.8)	(6.1)
Gross margin	9.3	11.1	14.2	18.3
GM %	72%	74%	75%	75%
Information Technology	(3.2)	(3.6)	(4.4)	(5.1)
Sales & Marketing	(2.3)	(3.1)	(4.0)	(4.4)
General & Admin ⁽¹⁾	(5.4)	(5.4)	(6.2)	(6.6)
EBITDA (underlying)	(1.6)	(1.0)	(0.4)	2.2
D&A*	(0.4)	(0.3)	(0.3)	(0.5)
EBIT (underlying)	(2.0)	(1.3)	(0.7)	1.7
Non-recurring	(1.4)	0.6	0.3	(0.1)
FX & other	(0.5)	0.4	(0.4)	(0.1)
NPBT	(3.9)	(0.3)	(0.8)	1.5
Tax [^]	-	4.7	(2.7)	(3.6)
NPAT	(3.9)	4.4	(3.5)	(2.1)

Highlights

- Revenue +28%
- Expenses +15%
- Increased R&D investment
- R&D fully expensed
- Expanded sales and marketing spend

FY15's operating expenses comprises 74% employee expenses (FY14: 76%).

(1) In addition to salaries, G&A includes facilities (\$1.2m), professional fees (\$1.2m), board & corporate (\$0.9m), IT support (\$0.5m) and performance rights (\$0.4m)

*Depreciation & amortisation includes amortisation of intangibles from SMA & Plum acquisitions

[^] Tax expense relates to utilisation of final tax losses for the Aus business unit & \$2m Aus tax payable in FY16

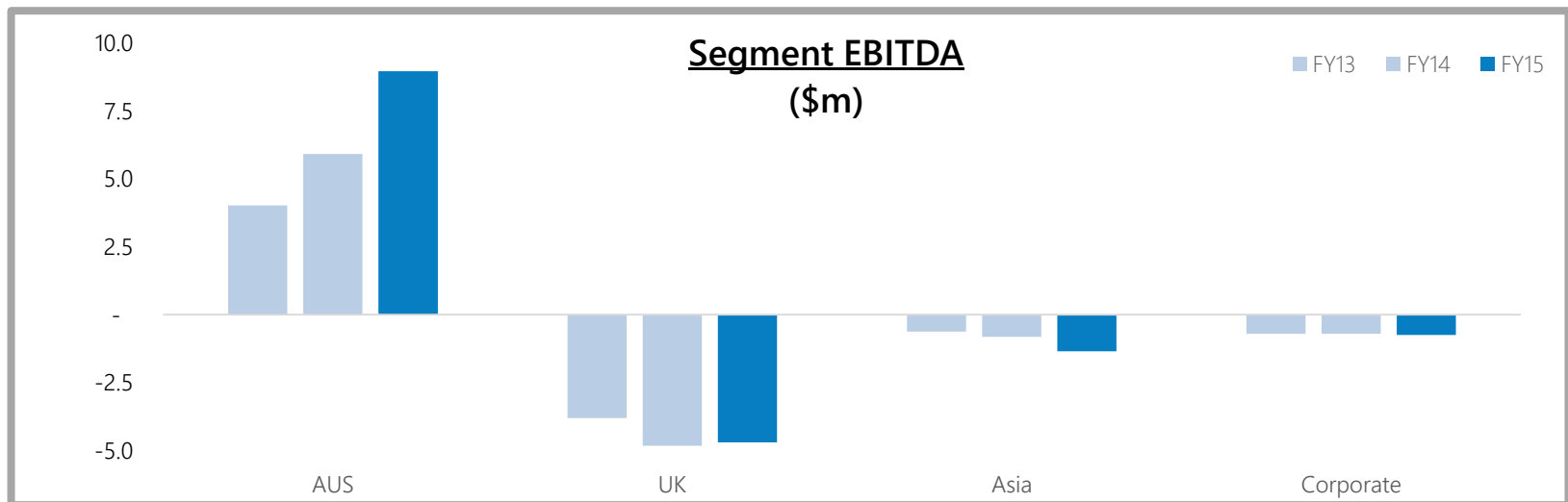
Segment results

FY2015 (\$m)

	AUS	UK	ASIA	Corp	Group Total
Revenue	18.3	5.3	0.8	-	24.4
Expenses	(9.4)	(10.0)	(2.1)	(0.7)	(22.2)
EBITDA	8.9	(4.7)	(1.3)	(0.7)	2.2
EBITDA %	49%				9%

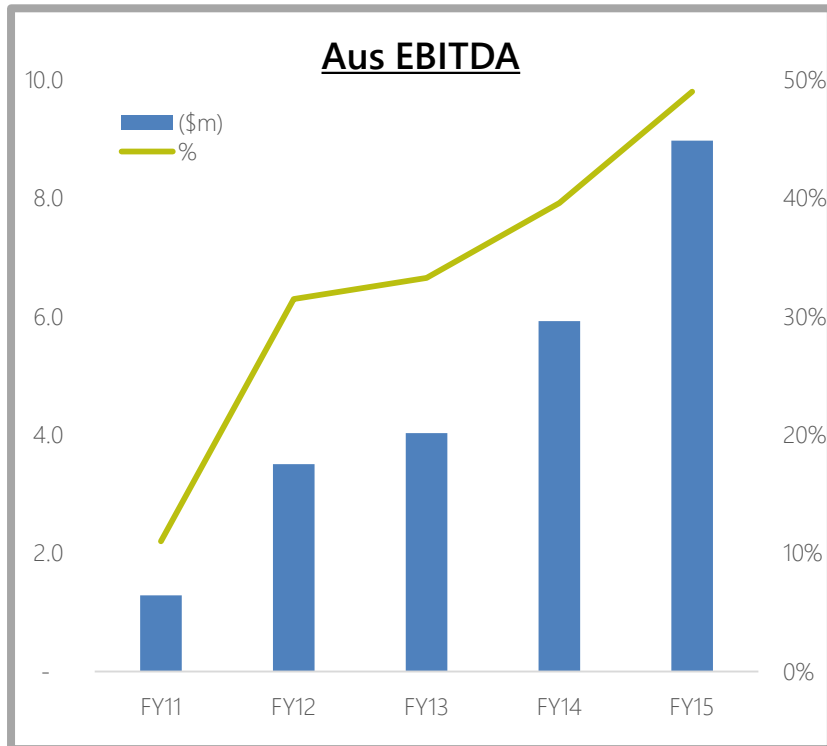
Year on year

- Aus EBITDA ↑ 52%
- UK EBITDA ↑ 3% (GBP ↑ 8%)



A global growth story

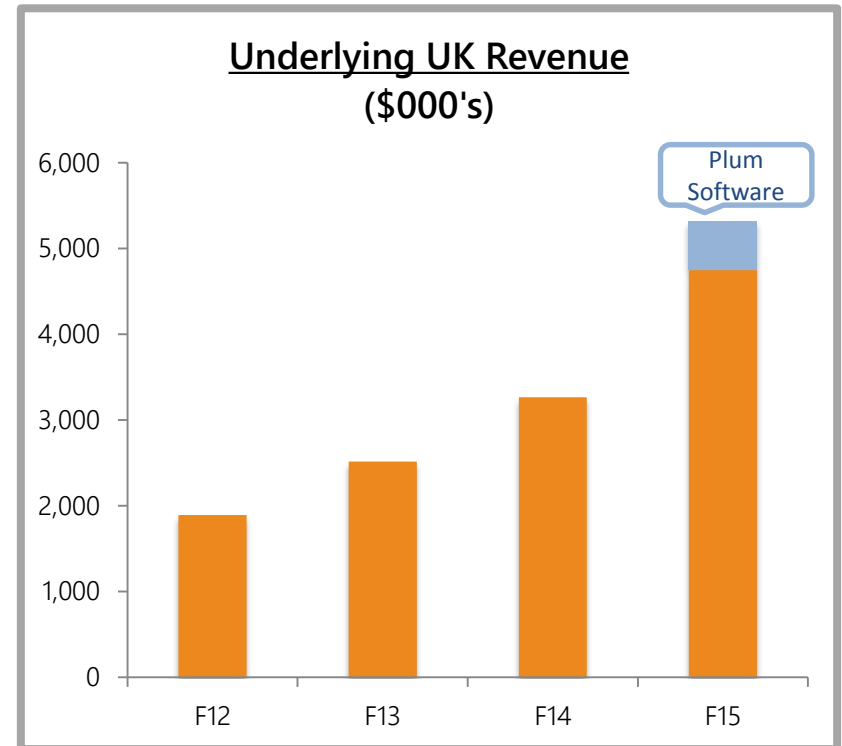
Aus EBITDA margin of 49%



Australia

- Revenue ↑ 22%
- Expenses ↑ 4%

Breakout year for UK business



UK

- Revenue ↑ 63%
- Expenses ↑ 24%

Looking forward

An excellent start to the new financial year – our second best quarter in terms of inflows.

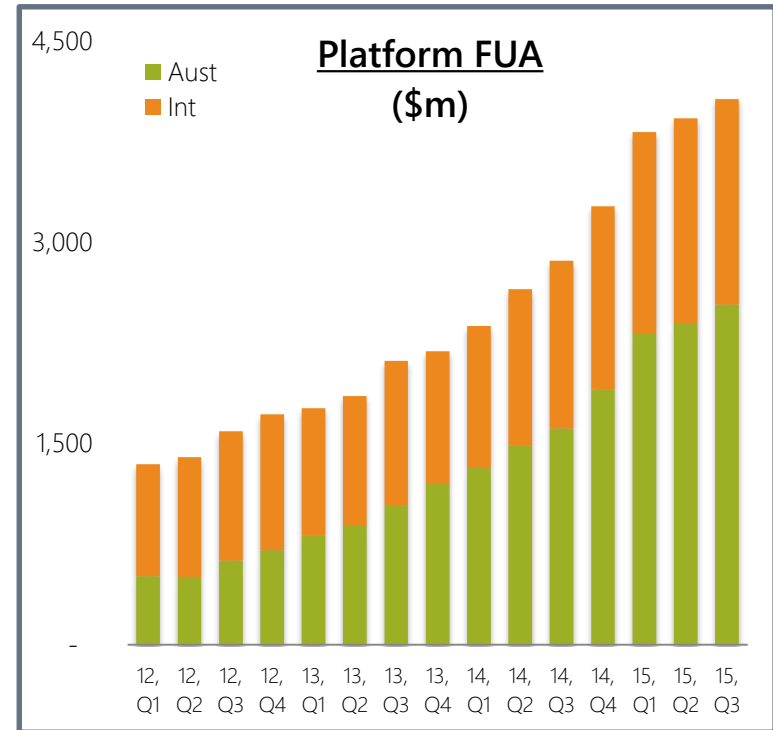
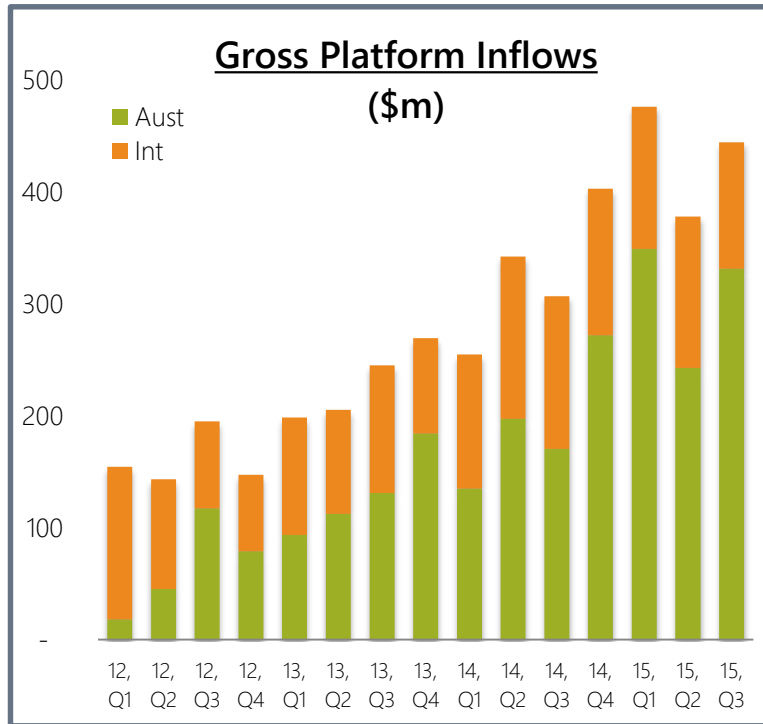
Release of new functionality to automate the monitoring and accounting of SMSFs will help drive sales of V-Wrap.

Distribution of an innovative new fund for the offshore retirement market that offers exposure to growth assets with an 80% capital protection built in.

Roll-out of our newly completed mobile compatible portal for investors.



FUA now over \$4 billion

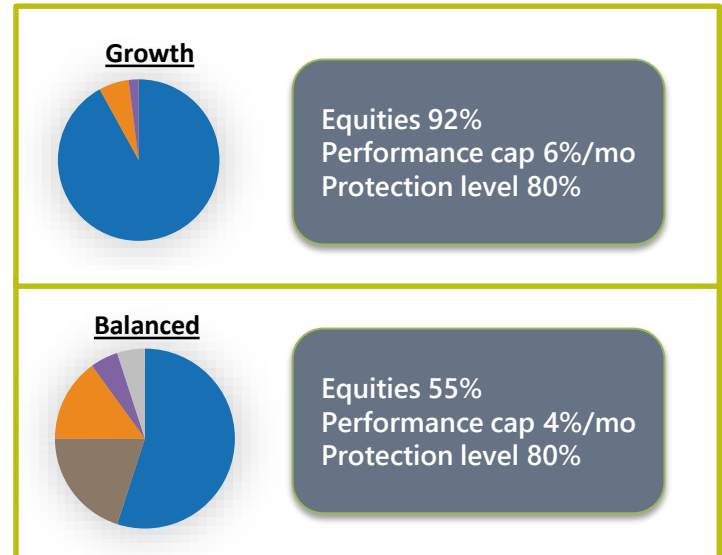
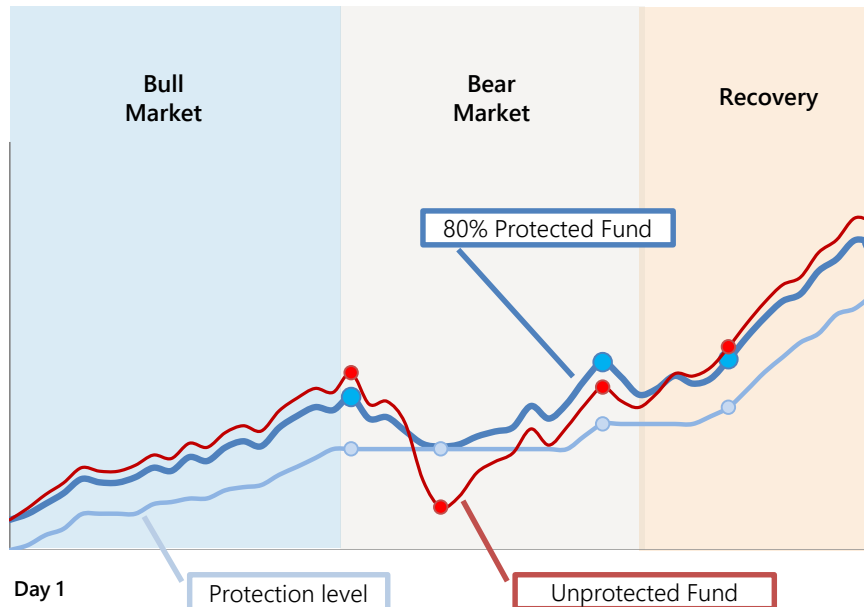


September 2015 quarter: 3.6% increase, despite:

- Australian equity markets 8% decline
- UK equity markets 7% decline



Smartfund 80% Protected



- Multi Asset Strategies
- Investment Management by Smart^{im}
- Targeting ex-pat markets: Europe, Asia, Middle East
- Available in \$, £, €

Exposure to equity markets with capital protection

- Available on/off platform
- Protection level computed daily
- Ideal for pension market



In summary

Strong SMA inflows expected to accelerate given the company's solid pipeline of new business, from recent client wins and new sales opportunities.

Model portfolios and managed funds offered by Smart^{im} will continue to build off an excellent first full year of operation.

Growth for V-Wrap is expected to continue following the release of some major product enhancements, such as SMSF compliance/accounting and investor portal.

An increase in R&D spend is planned to accelerate development of our fully integrated platform and CRM product suite.

Praemium

- ✓ Now profitable with a strong balance sheet
- ✓ Well positioned to accelerate its development and growth

Thank you