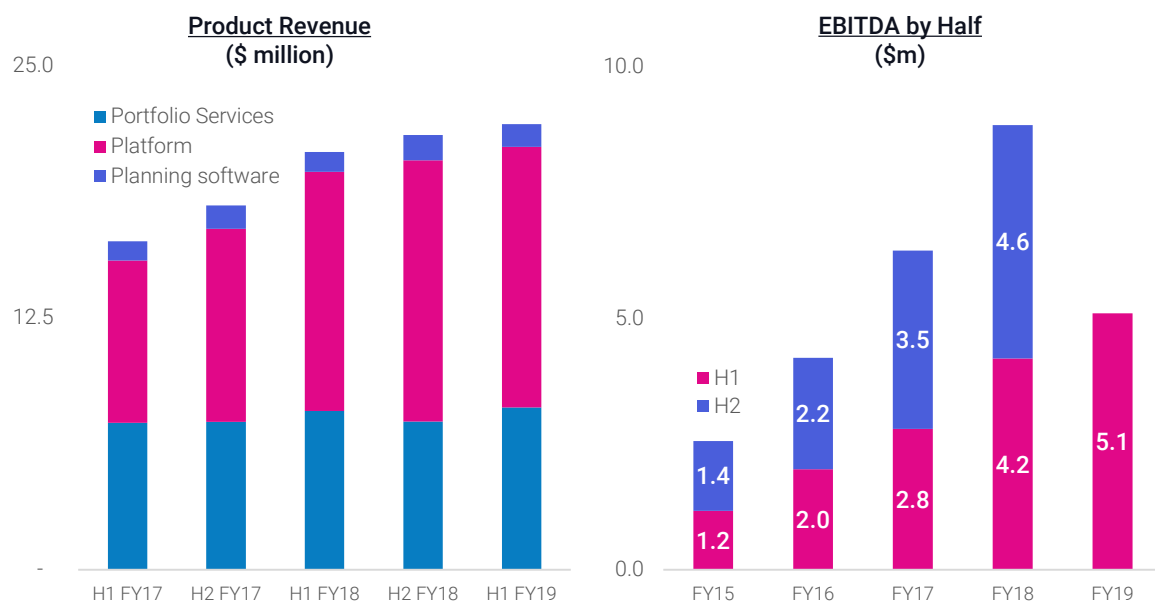


Praemium's H1 FY2019 results continues growth momentum

11 February 2019, Melbourne: Praemium is pleased to provide its financial results for the half year ending 31 December 2018. Financial highlights for the period were:

- » **Record underlying* EBITDA of \$5.1 million, a 19% increase on H1 FY18;**
- » The 10th consecutive half of profit increase;
- » 7% increase in revenue and other income to \$22.9 million; and
- » 14% increase in platform FUA to a \$8.4 billion.



Highlights

The Company delivered a number of strategic and growth initiatives in the half, including:

- » A 30% increase in clients globally in the 2018 calendar year;
- » UK platform clients up 34% from 136 to 182;
- » UK pension schemes up 119% from 357 to 784
- » A 50% increase in WealthCraft clients, from 24 to 36;
- » Growth of administration service for VMA clients;
- » Further extension of Asgard contract through to 2022 – 2025; and
- » Successful migration of ANZ Share Trading to CMC Markets.

A further strategic initiative, being a major technology upgrade and new rebrand for our global investment platform, was released on 4 February following significant investment in R&D over the last 18- months.

Australia

The Australian business continued its positive momentum this half, with revenue increasing by 13% on the first half of FY2018. Strong inflows to our Managed Accounts investment platform resulted in a 28% increase in SMA revenue, while portfolio services revenue increased 2% from the growth of institutional clients on Praemium's Virtual Managed Account (VMA).

EBITDA for the Australian business was \$6.5 million, a 12% improvement compared to \$5.7 million for the first half of FY2018. EBITDA margins were consistent to the prior period at 42% of revenue. The Company continued investments to support revenue generating opportunities, with additions to sales & marketing to support the considerable pipeline of new business and accelerating inflows, and client services to deepen client engagement. R&D investment in proprietary technology was also accelerated this half, with \$2.3 million capitalised with the release of our new platform offering in H2 FY2019.

International

For segment reporting, International comprises the United Kingdom and Asia business units. International's EBITDA loss decreased by 4% to \$1.0 million, comprising UK's EBITDA loss of \$0.6 million and Asia's EBITDA loss of \$0.4 million.

The UK business was impacted by significant declines in global equity markets and outflows in the Smartfund Protected range of managed funds. This resulted in UK revenue and other income declining by 6%, resulting in a 37% increase in EBITDA losses to \$0.6 million.

Asia's EBITDA loss decreased by 31% to \$0.4 million, with revenue increasing by 116% compared to the prior reporting period. This was due to an increase in WealthCraft CRM and planning software licences in 2018, which grew 43% internationally from 503 to 718.

Looking forward

CEO Michael Ohanessian stated, "Last week we launched our **"welcome to the upgrade"** campaign, with expanded platform capabilities and a fantastic new adviser dashboard. The launch has been supported by a brand refresh and marketing campaign to reach the Australian adviser community. Early feedback from advisers has been very encouraging as we roll-out the upgrade to existing and prospective clients.

"From a business perspective, we are very excited at being able to offer advisers a *one-stop-shop* where they can efficiently run SMA models or bespoke portfolios or both. Along with excellent reporting for non-custodial holdings, we now have a powerful Unified Managed Accounts (UMA) solution.

"Last week also saw the release of the Hayne Royal Commission report. What is now clear is that advisers will need to work harder to generate revenue given the increased compliance requirements. In this new paradigm, it will therefore be critical that they utilise technology to find efficiencies elsewhere. We make the complex simple with our superior corporate-actions capabilities, portfolio analytics and rebalancing engine. Now with a dramatically improved user experience, the efficiency gains are even higher.

"Looking forward, we will focus on incorporating this exciting new technology into our London-based platform in the near term. The UK market has seen a steady increase in the use of professionally-run model portfolios, and we are therefore seeing an increase in interest in our Managed Accounts platform in the UK and in international markets."

"I am excited that our investments in technology allow us to service a wider addressable market. Complimented with our expanded sales & marketing capability, we are focussed on accelerating our growth."

About Praemium (ASX: PPS): Praemium is a global leader in the provision of Managed Accounts, investment administration and financial planning technology platforms. Praemium administers in excess of 500,000 investor accounts covering over \$110 billion in funds globally, and currently provides services to over 1,000 financial institutions and intermediaries, including some of the world's largest financial institutions.

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