

Praemium Half Year Report



31 December 2023



Contents

Appendix 4D	5
Half Year Highlights	6
Directors' Report	7
Financial Summary	8
Comments On Financial Performance	9
Auditor's Independence Declaration	10
Accounts For The Half Year Ended 31 December 2023	11
Consolidated Statement of Profit & Loss and Other Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes In Equity	13
Consolidated Statement of Cash Flows	14
Notes To The Financial Statements	15
Directors' Declaration	19
Independent Audit Report	20

Praemium is a leading investment platform in Australia, catering to the emerging and established affluent investor market.

From launching the most comprehensive non-custody offering in 2001 to being the first platform to launch SMAs in 2005, Praemium has always been at the forefront of innovation in the wealth management industry.

In response to the growing need of the wealth management industry Praemium launched its Third Party Administration, and acquired Powerwrap to enhance its technology, service, and products to the private wealth market.

Praemium provides unconstrained flexibility to manage all assets and investment structures for all clients on a single platform. It's why some of the largest financial institutions and over 40% of the Barrons Top 100 advisers use Praemium.

Appendix 4D

ASX Half year Report

Name of entity:	Praemium Limited
ABN:	74 098 405 826
Reporting period:	Half year ended 31 December 2023
Previous corresponding period:	Half year ended 31 December 2022

Results

Revenue from ordinary activities	Increased 9% to \$ 38,530,659
Profit from ordinary activities after tax attributable to members*	Decreased by 54% to \$4,654,976
Net profit for the period attributable to members	Decreased by 56% to \$ 4,003,113

* Excludes restructure, arbitration and acquisition costs.

Brief explanation of the figures reported above

Refer to the attached Half year Report (Directors' Report - Review of Operations section), for commentary on the half year results.

Notes to Appendix 4D – for the half year ended 31 December 2023

	Current period	Previous period
Net tangible assets per security*	8.5	9.1
Dividends	No dividends are proposed for the period.	
Dividend reinvestment plan	Not applicable	
Details of associates and joint venture entities	Not applicable	
Compliance Statement	This report is based on financial statements reviewed by the auditors, copies of which are attached.	

*calculation of the net tangible assets excludes right-of-use assets



Anthony Wamsteker – CEO & Executive Director
26 February 2024

Half Year Highlights



\$9.0m

HY EBITDA (underlying)



\$48.3b

scalable FUA



\$7.5m

Returned to shareholders



\$39.7m

revenue and other income

H1 FY2023 results above include both the Australian segment and International segment for the purposes of comparison to the prior year

Directors' Report

The Directors present this report, together with the condensed financial report for the half year ended 31 December 2023, and an independent review report thereon. The consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consists of Praemium Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controls. This financial report has been prepared in accordance with Australian & International Financial Reporting Standards.

Directors' Names

The names of the Directors of the Company during or since the end of the half year are:

Barry Lewin – Non-Executive Chairman
Stuart Robertson – Non-Executive Director
Daniel Lipshut – Non-Executive Director
Claire Willette – Non-Executive Director
Anthony Wamsteker – CEO & Executive Director

Review of operations

Established in Australia in 2001, Praemium operates an Australian based fully integrated platform, which provides advisers and wealth managers with the ability to construct the full breadth of custody and non-custody solutions for their clients via a seamless digital platform experience.

The custodial services comprise Separately Managed Accounts (SMA) and Powerwrap's Investor Directed Portfolio Services (IDPS) like administration services. The group's non-custodial Virtual Managed Accounts (VMA) reporting solution and its complementary Administration Service (VMAAS) integrate with our custodial investment platforms under an efficient single structure suitable for Independent Financial Advisers (IFAs), stockbrokers, private wealth managers, family offices and institutional clients.

The appeal of the group's services, functionality and technology was evidenced by continued growth in total funds under administration (FUA) at 31 December 2023:

Total funds under administration (FUA) of \$48.3 billion (30 June 2023: \$44.0 billion, up 10%)

- » Platform \$22.9 billion (30 June 2023: \$22.2 billion up 3%)
- » Praemium Separately Managed Accounts (SMA) \$10.4 billion (30 June 2023: \$9.6 billion, up 8%)
- » Powerwrap \$12.5 billion (30 June 2023: \$12.6 billion, movement close to 0%)
- » VMAAS non-custodial Portfolio Administration and Reporting Service \$25.3 billion (30 June 2023: \$21.8 billion, up 16%)
- » Half yearly net inflows of \$31 million comprising:
 - » Praemium SMA half yearly net inflows \$416 million (half year to 31 December 2022: \$670 million, down 38%)
 - » Powerwrap half yearly net outflows \$385 million (half year to 31 December 2022: \$346 million net inflow, a large downward movement)

- » Cash management account holdings
 - » Praemium SMA \$612 million (5.8% of FUA)
 - » Powerwrap \$565 million (4.5% of FUA)

Powerwrap net outflows reflect an abnormally large impact of a small number of key adviser exits who have moved from advice groups utilising the Powerwrap platform to non-Powerwrap licensees.

Net platform inflows for the December 2023 half year were augmented by \$696 million in positive market movements. This was made up of positive \$819 million for the quarter to 31 December 2023 and negative \$123 million for the quarter to 30 September 2023. It also compares favourably to \$421 million in positive market movement for the half year to 31 December 2022.

The market movement for the half year to 31 December 2023 represents approximately 3.1% of the value of Platform FUA as at 30 June 2023.

Praemium has achieved another strong result by placing 3rd overall in the Investment Trends 2023 Platform Competitive Analysis and Benchmarking Report. Praemium scored 90% on platform functionality, the highest score achieved to date and another incremental increase year on year.

Praemium's outstanding performance is evidenced by being ranked the No.1 platform for Decision Support Tools and Security, Data & Integration. The platform has also achieved top ratings in 17 sub-categories, the second highest of any platform. Importantly, Praemium has excelled in categories that advisers consider the most important, aligning with the company's strategy to deliver innovations that support advisers' efficiency and client engagement needs.

Financial Summary

Financial metrics

Results summary	H1 FY24 \$000	H1 FY23 \$000	Change \$000	Change %
Revenue & other income	39,704	36,013	3,691	10%
Revenue from contracts with customers	38,531	35,445	3,086	9%
Expenses	29,563	24,041	5,522	23%
EBITDA (underlying)*	8,968	11,404	(2,436)	(21%)
Net profit before tax	5,542	6,426	(884)	(14%)
Net profit after tax	4,003	9,092	(5,089)	(56%)
Cash	40,951	38,225	2,726	7%
Operating cashflows	6,781	5,628	1,153	20%

*EBITDA (underlying) excludes depreciation and amortisation of \$2.7m (Dec 2022: \$3.6m), restructure arbitration and acquisition costs of \$0.7m (Dec 2022: \$0.9m), share based payments of \$1.1m (Dec 2022: \$0.9m) and unrealised loss on financial instruments of \$0.1m (Dec 2022: Nil). Full details of EBITDA (underlying) are detailed in Note 5 of the attached half year report.

Balance Sheet	H1 FY24 \$000	FY23 \$000	Change \$000	Change %
Net assets	105,654	108,122	(2,468)	(2%)

Performance metrics

Continuing business	31 December 2023	30 June 2023	Change	Change
Portfolios (VMA) (# of portfolios)	64,384	59,863	4,521	8%
Platform FUA (\$ million)	48,268	44,024	4,244	10%

Comments on financial performance

Trading performance

The current half year's consolidated profit after tax was \$4.0 million, compared to \$9.1 million for the half year to 31 December 2022 (prior comparative period or pcp).

A significant tax benefit of \$4.8 million arising from debt forgiveness deductibility was recognised in the prior half.

Revenue and other income of \$39.7 million for the half year to 31 December 2023 was up 10% compared \$36.0 million for the half year to 31 December 2022. The increase was derived from higher average Platform FUA (2024 half year: \$22.9 billion compared with 2023 half year \$20.9 billion) and higher numbers of non-custodial portfolios in VMA (64,384, up from 59,745) and VMAAS (8,493, up from 7,702).

Platform margins declined slightly by 1 basis point to 25 basis points. Lower trading volumes, and therefore the fees based on that activity, were only partly offset by the impact of higher cash administration fees for the full 6 months of the current half year (vs 3 months pcp).

Expenses increased to \$34.2 million in the half year to 31 December 2023, up \$4.6 million or 15% on the prior comparative period's \$29.6 million. Significant increases in the cost of outsourced administration were exacerbated by rising employee expenses. The latter were reflective of wage inflation, capability improvement with more senior employees added and increased numbers of employees more broadly.

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a non-IFRS measure of financial performance widely employed by sector participants and investors. A reconciliation of EBITDA to statutory result is provided at Note 5 Segment Information.

EBITDA for the half year to 31 December 2023 was \$9.0 million, down \$1.6 million, compared to \$10.6 million in the first half of FY2023. The prior period EBITDA derives from \$11.4 million adjusted for the reallocation of outsourced administration charges to the period in which they were actually incurred.

The group's EBITDA reduction was largely the result of expense increases, partly offset by increased revenue, as outlined above. EBITDA margins were 23% of revenue, compared to 30% for the prior comparative period.

Balance sheet & cashflow

The Group has a strong balance sheet. At 31 December 2023, net assets were \$105.7 million, compared with \$108.1 million at 30 June 2023. Total assets were reduced by \$5.9 million to \$123.6 million, largely due to the deployment of \$7.5 million of cash to buy back shares.

The group continued to invest in technology innovation with \$3.9 million of capitalised research and development (R&D) added to balance sheet and accounted for as investing cash flows for the half year to 31 December 2023 (prior comparative period \$3.6 million). The 3-year useful life amortisation of capitalised technology R&D, applied over the course of several preceding years, partly offset

the actual expenditure, such that the intangible assets increased by \$1.7 million. The significantly improved trading performance has seen accumulated losses reduced to \$1.6 million at 31 December 2023.

After reporting date events

On 26 February 2024, the Group announced it had entered into an agreement with Iress Ltd to purchase 100% of the voting equity interest in its One Vue Platform Business (IOPB). IOPB consists of three wholly-owned entities, one of which operates investment administration services under an Australian Financial Services License. Up-front consideration payable on first completion, which is expected to occur around April 2024, is \$1.0 million, subject to customary purchase price adjustments.

Contingent consideration of up to \$20.0 million, in addition to the up-front consideration, is payable on the realisation of IOPB FUA targets, excluding any market revaluation impacts.

Contingent consideration is predicated on a base of nil payable at \$3.0 billion FUA and a cap of \$20.0 million for achieving \$6.0 billion FUA. It increases on a straight-line basis at a rate of \$1,667 contingent consideration for every \$0.25 million in incremental FUA from the agreed \$3.0 billion FUA base. The target FUA is to be measured 9 months and 18 months from the date of first completion. At the 9 month measurement date, 67% of the expected contingent consideration is paid, with the balance paid at 18 months. There is no adjustment to the first tranche of contingent consideration should FUA, excluding market revaluation impacts, decline between the 9 month and the 18 month measurement dates. IOPB's current FUA is currently approximately \$4.0 billion. This would result in \$6.7 million in contingent consideration if there were no changes, excluding market revaluation impacts, to that position up to the 18 month measurement date.

The net business assets acquired are provisionally estimated at \$5.2 million (including cash of \$5 million, trade and other receivables of \$3.4 million and trade and other payables of \$3.2 million). The consideration in excess of the net assets acquired represents intangible assets including goodwill. The calculation of the fair value of the assets and liabilities acquired is yet to be finalised and accordingly the carrying value of goodwill is yet to be determined.

No other matter or circumstance have arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in the future.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after the director's report.

Auditor's Independence Declaration



Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Praemium Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Praemium Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

egangemi

C S Gangemi
Partner – Audit & Assurance
Melbourne, 26 February 2024

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Accounts for the half year ended 31 December 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
Revenue from contracts with customers	6	38,530,659	35,444,757
Other income		1,173,128	567,770
Platform trading & recovery		(2,755,888)	(1,034,217)
Employee costs		(19,133,721)	(16,041,278)
Depreciation, amortisation and impairments		(2,719,416)	(3,635,382)
Legal, professional, advertising and insurance expense		(3,580,665)	(3,097,665)
Commissions expense		-	(380,782)
Travel expenses		(324,297)	(297,729)
Telecommunication costs		(83,621)	(129,902)
Finance costs		(57,888)	(63,280)
IT support		(3,373,259)	(2,635,534)
Net foreign exchange losses		(10,825)	(45,610)
Occupancy costs		(310,780)	(308,795)
Other expenses		-	(115,000)
Restructure, arbitration and acquisition costs		(651,863)	(948,121)
Share based payments		(1,099,260)	(883,255)
Unrealised (loss)/gain on financial instruments		(60,469)	30,209
Profit before tax		5,541,835	6,426,186
Income tax (expense)/benefit		(1,538,722)	2,665,708
Profit for the period attributable to owners of the parent entity		4,003,113	9,091,894
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(46,125)	(33,086)
Total items that may be reclassified subsequently to profit or loss		(46,125)	(33,086)
Other comprehensive loss for the period, net of tax		(46,125)	(33,086)
Total comprehensive profit for the period		3,956,988	9,058,808
Profit for the year attributable to owners of the parent		3,956,988	9,058,808
Total comprehensive profit attributable to owners of the parent		3,956,988	9,058,808
Earnings per share			
Basic earnings per share (cents per share)		0.8	1.8
Diluted earnings per share (cents per share)		0.8	1.8

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 30 June 2023 \$
Current assets		
Cash and cash equivalents	40,950,792	46,253,718
Contract assets	5,793,316	4,529,497
Trade and other receivables	4,004,227	3,153,258
Income tax receivable	-	2,864,017
Prepayments	2,141,202	1,970,062
Total current assets	52,889,537	58,770,552
Non-current assets		
Other financial assets	2,113,982	2,054,602
Property, plant and equipment	2,714,775	3,053,570
Goodwill	47,775,128	47,775,128
Intangible assets	14,507,028	12,769,797
Deferred tax assets	3,563,638	5,074,404
Total non-current assets	70,674,551	70,727,501
TOTAL ASSETS	123,564,088	129,498,053
Current liabilities		
Trade and other payables	7,836,344	12,141,350
Provisions	3,714,181	3,365,335
Lease liabilities	379,511	415,269
Contract liabilities	2,706,753	1,699,687
Income tax payable	1,268,464	10,283
Total current liabilities	15,905,253	17,631,924
Non-current liabilities		
Provisions	431,679	432,421
Lease liabilities	1,573,486	1,767,342
Deferred tax liability	-	1,544,810
Total non-current liabilities	2,005,165	3,744,573
TOTAL LIABILITIES	17,910,418	21,376,497
NET ASSETS	105,653,670	108,121,556
EQUITY		
Share capital	105,451,732	112,342,200
Reserves	1,843,058	1,423,589
Accumulated losses	(1,641,120)	(5,644,233)
TOTAL EQUITY	105,653,670	108,121,556

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

Consolidated Entity 2023	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share-based Payments Reserve	Total
	\$	\$	\$	\$	\$
Equity as at 1 July 2023	112,342,200	(5,644,233)	(99,170)	1,522,759	108,121,556
Profit attributable to members of the parent entity	-	4,003,113	-	-	4,003,113
Other comprehensive loss	-	-	(46,125)	-	(46,125)
Total comprehensive income/(loss) for the year	-	4,003,113	(46,125)	-	3,956,988
Transactions with owners in their capacity as owners					
Share buy-back	(7,512,033)	-	-	-	(7,512,033)
Option expense	-	-	-	1,087,160	1,087,160
Transfer on exercise of options	621,565	-	-	(621,565)	-
Subtotal	(6,890,468)	-	-	465,595	(6,424,873)
Equity as at 31 December 2023	105,451,732	(1,641,120)	(145,295)	1,988,353	105,653,670
Consolidated Entity 2022					
	\$	\$	\$	\$	\$
Equity as at 1 July 2022	122,267,482	(20,798,799)	28,209	844,523	102,341,415
Profit attributable to members of the parent entity	-	9,091,894	-	-	9,091,894
Other comprehensive loss	-	-	(33,086)	-	(33,086)
Total comprehensive income/(loss) for the year	-	9,091,894	(33,086)	-	9,058,808
Transactions with owners in their capacity as owners					
Share buy-back	(6,627,036)	-	-	-	(6,627,036)
Option expense	-	-	-	852,297	852,297
Exchange difference on option reserve	-	-	1	-	1
Transfer on exercise of options	1,646,860	-	-	(1,646,860)	-
Subtotal	(4,980,176)	-	1	(794,563)	(5,774,738)
Equity as at 31 December 2022	117,287,306	(11,706,905)	(4,876)	49,960	105,625,485

The accompanying notes form part of the financial statements.

Consolidated Statement of Cash Flows

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
Cash from operating activities:		
Receipts from customers (inclusive of GST)	37,301,668	33,099,186
Payments to suppliers and employees (inclusive of GST)	(34,256,220)	(27,221,560)
Interest received	1,172,138	565,981
Unit trust distributions received	990	1,789
Income taxes refunded/(paid)	2,562,856	(817,182)
Net cash provided from operating activities	6,781,432	5,628,214
Cash flows from investing activities:		
Payments for investments	(119,849)	(1,369)
Payments for intangibles	(3,945,671)	(3,620,688)
Payments for property, plant and equipment	(172,182)	(427,895)
Net cash used in investing activities	(4,237,702)	(4,049,952)
Cash flows from financing activities:		
Share buy-back	(7,476,679)	(6,627,036)
Repayment of borrowings	-	(10,600,000)
Finance costs paid	(57,888)	(61,578)
Principal elements of lease payments	(229,615)	(626,709)
Dividends paid	-	(25,804,085)
Net cash used in financing activities	(7,764,182)	(43,719,408)
Net cash decrease in cash and cash equivalents	(5,220,452)	(42,141,146)
Cash and cash equivalents at beginning of year	46,253,718	80,545,209
Effect of exchange rates on cash holdings in foreign currencies	(82,474)	(178,722)
Cash and cash equivalents at end of year	40,950,792	38,225,341

The accompanying notes form part of the financial statements.

Notes to the Financial Statements

1. Notes to the Financial Statements

(a) General information

The half year financial report is a general-purpose financial report that covers the consolidated position of Praemium Limited and its controlled entities. Praemium Limited is a publicly listed company, incorporated and domiciled in Australia. This half year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2023 and any public announcements made by Praemium Limited during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 26 February 2024.

(b) Basis of preparation

The financial report of Praemium Limited and controlled entities has been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of other financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(c) Critical accounting estimates and judgments

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

2. Significant Accounting Policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

3. Contingent Liabilities

The Group did not have any contingent liabilities for the half year ended 31 December 2023 and year ended 30 June 2023.

4. Post Balance Sheet Events

On 26 February 2024, the Group announced it had entered into an agreement with Iress Ltd to purchase 100% of the voting equity interest in its One Vue Platform Business (IOPB). IOPB consists of three wholly-owned entities, one of which operates investment administration services under an Australian Financial Services License. Up-front consideration payable on first completion, which is expected to occur around April 2024, is \$1.0 million, subject to customary purchase price adjustments. Contingent consideration of up to \$20.0 million, in addition to the up-front consideration, is payable on the realisation of IOPB FUA targets, excluding any market revaluation impacts.

Contingent consideration is predicated on a base of nil payable at \$3.0 billion FUA and a cap of \$20.0 million for achieving \$6.0 billion FUA. It increases on a straight-line basis at a rate of \$1,667 contingent consideration for every \$0.25 million in incremental FUA from the agreed \$3.0 billion FUA base. The target FUA is to be measured 9 months and 18 months from the date of first completion. At the 9 month measurement date, 67% of the expected contingent consideration is paid, with the balance paid at 18 months. There is no adjustment to the first tranche of contingent consideration should FUA, excluding market revaluation impacts, decline between the 9 month and the 18 month measurement dates. IOPB's current FUA is currently approximately \$4.0 billion. This would result in \$6.7 million in contingent consideration if there were no changes, excluding market revaluation impacts, to that position up to the 18 month measurement date.

The net business assets acquired are provisionally estimated at \$5.2 million (including cash of \$5 million, trade and other receivables of \$3.4 million and trade and other payables of \$3.2 million). The consideration in excess of the net assets acquired represents intangible assets including goodwill. The calculation of the fair value of the assets and liabilities acquired is yet to be finalised and accordingly the carrying value of goodwill is yet to be determined.

No other matter or circumstance have arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in the future.

5. Segment information

(a) Description of segments

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's Chief Operating Decision Maker (CODM). It considers performance on a geographic basis and in the prior financial year, identified 2 reportable segments, being Australia and International.

The Australia segment derives revenue from the provision of virtual managed accounts and financial planning software licences and administering the Australian managed account platform.

The International segment derived revenue from the provision of financial planning software licences and administering the International managed account platform. These services terminated during the year ended 30 June 2023 as part of the international divestment. No revenue deriving business activities are conducted internationally and international operating results are no longer regularly reviewed by the CODM to make strategic decisions.

As a result, the Group no longer operates an International Segment and only has one segment based on the aggregation criteria in AASB 8. The business now operates within Australia only.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 31 December 2023 are as follows:

Half Year Ended 31 December 2023	Australia \$	International \$	Total \$
Revenue			
Total segment revenue	38,530,659	-	38,530,659
Revenue from external customers	38,530,659	-	38,530,659
EBITDA profit/(loss)	8,968,429	-	8,968,429
Interest income	1,172,137	-	1,172,137
Interest expense	(57,888)	-	(57,888)
Depreciation and amortisation	(2,719,416)	-	(2,719,416)
Unrealised FX	(10,825)	-	(10,825)
Unit trust income	990	-	990
Restructure, arbitration and acquisition costs	(651,863)	-	(651,863)
Unrealised gain on financial instruments	(60,469)	-	(60,469)
Share based payments	(1,099,260)	-	(1,099,260)
Net profit before tax	5,541,835	-	5,541,835
Income tax and withholding tax	(1,538,722)	-	(1,538,722)
Net profit after tax	4,003,113	-	4,003,113
Segment assets	123,564,088	-	123,564,088
Segment liabilities	(17,910,418)	-	(17,910,418)
Employee benefits expense	19,133,721	-	19,133,721
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	172,182	-	172,182

Half Year Ended 31 December 2022	Australia \$	International \$	Total \$
Revenue			
Total segment revenue	35,444,757	-	35,444,757
Revenue from external customers	35,444,757	-	35,444,757
EBITDA profit	11,382,738	21,117	11,403,855
Interest income	565,847	134	565,981
Interest expense	(62,990)	(290)	(63,280)
Depreciation and amortisation	(3,608,421)	(26,961)	(3,635,382)
Unrealised FX	(23,159)	(22,451)	(45,610)
Unit trust income	1,789	-	1,789
Restructure, arbitration and acquisition costs	(824,065)	(124,056)	(948,121)
Unrealised gain on financial instruments	30,209	-	30,209
Share based payments	(883,255)	-	(883,255)
Net profit/(loss) before tax	6,578,693	(152,507)	6,426,186
Income tax and withholding tax	2,671,339	(5,631)	2,665,708
Interest Intercompany and margin	-	-	-
Net profit/(loss) after tax	9,250,032	(158,138)	9,091,894
Segment assets	120,008,877	732,058	120,740,935
Segment liabilities	(14,390,633)	(724,816)	(15,115,449)
Employee benefits expense	16,098,145	(56,867)	16,041,278
Additions to non-current assets (other than financial assets, deferred tax, post-employment benefit assets, rights arising under insurance contracts)	427,939	(44)	427,895

(i) Segment Reconciliation

A reconciliation of segment revenue to entity revenue is provided as follows:

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
Segment revenue	38,530,659	35,444,757
Total Revenue	38,530,659	35,444,757

(ii) EBITDA

A reconciliation of EBITDA to operating profit before income tax is provided as follows:

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 \$
EBITDA	8,968,429	11,403,855
Depreciation and amortisation	(2,719,416)	(3,635,382)
Interest revenue	1,172,137	565,981
Interest expense	(57,888)	(63,280)
Unrealised FX	(10,825)	(45,610)
Unit trust income	990	1,789
Restructure, arbitration and acquisition costs	(651,863)	(948,121)
Share based payments	(1,099,260)	(883,255)
Unrealised (loss)/gain on financial instruments	(60,469)	30,209
Net profit before tax	5,541,835	6,426,186

(b) Company-wide information

The company is domiciled in Australia. The amount of revenue from external customers in Australia is \$38,530,659 (2022: \$35,444,757). Segment revenues are allocated based on the country in which revenue and profit are derived.

6. Revenue from contracts with customers

	Consolidated Entity 31 December 2023 \$	Consolidated Entity 31 December 2022 Restated* \$
Revenue from:		
Managed accounts and investment management	28,522,839	25,997,781
Virtual managed accounts	10,007,820	9,446,976
Total revenue	38,530,659	35,444,757

*\$866,013 of "Virtual managed accounts" was incorrectly classified as "Managed accounts platform and investment management" is restated.

All revenue from contracts with customers represents services transferred over time except for \$1,911,610 (2022: \$2,019,404) of managed accounts platform and investment management revenue which represents services transferred at a point in time.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 17 to 23 in accordance with the Corporations Act 2001:

- a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001, and;
- b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of its performance as represented by the results of the its operations and its cash flows for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Praemium Limited will be able to pay its debts as and when they become payable.

This declaration is made in accordance with a resolution of Directors.



Barry Lewin – Chairman

Dated 26 February 2024

Independent Audit Report



Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Independent Auditor's Review Report

To the Shareholders of Praemium Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Praemium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Praemium Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of Praemium Limited's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

egangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 26 February 2024

