

2017 Annual General Meeting Presentation

21 November 2017, Melbourne: Praemium is pleased to provide a copy of the address to be given by Praemium's Chairman, Barry Lewin, and the presentation by Praemium's CEO, Michael Ohanessian at the Company's Annual General Meeting (which will commence at 10am this morning).

About Praemium (ASX: PPS): Praemium is a global leader in the provision of investment administration, Separately Managed Account (SMA) and financial planning technology platforms. Praemium administers in excess of 300,000 investor accounts covering approximately \$100 billion in funds globally, and currently provides services to approximately 700 financial institutions and intermediaries, including some of the world's largest financial institutions.

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Praemium's Chairman's Address
Barry Lewin, Melbourne, 21 November 2017

I am delighted to be presenting to you as Chairman for the first time, alongside a new Praemium Board. The appointment of the new Directors by shareholders during the year brings a fresh perspective to the Company, and I'm pleased to report that your new Board has settled in quickly and is contributing a diverse mix of skills and experience. It has been particularly pleasing to welcome Claire Willette to the Board in August.

The Board's first action following its election was to re-appoint the Company's CEO Michael Ohanessian. We welcome Michael back into the role, and together with his experienced and focused team, look forward to him continuing to execute the strategies endorsed by the Board. I will touch on these strategies and ask Michael to present in more detail shortly.

I am most pleased to report that despite the upheaval of the past year, the performance of the Company continues to show significant improvement. In particular, in the past 3 months the Company has reported record financial performance, record platform inflows and most recently surpassed \$7 billion in platform funds under administration. These important milestones validate Michael's re-appointment and highlight the significant growth opportunities available to your company as the financial services industry goes through fundamental change and disruption.

In particular, as a Board, we are strongly supportive of the continuing investment in the Australian business, particularly in the important areas of technology, product, sales and marketing, in preparation for further growth. This investment will ensure that Praemium retains its status as an industry leader through its market-leading products.

The Board is also very focused on management's execution of its international growth strategies, in order to deliver long term sustainable value to shareholders.

I am confident that shareholders who have shown support to the Company over the past few years will benefit from their investment in the Company in the years ahead.

On behalf of the Board, I extend sincere thanks to our staff and management for their hard work and contribution in delivering an outstanding set of results and significant growth in shareholder value over the past year.

I would now like to ask our CEO Michael Ohanessian, to present his report to the meeting.



CEO's Report

Michael Ohanessian - CEO



Disclaimer

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 (21 November 2017) and includes the Group's financial and operational results released to the ASX on 14 August 2017 and 10 October 2017.

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.



Praemium today



Strong pedigree

- Software company founded 2001 in Melbourne
- ASX listed in 2006, market cap today \$250 million*
- Nine offices globally with over 200 staff
- Over 800 clients covering \$100 billion in assets
- Global reach to large addressable markets

Our aim

Empower advisers to create stronger relationships via:

- A scalable and efficient managed accounts platform
- An integrated solution to streamline the financial advice process
- Our proprietary technology

What we do globally

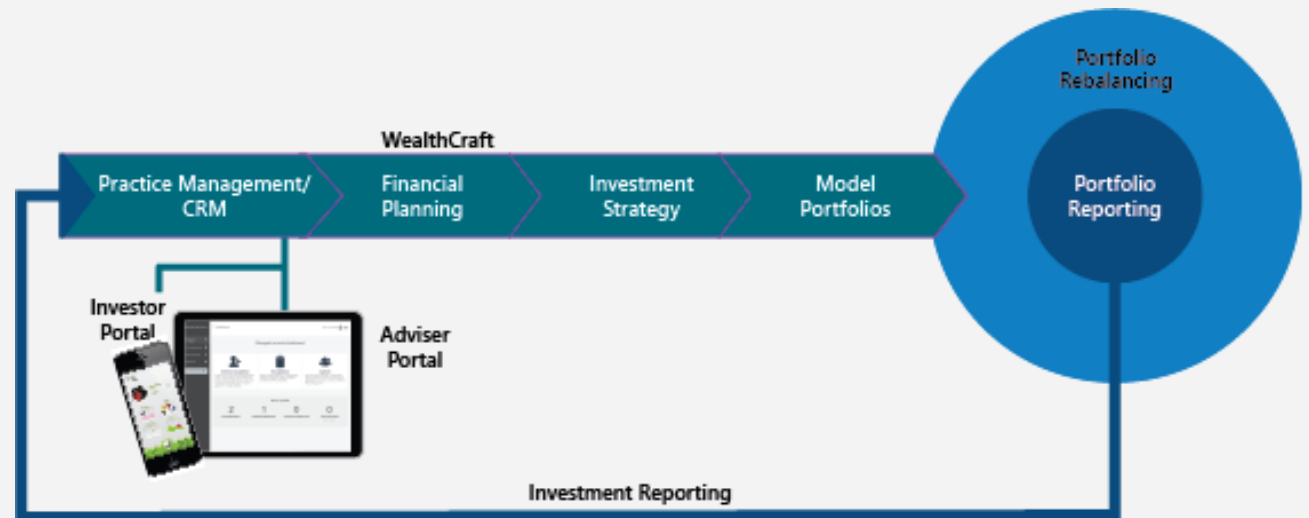
Our global strategy is to provide a fully integrated solution to the financial advice process

Our services

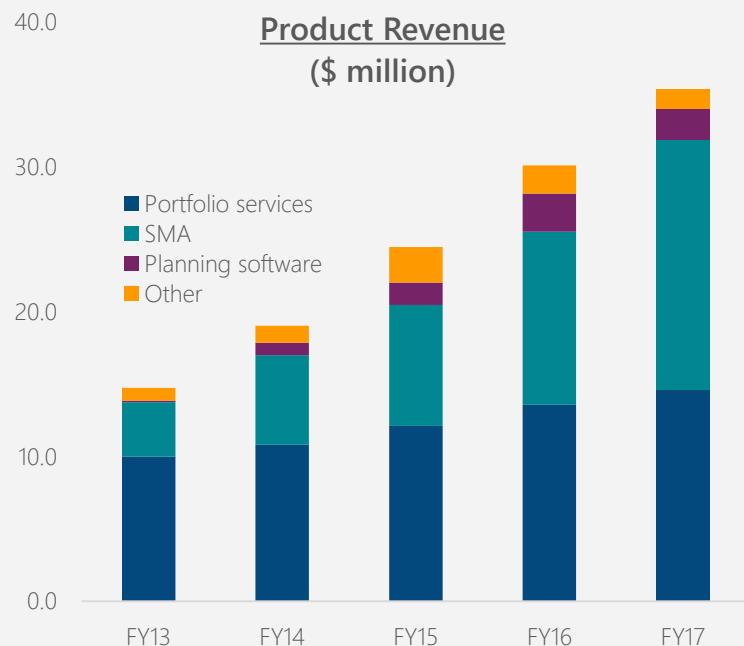
- Managed accounts platform (SMA)
- Portfolio administration and reporting software (Portfolio)
- Investment management services (Smart^{im})
- Financial planning and practice management software (WealthCraft)

Our clients

- Financial advisers
 - Stockbrokers
- Financial institutions
- Investment managers
 - Accountants



Sustained revenue growth



\$m	FY16	FY17	Change
SMA	12.0	17.2	44%
Portfolio services	13.6	14.7	8%
Planning software	2.6	2.1	(19%)
Other	1.9	1.4	(29%)
Revenue	30.1	35.4	17%

Total revenue up 17%

- Australian business, revenue growth 15%
- International business, revenue growth 25%

SMA revenue up 44%

- Total FUA up 28%
- Higher margins with in-house investment management FUA up 62%

Portfolio services revenue up 8%

- Major new institutional client on-boarded in H2
- 20% uplift in billable portfolios

Consistent earnings growth

\$m	H1 FY17	H2 FY17	FY17	FY16
EBITDA (pre R&D incentive)	2.0	3.5	5.5	2.9
UK R&D incentive	0.8	-	0.8	1.3
EBITDA (underlying)	2.8	3.5	6.3	4.2
EBITDA% to Revenue	16%	19%	18%	14%

7th consecutive half of profit growth

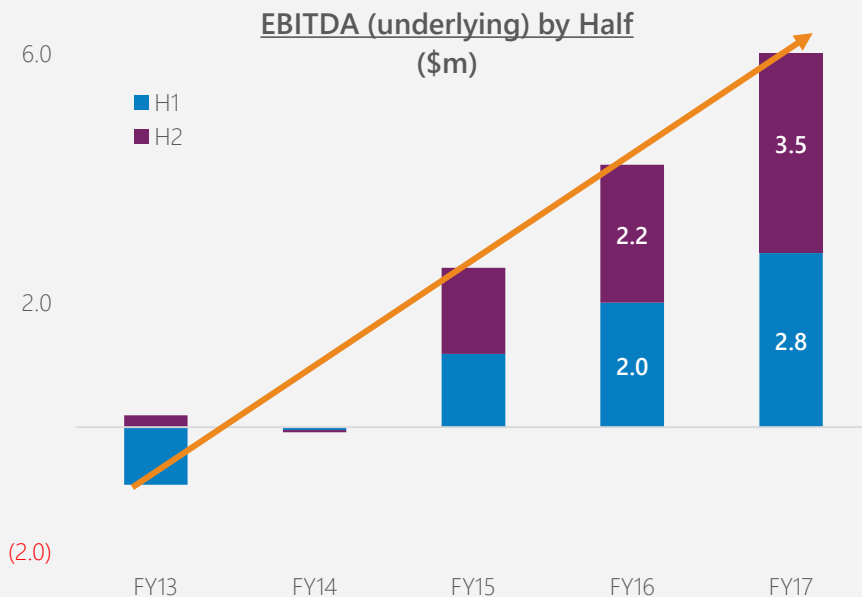
- EBITDA (pre R&D incentive) up 90% from FY16
- EBITDA margin up to 18%, from 14% in prior year

Strong second half result

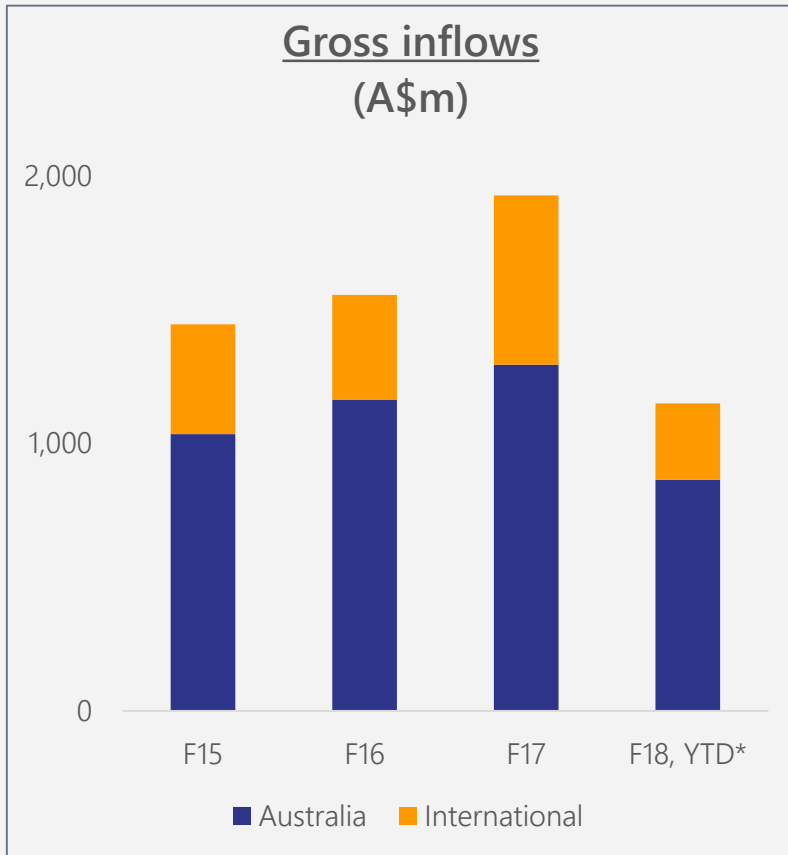
- Recurring revenue 98% of total revenue
- H2 revenue of \$18.2 million vs H1 revenue of \$16.4 million (excluding \$0.8m R&D incentive)

Stable operating costs

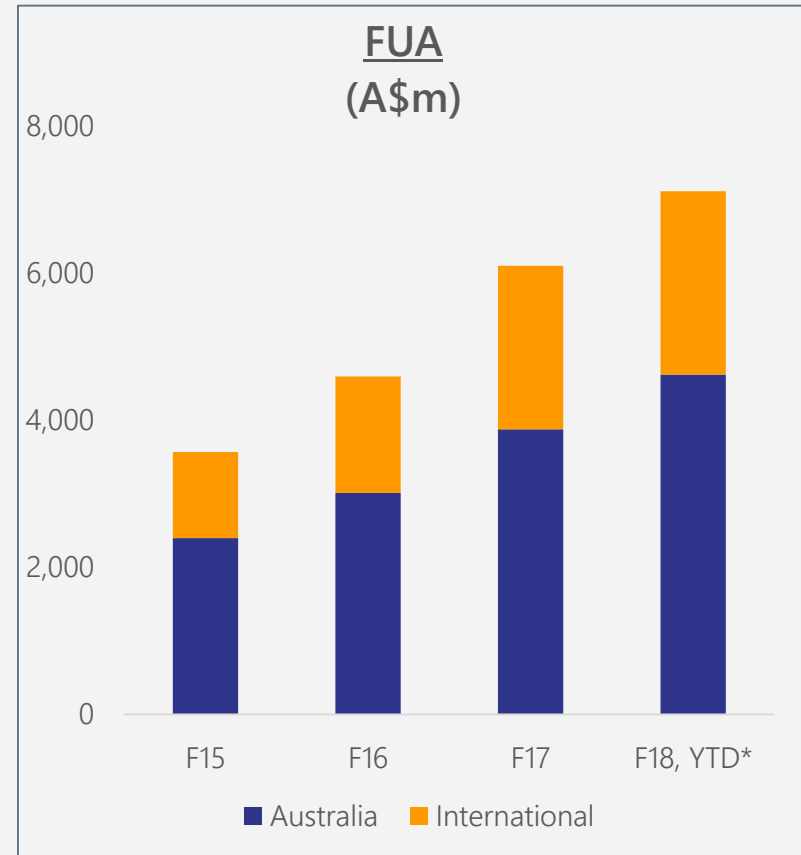
- Operating costs up 5%, with increased sales & marketing offset by consolidation of R&D resources
- Incremental investments in line with maintaining profit momentum



An accelerating business



Record start to FY2018

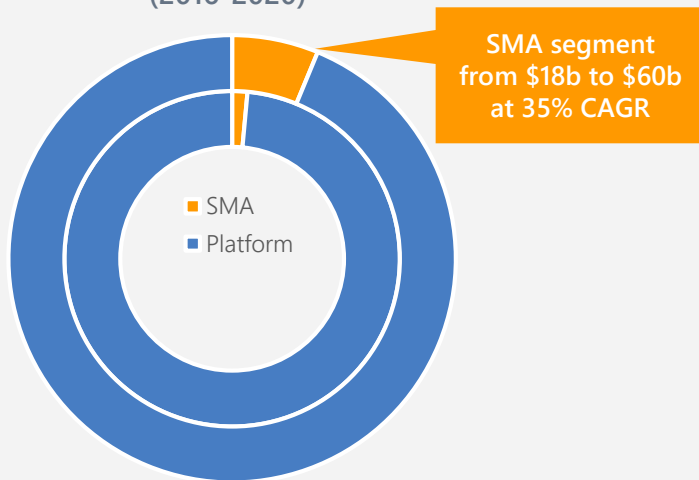


FUA now over \$7.1 billion

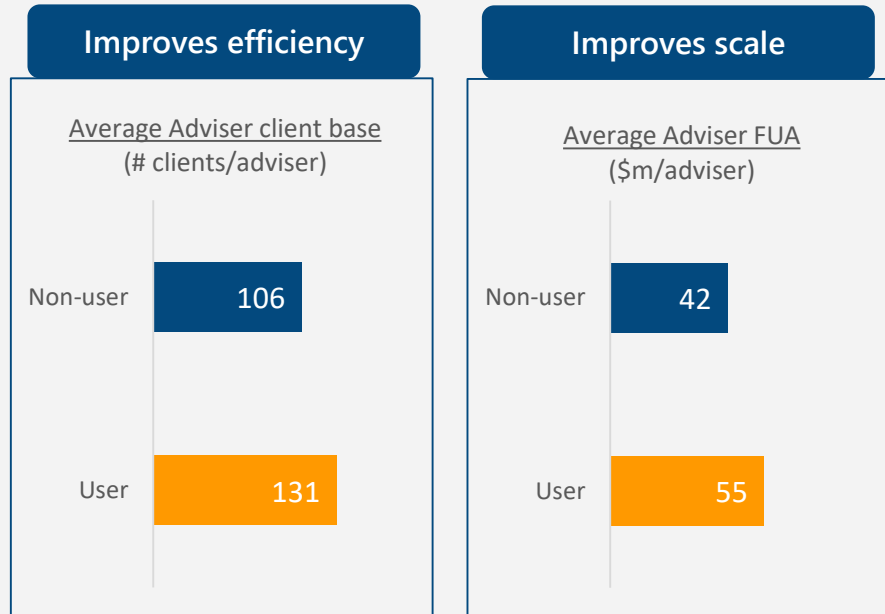
*FY18 YTD is up to 17 November 2017

Market forces driving SMA adoption

Australian platform market over \$700 billion, growing to \$900 billion by 2020¹
(2016-2020)



Technology disruption: Scalable SMA displacing traditional wraps³



Tailwinds for Praemium:

- SMAs could deliver 75% of industry net flows¹
- Market growth: Compulsory super/pension contributions, assets forecast to increase at 12% CAGR to 2020²
- Shift to independence: aligned model under regulatory scrutiny

¹ Morgan Stanley Asia Insight Report (June 2016), *Disruptors: Australia Financials*. CAGR: Compound Annual Growth Rate, FUA: Funds under Administration

² Willis Towers Watson Global pension Asset Study (January 2017)

³ Investment Trends: 2017 Planner Direct Equities and Managed Accounts Report, July 2017



Value drivers

Structural shift in Australia's wealth market

- From aligned to independence
- To improved technology
- To managed accounts

Expand
platform
functionality

International business approaching inflexion

- Strong revenue growth over last 3 years continuing
- Pensions strategy to accelerate revenue growth
- Expect to achieve breakeven next year

Seek to
acquire an
accretive
SIPP business
to bolster
scale