# Praemium Annual Report

2024

praemium

Praemium Limited ACN: 098 405 826

# Enabling advisers to deliver great outcomes

# Contents

# Chairman and CEO Report

**Barry Lewin**
Chairman

**Anthony Wamsteker**
Executive Director & CEO

## Praemium's 2024 $21.5 million EBITDA reflected significant uplift in momentum with a record $12.5 million generated in the second-half.

To our fellow shareholders,

We are pleased to present the 2024 Annual Report.

Praemium's 2024 $21.5 million EBITDA reflected significant uplift in momentum, with a record $12.5 million generated in the second-half. This followed a first-half investment in capability, capacity and resilience in our people, systems and risk management.

A $0.01 per share fully franked dividend reflects a profitable, simplified business with a clear strategy to build further growth in market share.

Our market share growth is based on building innovative solutions to meet the needs of sophisticated financial advisers and their high-net-worth clients, combined with acquisition of complementary business.

This inorganic component was exemplified by the acquisition of Powerwrap in September 2020, and has been further augmented by the acquisition of now OneVue in April 2024. The former saw us successfully integrate technology and workflow to produce synergies in costs. This is experience which will be brought to bear in adding OneVue clients and funds to the Praemium technology suite resulting in an estimated synergies and earnings uplift of $3 million per year.

Key financial highlights for the year included:

| Financial Results | $m | Change on FY23 |
|---|---|---|
| Revenue from contracts with customers | 82.7 | +11% |
| Earnings before interest, tax, depreciation and amortisation (underlying EBITDA) | 21.5 | -8% |
| Cash balances | 44.3 | -4% |

> Our market share growth is based on building innovative solutions to meet the needs of sophisticated financial advisers and their high-net-worth clients, combined with acquisition of complementary business.”

Highlights in FY24 included:

» An 11% increase in revenue from contracts with customers to a record $82.7 million;

» Continued strong growth of the flagship Separately Managed Accounts platform business, having generated $800 million in net flows and growth in funds under administration (FUA) of 18%;

» Completion of the acquisition of OneVue, with $4.1 billion in FUA and many high quality clients, for a headline price of $1m and an earn-out largely dependent on maintaining or growing FUA;

» Declared a 1 cent per share fully franked dividend to be paid 19 September 2024 (record date 5 September 2024); and

» Deployed a further $9.9 million in on-market share buy-back ($21.4 million in total).

| Funds Under Administration (FUA) | $b | Change on FY23 |
|---|---|---|
| Praemium | 11.3 | +18% |
| Powerwrap | 12.7 | +1% |
| OneVue | 4.0 | 0% |
| VMAAS | 29.3 | +34% |
| **Total** | **57.4** | **+30%** |

As the wealth management industry in Australia continues its rapid growth, investment platforms, such as that provided by Praemium, are a valuable component of the overall industry architecture. Praemium is relatively unusual in that it originally built its technology from scratch, using very little of the existing financial services technology that still underlies much of the platform market today.

The particular focus of the Praemium technology became very attractive to sophisticated financial advisers with high net worth clients. This more affluent segment remains the primary target market for Praemium today.

Over the last few years, Praemium has made several changes to its leadership team. Naturally these changes have led to some changes in the strategy and capability of the business. Most notably, Praemium divested its loss making and capital intensive international operation, whilst acquiring two smaller scale domestic platform businesses – Powerwrap in FY2021 and OneVue in the financial year just ended. Other important changes have included a revenue uplift program and the soon to be launched new IDPS. Behind the scenes, the new team has delivered other initiatives which have strengthened the underlying structure of the business across the board, especially in the areas of sales, product, technology, operations and risk management..

As with all businesses, Praemium is dependent on the quality of its people and how they work together. This year has seen continued investment in the culture of the company and engagement of employees. We thank everyone at Praemium for their contribution over the past year and look forward to continuing to grow our business with your support.

On behalf of the Board we thank all shareholders for your support. We continue to strive to deliver long term growth and profitability that will reward patient investors.

**Barry Lewin**

Chairman

**Anthony Wamsteker**

Executive Director/ CEO

# Corporate Highlights

## 39%

uplift in second half EBITDA to $21.5 million

## 34%

in annual flows

## $57.4b

in total funds under administration, up 30%

## $14.7m

Returned via $9.9m buyback and $4.8m dividend

## 11%

revenue growth up 14% Half on Half

## 1st

in Decision Tools and Security and Data Integration in Investment Trends 2023 Platform Competitive Analysis & Benchmark Reporting

# Directors' Report
## 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 reflected in continued growth in total funds under administration (FUA) at 30 June 2024:

» Total funds under administration (FUA) of $57.4 billion (30 June 2023: $44.0 billion, up 30%)

» Platform $28.1 billion (30 June 2023: $22.2 billion up 26%)

» Praemium Separately Managed Accounts (SMA) $11.3 billion (30 June 2023: $9.6 billion, up 18%)

» Powerwrap $12.7 billion (30 June 2023: $12.6 billion, up 1%)

» OneVue $4.0 billion (30 June 2023: NIL, acquired 15 April 2024)

» VMAAS non-custodial Portfolio Administration and Reporting Service $29.3 billion (30 June 2023: $21.8 billion, up 34%)

Yearly net outflows of $183 million comprising:

» Praemium SMA yearly net inflows $820 million (year to 30 June 2023: $865 million, down 5%)

» Powerwrap yearly net outflows $876 million (year to 30 June 2023: $497 million net inflow, a large downward movement)

» OneVue net outflows $126 million from acquisition on 15 April 2024 to 30 June 2024.

Cash management account holdings

» Praemium SMA $667 million (5.9% of FUA)

» Powerwrap $504 million (4.0% of FUA)

» OneVue $306 million (7.6% 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 market movement for the 2024 financial year was $1,962 million, and represents approximately 10.4% of the value of Platform FUA at 30 June 2023. It also compares favourably to $1,358 million in positive market movement for the 2023 financial year.

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.

On 26 August 2024, the directors declared a fully franked special dividend of 1 cent per share with a record date of 5 September 2024. The dividend amounted to $4.8 million, to be paid on 19 September 2024.

The Board of Directors have not become aware of any other matter or circumstance not otherwise dealt within the financial statements that since 30 June 2024 has significantly affected or may significantly affect the operations of the Company or the consolidated entity, the results of those operations or the state of affairs in subsequent financial years.

## Platform Enhancements

Praemium continued to invest in delivering functionality and enhancements that are a priority for our customers. This year this focused on several key areas.

### Data integrations

Enabled performance and security contribution data integrations

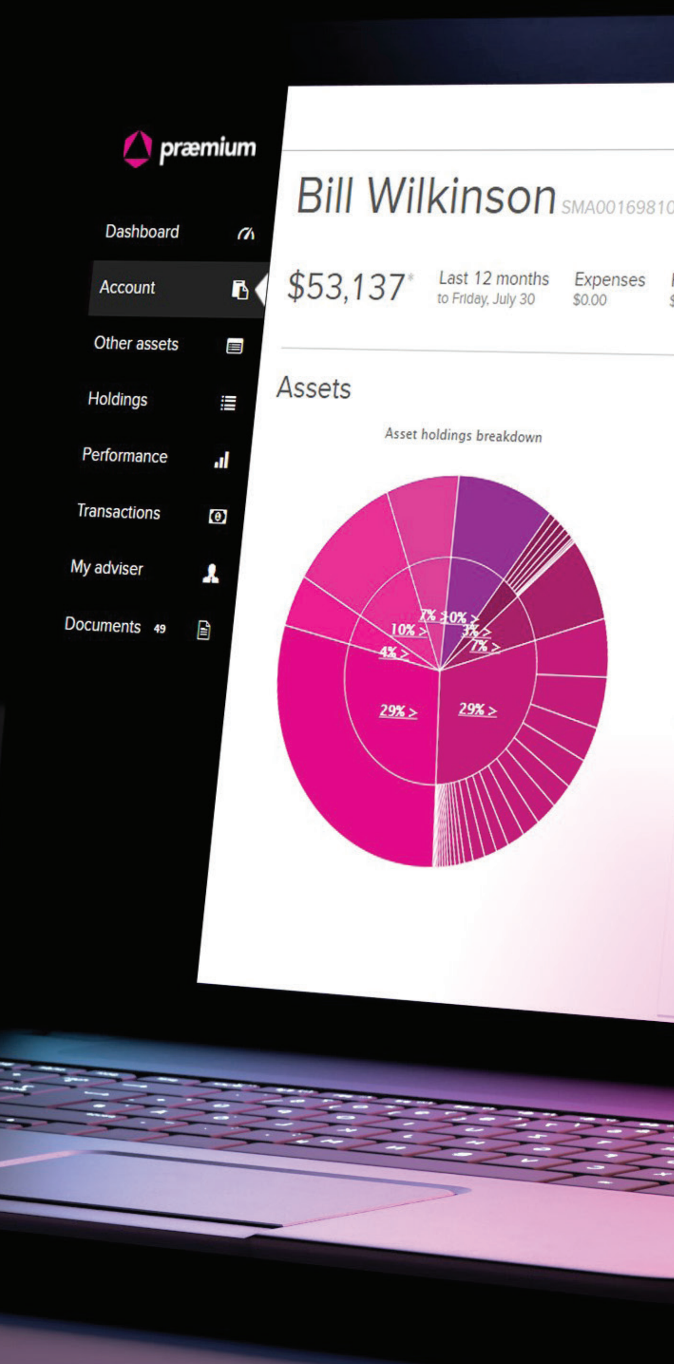
- Class Super: New EPI integration includes transactions for international securities
- XERO: Added the ability to set up a cash transaction export directly to your client's Xero account
- AUSIEX: Update your portfolio's trading transactions and security holdings with a direct data feed from AUSIEX
- Enhancements to Praemium's Data Exchange to provide administrators with easier set up for service and portfolio level integrations

### SuperSMA

- Notice of intent to claim requests for SuperSMA personal contributions now in one easy, straight-through process from within Adviser Portal
- Download a history of your client's SuperSMA member contribution. This export includes all Notice of intent to claim details (NOI) that have been submitted
- Allow multiple contribution types via direct debit for new SuperSMA applications

### Trading & execution

- New streamlined process for SMA Margin Loan accounts opening and maintenance
- Improved SMA customisation functionality ensures clients can withdraw cash regardless of trade size restrictions that may exist for the account
- Ability to refresh Adviser Portal when transactional changes occur during the day, ensuring data is always up-to-date
- Custodial term deposits available for Powerwrap accounts via Adviser Portal



# Key facts and figures

## Financial Metrics

| | FY2024 | FY2023 | Change | Change |
|---|---|---|---|---|
| **Continuing Operations** | $000 | $000 | $000 | % |
| Revenue and other income^ | 84,866 | 75,995 | 8,871 | 11.7% |
| Expenses | 63,413 | 52,572 | 10,841 | 20.6% |
| **EBITDA (underlying)*** | **21,453** | **23,423** | **(1,970)** | **(8.4%)** |
| | | | | |
| Profit before tax | 11,610 | 13,728 | (2,118) | (15.4%) |
| Tax expense/(benefit) | 2,860 | (1,426) | 4,286 | large |
| **Net profit after tax** | **8,750** | **15,154** | **(6,404)** | **(42.3%)** |
| | | | | |
| Earnings per share (cents) | 1.8 | 3.0 | (1.2) | (40.0%) |
| | | | | |
| **Cash** | **44,339** | **46,254** | **(1,915)** | **(4.1%)** |
| Net assets | 109,149 | 108,122 | 1,027 | 0.9% |
| Operating cashflow | 17,159 | 23,458 | (6,299) | (26.9%) |

^ Other income as outlined in Note 4 of the financial statements

* EBITDA excludes depreciation and amortisation of $5.7m (2023: $6.9m), restructure, arbitration and acquisitions costs of $3.9m (2023: $1.7m), share based payments of $2.2m (2023: $2.5m) and unrealised loss on financial instruments of $0.02 million (2023: $0.1m). Full details of EBITDA are detailed in Note 20 of the Financial Report.

## Dividend recommended, declared or paid

The Company declared a 1 cent per share fully franked dividend to be paid 19 September 2024.

## Segment Metrics

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Australia $m | International $m | Total $m | Australia $m | International $m | Total $m |
| **Revenue** | | | | | | |
| Revenue from contracts with customers | 82.7 | - | 82.7 | 74.3 | - | 74.3 |
| **Total segment revenue** | **82.7** | **-** | **82.7** | **74.3** | **-** | **74.3** |
| | | | | | | |
| **EBITDA** | **21.5** | **-** | **21.5** | **23.4** | **-** | **23.4** |
| Net interest | 2.0 | - | 2.0 | 1.3 | - | 1.3 |
| Depreciation, amortisation and impairments | (5.7) | - | (5.7) | (6.8) | - | (6.8) |
| Restructure, arbitration and acquisition costs | (3.9) | - | (3.9) | (1.5) | (0.1) | (1.6) |
| Share based payments | (2.2) | - | (2.2) | (2.5) | - | (2.5) |
| Other | (0.1) | - | (0.1) | - | (0.1) | (0.1) |
| **Net profit/(loss) before tax and intercompany interest** | **11.6** | **-** | **11.6** | **13.9** | **(0.2)** | **13.7** |

# Key facts and figures continued

## Service Metrics

| FUA $billion | FY2024 | FY2023 | Change | Change |
|---|---|---|---|---|
| | $B | $B | $B | % |
| Praemium Separately Managed Accounts (SMA) | 11.3 | 9.6 | 1.7 | 18.0% |
| Powerwrap | 12.7 | 12.6 | 0.1 | 1.0% |
| OneVue | 4.0 | - | 4.0 | 0.0% |
| **Total Platform FUA** | **28.1** | **22.2** | **5.8** | **26.0%** |
| | | | | |
| Virtual Managed Account Administration Service | 29.3 | 21.8 | 7.5 | 34.0% |
| | | | | |
| **Total FUA** | **57.4** | **44.0** | **13.3** | **30.0%** |

## Performance Metrics

| Continuing business | FY2024 | FY2023 | Change | Change |
|---|---|---|---|---|
| Portfolios (VMA) (# of portfolios) | 65,228 | 59,863 | 5,365 | 9% |
| Platform FUA ($ million) | 57,366 | 44,024 | 13,342 | 30% |

# Overview of 2024 financial position

## Acquisition of Iress OneVue Platform Business (OneVue)

On 15 April 2024, the Group completed the purchase of 100% of the voting equity interest in Iress Ltd's One Vue Platform Business (OneVue). OneVue consists of three wholly-owned entities, one of which operates investment administration services under an Australian Financial Services License.

The strategic rationale for this acquisition is increased operational leverage which generates material synergies and value creation for shareholders. This will be facilitated by migrating OneVue onto Praemium's operations and technology to:

» Remove duplication of product development, maintenance and support costs;

» Realise wage and supplier purchasing synergies arising from operational economies of scale; and

» Consolidate suppliers of custody, market data and brokerage services.

The acquisition is expected to be EPS accretive to Praemium post transition given:

» OneVue client migration is assessed to be low risk and actionable under the 18-month Transitional Services Agreement (TSA) period post transaction completion; and

» Praemium and OneVue teams have experience in executing large scale migration and transformation.

$4,048,469 has been paid to Iress for net tangible assets, with an additional $1.0 million in up-front consideration also paid.

Contingent consideration of up to $20.0 million, in addition to the up-front consideration, is payable on the realisation of OneVue 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 (15 January 2025) and 18 months (15 October 2025) 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.

OneVue's FUA at acquisition date was approximately $4.1 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.

Notwithstanding the above, OneVue, experienced a net outflow of $126 million over the June 2024 quarter. Quarterly outflows are expected to remain at $100m during the two measurement periods and FUA is forecasted to be $3.7 billion at 15 January 2025 (9 months) and $3.4 billion at 15 October 2025 (18 months). The resultant earn-out is therefore valued at $3.2 million due 15 January 2025; and $nil due 15 October 2025. It is on this basis that contingent consideration has been recognized under AASB 3.

Further information on the acquisition accounting is detailed in Note 28 to the Financial Statements.

## Trading Performance

The consolidated profit after tax was $8.8 million, compared to $15.2 million for the year to 30 June 2023. A significant tax benefit of $4.8 million arising from debt forgiveness deductibility was recognised in the first half of the prior year.

Revenue and other income was $84.9 million for the year to 30 June 2024 and includes $2.4 million revenue from OneVue. This was up 12% compared to $76.0 million for the year to 30 June 2023. Excluding OneVue, the increase was derived from higher average Platform FUA (2024: $28.1 billion compared with 2023 $22.2 billion) and higher numbers of non-custodial portfolios in VMA (65,228, up from 59,863) and VMAAS (9,559, up from 7,460).

Platform margins, excluding OneVue, improved by 1 basis point to 26 basis points. The Group's SMA product was repriced from 1 April 2024, resulting in an average margin for the quarter to 30 June 2024 of 39 basis points. This compared favourably to 33 basis points for the prior nine months of the current year and 34 basis points in the prior year. In addition, higher cash administration fees were earned for the full current year. In the first half of the current year, lower trading volumes in investor accounts reduced fees generated from that activity.

Expenses increased to $63.4 million in the year to 30 June 2024, including $2.7 million in expenses from OneVue. This was up $10.8 million or 21% on the prior year's $52.6 million. Excluding OneVue, 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 20 Segment Information.

EBITDA for the year to 30 June 2024 was $21.5 million, down $2.0 million, compared to $23.4 million in the prior year. The reduction was largely the result of expense increases, partly offset by increased revenue, as outlined above. EBITDA margins were 26% of revenue, compared to 32% for the prior year.

## Balance sheet & cashflow

The Group has a strong balance sheet. At 30 June 2024, net assets were $109.1 million, compared with $108.1 million at 30 June 2023. Total assets were increased by $5.1 million to $134.6 million, largely due to recognising the fair value of OneVue assets.

The group continued to invest in technology innovation with $7.7 million of capitalised research and development (R&D) added to balance sheet and accounted for as investing cash flows for the year to 30 June 2024 (prior year $7.5 million). The significantly improved trading performance has seen accumulated losses shift to retained earnings of $3.1 million at 30 June 2024.

## Global Economic Impacts

The Directors continue to assess potential financial and other impacts of the current high level of uncertainty regarding the global economy. This uncertainty has impacted investor sentiment and asset allocation strategies during the year. At the date of signing, the future impacts of these risks on global and domestic economies and investment market indices, and their resulting impact on the Group are uncertain.

The Directors and management will continue to monitor the global and domestic economic environment, noting that geopolitical disruptions can adversely affect assets, performance and liquidity.

## Risk Management

The Group recognises risk as the effect of uncertainty, both positive and negative, on our objectives.
We manage risk to create and sustain value for shareholders and other stakeholders and foster a risk aware culture with consideration of risk supporting our formulation of strategy and informing business decision-making. Our Board-approved Risk Appetite Statement and Risk Management Framework endeavours to consider the full scope of risks we face, including emerging risks. The Group details how it complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) in its Corporate Governance Statement.

| Risk Type | Description | Managing the risk |
|---|---|---|
| **Strategic risk** | The risk that internal or external factors result in failure to achieve our strategic objectives and grow market share/profitability. | » Board and executive oversight of strategy.<br>» Dedicated project management team.<br>» Client facing employees monitor market trends and competition.<br>» Regular executive engagement with external parties to understand opportunities and market dynamics.<br>» Tracking of sales growth provided regularly to the Board and executive. |
| **Financial risk** | The risk of misstatement or mismanagement in the financials leading to poor financial decisions; poor expense management leading to reduced profitability and/or the inability to meet our financial obligations | » Strong and capable financial management team.<br>» Board oversight of finances / budgets / expenses and forecasts.<br>» High levels of working capital and a cautious approach to debt.<br>» Tightly defined delegations of authority around expenditure. |
| **Geographic and political risk** | The risk that external factors such as war, politics, or regulation impact our off-shore employees or providers. | » Well established processing and technology centre(s) with detailed processes.<br>» Business continuity process / plan. |
| **Operational risk** | The risk of failed processes, suppliers, systems, or people give rise to disruption of product service or business / financial loss. | » Compliance plan monitoring of obligations.<br>» Procedures for key processes.<br>» Policies detailing Board expectations.<br>» Business continuity and disaster recovery processes / plans.<br>» Avenues to report incidents and concerns regarding errors, weakness, or misconduct<br>» Training and development of employees. |

| Risk Type | Description | Managing the risk |
|---|---|---|
| **Cyber and data risk** | The risk of disruption or data loss / damage due to inadequate process or protections against cyber infiltration. | » Independent audit of security.<br>» Multiple data loss prevention controls.<br>» Real time alert systems.<br>» Information Security Policy.<br>» Skilled technology team.<br>» Training and development of employees. |
| **Regulatory and compliance risk** | The risk that non-compliance or inability to comply, results in financial loss, loss of licence or loss of ability to continue to operate our products. | » Risk management and compliance management frameworks.<br>» Skilled risk and compliance team.<br>» Oversight of regulatory and compliance matters by Board Committee(s).<br>» Monitoring of regulatory change. |
| **Technology risk** | The risk that system design errors or poor implementation of change could result in service failure, regulatory breach, or business disruption. | » Processes for managing software development.<br>» Business continuity / disaster recovery plans.<br>» Training and development of employees.<br>» Insurance. |
| **Reputation risk** | The risk that the Group's brand or reputation is damaged due to risk realisation, misconduct, or negative publicity. | » Regular monitoring of media.<br>» Contractual terms with suppliers.<br>» Employee policies and processes.<br>» Training and development of employees. |
| **Personnel risk** | Risk of loss or disruption caused by failure to attract or retain key personnel. | » Health and safety policy and trained representatives.<br>» Employee policies and processes.<br>» Staff surveys and pulse checks to monitor employee sentiment and engagement.<br>» Market assessment – salary trends.<br>» Incentive management and succession planning for key employees.<br>» Learning and development strategies.<br>» Training in people obligations. |
| **Governance risk** | The risk of failure of the Board to appropriately govern risk. | » Experienced board with regular meetings.<br>» Provision of information about Board, and key policies via its website.<br>» Listed company disclosures (Corporate Governance compliance). |

## Significant change in the state of affairs

Other than noted in this report, there were no other significant changes in the state of affairs during the year.

## After reporting date events

Directors have not become aware of any other matter or circumstance not otherwise dealt with in the financial statements that since 30 June 2024 has significantly affected or may significantly affect the operations of the Company or the consolidated entity, the results of those operations or the state of affairs in subsequent financial years.

## Future developments

A detailed review of the Group's activities and prospects is contained within the Directors' report. The Company will continue its activities as outlined in its initial prospectus and subsequent disclosures to the ASX, including a detailed investor presentation on this year's results.

# Disclosures relating to Directors and Senior Management

The number of Board Meetings and number of meetings of each Board committee held during the financial year, and the number of meetings attended by each of the Company's Directors were:

| | Board Of Directors 13 Meetings | | Audit, Risk & Compliance Committee 5 Meetings | | Remuneration Committee 3 Meetings | |
|---|---|---|---|---|---|---|
| | Eligible To Attend | Attended | Eligible To Attend | Attended | Eligible To Attend | Attended |
| Barry Lewin | 13 | 13 | - | - | - | - |
| Stuart Robertson | 13 | 13 | 5 | 5 | 3 | 3 |
| Daniel Lipshut | 13 | 13 | 5 | 5 | 3 | 3 |
| Anthony Wamsteker | 13 | 13 | - | - | 3 | 3 |
| Claire Willette | 13 | 13 | 5 | 5 | 3 | 3 |

### Directors' & Executives' relevant interests in shares, options and performance rights

Details of the interests of the Company's Directors and senior Executives in the shares of the Company are set out in the Remuneration Report. The long-term incentive for the Company's Executive Director is membership of the Praemium Directors & Employees Benefits Plan, which was initially approved by shareholders on 11 November 2008 (the "Current Plan"). An updated and amended Plan was approved at the Company's 2020 AGM. Details of the securities issued under the Current Plan and shares issued on the exercise of options or vesting of performance rights are set out in the Remuneration Report and Note 23(a) and (b) of the Financial Report. Details of the interests of the Company's Directors and senior Executives in the shares of the Company are set out in the Remuneration Report.

### Indemnification and insurance of Directors, officers and auditors

The Company has executed a deed of access, indemnity and insurance in favour of each officer of the Company, including current and past Directors, in accordance with applicable laws. Under the deeds, Praemium indemnifies the officers and previous officers with respect to liabilities incurred in connection with holding office, to the extent permitted by the Corporations Act. The Company is also obliged to carry insurance cover for current and past Directors and provide them with access to Board and Committee papers. Such insurance also extends to cover Directors and officers of the Group subsidiaries.

Under its Constitution, Praemium must, subject to certain exceptions, indemnify each of its Directors to the extent permitted by law against liability that did not arise out of a lack of good faith. The directors have not included any further details concerning the liabilities covered and premium paid, due to non-disclosure clauses in the relevant contract.

### Further disclosures

No performance rights have been issued since the end of the financial year, other than as set out in this report:

- No Directors have any other rights or options over shares in, debentures of, or interests in a registered scheme made available by the Company or a related body corporate;
- There are no contracts to which any Director is a party or under which any Director is entitled to a benefit; and
- There are no contracts that confer a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the Company or a related body corporate.

## ASX-listed company

As at the date of this report, the Company's securities are not quoted on any stock exchange other than the ASX. There is currently an on-market buy back in progress.

## Unquoted securities

The only unquoted securities in the capital of the Company currently on issue are performance rights referred to above. All unquoted securities were issued or acquired under an employee incentive scheme.

## Corporate governance

A corporate governance statement is available on our website https://www.praemium.com/au/about-us/shareholders/corporate-governance/

## Environmental regulation

The Group's operations are not presently subject to significant environmental regulations under the law of the Commonwealth or State.

## Proceedings on behalf of the consolidated entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity. The Company was not a party to any such proceedings during the year.

## Non-audit services/auditor's independence declaration

Details of the amounts paid or payable to the auditor (Grant Thornton) for audit and non-audit services during the year are disclosed in note 18 Remuneration of auditors.

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

The board of Directors, in accordance with advice provided by the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

» all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and

» none of the services undermine the general principles relating to auditor independence as set out in APES 110 ***Code of Ethics for Professional Accountants***

Signed in accordance with a resolution of Directors.

**Barry Lewin,**
Chairman

26 August 2024

# Board of Directors

## Barry Lewin
**Non-executive Chair**

Barry Lewin was appointed as a non-executive chairman on 12 May 2017. Barry has significant experience advising public and private companies in transaction structuring, debt and equity issues, mergers, acquisitions, business sales and public floats.

Prior to establishing the corporate advisory firm SLM Corporate Pty Ltd in 1999, Barry spent twelve years as in-house counsel to leading Australian public companies, including diversified international resource company North Limited, managing their legal and commercial Australian and international interests.

Barry was non-executive chairman for ASX-listed Elmo Software (ASX: ELO) until February 2023 and QuickFee (ASX: QFE) until November 2022. He has previous experience as Director of ASX-listed companies Senetas Corporation Limited (1999-2001) and Sunrise Energy Metals Limited (formerly Clean TeQ Holdings Limited) (2007-2011).

Barry has degrees in Commerce and Law and holds an MBA from Swinburne University, Melbourne.

## Daniel Lipshut
**Non-executive director**

Daniel Lipshut was appointed as a non-executive director on 12 May 2017. Daniel is an experienced executive and non-executive director with an accomplished career in the defence, fintech and telecommunications industries. Daniel's experience includes a broad range of corporate, commercial and board positions with a focus on corporate governance, development of government relationships, strategic business development and commercialisation of innovative technologies.

Daniel was joint Managing Director and CEO of ASX listed BSA (ASX:BSA), CEO of IAI Australia, and CEO of Intercorp, a private company specialising in defence electronic systems, telecommunications, innovation and R & D. In addition, Daniel was a Director of the Australian Association of Uninhabited Systems, nominated Chair of the Well and Productive CRC bid, a graduate of the AICD, and a member of ARPA. He holds an MBA from the University of Technology Sydney.

Daniel chairs the Group's Remuneration & Nomination Committee and is also a member of the Audit, Risk & Compliance Committee.

## Claire Willette
**Non-executive Director**

Claire Willette was appointed as a non-executive director on 17 November 2021. Her career has spanned national security, emerging technologies and critical infrastructure sectors, with a focus on developing governance frameworks, supply chain planning, risk management and performance/ program management. Claire brings a wealth of experience as a senior executive in the United States Department of Defense, the Australian Department of Defence and in the private sector, most recently with Boeing. Claire has managed a wide variety of projects both in scale and complexity, including whole-of-government initiatives and national projects.

Claire is an Associate of and sat on the Board of Directors for the Australian Risk Policy Institute and is a Senior Expert Advisor to the International Standards Committee in the areas of Risk, Resilience and Business Continuity.

Claire is a member of the Group's Audit, Risk & Compliance Committee and Remuneration & Nomination Committee. She has a BA from George Mason University (US) and a Masters of International Relations from Cambridge University (UK).

## Stuart Robertson
**Non-executive Director**

Stuart Robertson was appointed as a non- executive director on 12 May 2017. Stuart has broad experience in business advisory, investment banking, wrap platforms, alternative investments and funds management. He held senior roles at BT Funds Management, KBC Investments Limited and Zurich Financial Services in Australia, London and New York and is currently a Director at Ellerston Capital Limited.

Stuart is non-executive chairman of Solvar Ltd, formerly Money3 Corporation Limited. He has held this role since November 2018 and been a director since January 2016.

Stuart chairs the Group's Audit, Risk & Compliance Committee and is a member of the Group's Remuneration & Nomination Committee. Stuart is a Chartered Accountant, Fellow of FINSIA, Member of the Australian Institute of Company Directors and holds an MBA from the MGSM.

## Anthony Wamsteker
**Executive Director/CEO**

Anthony Wamsteker was appointed as a non-executive director on 23 November 2020. From 20 May 2021, Anthony assumed the role of Executive Director and Interim CEO. On 16 August 2021 Anthony was appointed into the permanent role of CEO.

Anthony brings over 30 years' experience in financial services, including nine years as the founding CEO of ME Bank and 12 years in the Funds Management division of National Mutual/ AXA. Anthony also brings extensive board experience, most recently as the Chairman of Powerwrap Limited from January 2018 to October 2020. Anthony has been Chairman of IBA Group Pty Ltd since January 2020.

Anthony holds a Bachelor of Economics from Macquarie University and qualified as an Associate of the Institute of Actuaries of Australia.

## Mark Licciardo
**Company Secretary**

Mark Licciardo joined Praemium as Company Secretary in March 2022.

Mark was the founder and Managing Director of Mertons Corporate Services, and is now Managing Director, Listed Company Services for Acclime. Acclime provides company secretarial and corporate governance consulting services to ASX listed and unlisted public and private companies. He is also a former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited.

Mark holds a Bachelor of Business Degree (Accounting) and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and the Institute of Company Secretaries and Administrators.

# Remuneration Report 2024

During the financial year the following people served as Directors of the Company:

» Barry Lewin
» Stuart Robertson
» Daniel Lipshut
» Anthony Wamsteker
» Claire Willette

## Remuneration philosophy and principles

The Company's performance is dependent upon the quality of its people. To this end, the Company applies the following principles in its remuneration framework:

» Provide competitive rewards to attract high-calibre executives;
» Link Executive rewards to shareholder value; and
» Provide for a significant proportion of the Executive remuneration to be 'at risk' – that is, dependent upon meeting predetermined performance indicators.

## Remuneration policies

The Board has established a Remuneration and Nomination Committee, which is currently chaired by non-executive Director Daniel Lipshut and comprised during the year by non- executive Directors Stuart Robertson and Claire Willette. The Remuneration and Nomination Committee was established to review the remuneration policies and practices of the Company to ensure that it remunerates fairly and responsibly.

The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within the Remuneration and Nomination Committee's Charter. The Charter is reviewed annually and is available under the Corporate Governance section of the Company's website.

The Company's remuneration framework is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered. It should also attract and maintain talented and motivated Directors and employees. The framework is designed for:

Decisions in relation to executive and non-executive remuneration policy;

Decisions in relation to remuneration packages for Executive Directors and senior management;

Decisions in relation to merit recognition arrangements and termination arrangements; and

Ensuring that any equity-based Executive remuneration is made in accordance with the thresholds set in plans approved by shareholders.

No external remuneration consultant was used during the financial year for benchmarking of non-executive and senior executive roles. SLM Corporate, an entity majority owned by interests associated with the Chairman, performed valuations of performance rights during the financial year for $8,000.

The Remuneration and Nomination Committee is authorised by the Board to investigate any activity within its charter. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Remuneration and Nomination Committee.

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following with respect to the current year and the previous three financial years:

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| EBITDA^ ($m) | 21.5 | 23.4 | 16.6 | 13.8 | 14.2 |
| NPAT($m) | 8.8 | 15.2 | 43.5 | 1.5 | 4.9 |
| EPS (cents) | 1.8 | 3.0 | 8.6 | 1.5 | 1.2 |

^ EBITDA excludes one-off costs, unrealised FX movements and share based payments.

The Remuneration and Nomination Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Remuneration and Nomination Committee if it considers this necessary. It has exercised this right when it has considered it appropriate to do so.

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

### Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The non-executive Directors are paid fixed fees in accordance with a determination of the Board but within an aggregate limit fixed by the Shareholders. The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. At the 2019 AGM the members approved the aggregate remuneration for Directors as $750,000.

No securities were issued to non-executive directors during the financial year. The Company does not operate any schemes for retirement benefits for any non-executive Director other than the contributions that it makes to superannuation in accordance with statutory requirements.

The names and positions of each person who held the position of Director of Praemium Limited at any time during the financial year is provided within the Remuneration Report and information about each of those persons (including their qualifications and experience) is set out on pages 16-17.

# Remuneration Report (continued)

## Key management personnel

Key management personnel (KMP) are the individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, as defined under the AASB 124 Related Party Disclosures. In addition to the Group's Non-Executive Directors noted earlier, the following Executives are also disclosed within this report as Key Management Personnel:

- Anthony Wamsteker - CEO / Executive Director
- David Coulter - Chief Financial Officer

The remuneration of Key Management Personnel comprises:

- Total Fixed Remuneration;
- Variable remuneration: short-term incentives; and
- Variable remuneration: long-term incentives.

Total fixed remuneration comprises base salary, any relevant allowances and statutory superannuation guarantee contributions. Fixed remuneration is set with reference to market data, reflecting the scope of the role, skills, qualifications and experience of the relevant Executive and the performance of the employee in the role.

Remuneration is reviewed annually, with recommendations made to the Remuneration and Nomination Committee. Annual reviews include using market surveys as benchmarks to ensure competitive remuneration is set to reflect the market for comparable roles.

## Short-term incentives

A short-term incentive (STI) is currently applicable to the majority of staff, subject to tenure and satisfactory performance requirements. Achievement of this annual STI is directly linked to the performance of the Group against the Board's targets and key business drivers. Unless Board-set targets are achieved, no bonus payment will be made. Overachievement of key business drivers may result in an increase to the amount of the bonus payable for specific executives, subject to capped levels. At the discretion of the Board the STI may be paid in cash or by the issue of securities.

## Long-term incentives

Long-term incentives (LTI) are based on participation within Praemium's Directors & Employee Benefits Plan. LTI incentives, based on equity remuneration (being either the issue of securities, issue of performance rights or issue of options), are made in accordance with thresholds set out in this plan. By using the Group's Directors & Employees Benefits Plan to offer shares and options to employees, the interests of employees are aligned with shareholder wealth. A copy of the plan is available under the Corporate Governance section of the Company's website.

Unless otherwise stated, under Praemium's Director & Employee Benefits Plan the Board has discretion to vest all outstanding LTIs in the event of a change of control of the Company. Individual incentives limits are assessed in line with regulatory guidelines where the Company operates and offers LTI incentives.

## LTI measures

**2023 performance rights issues**

2023 (executives and senior leaders)

- Entitlements are granted based on achieving a specified Total Shareholder Return (TSR) relative to companies in the S&P ASX 300 (Relative TSR) and expressed as a percentile;
- If Relative TSR for the three years to 30 June 2025 is:
  - at or below 50th percentile, no rights vest;
  - above 50th and up to 75th percentile, 50 – 100% of rights vest on a pro-rata basis; or
  - at or above 75th percentile, 100% of rights vest.
- Entitlements vest 1 July 2025;
- Entitlements expire upon cessation of employment.
- The Board retains discretion to adjust the TSR target and/or how TSR performance is calculated.

**2023 (all other qualifying staff)**

- Entitlements are granted in three tranches based on remaining an employee in good standing at each of 30 September 2023 (15% tranche), 30 September 2024 (25% tranche) and 30 September 2025 (60% tranche);
- Tenure based, with tranche weighting skewed to three years' service, to maximise staff retention; and
- Entitlements expire upon cessation of employment.

**2022 performance rights issue**

- Entitlements are granted in three equal tranches based on achieving a specified escalating Total Shareholder Return (TSR) for each tranche;
- Entitlements vest 1 July 2024;
- Entitlements expire upon cessation of employment; and
- The Board retains discretion to adjust the TSR target and/or how TSR performance is calculated.

**2021 and prior (executives):**

LTI measures for key Executives were based on the same entitlements as outlined for staff. However, for key Executives vesting hurdles are based on Group profitability (EBITDA) targets set by the Board and TSR measurement over the LTI cycle. Vesting hurdles are weighted 50% for Group profitability targets and 50% for achievement of TSR targets.

The test of Group profitability is based on a 3-year EBITDA target, as set by the Board at the start of the LTI cycle and measured on a cumulative basis over the LTI period. Achievement of entitlements is based on actual performance relative to target, with no entitlements achieved below 80% of target and up to 100% of entitlements achieved upon full achievement of target.

The test of TSR is performance of Praemium's share price relative to the performance of a comparable peer group of companies (Peer Group) over the LTI period, as approved by the Board. Achievement of entitlements is based on actual performance relative to the Peer Group, with no entitlements achieved below 80% of the Peer Group's TSR and up to 100% of entitlements achieved upon full achievement of the Peer Group's TSR.

Provided LTI measures are met, firstly for Company performance and then for individual performance, entitlements then vest over 3 years based on 15% in year one, 25% in year two and 60% in year three.

For the 2020 financial year, direct reports to the CEO were offered an LTI based on the achievement of vesting hurdles over a fixed 3-year period. LTI measures are consistent with previous plans, being Group profitability (EBITDA), TSR and employee eligibility, with 100% of entitlements based on measures at the end of the 3-year period.

**2021 and prior (all other qualifying staff):**

Rules for all staff to achieve LTI entitlements (currently the issue of performance rights) are such that:

» Entitlements granted are based on achieving specified company targets and individual annual performance;

» Entitlements vested on 30 June 2023; and

» Entitlements expire upon cessation of employment.

Vesting hurdles for staff are based and weighted 100% on Group profitability (EBITDA) targets set by the Board over the LTI cycle. The test of Group profitability is based on a 3-year EBITDA target, as set by the Board at the start of the LTI cycle and measured on a cumulative basis over the LTI period. Achievement of entitlements is based on actual performance relative to target, with no entitlements achieved below 80% of target and up to 100% of entitlements achieved upon full achievement of target.

An individual's annual performance is based on rating measures, applied consistently across the Company. The Board, on the recommendations of the CEO and the Remuneration and Nomination Committee, considers the individual performance of the Executives and their contributions to the Company's performance.

Provided LTI measures are met, firstly for Company performance and then for individual performance, entitlements then vest over 3 years based on 15% in year one, 25% in year two and 60% in year three.

## Executive remuneration policies and contracts

All Group Executives are employed under employment contracts. Those contracts do not have a fixed term and are terminable between one and three months' notice (as set out below) by the Executive or by the Company or, in the event that the Executive materially breaches the contract of employment in a way that involves dishonesty, fraud, a breach of any law affecting the Company or a breach of certain of the Group's policies, the Executive may be summarily dismissed.

To the extent that elements of the remuneration of key Executives consists of securities in the Company, the Board, in considering whether to grant those securities and negotiating the terms of remuneration with the key Executive, requires the key Executive to obtain their own advice in respect to their exposure to risk in relation to the securities and relies on the undertakings of the key Executives that they have obtained such advice prior to accepting the offer of securities.

No securities were issued to new employees as an incentive or sign on bonus during the 2024 financial year.

The Company may elect, on the giving or receipt of notice from any Executive, to pay out the balance of the term with or without requiring the Executive to 'go on garden leave' for the remaining term. Key Management Personnel are: Anthony Wamsteker, CEO and Executive Director, and David Coulter, Chief Financial Officer, are employed on an ongoing basis, with a maximum entitlement on termination in lieu of notice equal to the value of 3 months Total Employment Package.

# Remuneration Report (continued)

## Voting and comments made at the Company's last annual general meeting

Praemium Limited received 81.2% of 'yes' votes on its Remuneration Report for the financial year ended 30 June 2024. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

## Detail of key management personnel remuneration - 2024

| 2024 | Short-Term Employee Benefits | | Share Based Payments | Post-Employment Benefits | Other Long-Term Benefits | Total | Performance related % |
|---|---|---|---|---|---|---|---|
| | Salary fees & commissions | Bonus by way of cash | Performance rights[1] | Superannuation | Long service leave | | |
| **Parent entity directors** | | | | | | | |
| Barry Lewin | 180,180 | - | - | 19,820 | - | 200,000 | 0% |
| Stuart Robertson[2] | 115,000 | - | - | - | - | 115,000 | 0% |
| Daniel Lipshut[2] | 99,099 | - | - | 10,901 | - | 110,000 | 0% |
| Claire Willette | 90,090 | - | - | 9,910 | - | 100,000 | 0% |
| Anthony Wamsteker | 661,589 | 215,625 | 359,911 | 27,399 | 6,778 | 1,271,302 | 45% |
| **Key management personnel** | | | | | | | |
| David Coulter | 396,351 | 145,883 | 163,308 | 27,399 | 3,256 | 736,197 | 42% |
| **2024 total** | **1,542,309** | **361,508** | **523,219** | **95,429** | **10,034** | **2,532,499** | **35%** |

1.Performance rights relates to entitlements under the Praemium Directors & Employee Benefits Plan, with amounts recognised over the life of the vesting period in accordance with AASB 2: Share Based Payments, and does not reflect actual remuneration received within the year.
2. Director fees for Stuart Robertson and Daniel Lipshut include chair fees for the Audit, Risk and Compliance Committee and Remuneration & Nomination Committee respectively.

## Detail of key management personnel remuneration - 2023

| 2023 | Short-Term Employee Benefits | | Share Based Payments | Post-Employment Benefits | Other Long-Term Benefits | Total | Performance related % |
|---|---|---|---|---|---|---|---|
| | Salary fees & commissions | Bonus by way of cash | Performance rights[1] | Superannuation | Long service leave | | |
| **Parent entity directors** | | | | | | | |
| Barry Lewin | 170,776 | - | - | 17,931 | - | 188,708 | 0% |
| Stuart Robertson[2] | 105,000 | - | - | - | - | 105,000 | 0% |
| Daniel Lipshut[2] | 92,237 | - | - | 9,685 | - | 101,922 | 0% |
| Claire Willette | 77,626 | - | - | 8,151 | - | 85,776 | 0% |
| Anthony Wamsteker | 552,648 | 219,860 | 198,170 | 25,292 | 2,618 | 998,588 | 42% |
| **Key management personnel** | | | | | | | |
| David Coulter | 362,749 | 32,579 | 39,900 | 25,292 | 1,222 | 461,743 | 16% |
| **2023 total** | **1,361,036** | **252,439** | **238,070** | **86,352** | **3,840** | **1,941,736** | **25%** |

1.Performance rights relates to entitlements under the Praemium Directors & Employee Benefits Plan, with amounts recognised over the life of the vesting period in accordance with AASB 2: Share Based Payments, and does not reflect actual remuneration received within the year.
2. Director fees for Stuart Robertson and Daniel Lipshut include chair fees for the Audit, Risk and Compliance Committee and Remuneration & Nomination Committee respectively.

## Bonus Included in Remuneration

Details of the short-term incentive bonuses awarded as remuneration to each Key Management Personnel, the percentage of the available bonus that was vested in the financial year and the percentage that was forfeited because the person did not meet the service and Performance criteria is set out below.

| | Percentage vested in year | Percentage forfeited in year |
|---|---|---|
| **Parent entity directors** | | |
| Anthony Wamsteker | 75.0% | 25.0% |
| **Key management personnel** | | |
| David Coulter | 88.9% | 11.1% |

## Other Information

### A) Performance rights holdings

| | Grant Date | Balance 1 July 2023 | Granted as compensation | Vested/ Exercised | Forfeited/ lapsed during the year | Balance 30 June 2024 |
|---|---|---|---|---|---|---|
| **Parent entity directors** | | | | | | |
| Anthony Wamsteker | | 1,200,000 | - | - | (1,200,000) | - |
| **Key management personnel** | | | | | | |
| David Coulter | 30-Aug-22 | 600,000 | - | - | (600,000) | - |
| | 1-Dec-22 | 141,200 | - | - | - | 141,200 |
| **2024 Total** | | **1,941,200** | **-** | **-** | **(1,800,000)** | **141,200** |

### B) Shareholdings directly and indirectly beneficially held

| 2024 | Balance 1 July 2023 | Received as Compensation | Exercise of performance rights | Purchases/ (lapses) | Balance 30 June 2024 |
|---|---|---|---|---|---|
| **Parent entity directors** | | | | | |
| Barry Lewin | 625,700 | - | - | - | 625,700 |
| Stuart Robertson | 602,000 | - | - | - | 602,000 |
| Daniel Lipshut | 550,000 | - | - | - | 550,000 |
| Anthony Wamsteker | 1,620,002 | - | - | 200,000 | 1,820,002 |
| Claire Willette | - | - | - | - | - |
| **Key management personnel** | | | | | |
| David Coulter | - | - | - | 35,463 | 35,463 |
| | **3,397,702** | **-** | **-** | **235,463** | **3,633,165** |

This concludes the remuneration report, which has been audited.

# Financial Report 2024

# Consolidated Statement of Profit or Loss & Other Comprehensive Income

| For the year ended 30 June 2024 | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| Revenue from contracts with customers | 3 | 82,726,894 | 74,294,400 |
| Other income | 4 | 2,138,608 | 1,701,069 |
| Platform trading & recovery | | (5,860,789) | (4,252,750) |
| Employee costs | 5 | (39,223,002) | (32,914,794) |
| Depreciation, amortisation and impairments | 5 | (5,686,679) | (6,862,796) |
| Legal, professional, advertising and insurance expense | | (7,787,490) | (6,607,052) |
| IT support | | (7,141,926) | (5,561,738) |
| Commissions expense | | - | (551,720) |
| Travel expenses | | (452,762) | (484,388) |
| Occupancy costs | | (653,829) | (637,717) |
| Net foreign exchange (loss)/gain | 5 | (24,488) | (63,168) |
| Telecommunication costs | | (154,216) | (214,605) |
| Finance costs | | (117,035) | (96,698) |
| Other expenses | 5 | - | 26,549 |
| Share based payments | 23 | (2,217,863) | (2,462,955) |
| Restructure, arbitration and acquisition costs | | (3,914,840) | (1,678,411) |
| Unrealised (loss)/gain on financial instruments | 5 | (20,254) | 94,946 |
| **Profit before income tax expense** | | **11,610,329** | **13,728,172** |
| Income tax (expense)/benefit | 6 | (2,859,760) | 1,426,394 |
| **Profit for the year attributable to owners of the parent** | | **8,750,569** | **15,154,566** |
| | | | |
| **Other comprehensive income:** | | | |
| Exchange differences on translation of foreign operations | | 665 | (127,379) |
| **Total items that may be reclassified subsequently to profit or loss** | | **665** | **(127,379)** |
| **Other comprehensive income/(loss) for the year, net of tax** | | **665** | **(127,379)** |
| **Total comprehensive income attributable to owners of the parent** | | **8,751,234** | **15,027,187** |
| | | | |
| **Basic and diluted earnings per share (cents per share)** | | | |
| Attributable to owners of the parent | 24 | 1.8 | 3.0 |

**The accompanying notes form part of the financial statements.**

# Consolidated Statement of Financial Position

| As at 30 June 2024 | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 7 | 44,339,063 | 46,253,718 |
| Contract assets | 19 | 6,283,800 | 4,529,497 |
| Trade and other receivables | 8 | 4,563,601 | 3,153,258 |
| Income tax receivable | | - | 2,864,017 |
| Prepayments | | 2,725,956 | 1,970,062 |
| **Total current assets** | | **57,912,420** | **58,770,552** |
| **Non-current assets** | | | |
| Other financial assets | 9 | 2,267,538 | 2,054,602 |
| Property, plant and equipment | 10 | 2,965,097 | 3,053,570 |
| Goodwill | 11 | 48,902,873 | 47,775,128 |
| Intangible assets | 12 | 19,925,836 | 12,769,797 |
| Deferred tax asset | 13 | 2,610,576 | 5,074,404 |
| **Total non-current assets** | | **76,671,920** | **70,727,501** |
| **TOTAL ASSETS** | | **134,584,340** | **129,498,053** |
| **Current liabilities** | | | |
| Trade and other payables | 14 | 10,867,353 | 12,141,350 |
| Provisions | 15 | 4,835,410 | 3,365,335 |
| Lease liabilities | 10 | 540,239 | 415,269 |
| Contract liabilities | 19 | 1,765,567 | 1,699,687 |
| Other financial liabilities | 28 | 3,161,446 | - |
| Income tax payable | | 2,234,109 | 10,283 |
| **Total current liabilities** | | **23,404,123** | **17,631,924** |
| **Non-current liabilities** | | | |
| Provisions | 15 | 610,098 | 432,421 |
| Lease liabilities | 10 | 1,420,953 | 1,767,342 |
| Deferred tax liability | 13 | - | 1,544,810 |
| **Total non-current liabilities** | | **2,031,051** | **3,744,573** |
| **TOTAL LIABILITIES** | | **25,435,174** | **21,376,497** |
| | | | |
| **NET ASSETS** | | **109,149,166** | **108,121,556** |
| | | | |
| **Equity** | | | |
| Share capital | 16 | 103,034,382 | 112,342,200 |
| Reserves | 17 | 3,008,448 | 1,423,589 |
| Retained earnings/(accumulated losses) | | 3,106,336 | (5,644,233) |
| **TOTAL EQUITY** | | **109,149,166** | **108,121,556** |

**The accompanying notes form part of the financial statements.**

# Consolidated Statement of Changes in Equity

| For year ended 30 June 2024 | Ordinary Shares<br>$ | Retained Earnings/ (Accumulated Losses)<br>$ | Foreign Currency Translation Reserve<br>$ | Share Based Payments Reserve<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Equity as at beginning of period** | **112,342,200** | **(5,644,233)** | **(99,170)** | **1,522,759** | **108,121,556** |
| Profit attributable to members of the parent entity | - | 8,750,569 | - | - | 8,750,569 |
| Other comprehensive income | - | - | 665 | - | 665 |
| Amounts attributed to post combination services | - | - | - | 582,299 | 582,299 |
| **Total comprehensive income for the year** | **-** | **8,750,569** | **665** | **582,299** | **9,333,533** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Employee share-based compensation | (40,728) | - | - | - | (40,728) |
| Option expense | - | - | - | 1,623,460 | 1,623,460 |
| Transfer on exercise of options | 621,565 | - | - | (621,565) | - |
| Share buy-back | (9,888,655) | - | - | - | (9,888,655) |
| | **(9,307,818)** | **-** | **-** | **1,001,895** | **(8,305,923)** |
| **Equity as at 30 June 2024** | **103,034,382** | **3,106,336** | **(98,505)** | **3,106,953** | **109,149,166** |

| For year ended 30 June 2023 | Ordinary Shares<br>$ | Retained Earnings/ Accumulated Losses)<br>$ | Foreign Currency Translation Reserve<br>$ | Share Based Payments Reserve<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Equity as at beginning of period** | **122,267,482** | **(20,798,799)** | **28,209** | **844,523** | **102,341,415** |
| Profit attributable to members of the parent entity | - | 15,154,566 | - | - | 15,154,566 |
| Other comprehensive loss | - | - | (127,379) | - | (127,379) |
| Amounts attributed to post combination services | - | - | - | 1,104,768 | 1,104,768 |
| **Total comprehensive income/(loss) for the year** | **-** | **15,154,566** | **(127,379)** | **1,104,768** | **16,131,955** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Employee share-based compensation | (16,978) | - | - | - | (16,978) |
| Option expense | - | - | - | 1,221,578 | 1,221,578 |
| Transfer on exercise of options | 1,648,110 | - | - | (1,648,110) | - |
| Share buy-back | (11,556,414) | - | - | - | (11,556,414) |
| | **(9,925,282)** | **-** | **-** | **(426,532)** | **(10,351,814)** |
| **Equity as at 30 June 2023** | **112,342,200** | **(5,644,233)** | **(99,170)** | **1,522,759** | **108,121,556** |

**The accompanying notes form part of the financial statements.**

# Consolidated Statement of Cash Flows

| For year ended 30 June 2024 | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Receipts from customers (inclusive of GST) | | 81,515,162 | 75,098,963 |
| Payments to suppliers and employees (inclusive of GST) | | (68,427,272) | (51,888,694) |
| Interest received | | 2,136,788 | 1,397,173 |
| Unit trust distributions received | | 1,821 | 6,047 |
| Income tax received/(paid) | | 1,932,714 | (1,155,623) |
| **Net cash provided by operating activities** | 22 | **17,159,213** | **23,457,866** |
| | | | |
| **Cash flows from investing activities:** | | | |
| Payments for property, plant and equipment | | (628,335) | (619,419) |
| Payments for capital Investments | | (118,256) | (257,639) |
| Payments for intangible assets | | (7,722,807) | (7,524,570) |
| **Net cash used in by investing activities** | | **(8,469,397)** | **(8,401,628)** |
| | | | |
| **Cash flows from financing activities:** | | | |
| Repayment of borrowings | | - | (10,600,000) |
| Finance costs paid | | (117,035) | (94,996) |
| Share buy-back | | (9,888,655) | (11,532,964) |
| Dividends paid | | - | (25,804,085) |
| Principal elements of lease payments | | (472,915) | (956,171) |
| **Net cash used in financing activities** | | **(10,478,605)** | **(48,988,216)** |
| | | | |
| **Net cash decrease in cash and cash equivalents** | | **(1,788,789)** | **(33,931,978)** |
| | | | |
| Cash and cash equivalents at beginning of year | | 46,253,718 | 80,545,210 |
| Effect of exchange rates on cash holdings in foreign currencies | | (125,866) | (359,514) |
| **Cash and cash equivalents at end of year** | 7 | **44,339,063** | **46,253,718** |

**The accompanying notes form part of the financial statements.**

# Notes to the Financial Statements

## 1. Summary of material accounting policy information

### (a) General information

The financial report is a general-purpose financial report that covers the consolidated entity consisting of Praemium Limited and its subsidiaries as listed in Note 26. Praemium Limited is a listed public company, incorporated and domiciled in Australia.

Limited financial information for Praemium Limited as an individual entity is included in Note 25. The Group is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (b) Basis of preparation

The financial report of Praemium Limited and controlled entities has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards include International Financial Reporting Standards as adopted in Australia. Compliance with Australian Accounting Standards ensures that the financial report complies with International Financial Reporting Standards (IFRS).

#### (i) Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of financial assets through profit or loss.

#### (ii) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not had a material effect on the Group.

Any new amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Group has considered Accounting Standards and Interpretations which have been issued but are not yet effective, identifying the following which are relevant to the consolidated entity:

» AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027. The impact on the financial statements has not yet been assessed.

When these amendments are first adopted for the year ending 30th June 2024, there will be no material impact on the financial statements.

Other Accounting Standards and Interpretations which have been issued but are not yet effective are not relevant to the consolidated entity, or their impact is editorial only.

### (c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Praemium Limited ("parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Praemium Limited and its subsidiaries are referred to in this financial report as the "Group" or the "consolidated entity".

The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All intercompany balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by the Group.

Subsidiaries are fully consolidated from the date which control is transferred to the Group.

### (d) Segment reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using different measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

#### (i) Plant and equipment

The carrying amount of plant and equipment is reviewed annually by Directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised in the statement of profit or loss and other comprehensive income.

To ensure that costs are not recognised in the statement of financial position in excess of their recoverable amounts, the recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposals discounted to their net present value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

### (ii) Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The depreciation rates used for each class of depreciable assets are:

| Class of fixed asset | Depreciation rate | Method |
|---|---|---|
| Plant, furniture and equipment | 10-20% | Straight-line |
| Computer equipment | 20-33% | Straight-line |
| Buildings & leasehold improvements | 15% | Straight-line |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

## (f) Intangible assets

Customer contracts and databases acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. All intangible assets, including customer contracts and databases, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 1(g).

The following useful lives are applied:

» Customer contracts: 5 years
» Databases: 3 years
» Software: 1.5 - 3 years

Amortisation has been included within depreciation and amortisation of non-financial assets.

## (g) Goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (lowest level at which goodwill is monitored for internal management purposes) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash- generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

## (h) Financial instruments

### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### Classification and initial measurement of financial assets

All financial assets are initially measured at fair value net of transaction costs (where applicable). Transaction costs are recognised in profit or loss. Financial assets are classified into one of the following categories:

» amortised cost
» fair value through profit or loss (FVTPL) or
» fair value through other comprehensive income (FVOCI)

In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

» the entity's business model for managing the financial asset, and
» the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

» they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
» the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains equity investments. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in listed and unlisted equity securities at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost less provision for impairment. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses.

In using this practical expedient, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses using a provision matrix.

Collectibility of trade receivables is reviewed on an ongoing basis and debts which are known to be uncollectible are written off. Trade receivables are generally due for settlement within 30 days.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### Classification and measurement of financial liabilities

The Group's financial liabilities include lease liabilities, trade and other payables, and other financial liabilities.. Financial liabilities are initially measured at fair value net of transaction costs. Transaction costs are expensed in the period in which they are incurred and reported in finance costs and Restructure, arbitration and acquisition costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

## (i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### Equity-settled compensation

The Group operates a share-based compensation scheme.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Monte Carlo and Black-Scholes model. The expected life used in the model has been adjusted, based on management's estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### (j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

### (k) Income tax

The charge for current income-tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by reporting date.

Deferred tax assets and liabilities are recognised using the balance sheet liability method with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and on unused tax losses. No deferred tax assets or liabilities will be recognised from the initial recognition of an asset or liability excluding a business combination, which at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the statement of profit & loss and comprehensive income except where it relates to items that are recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The Directors have elected for those entities within the consolidated entity that are wholly-owned Australian resident entities to be taxed as a single entity from 1 July 2005. The head entity within the tax-consolidated group for the purposes of tax consolidation is Praemium Limited.

Praemium Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation, including OneVue group, which joined the tax-consolidated group upon acquisition date. Praemium Limited and each of the entities within the tax-consolidated group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the Group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Praemium Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidated group.

Entities within the tax-consolidated group have entered into a tax funding agreement with the head entity. Under the terms of this agreement, each of the wholly-owned entities within the tax-consolidated group has agreed to fully compensate Praemium Limited for any current tax payable assumed and are compensated by Praemium Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Praemium Limited under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

### (l) Leases

The Group leased various offices and equipment in Australia and Armenia. Rental contracts are typically made for fixed periods of 2 months to 7 years but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

» uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group,

» and makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

» the amount of the initial measurement of lease liability

» any lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of offices are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. All extension and termination options held are exercisable only by the group and not by the respective lessor.

## (m) Revenue recognition

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Where there is variable consideration, the concept of constraint is applied and the Group includes in the transaction price any variable consideration to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Management judgement is involved in determining the amount of consideration expected to be recognised using experience and other predictive evidence.

Revenue arises mainly from the provision of Managed Accounts Platform services, investment management, portfolio administration and reporting and financial planning software.

Managed Accounts Platform and Investment Management – The Group offers platform administration, investment management services for investments held on our custodial platforms, turnkey services and back office services. Revenue derived from operating the Managed Account include platform administration fees, model manager fees, cash administration fees, brokerage recovery and recovery of input tax credits from Praemium's Managed Account scheme.

Revenue from the administration of managed accounts are recognised over time as the services are rendered.

Brokerage recovery is recognised at a point in time, based on the value of the trades in the Praemium Managed Account, and the revenue is recognised in the accounting period in which the trades were placed.

Virtual Managed Accounts and Virtual Managed Accounts Administration Service – The Group enters into contracts with its customers based on provision of technology or administration services for terms between one and five years in length. Revenue is recognised over time on a straight-line basis over the term of each contract in the accounting period in which the services are rendered.

As the amount of work required to perform under these contracts does not vary significantly from month-to- month, the straight-line method provides a faithful depiction of the transfer of the services.

Revenue is recognised as the services are rendered.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

## (n) Foreign currency translation

### (i) Functional and presentation currency

The functional currency of each of the Group's entities is identified as the currency of the primary economic environment in which that entity operates, and is used in the recognition of transactions and balances for that entity. Where the functional currency of a group entity is different from the parent's functional currency, the entity has been translated for consolidation using the method described below for 'Group entities'.

The Armenian subsidiary's functional currency is AMD which is translated to the presentation currency at the end of each reporting period.

The consolidated financial statements are presented in Australian dollars which is the parent's functional and presentation currency.

### (ii) Group entities

The financial results and position of all Group entities whose functional currency is different from the Group's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at reporting date;

- Income and expenses are translated at the rate on the date of the transaction, or an average exchange rate for the period (if the average approximates the actual rate for that period); and
- Retained earnings are translated at the respective historical exchange rate.

Exchange differences arising on translation of Group entities from a different functional currency are recognised directly in a foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit & loss and other comprehensive income in the period in which the entity is disposed. Goodwill and fair-value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### (iii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the spot rate on reporting date.

Non-monetary items measured at historical cost are not re-translated. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit & loss and other comprehensive income. Exchange differences on translation of non-monetary items are recognised directly in equity.

## (o) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

## (p) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

## (q) Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year,adjusted for bonus elements in ordinary shares issued during the year.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## (r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

1. Where the amount of the GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

2. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## (s) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

## (t) Going concern

The financial statements have been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

## (u) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

### Share based payment

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Monte Carlo and Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity- settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### Fair value and hierarchy of financial instruments

The consolidated entity is required to classify financial instruments, measured at fair value, using a three-level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset and liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore the category in which the financial instrument is placed can be subjective.

The fair value of financial instruments classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

**Trade and other receivables and contract assets**

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

### Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definitive life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## (v) Business combinations

The acquisition method of accounting is used to account for business combinations.

The consideration transferred is the sum of the acquisition- date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree.

On the acquisition of the business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in the existence at the acquisition date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre- existing investment in the acquire is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets and liabilities during the period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on the earlier of either (i) 12 months from the date of acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

## 2. Financial risk management

The Praemium Group is exposed to risks that arise from the use of its financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group's Audit, Risk & Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arose, were as follows:

- Trade receivables
- Cash at bank and on deposit
- Trade and other payables
- Intercompany receivables
- Investments in unlisted unit trusts

## General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

## Credit risk

Credit risk arises from the Group's trade receivables, other receivables, receivables from subsidiaries and cash at bank and on deposit. The maximum amount of credit risk is the statement of financial position carrying values.

## Trade receivables

Clients of the Group range from financial advisers and brokers to accountants. In the majority of new client "sign- ons", clients are required to prepay their first years' service before they can start utilising the Group's products. The reduction of risk concentration is due principally to the number of independent operators who have entrenched the Praemium system within their everyday business process.

Clients who subsequently fail to meet their credit terms are at risk of having their services "switched off". Management reviews trade receivables balances, and ageing profiles of the total trade receivables on a monthly basis.

## Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least three months. The Group also seeks to reduce liquidity risk by ensuring that its cash deposits are earning interest at the best rates.

At reporting date, these reports indicate that the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. There have been no changes from previous periods.

As at 30 June 2024, financial liabilities have contractual maturities, which are summarised below:

| | Consolidated | | | |
|---|---|---|---|---|
| **2024** | **Current** | | **Non-current** | |
| | Within 6 months $ | 6-12 Months $ | 1-5 Years $ | Later than 5 years $ |
| Trade payables | 1,469,988 | - | - | - |
| Accrued expenses | 8,227,127 | - | - | - |
| Lease liabilities | 540,239 | | 1,420,953 | - |
| Other financial liabilities | - | 3,161,446 | - | - |
| **Total** | **10,237,354** | **3,161,446** | **1,420,953** | **-** |

| | Consolidated | | | |
|---|---|---|---|---|
| **2023** | **Current** | | **Non-current** | |
| | Within 6 months $ | 6-12 Months $ | 1-5 Years $ | Later than 5 years $ |
| Trade payables | 2,653,965 | - | - | - |
| Accrued expenses | 6,845,884 | - | - | - |
| Lease liabilities | 415,270 | | 1,767,342 | - |
| **Total** | **9,915,119** | **-** | **1,767,342** | **-** |

The contractual amounts of financial liabilities in the tables above are equal to their carrying values. Differences from the statement of financial position amounts reflect the exclusion of statutory charges from the definition of financial liabilities.

## Market risk

Market risk arises from the Group's use of financial instruments, including interest bearing and foreign currency financial deposits and investment in unlisted trusts. It is the risk that the fair value or future cash flows of the financial instruments will fluctuate as a result of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

## Interest rate risk

Interest rate risk arises from changes in market interest rates. The Group's interest rate risk arises from:

- surplus cash in major Australian banks
- cash on term deposit, which are at floating rates.

We manage interest rate risk by:

- ensuring deposits attract the best available rate.

## Cash flow interest rate sensitivity

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-100 basis points (2023: +/-100 basis points), with effect from the beginning of the year. These changes are considered reasonably possible based on observation of current market conditions.

The calculations are based on the Group's financial instruments held at each reporting date.

| | Consolidated | | | |
|---|---|---|---|---|
| | | 2024 $ | | 2023 $ |
| | +100 basis pts | -100 basis pts | +100 basis pts | -100 basis pts |
| Cash and cash equivalents | 443,391 | (443,391) | 462,537 | (462,537) |
| **Net result** | **443,391** | **(443,391)** | **462,537** | **(462,537)** |

## Currency risk

The Group is not exposed to significant currency risk. Consequently, the Group does not engage in hedging activities or other measures to mitigate currency risk.

## Other price risk

The Group is exposed to other price risk on its investments in listed unit trusts and investments in listed and unlisted entities. These investments are classified on the statement of financial position as financial assets at fair value through profit or loss.

The investments are in a number of different unit trusts with a dominant emphasis on balanced funds that have exposures to a wide range of asset classes and geographical locations. The assets and liabilities within these unit trusts indirectly expose the Company and Group to interest rate risk, currency risk and equity price risks. It is not considered practicable to 'look through' the unit trusts to analyse these risks in detail. There have been no changes from previous periods.

## Other price risk sensitivity analysis

If the fair value of investments in unit trusts increased by 10% (2023: 10%) this would have increased other income for both the Company and Group by $226,754 (2023: $205,460). A decrease of 10% would have reduced other income by the same amount.

## Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy:

Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – a valuation technique is applied using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices); or

Level 3 – a valuation technique is applied using inputs that are not based on observable market data (unobservable inputs).

The following tables show the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2024 and 30 June 2023:

| | Consolidated | | | |
|---|---|---|---|---|
| **2024** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Listed unit trusts | 256,978 | - | - | 256,978 |
| Shares in unlisted entity | - | - | 286,759 | 286,759 |
| Shares in listed entity | 263,045 | - | - | 263,045 |
| Regulatory reserve | 1,460,756 | - | - | 1,460,756 |
| | **1,980,780** | **-** | **286,759** | **2,267,538** |

| | Consolidated | | | |
|---|---|---|---|---|
| **2023** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets** | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| - Listed unit trusts | 131,753 | - | - | 131,753 |
| - Shares in unlisted entity | - | - | 286,759 | 286,759 |
| - Shares in listed entity | 303,552 | - | - | 303,552 |
| - Regulatory reserve | 1,332,538 | - | - | 1,332,538 |
| | **1,767,843** | **-** | **286,759** | **2,054,602** |

## 3. Revenue from contracts with customers

| | Consolidated | |
|---|---|---|
| | **2024** | **2023** |
| | **$** | **$** |
| Revenue from contracts with customers: | | |
| Virtual Managed Accounts and Virtual Managed Accounts Administration Service | 20,497,823 | 19,100,395 |
| Managed Accounts Platform and Investment Management | 62,229,071 | 55,194,005 |
| **Total revenue from contracts with customers** | **82,726,894** | **74,294,400** |

All revenue from contracts with customers represents services transferred over time except for $4,949,565 (2023: $4,286,554 ) of managed accounts platform and investment management revenue which represents services transferred at a point in time.

## 4. Other Income

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| Interest income from other parties | 2,136,788 | 1,397,173 |
| Unit trust distributions | 1,820 | 6,047 |
| Government grant | - | 297,849 |
| **Total other income** | **2,138,608** | **1,701,069** |

## 5. Expenses

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| **Profit before tax from continuing operations includes the following specific expenditure:** | | |
| Employee costs excluding superannuation | 35,748,836 | 30,098,299 |
| Defined contribution superannuation expense | 3,474,166 | 2,816,495 |
| **Employee costs** | **39,223,002** | **32,914,794** |
| | | |
| Depreciation of plant and equipment | 482,182 | 628,948 |
| Amortisation of intangible assets | 4,626,515 | 5,238,917 |
| Depreciation on right-of-use assets | 576,730 | 884,324 |
| Disposal of intangible assets | 1,252 | 110,607 |
| **Depreciation, amortisation and impairments** | **5,686,679** | **6,862,796** |
| | | |
| Net foreign exchange loss | 24,488 | 63,168 |
| Impairment loss/(gain) – trade receivables | - | (26,549) |
| Unrealised loss/(gain) from investments in equity instruments designated at fair value through profit or loss | 20,254 | (94,946) |

## 6. Income Tax (Benefit)/Expense

### a) Numerical reconciliation of income tax expense to prima facie tax payable

| | Consolidated | |
|---|---|---|
| | **2024** <br> **$** | **2023** <br> **$** |
| Profit before tax | 11,610,329 | 13,728,172 |
| **Prima facie tax expense on earnings before income tax at 30% (2023: 30%)** | **3,483,099** | **4,118,452** |
| **Tax effect of:** | | |
| Entertainment | 8,782 | 7,782 |
| Director and employee option expense | 665,359 | 738,886 |
| Restructure costs | 6,900 | 44,322 |
| Tax credits (franking credits and R&D tax credits) | (509,519) | (603,130) |
| Reduced input tax credits | (1,210,190) | (1,093,941) |
| Prior year tax differences | 42,566 | (4,482,076) |
| Other | 372,763 | (156,689) |
| **Permanent tax differences** | **(623,339)** | **(5,544,846)** |
| **Income tax (benefit)/expense** | **2,859,760** | **(1,426,394)** |
| **Tax expense comprises:** | | |
| Current tax expense | 3,310,003 | 3,419,596 |
| Other | (193,528) | - |
| Prior year tax differences | 42,566 | (4,482,076) |
| **Deferred tax expense:** | | |
| Origination and reversal of temporary differences | (299,282) | (363,914) |
| **Income tax (benefit)/expense** | **2,859,760** | **(1,426,394)** |

### b) Franking credits

| | Consolidated | |
|---|---|---|
| | **2024** <br> **$** | **2023** <br> **$** |
| The amount of the franking credits available for subsequent reporting periods are: | | |
| Balance at the end of the reporting period | 4,081,757 | 6,259,072 |
| Franking credits that will arise from the payment of the amount of provision for income tax | 2,300,265 | 200,854 |
| Franking debits that will arise from a refund of tax | - | (3,071,060) |
| **Total franking credits** | **6,382,022** | **3,388,866** |

## 7. Cash and Cash Equivalents

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| Bank balances | 44,339,063 | 46,253,718 |
| **Total cash and cash equivalents** | **44,339,063** | **46,253,718** |

Bank balances include a cash management account held in Australia which earns a weighted average effective interest rate of 4.86% (2023: 3.49%). This balance includes $1,000,000 term deposit that has matured on 16 July 2024.

## 8. Trade and Other Receivables

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| **Current** | | |
| Trade receivables | 4,379,905 | 3,018,303 |
| Allowance for impairment of receivables | (96,002) | (95,276) |
| Other receivables | - | 2,362 |
| Deposits receivable | 279,698 | 227,869 |
| **Total trade and other receivables** | **4,563,601** | **3,153,258** |

The majority of our receivables are in the form of contracted agreements with our customers. In general, the terms and conditions of these contracts require settlement between 30 to 180 days from the date of invoice. Credit risk associated with trade and other receivables and contract assets has been provided for.

(a) Impairment of trade and other receivables and contract assets

Trade and other receivables and contract assets are exposed to customers' credit risk and are subject to impairment assessment.

If a credit loss is expected, an allowance for doubtful debt is raised to reduce the carrying amount of trade and other receivables and contract assets.

A credit loss is a shortfall between the cash flows that are due in accordance with the contract and the cash flows that we expect to receive, discounted at the original effective interest rate. The estimated expected credit loss is calculated using an individual account by account assessment.

Contract assets relate to the transferred goods and services where a valid invoice is yet to be issued to the customer and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual approach

The individual approach is an account by account assessment based on past credit history, knowledge of debtor's financial situation, external indicators and forward looking information. This approach is applied to all balances.

The impairment allowance for trade receivables from contracts with customers and contract assets is measured using a simplified approach (i.e. based on the probability of default over the lifetime of the financial asset and loss given default). The ageing analysis and loss allowance in relation to these are detailed in the following table.

| | Consolidated | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Gross $ | Allowance $ | Gross $ | Allowance $ |
| Not past due | 9,386,153 | - | 7,340,213 | 1,083 |
| Past due 1 - 30 days | 1,058,638 | 7,488 | 26,396 | 173 |
| Past due 31 - 60 days | 105,771 | 3,259 | 53,411 | 1,529 |
| Past due 61 - 90 days | 37,398 | 23,713 | 10,879 | 6,213 |
| Past due 91 days | 75,745 | 61,541 | 116,901 | 86,277 |
| | **10,663,705** | **96,002** | **7,547,800** | **95,276** |

Ageing analysis in the table above is based on the original due date of trade receivables, including where repayment terms for certain long outstanding trade receivables have been renegotiated. Contract assets are not yet due for collection, thus the entire balance has been included in the 'not past due' category.

Movements in the allowance for doubtful debts in respect of all our trade and other receivables and contracts assets, regardless of the method used in measuring the impairment allowance, are detailed in the following table.

| | Consolidated | |
|---|---|---|
| | 2024 $ | 2023 $ |
| Opening balance 1 July | 95,276 | 165,999 |
| Additional allowance | 727 | 95,276 |
| Amount used | - | (50,363) |
| Amount reversed | - | (115,636) |
| **Closing balance 30 June** | **96,002** | **95,276** |

Recognition and measurement

Trade and other receivables and contract assets are financial assets and are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment.

Contract assets arise from our contracts with customers and are initially recorded at the transaction price allocated as compensation for goods or services provided to customers for which the right to collect payment is subject to providing services under the same and/or we are yet to issue a valid invoice. Contract assets are subsequently measured to reflect relevant transaction price adjustments (where required) and are transferred to trade receivables when the right to payment becomes unconditional, i.e. when the services under the same contract have been transferred and/or a valid invoice has been issued.

(c) Impairment of financial assets

We estimate the expected credit losses for our financial assets (including contract assets) measured at amortised cost on a simplified approach, i.e. lifetime expected credit loss which results from all possible default events over the expected life of trade receivables from contracts with customer.

The expected credit losses are calculated using a provision matrix and the allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The loss allowance is recorded at the amount equal to the expected lifetime credit losses when all collection efforts have been exhausted and the financial asset is considered uncollectible.

Collectability of trade receivables is reviewed on an ongoing basis and factors indicating that there is no reasonable expectation of recovery include insolvency and significant time period since the last invoice was issued. Debts which are known to be uncollectible are written off.

## 9. Financial Assets and Liabilities

| | Consolidated | | |
|---|---|---|---|
| | Amortised | FVTPL | 2024 $ |
| **Financial assets** | | | |
| Units in unit trust | - | 256,978 | 256,978 |
| Operational Risk Financial Requirement (ORFR) reserve | - | 1,460,756 | 1,460,756 |
| Shares in unlisted entity | - | 286,759 | 286,759 |
| Shares in listed entity | - | 263,045 | 263,045 |
| Trades and other receivables | 4,563,601 | - | 4,563,601 |
| Cash and cash equivalents | 44,339,063 | - | 44,339,063 |
| **Total financial assets** | **48,902,664** | **2,267,538** | **51,170,202** |
| **Financial liabilities** | | | |
| Lease liabilities | 1,961,192 | - | 1,961,192 |
| Trade and other payables | 9,697,115 | - | 9,697,115 |
| Other financial liabilities | - | 3,161,446 | 3,161,446 |
| **Total financial liabilities** | **11,658,307** | **3,161,446** | **14,819,752** |

Note 1h provides a description of each category of financial assets and financial liabilities and the related accounting policies.

A description of the Group's financial instrument risks, including risk management objectives and policies is given in Note 2.

| | Consolidated | | |
|---|---|---|---|
| | Amortised | FVTPL | 2023 $ |
| **Financial assets** | | | |
| Units in unit trust | - | 131,753 | 131,753 |
| Operational Risk Financial Requirement (ORFR) reserve | - | 1,332,538 | 1,332,538 |
| Shares in unlisted entity | - | 286,759 | 286,759 |
| Shares in listed entity | - | 303,552 | 303,552 |
| Trades and other receivables | 3,153,258 | - | 3,153,258 |
| Cash and cash equivalents | 46,253,718 | - | 46,253,718 |
| **Total financial assets** | **49,406,976** | **2,054,602** | **51,461,578** |
| **Financial liabilities** | | | |
| Lease liabilities | 2,182,611 | - | 2,182,611 |
| Trade and other payables | 9,499,849 | - | 9,499,849 |
| **Total financial liabilities** | **11,682,460** | **-** | **11,682,460** |

## Finance Costs

Finance costs for the reporting period consist of the following:

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| Interest expense for bank borrowings at amortised cost | - | 49,691 |
| Finance expense for leasing arrangements | 117,035 | 47,007 |
| **Total finance costs** | **117,035** | **96,698** |

## 10. Property, Plant and Equipment

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| Buildings and leasehold improvements at cost | 2,792,266 | 3,953,004 |
| Accumulated depreciation | (953,389) | (1,788,659) |
| **Total buildings and leasehold improvements** | **1,838,877** | **2,164,345** |
| | | |
| Furniture, fixtures and fittings at cost | 425,107 | 601,499 |
| Accumulated depreciation | (272,730) | (449,644) |
| **Total furniture, fixtures and fittings** | **152,377** | **151,855** |
| | | |
| Computer equipment at cost | 3,693,259 | 2,953,743 |
| Accumulated depreciation | (2,719,416) | (2,216,373) |
| **Total computer equipment** | **973,843** | **737,370** |
| **Total property, plant and equipment** | **2,965,097** | **3,053,570** |

| | Consolidated | | | |
|---|---|---|---|---|
| **30 June 2024** | **Furniture, fixtures and fittings**<br>**$** | **Computer equipment**<br>**$** | **Buildings and leasehold improvements**<br>**$** | **Total**<br>**$** |
| Balance at 1 July 2023 | 151,855 | 737,370 | 2,164,345 | 3,053,570 |
| Additions | 32,668 | 670,749 | 251,411 | 954,828 |
| Depreciation expense | (53,702) | (428,479) | (576,730) | (1,058,912) |
| Exchange differences | 21,556 | (5,796) | (149) | 15,611 |
| **Balance at 30 June 2024** | **152,377** | **973,843** | **1,838,877** | **2,965,097** |

| | Consolidated | | | |
|---|---|---|---|---|
| **30 June 2023** | **Furniture, fixtures and fittings**<br>**$** | **Computer equipment**<br>**$** | **Buildings and leasehold improvements**<br>**$** | **Total**<br>**$** |
| Balance at 1 July 2022 | 251,321 | 497,318 | 860,358 | 1,608,997 |
| Additions | 20,652 | 576,600 | 2,391,812 | 2,989,064 |
| Disposals | (20,006) | (144,094) | (13,461) | (177,561) |
| Depreciation expense | (104,806) | (183,746) | (1,047,159) | (1,335,711) |
| Exchange differences | 4,694 | (8,709) | (27,205) | (31,220) |
| **Balance at 30 June 2023** | **151,855** | **737,370** | **2,164,345** | **3,053,570** |

The right of use assets included in the above line items are:

| | Consolidated | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| Buildings | 1,824,038 | 2,149,272 |
| Equipment | 12,727 | 12,727 |
| | **1,836,765** | **2,161,999** |

## Lease liabilities

| | Consolidated | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| Current | 540,239 | 415,269 |
| Non-current | 1,420,953 | 1,767,342 |
| | **1,961,192** | **2,182,611** |

Lease liabilities not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

| | Consolidated | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| Short-term leases | 204,085 | 183,954 |

## 11. Goodwill

The movements in the net carrying amount of goodwill are as follows:

| | Consolidated | |
|---|---|---|
| | **2024** | **2023** |
| | **$** | **$** |
| **Gross carrying amount** | | |
| Balance at beginning of period | 48,428,853 | 48,428,853 |
| Acquired through business combinations | 1,127,745 | - |
| **Balance at end of period** | **49,556,598** | **48,428,853** |
| **Accumulated Impairment** | | |
| Balance at beginning of period | (653,725) | (653,725) |
| **Balance at end of period** | (653,725) | (653,725) |
| **Carrying amount at end of period** | **48,902,873** | **47,775,128** |

(a) Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating unit, which is the unit expected to benefit from the synergies of the business combination in which the goodwill arises.

| | Consolidated | |
|---|---|---|
| | **2024** | **2023** |
| | **$** | **$** |
| Powerwrap Limited | 47,775,128 | 47,775,128 |
| OneVue Wealth Services Limited | 1,127,745 | - |
| **Goodwill allocation at 30 June** | **48,902,873** | **47,775,128** |

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows projections beyond the forecast period using the growth rate determined by management. The present value of the expected cash flows of each cash-generating unit is determined by using a suitable discount rate pre-tax.

(b) Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the business (all publicly available). The growth rate for Powerwrap Limited is 2.41%.

(c) Discount rates

The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each unit. The discount rate for Powerwrap Limited is 9.0%.

(d) Cash flow assumptions

Management's key assumptions include stable profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting. Cash flow projections reflect stable profit margins achieved immediately before the budget period. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

Apart from the considerations described in determining the value-in-use of the cash-generating units described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

## 12. Other Intangible Assets

| Intangible Assets 2024 | Customer Contracts | Database and Software Costs $ | Total $ |
|---|---|---|---|
| **Gross carrying amount** | | | |
| Balance at 1 July 2023 | - | 34,153,366 | 34,153,366 |
| Disposed | - | (4,265,515) | (4,265,515) |
| Additions from business combinations | 3,469,000 | 592,000 | 4,061,000 |
| Additions | - | 7,722,808 | 7,722,808 |
| **Balance at 30 June 2024** | **3,469,000** | **38,202,659** | **41,671,659** |
| **Amortisation and Impairment** | | | |
| Balance at 1 July 2023 | - | (21,383,569) | (21,383,569) |
| Disposed | - | 4,264,263 | 4,264,263 |
| Amortisation | (173,450) | (4,453,065) | (4,626,515) |
| **Balance at 30 June 2024** | **(173,450)** | **(21,572,373)** | **(21,745,823)** |
| **Carrying amount 30 June 2024** | **3,295,550** | **16,630,286** | **19,925,836** |

| Intangible Assets 2023 | Database and Software Costs $ | Total $ |
|---|---|---|
| **Gross carrying amount** | | |
| Balance at 1 July 2022 | 26,754,012 | 26,754,012 |
| Impairment | (125,216) | (125,216) |
| Additions | 7,524,570 | 7,524,570 |
| **Balance at 30 June 2023** | **34,153,366** | **34,153,366** |
| **Amortisation and Impairment** | | |
| Balance at 1 July 2022 | (16,159,261) | (16,159,261) |
| Impairment | 14,609 | 14,609 |
| Amortisation | (5,224,308) | (5,224,308) |
| **Balance at 30 June 2023** | **(21,383,569)** | **(21,383,569)** |
| **Carrying amount 30 June 2023** | **12,769,797** | **12,769,797** |

As at 30 June 2024, we had software assets under development amounting to $ 9,863,576 (2023: $6,146,910). As these assets were not installed and ready for use, no amortisation has been charged on the amounts. For the purpose of annual impairment testing , assets under development are allocated to the relevant cash-generating unit, which is the unit expected to benefit from the asset under development.

Additions to Database and Software Costs include $592,000 acquired through business combinations and $7,722,808 (2023: $7,524,570) of capitalised Software costs for internally generated assets.

Databases and Capitalised Software Costs are amortised on a straight-line basis over 1.5 - 3 years (2023: 3 years). The amortisation periods reflect estimated useful lives of each of the intangible asset types. All amortisation charges are included within depreciation and amortisation on non-financial assets. The $4,453,065 of amortisation expense in Database and Software are all related to capitalised Software costs.

## 13. Deferred Tax Assets and Liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

| | Consolidated | | | |
|---|---|---|---|---|
| **Deferred tax assets/(liabilities) 2024** | **1 July 2023<br>$** | **Recognised in Profit and Loss<br>$** | **Recognised on Acquisition<br>$** | **30 June 2024<br>$** |
| **Current assets** | | | | |
| Trade and other receivables | 28,583 | (1,513) | | 27,070 |
| **Non-current assets** | | | | |
| Intangible assets | (799,556) | (117,754) | (1,218,300) | (2,135,610) |
| Other financial assets | (5,245) | 26,720 | | 21,475 |
| Right-of-use assets | 6,184 | 31,144 | | 37,328 |
| Property, plant and equipment | (95,643) | 49,530 | | (46,113) |
| Blackhole expenditure | 211,135 | 455,265 | | 666,400 |
| **Non-current liabilities** | | | | |
| Pension and other employee obligations | 129,727 | 53,302 | | 183,029 |
| **Current liabilities** | | | | |
| Provisions | 1,485,075 | 233,134 | | 1,718,209 |
| Unused tax losses | 2,569,334 | (430,548) | | 2,138,786 |
| **Net deferred tax assets/(liabilities)** | **3,529,594** | **299,282** | **(1,218,300)** | **2,610,576** |
| Deferred tax asset | | | | 4,792,298 |
| Deferred tax liability | | | | (2,181,723) |
| **Total** | | | | **2,610,576** |

| **Deferred tax assets/(liabilities) 2023** | **1 July 2022<br>$** | **Recognised in Profit and Loss<br>$** | **30 June 2023<br>$** |
|---|---|---|---|
| **Current assets** | | | |
| Trade and other receivables | 49,800 | (21,217) | 28,583 |
| **Non-current assets** | | | |
| Intangible assets | (1,524,677) | 725,121 | (799,556) |
| Other financial assets | 9,798 | (15,043) | (5,245) |
| Right-of-use assets | (204,291) | 210,475 | 6,184 |
| Property, plant and equipment | 149,059 | (244,702) | (95,643) |
| Blackhole expenditure | 342,979 | (131,844) | 211,135 |
| **Non-current liabilities** | | | |
| Pension and other employee obligations | 1,197,990 | (1,068,262) | 129,727 |
| **Current liabilities** | | | |
| Provisions | 379,961 | 1,105,114 | 1,485,075 |
| Unused tax losses | 2,765,061 | (195,727) | 2,569,334 |
| **Net deferred tax assets/(liabilities)** | **3,165,679** | **363,915** | **3,529,594** |
| Deferred tax asset as represented on the Statement of Financial Position | | | 5,074,404 |
| Deferred tax liability as represented on the Statement of Financial Position | | | (1,544,810) |
| **Total** | | | **3,529,594** |

## 14. Trade and Other Payables

| | Consolidated | |
|---|---|---|
| | 2024 $ | 2023 $ |
| **Unsecured liabilities** | | |
| Trade payables | 1,469,988 | 2,653,965 |
| Accrued expenses | 8,227,127 | 6,845,884 |
| Good and services tax | 1,170,238 | 2,641,501 |
| **Total trade and other payables** | **10,867,353** | **12,141,350** |

## 15. Provisions

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

| | Consolidated | |
|---|---|---|
| | 2024 $ | 2023 $ |
| **Current** | | |
| Employee benefits | 4,835,410 | 3,365,335 |
| | **4,835,410** | **3,365,335** |
| **Non-current** | | |
| Employee benefits | 610,098 | 432,421 |
| **Total provisions** | **610,098** | **432,421** |

## 16. Share Capital and Reserves

| | Consolidated | |
|---|---|---|
| | 2024 $ | 2023 $ |
| 2024: 482,015,009 (2023: 501,875,217) fully paid ordinary shares | 103,034,382 | 112,342,200 |

Movement in ordinary share capital

| Date | Details | Number Of Shares | Issue Price | Total $ |
|---|---|---|---|---|
| **01-July-2023** | **Opening Balance** | **501,875,217** | | **112,342,200** |
| 04-July-2023 | Cancellation of shares pursuant to on-market buy-back | (60,000) | 0.67 | (40,200) |
| 25-September-2023 | Cancellation of shares pursuant to on-market buy-back | (1,781,057) | 0.65 | (1,155,900) |
| 02-October-2023 | Share issue costs | - | | (35,353) |
| 02-October-2023 | Issue under employee share plan | 1,558,951 | 0.40 | 621,565 |
| 17-October-2023 | Cancellation of shares pursuant to on-market buy-back | (615,366) | 0.60 | (370,506) |
| 13-November-2023 | Cancellation of shares pursuant to on-market buy-back | (1,875,157) | 0.58 | (1,083,483) |
| 08-December-2023 | Cancellation of shares pursuant to on-market buy-back | (9,767,249) | 0.42 | (4,062,111) |
| 22-December-2023 | Cancellation of shares pursuant to on-market buy-back | (1,367,800) | 0.39 | (531,508) |
| 09-January-2024 | Cancellation of shares pursuant to on-market buy-back | (330,000) | 0.40 | (131,418) |
| 15-January-2024 | Share issue costs | - | | (5,375) |
| 02-April-2024 | Cancellation of shares pursuant to on-market buy-back | (2,063,304) | 0.43 | (887,922) |

## 16. Share Capital and Reserves Continued

| | | | | |
|---|---|---|---|---|
| 20-May-2024 | Cancellation of shares pursuant to on-market buy-back | (1,481,633) | 0.46 | (677,904) |
| 11-June-2024 | Cancellation of shares pursuant to on-market buy-back | (966,450) | 0.43 | (420,374) |
| 26-June-2024 | Cancellation of shares pursuant to on-market buy-back | (626,336) | 0.46 | (287,901) |
| 28-June-2024 | Cancellation of shares pursuant to on-market buy-back | (484,807) | 0.49 | (239,429) |
| **30-June-2024** | **Balance** | **482,015,009** | | **103,034,382** |

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group considers its capital to be total equity, which comprises ordinary share capital, foreign currency translation reserve, option reserve and accumulated retained earnings/losses.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through capital growth. In making decisions to adjust its capital structure, for instance by issuing new shares, the Group considers not only its short-term position but also its long-range operational and strategic objectives.

| | **Consolidated** | |
|---|---|---|
| | **2024** | **2023** |
| | **$** | **$** |
| Share capital | 103,034,382 | 112,342,200 |
| Foreign currency translation reserve | (98,505) | (99,170) |
| Share based payments reserve | 3,106,953 | 1,522,759 |
| Retained earnings/(accumulated losses) | 3,106,336 | (5,644,233) |
| **Total equity** | **109,149,166** | **108,121,556** |

(c) Movement in reserves

Movements in reserves are detailed in the statement of changes in equity.

(d) Nature and purpose of reserves

Foreign Currency Translation Reserve - Exchange differences arising on translation of the foreign-controlled entity are taken to the foreign currency translation reserve, as described in note 1(n). The reserve is recognised in profit and loss when the net investment is disposed of.

## 17. Reserves

| | **Consolidated** | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| Foreign currency translation reserve | (98,505) | (99,170) |
| Performance rights and share based payments reserve | 3,106,953 | 1,522,759 |
| **Total** | **3,008,448** | **1,423,589** |

The movement in foreign currency translation reserve consists of $665 currency translation gain during the year.

## 18. Auditor's Remuneration

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| Remuneration of the auditor of the consolidated entity for: | | |
| **Grant Thornton** | | |
| - Audit and review of financial reports | 300,796 | 245,908 |
| **Non-Grant Thornton firm** | | |
| - Audit of financial reports | 171,876 | 83,247 |
| **Audit services remuneration** | **472,672** | **329,154** |
| | | |
| **Other Services** | | |
| **Auditors of Praemium Limited: Grant Thornton** | | |
| - Internal controls audit | 191,045 | 178,493 |
| - Taxation compliance | 366,410 | 166,117 |
| **Total other services remuneration** | **557,455** | **344,610** |
| | | |
| **Total Auditor's remuneration** | **1,030,128** | **673,764** |
| | | |
| **Grant Thornton remuneration** | | |
| - Audit and review of financial reports | 300,796 | 245,908 |
| - Internal controls audit | 117,445 | 178,493 |
| - Taxation compliance | 366,410 | 166,117 |
| **Total remuneration to Grant Thornton** | **784,651** | **590,517** |

## 19. Contract assets and liabilities

| | Consolidated | |
|---|---|---|
| **Contract assets** | 2024<br>$ | 2023<br>$ |
| Managed accounts platform and investment management | 6,283,800 | 4,529,497 |
| **Total contract assets** | **6,283,800** | **4,529,497** |

Contract assets relate to rights to consideration for services provided to customers but for which there is not an unconditional right to payment at the reporting date.

| | Consolidated | |
|---|---|---|
| **Contract liabilities** | 2024<br>$ | 2023<br>$ |
| Virtual Managed Accounts | 1,731,567 | 1,598,687 |
| Managed accounts platform and investment management | 34,000 | 101,000 |
| **Total contract liabilities** | **1,765,567** | **1,699,687** |

Contract liabilities arise from the Group's obligation to transfer services to customers for which the Group has received consideration from the customer but the transfer has not yet been completed.

## 20. 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 2022 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 30 June 2024 is as follows:

| | Consolidated | | |
|---|---|---|---|
| **2024** | **Australia** | **International** | **Total** |
| **Revenue** | | | |
| Revenue from contracts with customers | 82,726,894 | - | 82,726,894 |
| **Total segment revenue** | **82,726,894** | **-** | **82,726,894** |
| | | | |
| **EBITDA** | **21,452,880** | **-** | **21,452,880** |
| Interest income | 2,136,788 | - | 2,136,788 |
| Interest expense | (117,035) | - | (117,035) |
| Depreciation, amortisation and impairments | (5,686,679) | - | (5,686,679) |
| Unrealised foreign exchange loss | (24,488) | - | (24,488) |
| Unit trust income | 1,820 | - | 1,820 |
| Unrealised gain on financial instruments | (20,254) | - | (20,254) |
| Restructure, arbitration and acquisition costs | (3,914,840) | - | (3,914,840) |
| Share based payments | (2,217,863) | - | (2,217,863) |
| **Net profit before tax** | **11,610,329** | **-** | **11,610,329** |
| Income tax expense | (2,859,760) | - | (2,859,760) |
| **Net profit after tax** | **8,750,569** | **-** | **8,750,569** |
| | | | |
| Current assets | 57,912,420 | - | 57,912,420 |
| Non-current assets | 76,671,920 | - | 76,671,920 |
| **Total assets** | **134,584,340** | **-** | **134,584,340** |
| | | | |
| Current liabilities | (23,404,123) | - | (23,404,123) |
| Non-current liabilities | (2,031,051) | - | (2,031,051) |
| **Total liabilities** | **(25,435,174)** | **-** | **(25,435,174)** |
| | | | |
| **Employee costs** | **39,223,002** | **-** | **39,223,002** |

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2023 is as follows:

| | Consolidated | | |
|---|---|---|---|
| **2023** | **Australia** | **International** | **Total** |
| **Revenue** | | | |
| Revenue from contracts with customers | 74,294,400 | - | 74,294,400 |
| **Total segment revenue** | **74,294,400** | **-** | **74,294,400** |
| | | | |
| **EBITDA** | **23,423,497** | **(29,463)** | **23,394,034** |
| Interest income | 1,397,002 | 171 | 1,397,173 |
| Interest expense | (96,407) | (291) | (96,698) |
| Depreciation, amortisation and impairments | (6,835,624) | (27,172) | (6,862,796) |
| Unrealised foreign exchange loss | (37,605) | (25,563) | (63,168) |
| Unit trust income | 6,047 | - | 6,047 |
| Unrealised gain on financial instruments | 94,946 | - | 94,946 |
| Restructure, arbitration and acquisition costs | (1,546,949) | (131,462) | (1,678,411) |
| Share based payments | (2,462,955) | - | (2,462,955) |
| **Net profit/(loss) before tax** | **13,941,952** | **(213,780)** | **13,728,172** |
| Income tax benefit/(expense) | 1,444,379 | (17,985) | 1,426,394 |
| **Net profit/(loss) after tax** | **15,386,331** | **(231,765)** | **15,154,566** |
| | | | |
| Current assets | 58,769,400 | 1,152 | 58,770,552 |
| Non-current assets | 70,728,544 | (1,043) | 70,727,501 |
| **Total assets** | **129,497,944** | **109** | **129,498,053** |
| | | | |
| Current liabilities | (17,617,475) | (14,449) | (17,631,924) |
| Non-current liabilities | (3,744,573) | - | (3,744,573) |
| **Total liabilities** | **(21,362,048)** | **(14,449)** | **(21,376,497)** |
| | | | |
| **Employee costs** | **32,947,944** | **(33,150)** | **32,914,794** |

Segment revenue is allocated based upon the country in which revenue and profit are derived. Assets and liabilities are allocated to countries based upon where the asset or liability is located.

Revenues of $7,142,776 (2023: $8,342,983) are derived from a single external customer. These revenues are attributable to the Australian segment.

## 21. Events after The Reporting Date

On 26 August 2024, the directors declared a fully franked special dividend of 1 cent per share with a record date of 5 September 2024. The dividend amounted to $4.8 million, to be paid on 19 September 2024.

The Board of Directors have not become aware of any other matter or circumstance not otherwise dealt within the financial statements that since 30 June 2024 has significantly affected or may significantly affect the operations of the Company or the consolidated entity, the results of those operations or the state of affairs in subsequent financial years.

## 22. Cash Flow Information

| | Consolidated | |
|---|---|---|
| | **2024 $** | **2023 $** |
| **Profit attributable to members of the Group** | **8,750,569** | **15,154,566** |
| **Adjustments for:** | | |
| Depreciation, amortisation and impairments | 5,686,679 | 6,862,796 |
| Share based payments | 2,217,863 | 2,462,955 |
| Expected credit losses | - | (26,549) |
| Unrealised foreign exchange gain | 24,488 | 63,168 |
| Interest expense | 117,035 | 96,698 |
| Revaluation on financial instruments | 20,254 | (94,946) |
| **Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries** | | |
| Increase in trade and other receivables | (1,211,731) | (369,489) |
| (Decrease)/increase in trade payables and accruals | (4,559,046) | 577,644 |
| Increase in employee provisions | 1,320,628 | 1,352,176 |
| Increase/(decrease) in tax payable | 4,792,474 | (2,621,153) |
| **Net cash provided from operating activities** | **17,159,213** | **23,457,866** |

## 23. Share-Based Payments

(a) Performance rights

Performance rights are granted to key employees and will be vested in the respective employee on the vesting date upon the employee successfully meeting the following criteria: 1) the employee must still be an employee as at the vesting date, 2) the Company's Group EBITDA target (as agreed by the Board) is achieved, 3) the Company's total shareholder return (TSR) measure is achieved (for executive plans) and 4) the employee must successfully deliver upon certain measurable key performance indicators. All performance rights have a zero exercise price.

2024

| Grant date | Vesting date | Balance at start of the year | Granted during the year | Exercised during the year | Forfeited during the year | Balance at end of the year | Exercisable at end of the year |
|---|---|---|---|---|---|---|---|
| | | **Number** | **Number** | **Number** | **Number** | **Number** | **Number** |
| 24-Sep-20 | 30-Sep-23 | 1,123,496 | - | (1,003,316) | (120,180) | - | - |
| | | **1,123,496** | **-** | **(1,003,316)** | **(120,180)** | **-** | **-** |
| 27-Nov-20 | 30-Sep-23 | 338,264 | - | (330,905) | (7,359) | - | - |
| | | **338,264** | **-** | **(330,905)** | **(7,359)** | **-** | **-** |
| 28-Oct-21 | 30-Sep-22 | 443,841 | - | - | (69,745) | 374,096 | 374,096 |
| | 30-Sep-23 | 443,841 | - | - | (69,745) | 374,096 | 374,096 |
| | 30-Sep-24 | 443,841 | - | - | (69,745) | 374,096 | - |
| | | **1,331,523** | **-** | **-** | **(209,235)** | **1,122,288** | **748,192** |
| 21-Dec-21 | 30-Sep-22 | 400,000 | - | - | - | 400,000 | 400,000 |
| | 30-Sep-23 | 400,000 | - | - | - | 400,000 | 400,000 |
| | 30-Sep-24 | 400,000 | - | - | - | 400,000 | - |
| | | **1,200,000** | **-** | **-** | **-** | **1,200,000** | **800,000** |
| 17-Jan-23 | 30-Sep-23 | 237,240 | - | (224,730) | (12,510) | - | - |
| | 30-Sep-24 | 995,400 | - | - | (54,100) | 941,300 | - |
| | 30-Sep-25 | 1,554,960 | - | - | (216,740) | 1,338,220 | - |
| | | **2,787,600** | **-** | **(224,730)** | **(283,350)** | **2,279,520** | **-** |
| 06-Feb-23 | 30-Sep-24 | 218,365 | - | - | (20,764) | 197,601 | - |
| | | **218,365** | **-** | **-** | **(20,764)** | **197,601** | **-** |
| 18-May-23 | 30-Sep-25 | 726,700 | - | - | - | 726,700 | - |
| | | **726,700** | **-** | **-** | **-** | **726,700** | **-** |
| 22-May-23 | 30-Sep-26 | 600,000 | - | - | - | 600,000 | - |
| | | **600,000** | **-** | **-** | **-** | **600,000** | **-** |
| 09-Oct-23 | 30-Sep-26 | - | 300,000 | - | (300,000) | - | - |
| | | **-** | **300,000** | **-** | **(300,000)** | **-** | **-** |
| | **TOTAL** | **8,325,948** | **300,000** | **(1,558,951)** | **(940,888)** | **6,126,109** | **1,548,192** |

2023

| Grant date | Vesting date | Balance at start of the year | Granted during the year | Exercised during the year | Forfeited / lapsed during the year | Balance at end of the year | Exercisable at end of the year |
|---|---|---|---|---|---|---|---|
| | | **Number** | **Number** | **Number** | **Number** | **Number** | **Number** |
| 01-Jul-19 | 30-Sep-22 | 4,000,000 | - | (2,000,000) | (2,000,000) | - | - |
| 16-Sep-19 | 30-Sep-22 | 1,057,153 | - | (1,006,311) | (50,842) | - | - |
| | | **5,057,153** | **-** | **(3,006,311)** | **(2,050,842)** | - | - |
| 24-Sep-20 | 30-Sep-22 | 723,431 | - | (636,810) | (86,621) | - | - |
| | 30-Sep-23 | 1,736,201 | - | (133,556) | (479,149) | 1,123,496 | - |
| | | **2,459,632** | **-** | **(770,366)** | **(565,770)** | **1,123,496** | - |
| 27-Nov-20 | 30-Sep-22 | 156,447 | - | (138,801) | (17,646) | - | - |
| | 30-Sep-23 | 375,461 | - | - | (37,197) | 338,264 | - |
| | | **531,908** | **-** | **(138,801)** | **(54,843)** | **338,264** | **-** |
| 28-Oct-21 | 30-Sep-22 | 680,605 | - | - | (236,764) | 443,841 | 443,841 |
| | 30-Sep-23 | 680,605 | - | - | (236,764) | 443,841 | - |
| | 30-Sep-24 | 680,605 | - | - | (236,764) | 443,841 | - |
| | | **2,041,815** | **-** | **-** | **(710,292)** | **1,331,523** | **443,841** |
| 21-Dec-21 | 30-Sep-22 | 400,000 | - | - | - | 400,000 | 400,000 |
| | 30-Sep-23 | 400,000 | - | - | - | 400,000 | - |
| | 30-Sep-24 | 400,000 | - | - | - | 400,000 | - |
| | | **1,200,000** | **-** | **-** | **-** | **1,200,000** | **400,000** |
| 17-Jan-23 | 30-Sep-23 | - | 250,980 | - | (13,740) | 237,240 | - |
| | 30-Sep-24 | - | 1,018,300 | - | (22,900) | 995,400 | - |
| | 30-Sep-25 | - | 1,852,520 | - | (297,560) | 1,554,960 | - |
| | | **-** | **3,121,800** | **-** | **(334,200)** | **2,787,600** | - |
| 06-Feb-23 | 30-Sep-24 | - | 218,365 | - | - | 218,365 | - |
| | | **-** | **218,365** | **-** | **-** | **218,365** | - |
| 18-May-23 | 30-Sep-25 | - | 726,700 | - | - | 726,700 | - |
| | | **-** | **726,700** | **-** | **-** | **726,700** | - |
| 22-May-23 | 30-Sep-26 | - | 600,000 | - | - | 600,000 | - |
| | | **-** | **600,000** | **-** | **-** | **600,000** | - |
| | **TOTAL** | **11,290,508** | **4,666,865** | **(3,915,478)** | **(3,715,947)** | **8,325,948** | **843,841** |

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee costs were as follows:

| | **Consolidated** | |
|---|---|---|
| | **2024 $** | **2023 $** |
| Performance rights | 2,217,863 | 2,462,955 |
| | **2,217,863** | **2,462,955** |

## 24. Earnings Per Share

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>$ |
| **Reconciliation of earnings to profit or loss** | | |
| Earnings used to calculate basic and diluted EPS: Attributable to owners of the parent | 8,750,569 | 15,154,566 |
| **Profit attributable to owners of the parent** | **8,750,569** | **15,154,566** |

| | Consolidated | |
|---|---|---|
| | 2024<br>$ | 2023<br>(Restated)<br>$ |
| **Weighted average number of ordinary shares outstanding during the year:** | | |
| Number used in calculating basic EPS | 493,402,407 | 511,007,859 |
| Number used in calculating diluted EPS* | 494,950,599 | 511,851,700 |
| | | |
| **Earnings Per Share** | | |
| Basic earnings per share (cents per share): Attributable to owners of the parent | 1.8 | 3.0 |
| Diluted earnings per share (cents per share): Attributable to owners of the parent | 1.8 | 3.0 |

2024: 4,577,917 (2023: 7,482,107) options/performance rights outstanding are not included in the calculation

*2023 number of shares used in calculating diluted EPS is restated (previously 511,007,859)

## 25. Parent Entity Information

The following details information related to the parent entity, Praemium Limited, at 30 June 2024. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Current assets | 2,084,141 | 1,928,697 |
| Non-current assets | 89,054,855 | 85,541,374 |
| **Total assets** | **91,138,996** | **87,470,071** |
| | | |
| Current liabilities | 13,033,378 | 3,897,604 |
| Non-current liabilities | 4,137,330 | 65,469,337 |
| **Total Liabilities** | **17,170,708** | **69,366,941** |
| | | |
| Contributed equity | 103,034,382 | 112,342,200 |
| Accumulated loss | (32,173,047) | (95,761,826) |
| Option reserve | 3,106,953 | 1,522,756 |
| **Total equity** | **73,968,288** | **18,103,130** |
| | | |
| Profit/(loss) for the year | 63,588,779 | (2,171,834) |
| **Total comprehensive income/(loss) for the year** | **63,588,779** | **(2,171,834)** |

## 26. Group Entities

The consolidated financial statements include the financial statements of Praemium Limited and those entities detailed in the following table:

| Subsidiaries | Country of incorporation | Ownership interest % at 30/6/24 | Ownership interest % at 30/6/23 |
|---|---|---|---|
| Praemium Australia Limited | Australia | 100 | 100 |
| Praemium RA LLC | Armenia | 100 | 100 |
| Praemium Asia Limited | Hong Kong | 100 | 100 |
| WealthCraft Systems (Shenzhen) Limited | China | 100 | 100 |
| Powerwrap Limited | Australia | 100 | 100 |
| MWH Capital Limited | Australia | 100 | 100 |
| OneVue Wealth Services Ltd | Australia | 100 | - |
| OneVue Wealth Assets Pty Ltd | Australia | 100 | - |
| Investment Gateway Pty Ltd | Australia | 100 | - |

Praemium Limited is the ultimate Australian parent entity and the ultimate parent entity of the Group.

## 27. Related party transactions

Praemium Australia Limited, Powerwrap Limited and OneVue Wealth Services Limited are subsidiaries of Praemium Limited and are respectively the Responsible Entity of the Praemium Managed Account, Powerwrap Managed Investment Scheme and OneVue Managed Account. Both derive management fees for managing the operations of the Managed Investment Scheme in accordance with the scheme's constitution.

| | Consolidated | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| **Management fees:** | | |
| Managed Accounts Platform and Investment Management | 62,229,071 | 55,194,005 |

### Key management personnel compensation (including non-executive directors)

| | Consolidated | |
|---|---|---|
| | **2024** | **2023** |
| Short-term employee benefits | 1,903,818 | 1,629,475 |
| Post-employment benefits | 95,428 | 86,352 |
| Long-term benefits | 4,301 | 3,840 |
| Share-based payments | 495,215 | 238,070 |
| **Total** | **2,498,762** | **1,957,737** |

## 28. Business acquired

### Acquisition of OneVue Wealth Services Ltd

On 26 February 2024, Praemium Limited (ASX: PPS) (Praemium) announced an agreement to acquire 100% of Iress OneVue Platform Business (OneVue) for up-front cash consideration of $1.0 million, with a potential earnout for up to an additional $20.0 million linked to growth in Funds Under Administration (FUA).

The announced transaction was completed on 15 April 2024 under Share Sale and Purchase Agreement (SSPA), further facilitated by a Transitional Services Agreement (TSA) which allows Praemium to operate the OneVue scheme under the OneVue platform until migration to the Praemium platform is completed.

The strategic rationale for this acquisition is increased operational leverage which generates material synergies and value creation for shareholders. This will be facilitated by migrating OneVue onto Praemium's operations and technology to:

» Remove duplication of product development, maintenance and support costs;

» Realise wage and supplier purchasing synergies arising from operational economies of scale; and

» Consolidate suppliers of custody, market data and brokerage services.

» OneVue client migration is assessed to be low risk and actionable under the 18-month TSA period post transaction completion; and

» Praemium and OneVue teams have experience in executing large scale migration and transformation

OneVue FUA at completion was $4.1 billion. This increased Praemium's platform FUA by 16.9% to $28.4 billion, based on 31 March 2024 Platform FUA for Praemium of $24.3 billion ex OneVue.

| **Purchase Consideration** | **$** |
|---|---|
| Cash paid | 4,476,392 |
| Completion payable | 572,077 |
| Contingent consideration at fair value | 3,161,446 |
| **Total purchase consideration** | **8,209,914** |
| **Assets and liabilities acquired** | |
| Cash and cash equivalents | 4,109,253 |
| Contract assets | 1,279,635 |
| Trade and other receivables | 748,850 |
| Prepayments | 332,352 |
| Other financial assets | 114,935 |
| Property, plant and equipment | 90,608 |
| Intangible assets | 592,000 |
| Trade and other payables | (1,453,742) |
| Provisions | (982,421) |
| **Net identifiable assets acquired** | **4,831,470** |
| Add: goodwill | 1,127,745 |
| Add: customer contracts | 3,469,000 |
| Less: deferred tax liabilities | (1,218,300) |
| **Net assets acquired** | **8,209,914** |

### Consideration transferred

The total amount payable at completion agreed by both parties was $5,048,469 (NTA + $1.0 million)

the calculation of completion amount and agreement with the seller was conducted in two phases as per the SSPA. Firstly, Iress provided an estimate at completion of $4,476,392 paid on 15 April 2024. Secondly, a purchase price adjustment of $572,077 paid on 24 July 2024 based on the final completion amount agreed by both parties.

### Contingent Consideration

Contingent consideration of up to $20.0 million, in addition to the up-front consideration, is payable on the realisation of OneVue 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 straightline 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 (15 January 2025) and 18 months (15 October 2025) 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.

OneVue, experienced a net outflow of $126 million over the June 2024 quarter. Quarterly outflows are expected to remain at $100m during the two measurement periods and FUA is forecasted to be $3.7 billion at 15 January 2025 (9 months) and $3.4 billion at 15 October 2025 (18 months). The resultant earn-out is therefore valued at $3.2 million due 15 January 2025; and $nil due 15 October 2025. It is on this basis that contingent consideration has been recognized under AASB 3 and included in the Balance sheet under “Other financial liabilities”.

### Goodwill

The goodwill is attributable to the expected upside of significant cost and revenue synergies, expanded diversification of customer base and a larger and more flexible balance sheet of the acquired business. It will not be deductible for tax purposes.

### OneVue's contribution to the Group results

OneVue generated a profit of $348,451 for the 2.5 months from 15 April 2024 to the reporting date. Revenue for the 2.5 months from 15 April 2024 to the reporting date was $2,437,238.

### Acquisition-related costs

Acquisition-related costs of $2,564,151 were included in restructure, arbitration and acquisition costs in the statement of profit or loss and other comprehensive income and in operating cash flows in the statement of cash flows.

### Provisional accounting

While the financial effects of the transaction have been brought to account at 30 June 2024, due to the complexity and timing of the transaction, new information may arise from facts and circumstances that existed at the acquisition date and adjustments will be disclosed in the half year report for the period ending 31 December 2024.

### Change in accounting policy

There were no other material policy changes relating to the integration of the OneVue during the year ending 30 June 2024.

## 29. Contingent Liabilities

The consolidated entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

## 30. Commitments

The consolidated entity had no commitments as at 30 June 2024 and 30 June 2023.

# Consolidated Entity Disclosure Statement

| Name of entity | Type of entity | Trustee, partner or participant in joint venture | % share capital held | Country of incorporation | Australian resident or foreign resident (for tax purposes) | Tax residency |
|---|---|---|---|---|---|---|
| Praemium Australia Limited | Body corporate | n/a | 100 | Australia | Australian | Australia |
| Praemium RA LLC | Body corporate | n/a | 100 | Armenia | Foreign | Armenia |
| Praemium Asia Limited | Body corporate | n/a | 100 | Hong Kong | Foreign | Hong Kong |
| WealthCraft Systems (Shenzhen) Limited | Body corporate | n/a | 100 | China | Foreign | China |
| Powerwrap Limited | Body corporate | n/a | 100 | Australia | Australian | Australia |
| MWH Capital Limited | Body corporate | n/a | 100 | Australia | Australian | Australia |
| OneVue Wealth Services Ltd | Body corporate | n/a | 100 | Australia | Australian | Australia |
| OneVue Wealth Assets Pty Ltd | Body corporate | n/a | 100 | Australia | Australian | Australia |
| Investment Gateway Pty Ltd | Body corporate | n/a | 100 | Australia | Australian | Australia |

Praemium Limited and (the “head entity”) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

# Directors’ Declaration

### The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 29-62, are in accordance with the Corporations Act 2001 and:
   a. Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   b. Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated entity.
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
   a. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. The financial statements and notes for the financial year comply with the Accounting Standards; and
   c. The financial statements and notes for the financial year give a true and view of the financial position and performance of the consolidated entity.
   d. The consolidated entity disclosure statement is true and correct for the year ended 30 June 2024 as required by section 295A of the Corporations Act 2001.
3. In the Directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards. This declaration is made in accordance with a resolution of the Board of Directors.

Barry Lewin , Chairman
26 August 2024

# 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 audit of Praemium Limited for the year ended 30 June 2024, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

egangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 26 August 2024

**Grant Thornton Audit Pty Ltd**
Level 22 Tower 5
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Melbourne VIC 3001

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# Independent Auditor's Report

## To the Members of Praemium Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Praemium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue Recognition - Note 3** | |
| The Group has recognised $82,726,894 of revenue from contracts with customers.<br><br>Revenue derived from the delivery of services may be complex and involves management judgement due to revenue being recognised over time when performance obligations are satisfied.<br><br>This area is a key audit matter due to the level of judgement and estimation involved in assessing service revenue. | Our procedures included, amongst others:<br>• Assessing revenue recognition policies of individual customer agreements and contractual arrangements to determine compliance with AASB 15 *Revenue from Contracts with Customers*;<br>• Documenting and testing the operating effectiveness of the internal controls with respect to VMA and SMA revenue from the rendering of services,<br>• Testing a sample of revenue transactions recognised during the year to supporting documentation to verify occurrence and accuracy in accordance with AASB 15; and<br>• Assessing the appropriateness of the relevant disclosures within the financial statements. |
| **Capitalised Database and Software Costs - Note 12** | |
| Capitalised product development costs with respect to databases and software had a net carrying value of $16,630,286 as at 30 June 2024.<br><br>During the year, the Group capitalised $8,314,808 of product development costs.<br><br>Intangible assets are being amortised over a 3-year period, and an amortisation expense of $4,453,065 has been included in the statement of profit or loss and other comprehensive income.<br><br>AASB 138 *Intangible Assets* sets out the specific requirements to be met to capitalise development costs. Intangible assets should be amortised over their useful economic lives in accordance with AASB 138.<br><br>This area is a key audit matter due to subjectivity and management judgement applied in assessing whether costs meet the development phase criteria described in AASB 138, the estimate of the assets' useful lives and consideration of impairment involving projected future cash flows under accounting standard AASB 136 *Impairment of Assets*. | Our procedures included, amongst others:<br>• Assessing the Group's accounting policy in respect of product development costs for adherence to AASB 138 and AASB 136;<br>• Evaluating management's assessment of each project for compliance with the recognition criteria set out in AASB 138, including discussing project plans with management and project leaders to develop an understanding of the nature and feasibility of key projects at 30 June 2024;<br>• Testing a sample of costs capitalised to supporting documentation to understand the nature of the item and whether the expenditure was attributable to the development of the related asset and assessing compliance with the recognition criteria set out in AASB 138;<br>• Evaluating the appropriateness of the useful economic lives over which capitalised costs are being amortised;<br>• Assessing the impairment models for compliance with the standard and evaluating the reasonableness of key assumptions through sensitivity analysis including the discount rate, terminal growth rates and forecast growth assumptions where required under AASB 136;<br>• Challenging management's assumptions and estimates including those relating to forecast revenue, costs, and discount rates by assessing the reasonableness of the approved cash flow projections as well as the Group's historical ability to forecast accurately; and<br>• Assessing the appropriateness of the relevant disclosures within the financial statements. |

# Independent Audit Report

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Acquisition of OneVue Platform Business (IOPB) – Note 28** | |
| During the year, the Group completed the acquisition of IOPB for a total purchase consideration of $8,209,914.<br>Under AASB 3 *Business Combinations*, separately identifiable intangible assets are to be separated from the value of goodwill and recognised as an identifiable intangible asset.<br>This area is a key audit matter due to the significant management judgement and estimation involved in the allocation of the purchase price to the acquired assets and liabilities, including intangible assets such as customer relationships and software. | Our procedures included, amongst others:<br>• Assessing whether transactions have been appropriately accounted for under AASB 3;<br>• Reviewing management's calculation for the acquisition, including tracing inputs to supporting documentation and assessing whether any goodwill arising as a result of the acquisition has been appropriately recognised within the financial statements.<br>• Reviewing management's assessment of the potential earnout over the 18-month period post-acquisition;<br>• Testing material balances from the completion accounts of the acquisition, including selecting samples and tracing to source documentation to verify the fair value of balances on the acquisition date;<br>• Reviewing the identification and valuation of the purchase price allocation (PPA) between goodwill and separately identifiable assets intangible assets completed by management expert's in accordance with AASB 3 and ensuring its appropriateness;<br>• Assessing the appropriateness of the relevant disclosures within the financial statements. |

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the Directors determine is necessary to enable the preparation of:

i. the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

# Independent Audit Report

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

### Report on the remuneration report

#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 18 to 23 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Praemium Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

egangemi

C S Gangemi
Partner – Audit & Assurance

Melbourne, 26 August 2024

# Additional information

In accordance with ASX Listing Rules the shareholder information set out below is current as of 31 July 2024.

## Top 20 Shareholders

| Rank | Name | Number of shares | % of issued shares |
|---|---|---|---|
| 1 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 57,888,618 | 12.01 |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 51,143,293 | 10.61 |
| 3 | CITICORP NOMINEES PTY LIMITED | 44,841,449 | 9.30 |
| 4 | NATIONAL NOMINEES LIMITED | 16,231,840 | 3.37 |
| 5 | BNP PARIBAS NOMS PTY LTD | 13,549,375 | 2.81 |
| 6 | MR DONALD WILLIAM STAMMER | 11,326,794 | 2.35 |
| 7 | BNP PARIBAS NOMINEES PTY LTD | 9,794,691 | 2.03 |
| 8 | SUPERTCO PTY LTD | 7,500,000 | 1.56 |
| 9 | CAMERON RICHARD PTY LTD | 7,389,182 | 1.53 |
| 10 | NELCAN PTY LTD | 7,186,172 | 1.49 |
| 11 | PACIFIC CUSTODIANS PTY LIMITED | 7,175,472 | 1.49 |
| 12 | DR DONALD STAMMER & MRS LEE STAMMER | 4,353,304 | 0.90 |
| 13 | NETWEALTH INVESTMENTS LIMITED | 4,336,303 | 0.90 |
| 14 | BNP PARIBAS NOMINEES PTY LTD | 4,270,306 | 0.89 |
| 15 | R & JS SMITH HOLDINGS PTY LTD | 3,860,939 | 0.80 |
| 16 | UBS NOMINEES PTY LTD | 2,497,813 | 0.52 |
| 17 | EPR SUPERANNUATION FUND PTY LTD | 2,239,001 | 0.46 |
| 18 | DAVID SIMMONDS FRANKS | 2,222,223 | 0.46 |
| 19 | DIXSON TRUST PTY LIMITED | 2,141,668 | 0.44 |
| 20 | EMNJ PTY LTD | 2,120,000 | 0.44 |
| | **Total** | **262,068,443** | **54.37** |
| | **Balance of register** | **219,946,566** | **45.63** |
| | **Grand total** | **482,015,009** | **100.00** |

## Substantial shareholders

As of 31July 2024 , there are no substantial holders in Praemium Limited.

## Securities subject to escrow

As of 31July 2024 , there are no securities subject to voluntary escrow.

## Distribution of shareholdings

The total number of shareholders in Praemium Limited (ASX: PPS) was 6,362 The voting rights are one vote per share. There were 482,015,009 shares on issue. The distribution of shareholders was as follows:

| Range | Number of holders | Shares | % |
|---|---|---|---|
| 100,001 and over | 387 | 387,678,208 | 80.43 |
| 10,001 to 100,000 | 2,331 | 79,545,099 | 16.50 |
| 5,001 to 10,000 | 1,109 | 9,013,582 | 1.87 |
| 1,001 to 5,000 | 1,890 | 5,403,352 | 1.12 |
| 1 to 1,000 | 645 | 374,768 | 0.08 |
| **Total** | **6,362** | **482,015,009** | **100.00** |

There were 661 shareholders holding less than a marketable parcel of $500 worth of shares, based on the closing market price on 31July 2024 of $0.48 per share.

# Corporate Information

## Registered office and principal place of business

The registered office of the Company is Praemium Limited, Level 19, 367 Collins Street, Melbourne, VIC 3000.

Phone: 1800 571 881
Fax: +613 8622 1200
Website: www.praemium.com

## Board of Directors

Anthony Wamsteker
Barry Lewin
Claire Willette
Daniel Lipshut
Stuart Robertson

## Executive Director & CEO

Anthony Wamsteker

## Company Secretary

Mark Licciardo

## Share Registry

Link Market Services:
Level 12, 680 George Street,
Sydney, NSW 2000.

Phone: Within Australia:
1300 554 474

Outside Australia:
+61 2 8280 7111

## Auditor

Grant Thornton:
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