



# Praelium Annual Report

2023



Enabling  
advisers  
to deliver  
great  
outcomes

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# Future ready for growth and opportunity

**We commence the 2024 financial year with a newly assembled executive leadership team, a powerhouse of expertise and experience poised to steer our company into a new era of growth and innovation.**

Our new executive team comprises accomplished professionals who bring a wealth of experience from diverse sectors of the financial industry. Their collective wisdom spans;

- » strategic planning,
- » technological innovation,
- » customer engagement,
- » operational excellence,
- » risk and market analysis,
- » organisation culture and people policy,
- » mergers and acquisitions.

This diverse skill set is a testament to our commitment to comprehensively address the multifaceted challenges of today's wealth management environment.

Praemium has always been at the forefront of wealth management innovation, leveraging our deep understanding of Australia's emerging and established affluent to meet and exceed the evolving demands of our clients.

The executive leadership team has the experience and capability to ensure Praemium is positioned to realise the full market opportunity in wealth management platform and related services and deliver ongoing value for its shareholders and clients.



# Aligning with tomorrow's wealth landscape

With a remarkable 22-year legacy of close collaboration with sophisticated advice firms, we have gained unparalleled insights into their operational processes and advice strategies.

Amidst the dynamic transformations of the wealth management landscape, there has been a convergence of trends shaping the industry. Praemium has been strategically aligned with these trends and we continue to develop and offer products and services that address these evolving needs.

» **Demographics: Embracing an Aging Population and Wealth Transfer**

The demographic shifts brought by an aging population have underscored the importance of a seamless wealth transfer across generations and a need for advice to manage this pivotal transition. With over \$3tn set to transfer from one generation to the next, the high-net-worth investor segment is set to grow. Praemium offers comprehensive products and solutions to support the varying advice strategies and personalised services required to meet the needs of high-net-worth investors.

» **Technology: Harnessing Data and AI and Prioritising security and client experience**

Technological advances, particularly Generative AI, continue to revolutionise wealth management. Delivering efficiencies through data aggregation and integration, coupled with adaptive resilience to cyber-attacks, will be increasingly important for advice and wealth management firms going forward. At Praemium, we integrate cutting-edge technology to empower our clients with powerful data and client insights while steadfastly safeguarding their interests.

» **Market: Transitioning from Legacy to Challenger and Enabling a Comprehensive Wealth View**

The evolving market dynamic has seen a shift from legacy players to emerging challengers who can adeptly meet the needs of next-gen investors. With the increasing number of high-net-worth investors, a growing number of advisers are focusing solely on this segment and require a platform built to facilitate their robust demands. Meanwhile the demand for a holistic view of wealth has grown. Praemium is uniquely positioned to offer investors a consolidated view of custody and non-custody assets.

» **Economy: Navigating Heightened Risk and Expanding into Alternative Assets**

In an economy marked by fluctuating risk and return scenarios, diversification through alternative assets has gained considerable traction and fixed income is back in vogue. Praemium recognises the value of these avenues for stability and diversification and provides investors with access to them within flexible investment structures.

Informed portfolio decisions require complex asset reporting and Praemium technology makes complex reporting simple, scalable and tailored.

» **Confidently Forging Ahead**

These trends of shifting demographics, technological innovation, market evolution, and economic variability do not just pose challenges; they also provide new opportunities for advisers to showcase their value. Our unwavering focus remains clear - delivering outstanding outcomes for advice practices and their clients.

# Chairman and CEO Report



**Barry Lewin**  
Chairman

FY23 saw Praemium deliver record earnings per share (EPS) of 3.2 cents. This result reflects a simplified business and provides a solid foundation on which to build further growth in market share.

To our fellow shareholders,

We are pleased to present the 2023 Annual Report.

The financial year just finished (FY23) saw Praemium deliver record earnings per share (EPS) of 3.2 cents. This result reflects a simplified business and the integration of Powerwrap into the Praemium business and technology architecture. This provides a solid foundation on which to build further growth in market share.

**Highlights in FY23 included:**

- » A 23% increase in underlying Australian EBITDA to \$23.4 million (up 41% when compared to group EBITDA in FY22);
- » Continued strong growth of the platform business, having generated \$1.4 billion in net flows and growth in funds under administration (FUA) of 14%;
- » Completion of all material Powerwrap integration initiatives, marked by fully vacating its Melbourne office and surrendering the lease in January 2023;
- » Powerwrap's bespoke execution capabilities and sophisticated investment options generated \$0.5 billion in net flows from an \$11.4 billion base;
- » Replenished the leadership of the business with some key appointments and internal promotions; and
- » Paid a 5 cents per share fully franked dividend on 10 August 2022, fully repaid \$10.6 million in borrowings and commenced an on-market share buy-back with \$11.5 million deployed to 30 June 2023.

Key financial highlights for the year included:

Financial Results	\$m	Change on FY22
Revenue from contracts with customers	74.3	+17%
Earnings before interest, tax, depreciation and amortisation (underlying EBITDA)	23.4	+23%
Cash balances	46.3	-43%



**Anthony Wamsteker**  
Executive Director & CEO

“

Over the past years Praemium has built enviable technology based solutions to meet the needs of financial advisers and their clients.”

Funds Under Administration (FUA)	\$b	Change on FY22
Praemium	9.6	+19%
Powerwrap	12.6	+11%
VMAAS	21.8	+4%
<b>Total</b>	<b>44.0</b>	<b>+9%</b>

The wealth management industry in Australia continues to expand as our growing and ageing population saves for retirement and other financial goals. Over the years Praemium has built enviable technology based solutions to meet the needs of financial advisers and their clients. The integration of Powerwrap has expanded the product range. The technology and product foundation is in place and the focus now is on scaling that footprint.

Praemium controls all of the key modules in our technology architecture. This is a competitive advantage which allows us to prioritise developments that are most beneficial for our preferred client segment. Given the breadth of asset types demanded by high net worth investors, we have consistently built data feeds, interfaces and integrations with a wide range of market participants. This is recognised in our results in that category of the annual Investment Trends Platform Competitive Analysis and Benchmarking Report 2022. Going forward, this particular expertise stands us in good stead as financial advisers seek better integration with other parts of their desktop architecture, especially advice planning tools and emerging artificial intelligence applications.

Another priority in the past year was to rejuvenate the business leadership. The current executive team is made up of people from a wide range of successful financial services businesses. Each member of the team brings demonstrable experience and capability which is directly relevant to their specific role and the broader business objectives. Throughout the business there are people with genuine passion to contribute to realising the potential that arises from having specific market-leading functionality at a time when the market requirement for that functionality is becoming more evident. Praemium is in the right place at the right time and has the people to deliver on that promise.

To that end, we thank all Praemium people for their contribution over the past year. Your commitment to the business has contributed to an excellent result this year and we look forward to working together to achieve our shared goals.

On behalf of the Board we wish to extend our appreciation to all shareholders for your support. We continue to strive to deliver long term results that will reward patient investors.

**Barry Lewin**  
Chairman

**Anthony Wamsteker**  
Executive Director/  
CEO

# Corporate Highlights



## 23%

uplift in underlying Australian EBITDA to \$23.4 million



## \$1.4b

in annual flows



## \$44b

in total funds under administration, up 9%



## \$37.3m

Returned to shareholders from international sale



## 17%

strong revenue growth



## 1st

in Decision Tools and Security and Data Integration in Investment Trends 2022 Platform Competitive Analysis & Benchmark Reporting

# Directors' Report Review of operations

On 30 June 2022 Praemium divested 100% of its operations in the UK, Jersey, Hong Kong and Dubai ('International Business') to Morningstar, Inc. Praemium has since focused its financial and leadership resources on its domestic market, as a leader in innovative platform solutions for sophisticated wealth advisers and their clients.

Upon announcing the divestment, Praemium undertook to return approximately \$50 million in surplus net proceeds to shareholders whilst contemporaneously assessing other cash deployment opportunities.

- » A Special Dividend of 5 cents per share, equating to \$25.8 million, was paid on 10 August 2022.
- » \$11.5 million was deployed up to 30 June 2023 via on-market share buy-back of Praemium's issued capital.
- » \$10.6 million in borrowings and accrued interest was repaid on 16 August 2022.

## Principal Activities

Praemium operates a fully integrated Wealth Management Platform, which provides advisers and wealth managers with the ability to construct a holistic wealth management solution for their clients via a seamless digital platform experience.

The integrated platform includes: the custodial Separately Managed Accounts (SMA) non-custodial Virtual Managed Accounts (VMA) to underpin Managed Discretionary Accounts (MDA), Investor Directed Portfolio Services (IDPS) and similar structures; that enable a consolidated view of custody and non-custody investment assets.

The ability to seamlessly integrate custodial and non-custodial assets under an efficient single structure suitable for Independent Financial Advisers (IFAs), stockbrokers, private wealth managers, family offices and institutional clients is the foundation of Praemium's proposition.

The September 2020 acquisition of the private wealth specialist platform Powerwrap, allowed us to further enhance our bespoke private wealth functionality to offer a wider breadth of assets and service in the Australian market. Our client private wealth firms and family offices leverage our bespoke execution capabilities, sophisticated investment options and institutional-grade technology to support large scale complex transactions and reporting.

Available via the market's only fully integrated managed accounts platform, our non-custodial solutions enable advisers and firms to serve their clients' administration and investment needs, whether under custody or not, on one single platform.

Investment asset coverage includes all ASX listed securities, more than 5,000 international securities on 40 exchanges and many types of unlisted investments, bonds, managed funds and cash management accounts (CMAs).

VMA provides the broadest range of investment data feeds in the market with high-quality client and business reporting tools, accessible through our Investor Portal, Report Publisher or Export Centre.

The Praemium Administration Service (VMAAS) is a complementary offering to Praemium VMA that enables financial planning practices and stockbrokers to outsource the administration of their client portfolios to Praemium. As noted above, VMAAS growth in 2023 was again very strong.

Managing client assets directly with the ASX in a HIN-based structure is a popular option for advisers, especially for their higher-value clients, but can become a substantial administration burden. Adding full administration support – from mail house, portfolio management, account reconciliation, corporate action election processing through to full annual reporting – makes the HIN-based managed account a more attractive option. VMAAS can also be combined with Praemium's Managed Accounts platform for professional investment management and reporting.

## Performance, Awards and Enhancements

The appeal of Praemium's service, functionality and technology was evidenced by significant improvements in total funds under administration (FUA) and net inflows as at, and for the year to, 30 June 2023:

Total FUA of \$44.0 billion (30 June 2022: \$40.5 billion, up 9%)

- » Platform \$22.2 billion (30 June 2022: \$19.5 billion, up 14%)
  - » Praemium Separately Managed Accounts (SMA) \$9.6 billion (30 June 2022: \$8.1 billion, up 19%)
  - » Powerwrap \$12.6 billion (30 June 2022: \$11.4 billion, up 11%)
- » VMAAS non-custodial Portfolio Administration and Reporting Service \$21.8 billion (30 June 2022: \$21.0 billion, up 4%)

Financial year to date net inflows of \$1,362 million (financial year to 30 June 2022: \$2,938 million)

- » Praemium SMA financial year to date net inflows \$865 million (financial year to 30 June 2022: \$1,997 million)
- » Powerwrap financial year to date net inflows \$497 million (financial year to 30 June 2022: \$941 million)

# Key facts and figures

Net platform inflows for the financial year to 30 June 2023 were augmented by \$1,359 million in positive market movements, including positive \$357 million for the quarter to 30 June 2023. It also compares favourably to \$1,840 million in negative market movement for the financial year to 30 June 2022.

The market movement for the year to 30 June 2023 represents approximately 7.0% of the value of Platform FUA as at 30 June 2022.

The number of VMA portfolios grew 8% to 48,784 in the year to 30 June 2023 whilst VMAAS portfolios were stable and ended at 7,460 over that period.

Further verification of the quality of our current, comprehensive offering is that over 40% of the advisers named in Barron's Top 100 Financial Advisers utilise some combination of Praemium's technology, administration service and platform to manage their clients' portfolios. The list is dominated by high net wealth advisers for whom Praemium offers a comprehensive solution.

Praemium has achieved another strong result by placing 3rd overall in the Investment Trends 2022 Platform Competitive Analysis and Benchmarking Report, which is the most up to date report available. The score differential between the 1st and 3rd ranked platforms is now at its narrowest, with only a 1.6% difference separating the top 3. Praemium has also extended its lead over the broader peer group, with a gap of over 5% between 3rd and 4th place.

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 14 sub-categories, including Reporting and Online Business Management. 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.

Praemium continued to invest in developing its range of product and technology solutions. Development of all our solutions, continued at a significant pace during the financial year. This financial year we made the following enhancements to functionality:

- » Enabled performance and security contribution reporting for two reporting periods in the same report;
- » Allowed for multiple new e-signature providers which gives advisers greater flexibility in sourcing their client's digital approvals;
- » Enhanced the digital account opening and approval process;

- » Introduced compliance checks to ensure investors are downloading and accessing Product Disclosure Statements;
- » Improved fee consent functionality pertaining to annual anniversary obligations;
- » Further improved our performance and liquidity reports;
- » Added information to help advisers understand the amount of cash available to trade and when withdrawals may override existing minimum trade size settings;
- » Enhanced Adviser Portal for private wealth firms with order pads and service functionality;
- » ESG Insights improved, including the ability to self-manage reporting on securities with positive ESG impacts;
- » Expanded reporting options for liquidity, portfolio drawdown and risk and valuation by custody reports designed for Private Wealth advisers;
- » Implemented a new Liquidity Report designed for Private Wealth advisers;
- » Implemented a monthly Fund manager flow report, providing fund managers with FUM and flow covering various asset classes and including buys, sells, corporate actions and transfers;
- » Included an expanded fixed interest report to include running yield and yield to call information; and
- » Provided an additional six exports via our Export Centre.

## Financial Metrics

	FY2023	FY2022	Change	Change
<b>Continuing Operations</b>	\$000	\$000	\$000	%
Revenue and other income <sup>^</sup>	75,995	63,622	12,374	19.4%
Expenses	52,572	44,515	8,058	18.1%
<b>EBITDA (underlying)*</b>	<b>23,423</b>	<b>19,107</b>	<b>4,316</b>	<b>22.6%</b>
Profit before tax	13,728	6,225	7,503	120.5%
Tax (benefit)/expense	(1,426)	2,497	(3,923)	(157.1%)
<b>Net profit after tax</b>	<b>15,154</b>	<b>3,728</b>	<b>11,426</b>	<b>306.5%</b>
Earnings per share	3.0	0.7	2.3	328.6%
<b>Cash</b>	<b>46,254</b>	<b>80,545</b>	<b>(34,291)</b>	<b>(42.6%)</b>
Net assets	108,122	102,341	5,781	5.6%
Operating cashflow	23,458	10,362	13,096	126.4%

<sup>^</sup> Other income as outlined in Note 4 of the financial statements

\* EBITDA (underlying) excludes depreciation and amortisation of \$6.9m (2022: \$7.6m), restructure and acquisitions costs of \$1.7m (2022: \$0.5m), share based payments of \$2.5m (2022: \$4.3m) and unrealised gain on financial instruments of \$0.1 million (2022: loss of \$0.1m). Full details of EBITDA (underlying) are detailed in Note 20 of the Financial Report.

## Service Metrics

FUA \$billion	FY2023	FY2022	Change	Change
	\$B	\$B	\$B	%
Praemium Separately Managed Accounts (SMA)	9.6	8.1	1.5	19.0%
Powerwrap	12.6	11.4	1.2	11.0%
<b>Total Platform FUA</b>	<b>22.2</b>	<b>19.5</b>	<b>2.7</b>	<b>14.0%</b>
Virtual Managed Account Administration Service	21.8	21.0	0.8	4.0%
<b>Total FUA</b>	<b>44.0</b>	<b>40.5</b>	<b>3.5</b>	<b>9.0%</b>

## Performance Metrics

Continuing business	FY2023	FY2022	Change	Change
Portfolios (VMA) (# of portfolios)	59,863	57,552	2,311	4%
Platform FUA (\$ million)	44,024	40,481	3,543	9%

# Overview of 2023 financial position

## Trading Performance

The consolidated profit from continuing operations was \$15.2 million (up \$11.5 million compared to \$3.7m in the prior year). Revenue increased 19% whilst cost increases were held to 9% in a highly inflationary environment.

Revenue was positively impacted by significantly increased FUA, with platform FUA up 14% to \$22.2 billion, and the impact of increased cash administration fees in line with increased interest rates.

Expenditure increases were largely reflective of wage inflation, given a reasonably stable work force size, and increased outlays on outsourced administration, insurance and restructuring. These increases were partially offset by a significantly reduced number of performance rights on issue and constraint on new share based payment programs.

The current year income tax expense included a one-off benefit of \$4.8 million in recognition of tax losses from the international divestment.

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.

The International business was divested 30 June 2022, hence the analysis of underlying results will focus on the Australian segment.

Australian underlying EBITDA of \$23.4 million improved 23% on prior year. Revenue increased \$10.8 million or 17% due to the impact of significantly increased FUA, which was up 14%, and the impact of increased cash administration fees in line with increased interest rates. Revenue growth was partially offset by expenditure increases of 15% driven by wage inflation and significantly increased outsourced service provider charges.

## Balance sheet & cashflow

The Group has a strong balance sheet. At 30 June 2023, net assets were \$108.1 million, compared with \$102.3 million at 30 June 2022. Total assets were reduced by \$27.4 million to \$129.5 million, largely due to a \$47.9 million deployment of cash to efficiently return the proceeds from the divestment for shareholders' benefit. Significant deployments: a fully franked special dividend (\$25.8 million); borrowings repayment (\$10.6 million); and share buyback (\$11.5 million).

The group continued to invest in technology innovation with \$7.5 million of capitalised research and development (R&D) added to balance sheet and accounted for as investing cash flows for the half year to 30 June 2023 (prior year \$6.0 million). The 3-year useful life amortisation of capitalised technology R&D, applied over the course of several preceding years, partly offset the actual expenditure, such that the intangible assets increased by \$2.2 million. \$3.1m in cash was received from the Australian Tax Office in July 2023, relating chiefly to tax losses on divestment of the International Business.

The significantly improved trading performance, including cessation of PAYG tax instalments in recognition of tax losses from the international divestment, has seen accumulated losses reduced to \$5.6 million at 30 June 2023.

## 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
<b>Strategic risk</b>	The risk that internal or external factors result in failure to achieve our strategic objectives and grow market share/ profitability.	<ul style="list-style-type: none"> <li>» Board and executive oversight of strategy.</li> <li>» Dedicated project management team.</li> <li>» Client facing employees monitor market trends and competition.</li> <li>» Regular executive engagement with external parties to understand opportunities and market dynamics.</li> <li>» Tracking of sales growth provided regularly to the Board and executive.</li> </ul>
<b>Financial risk</b>	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	<ul style="list-style-type: none"> <li>» Strong and capable financial management team.</li> <li>» Board oversight of finances / budgets / expenses and forecasts.</li> <li>» High levels of working capital and a cautious approach to debt.</li> <li>» Tightly defined delegations of authority around expenditure.</li> </ul>
<b>Geographic and political risk</b>	The risk that external factors such as war, politics, or regulation impact our off-shore employees or providers.	<ul style="list-style-type: none"> <li>» International divestment (reducing risk)</li> <li>» Well established processing and technology centre(s) with detailed processes.</li> <li>» Business continuity process / plan.</li> </ul>
<b>Operational risk</b>	The risk of failed processes, suppliers, systems, or people give rise to disruption of product service or business / financial loss.	<ul style="list-style-type: none"> <li>» Compliance plan monitoring of obligations.</li> <li>» Procedures for key processes.</li> <li>» Policies detailing Board expectations.</li> <li>» Business continuity and disaster recovery processes / plans.</li> <li>» Avenues to report incidents and concerns regarding errors, weakness, or misconduct</li> <li>» Training and development of employees.</li> <li>» Insurance.</li> </ul>
<b>Cyber and data risk</b>	The risk of disruption or data loss / damage due to inadequate process or protections against cyber infiltration.	<ul style="list-style-type: none"> <li>» Independent audit of security.</li> <li>» Multiple data loss prevention controls.</li> <li>» Real time alert systems.</li> <li>» Information Security Policy.</li> <li>» Skilled technology team.</li> <li>» Training and development of employees.</li> <li>» Insurance.</li> </ul>
<b>Regulatory and compliance risk</b>	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.	<ul style="list-style-type: none"> <li>» Risk management and compliance management frameworks.</li> <li>» Skilled risk and compliance team.</li> <li>» Oversight of regulatory and compliance matters by Board Committee(s).</li> <li>» Monitoring of regulatory change.</li> </ul>

<b>Technology risk</b>	The risk that system design errors or poor implementation of change could result in service failure, regulatory breach, or business disruption.	<ul style="list-style-type: none"> <li>» Processes for managing software development.</li> <li>» Business continuity / disaster recovery plans.</li> <li>» Training and development of employees.</li> <li>» Insurance.</li> </ul>
<b>Reputation risk</b>	The risk that the Group's brand or reputation is damaged due to risk realisation, misconduct, or negative publicity.	<ul style="list-style-type: none"> <li>» Regular monitoring of media.</li> <li>» Contractual terms with suppliers.</li> <li>» Employee policies and processes.</li> <li>» Training and development of employees.</li> </ul>
<b>Personnel risk</b>	Risk of loss or disruption caused by failure to attract or retain key personnel.	<ul style="list-style-type: none"> <li>» Health and safety policy and trained representatives.</li> <li>» Employee policies and processes.</li> <li>» Staff surveys and pulse checks to monitor employee sentiment and engagement.</li> <li>» Market assessment – salary trends.</li> <li>» Incentive management and succession planning for key employees.</li> <li>» Learning and development strategies.</li> <li>» Training in people obligations.</li> </ul>
<b>Governance risk</b>	The risk of failure of the Board to appropriately govern risk.	<ul style="list-style-type: none"> <li>» Experienced board with regular meetings.</li> <li>» Provision of information about Board, and key policies via its website.</li> <li>» Listed company disclosures (Corporate Governance compliance).</li> </ul>

### 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 2023 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. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the consolidated entity.

### Dividend recommended, declared or paid

The Company paid a Special Dividend of 5 cents per share, equating to \$25.8 million, on 10 August 2022. The dividend related to divestment proceeds received 30 June 2022.

	2023			2022		
	Australia \$m	International \$m	Total \$m	Australia \$m	International \$m	Total \$m
<b>Revenue</b>						
Revenue from contracts with customers	74.3	-	74.3	63.3	15.0	78.3
<b>Total segment revenue</b>	<b>74.3</b>	<b>-</b>	<b>74.3</b>	<b>63.3</b>	<b>15.0</b>	<b>78.3</b>
<b>EBITDA</b>	<b>23.4</b>	<b>-</b>	<b>23.4</b>	<b>19.1</b>	<b>(2.5)</b>	<b>16.6</b>
Net interest	1.3	-	1.3	(0.4)	-	(0.4)
Depreciation, amortisation and impairments	(6.8)	-	(6.8)	(7.6)	(1.4)	(9.0)
Restructure, arbitration and acquisition costs	(1.5)	(0.1)	(1.6)	(0.5)	(1.9)	(2.4)
Share based payments	(2.5)	-	(2.5)	(4.3)	-	(4.3)
Other	-	(0.1)	(0.1)	(0.1)	-	(0.1)
<b>Net profit/(loss) before sale, tax and intercompany interest</b>	<b>13.9</b>	<b>(0.2)</b>	<b>13.7</b>	<b>6.2</b>	<b>(5.8)</b>	<b>0.4</b>

# 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		Audit, Risk & Compliance Committee		Remuneration Committee	
	Eligible To Attend	Attended	Eligible To Attend	Attended	Eligible To Attend	Attended
	11 Meetings		6 Meetings		1 Meeting	
Barry Lewin	11	11	-	-	-	-
Stuart Robertson	11	11	6	6	1	1
Daniel Lipshut	11	11	6	6	1	1
Anthony Wamsteker	11	11	-	-	-	-
Claire Willette	11	11	6	6	1	1

## 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 (or, where relevant, the UK Companies law). 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

29 August 2023

# 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 2023

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 \$16,000.

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:

	2023	2022	2021	2020	2019
EBITDA <sup>^</sup> (\$m)	23.4	16.6	13.8	14.2	11.4
NPAT(\$m)	15.2	43.5	1.5	4.9	2.5
EPS (cents)	3.0	8.6	1.5	1.2	0.6

<sup>^</sup> 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 caliber, 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 18-19.

# 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 LTI's 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 vest 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 on 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 2023 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 79.2% of 'yes' votes on its Remuneration Report for the financial year ended 30 June 2022. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

## 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 <sup>1</sup>	Superannuation	Long service leave		
<b>Parent entity directors</b>							
Barry Lewin	170,776	-	-	17,931	-	188,708	0%
Stuart Robertson <sup>2</sup>	105,000	-	-	-	-	105,000	0%
Daniel Lipshu <sup>12</sup>	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%
<b>Key management personnel</b>							
David Coulter	362,749	32,579	39,900	25,292	1,222	461,743	16%

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 - 2022

2022	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 <sup>1</sup>	Superannuation	Long service leave		
<b>Parent entity directors</b>							
Barry Lewin	284,323	-	-	23,736	-	308,059	0%
Stuart Robertson <sup>2</sup>	105,000	-	-	-	-	105,000	0%
Daniel Lipshut <sup>2</sup>	92,237	-	-	9,224	-	101,461	0%
Claire Willette	77,626	-	-	7,763	-	85,389	0%
Anthony Wamsteker	559,124	-	56,452	23,568	-	639,144	9%
<b>Key management personnel</b>							
Paul Gutteridge	456,697	177,500	286,208	23,568	9,111	953,084	30%
David Coulter	82,814	-	-	5,439	-	88,253	0%

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.

## Bonuses 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
<b>Parent entity directors</b>		
Anthony Wamsteker	87.5%	12.5%
<b>Key management personnel</b>		
David Coulter	88.8%	11.2%

## Share-Based Remuneration

### LTI Allocations To Key Management Personnel

The following tables detail the movement during the reporting period of performance rights granted over issued ordinary shares in Praemium held directly, indirectly or beneficially by Key Management Personnel:

	Grant date	Expiry date	Granted during the year	Granted during the year	Exercised during the year	Forfeited/lapsed During the year	Total fair value granted during the year
			Number	\$	\$	\$	\$
<b>Key management personnel</b>							
David Coulter	30-Aug-22	30-Jun-24	600,000	170,460	-	-	170,460
	1-Dec-22	30-Jun-25	141,200	88,370	-	-	88,370
			<b>741,200</b>	<b>258,830</b>	<b>-</b>	<b>-</b>	<b>258,830</b>

## Other Information

### A) Performance rights holdings

	Grant Date	Balance 1 July 2021	Granted as compensation	Vested/ Exercised	Forfeited/lapsed during the year	Balance 30 June 2022
<b>Parent entity directors</b>						
Anthony Wamsteker		1,200,000	-	-	-	1,200,000
<b>Key management personnel</b>						
David Coulter	30-Aug-22	-	600,000	-	-	600,000
	1-Dec-22	-	141,200	-	-	141,200
<b>2023 Total</b>		<b>1,200,000</b>	<b>741,200</b>	<b>-</b>	<b>-</b>	<b>1,941,200</b>

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## B) Shareholdings directly and indirectly beneficially held

2023	Balance 1 July 2022	Received as Compensation	Exercise of performance rights	Purchases/ (lapses)	Balance 30 June 2023
<b>Parent entity directors</b>					
Barry Lewin	625,700	-	-	-	625,700
Stuart Robertson	602,000	-	-	-	602,000
Daniel Lipshut	550,000	-	-	-	550,000
Anthony Wamsteker	1,620,002	-	-	-	1,620,002
Claire Willette	-	-	-	-	-
<b>Key management personnel</b>					
David Coulter	-	-	-	-	-
	<b>4,773,577</b>	-	-	-	<b>4,773,577</b>

This concludes the remuneration report, which has been audited.

## Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2023	Note	2023 \$	2022 \$
Revenue from contracts with customers	3	74,294,400	63,335,429
Other income	4	1,701,069	286,200
Platform trading & recovery		(4,252,750)	(1,932,460)
Employee costs	5	(32,914,794)	(30,753,016)
Depreciation, amortisation and impairments	5	(6,862,796)	(7,632,105)
Legal, professional, advertising and insurance expense		(6,607,052)	(5,333,552)
IT support		(5,561,738)	(4,878,106)
Commissions expense		(551,720)	(701,281)
Travel expenses		(484,388)	(115,946)
Occupancy costs		(637,717)	(500,683)
Net foreign exchange (loss)/gain	5	(63,168)	28,334
Telecommunication costs		(214,605)	(191,104)
Finance costs		(96,698)	(463,324)
Other expenses	5	26,549	(21,089)
Share based payments		(2,462,955)	(4,342,819)
Restructure, arbitration and acquisition costs		(1,678,411)	(461,694)
Unrealised gain/(loss) on financial instruments	5	94,946	(97,727)
<b>Profit before income tax expense</b>		<b>13,728,172</b>	<b>6,225,057</b>
Income tax benefit/(expense)	6	1,426,394	(2,497,065)
<b>Profit for the period from continuing operations</b>		<b>15,154,566</b>	<b>3,727,992</b>
Loss for the period from discontinued operations	28	-	(5,896,480)
Gain on sale of international operations	28	-	45,743,174
<b>Net gain from discontinued operations after tax</b>		<b>-</b>	<b>39,846,694</b>
<b>Profit for the year attributable to owners of the parent</b>		<b>15,154,566</b>	<b>43,574,686</b>
<b>Other comprehensive income:</b>			
Exchange differences on translation of foreign operations		(127,379)	542,556
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(127,379)</b>	<b>542,556</b>
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(127,379)</b>	<b>542,556</b>
<b>Total comprehensive income attributable to owners of the parent</b>		<b>15,027,187</b>	<b>44,117,242</b>
Continuing operations		15,027,187	3,727,992
Discontinued operations		-	40,389,250
<b>Total comprehensive income attributable to owners of the parent</b>		<b>15,027,187</b>	<b>44,117,242</b>
<b>Basic and diluted earnings per share (cents per share)</b>			
Continuing operations	24	3.0	0.7
Discontinued operations	24	-	7.9
Attributable to owners of the parent	24	3.0	8.6

The accompanying notes form part of the financial statements.

## Consolidated Statement of Financial Position

As at 30 June 2023	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	7	46,253,718	80,545,210
Contract assets	19	4,529,497	4,042,971
Trade and other receivables	8	3,153,258	3,248,502
Income tax receivable		2,864,017	585,101
Prepayments		1,970,062	1,912,502
<b>Total current assets</b>		<b>58,770,552</b>	<b>90,334,286</b>
<b>Non-current assets</b>			
Other financial assets	9	2,054,602	1,702,017
Property, plant and equipment	10	3,053,570	1,608,997
Goodwill	11	47,775,128	47,775,128
Intangible assets	12	12,769,797	10,594,751
Deferred tax asset	13	5,074,404	4,894,647
<b>Total non-current assets</b>		<b>70,727,501</b>	<b>66,575,540</b>
<b>TOTAL ASSETS</b>		<b>129,498,053</b>	<b>156,909,826</b>
<b>Current liabilities</b>			
Trade and other payables	14	12,141,350	10,132,198
Provisions	15	3,365,335	3,162,804
Lease liabilities	10	415,269	800,358
Contract liabilities	19	1,699,687	1,940,960
Borrowings	9	-	3,098,298
Income tax payable		10,283	-
Dividend payable		-	25,804,085
<b>Total current liabilities</b>		<b>17,631,924</b>	<b>44,938,703</b>
<b>Non-current liabilities</b>			
Provisions	15	432,421	400,740
Borrowings	9	-	7,500,000
Lease liabilities	10	1,767,342	-
Deferred tax liability	13	1,544,810	1,728,968
<b>Total non-current liabilities</b>		<b>3,744,573</b>	<b>9,629,708</b>
<b>TOTAL LIABILITIES</b>		<b>21,376,497</b>	<b>54,568,411</b>
<b>NET ASSETS</b>		<b>108,121,556</b>	<b>102,341,415</b>
<b>Equity</b>			
Share capital	16	112,342,200	122,267,482
Reserves	17	1,423,589	872,732

## Consolidated Statement of Financial Position (continued)

As at 30 June 2023	Note	2023 \$	2022 \$
<b>Current assets</b>			
Accumulated losses		(5,644,233)	(20,798,799)
<b>TOTAL EQUITY</b>		<b>108,121,556</b>	<b>102,341,415</b>

The accompanying notes form part of the financial statements.

## Consolidated Statement of Changes in Equity

For year ended 30 June 2023	Ordinary Shares	Accumulated Profit/(Loss)	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
<b>Equity as at beginning of period</b>	<b>122,267,482</b>	<b>(20,798,799)</b>	<b>28,209</b>	<b>844,523</b>	<b>102,341,415</b>
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
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>15,154,566</b>	<b>(127,379)</b>	<b>1,104,768</b>	<b>16,131,955</b>
<b>Transactions with owners in their capacity as owners</b>					
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)
	<b>(9,925,282)</b>	<b>-</b>	<b>-</b>	<b>(426,532)</b>	<b>(10,351,814)</b>
<b>Equity as at 30 June 2023</b>	<b>112,342,200</b>	<b>(5,644,233)</b>	<b>(99,170)</b>	<b>1,522,759</b>	<b>108,121,556</b>

For year ended 30 June 2022	Ordinary Shares	Accumulated Profit/(Loss)	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
	\$	\$	\$	\$	\$
<b>Equity as at beginning of period</b>	<b>116,065,309</b>	<b>(38,569,400)</b>	<b>(514,347)</b>	<b>2,932,361</b>	<b>79,913,923</b>
Profit attributable to members of the parent entity	-	43,574,686	-	-	43,574,686
Other comprehensive income	-	-	542,556	-	542,556
Amounts attributed to post combination services	-	-	-	604,750	604,750
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>43,574,686</b>	<b>542,556</b>	<b>604,750</b>	<b>44,721,992</b>
<b>Transactions with owners in their capacity as owners</b>					
Employee share-based compensation	153,298	-	-	-	153,298
Option expense	-	-	-	3,356,287	3,356,287
Transfer on exercise of rights	6,048,875	-	-	(6,048,875)	-
Dividend payable	-	(25,804,085)	-	-	(25,804,085)
	<b>6,202,173</b>	<b>(25,804,085)</b>	<b>-</b>	<b>(2,692,588)</b>	<b>(22,294,500)</b>
<b>Equity as at 30 June 2022</b>	<b>122,267,482</b>	<b>(20,798,799)</b>	<b>28,209</b>	<b>844,523</b>	<b>102,341,415</b>

The accompanying notes form part of the financial statements.

# Consolidated Statement of Cash Flows

For year ended 30 June 2023	Note	2023	2022
		\$	\$
<b>Cash flows from operating activities:</b>			
Receipts from customers (inclusive of GST)		75,098,963	78,648,220
Payments to suppliers and employees (inclusive of GST)		(51,888,694)	(66,883,512)
Interest received		1,397,173	78,682
Unit trust distributions received		6,047	8,408
Income tax paid		(1,155,623)	(1,489,319)
<b>Net cash provided by operating activities</b>	22	<b>23,457,866</b>	<b>10,362,479</b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(619,419)	(636,550)
Payments for capital investments		(257,639)	(47,247)
Proceeds from capital investments		-	406,129
Payments for intangible assets		(7,524,570)	(6,025,949)
Proceeds from sale of international business less cash disposed		-	59,222,625
Transaction costs on sale of international business		-	(3,183,899)
<b>Net cash (used in)/provided by investing activities</b>		<b>(8,401,628)</b>	<b>49,735,109</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings		(10,600,000)	(3,000,000)
Finance costs paid		(94,996)	(733,598)
Share buy-back		(11,532,964)	-
Dividends paid		(25,804,085)	-
Principal elements of lease payments		(956,171)	(2,772,434)
<b>Net cash used in financing activities</b>		<b>(48,988,216)</b>	<b>(6,506,032)</b>
<b>Net cash (decrease)/increase in cash and cash equivalents</b>		<b>(33,931,978)</b>	<b>53,591,556</b>
Cash and cash equivalents at beginning of year		80,545,210	26,737,473
Effect of exchange rates on cash holdings in foreign currencies		(359,514)	216,181
<b>Cash and cash equivalents at end of year</b>	7	<b>46,253,718</b>	<b>80,545,210</b>

The accompanying notes form part of the financial statements.

# Notes to the Financial Statements

## 1. Summary of significant accounting policies

### (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.

Separate financial statements for Praemium Limited as an individual entity are not presented as a consequence of a change to the Corporations Act 2001; however, limited financial information for Praemium Limited as an individual entity are 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 2020-1 Amendments to Australian Accounting

Standards - Classification of Liabilities as current or non-current; and

- » AASB 2021-2: Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates.

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 2023 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. They are de-consolidated from the date control ceases.

### Loss of control

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

## (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

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

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.

Plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

### (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: 5 years
- » Software: 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 using the effective interest rate method 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.

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. Collectability 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 borrowings and trade and other payables. 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 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. 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.

Withholding tax not recoverable has been combined with income tax expense on the Consolidated Statement of Profit or loss and Other Comprehensive income. Withholding tax was an expense of \$nil (2022: \$216,559). Withholding tax payable on intercompany loans is included within income taxes payable on the Consolidated Statement of Financial Position. The withholding tax payable on intercompany loans was \$10,283 (2022: \$9,882).

### (l) Leases

The Group leased various offices and equipment in Australia, Armenia and China (including Hong Kong). 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, eg 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 United Kingdom subsidiaries' functional currency is GBP which is translated to the presentation currency at the end of each reporting period.

The Hong Kong and Shenzhen (China) subsidiaries' functional currency are HKD and CNY respectively, which are translated to the presentation currency at the end of each reporting period.

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 retranslated. 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**

#### **(i) 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.

### **(ii) 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 either the Binomial or 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.

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## **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. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to the profit or loss.

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.

Where the business combination is achieved in stages, the consolidated entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in the profit or loss.

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. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

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 acquiree 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.

### (w) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

## 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 2023, financial liabilities have contractual maturities, which are summarised below:

2023	Consolidated			
	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	-	-
<b>Total</b>	<b>9,915,119</b>	<b>-</b>	<b>1,767,342</b>	<b>-</b>

2022	Consolidated			
	Current	Non-current		
	Within 6 months \$	6-12 Months \$	1-5 Years \$	Later than 5 years \$
Trade payables	684,301	-	-	-
Accrued expenses	7,511,718	-	-	-
Other payables	-	-	-	-
Lease liabilities	641,121	159,237	-	-
Borrowings	1,598,298	1,500,000	7,500,000	-
<b>Total</b>	<b>10,435,438</b>	<b>1,659,237</b>	<b>7,500,000</b>	<b>-</b>

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 and UK banks
- » cash on term deposit, which are at floating rates
- » bank borrowings

We manage interest rate risk by:

- » ensuring deposits attract the best available rate.
- » setting a fixed percentage on the margin component with the lender.

### 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 (2022: +/-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			
	2023 \$		2022 \$	
	+100 basis pts	-100 basis pts	+100 basis pts	-100 basis pts
Cash and cash equivalents	462,537	(462,537)	805,452	(805,452)
Borrowings	-	-	(105,983)	105,983
<b>Net result</b>	<b>462,537</b>	<b>(462,537)</b>	<b>699,469</b>	<b>(699,469)</b>

### Currency risk

The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the geographical region's cash balances, commitments and receipts, converted to the Group's main functional currency, Australian Dollars (AUD).

The Group was exposed to currency risk on cash at bank and on deposit in British Pound (GBP) to fund its UK operations and US Dollars (USD); Hong Kong dollars (HKD) and Chinese Yuan (CNY) for its Asian operations and Armenian Dram (AMD) in its Armenian operations. The Group was also exposed to currency risk on sterling denominated loans to its UK entities.

### Exposure to currency risk

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

Consolidated		
Nominal amounts	2023 GBP	2022 GBP
Cash at bank and on term deposit	2	16,766

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the GBP and AUD exchange rate.

It assumes a +/- 5% change in the AUD/GBP sterling exchange rate for the year ended at 30 June 2023 (2022: 5%). This percentage has been determined based on average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. This assumes that other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023 and 2022.

If the Australian dollar had strengthened against the GBP sterling by 5% (2022: 5%) then this would have had the following impact on profit and other equity:

Consolidated		
	2023 \$	2022 \$
Profit after tax	-	(798)

If the Australian dollar had weakened against the GBP by 5% (2022: 5%) then this would have had the following impact on profit and other equity:

Consolidated		
	2023 \$	2022 \$
Profit after tax	-	882

Exposures to foreign exchange rates vary during the year depended on the volume of overseas transactions.

Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

### Currency risk sensitivity analysis – Other currencies (USD)

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

Consolidated		
Nominal amounts	2023 USD	2022 USD
Cash at bank and on term deposit	12,368	162,964

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the USD and AUD exchange rate.

It assumes a +/- 5% change in the AUD/USD exchange rate for the year ended at 30 June 2023 (2022: 5%). This percentage has been determined based on average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date. This assumes that other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023 and 2022.

If the Australian dollar had strengthened against the USD by 5% (2022: 5%) then this would have had the following impact on profit and other equity:

Consolidated		
	2023 \$	2022 \$
Profit after tax	(589)	(7,760)

If the Australian dollar had weakened against the USD by 5% (2022: 5%) then this would have had the following impact on profit and other equity:

Consolidated		
	2023 \$	2022 \$
Profit after tax	651	8,577

Exposures to foreign exchange rates vary during the year depended on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

### Other price risk

The Group is exposed to other price risk on its investments in listed unit trusts. 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.

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 2023 and 30 June 2022:

Consolidated				
2023	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
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
	<b>1,767,843</b>	<b>-</b>	<b>286,759</b>	<b>2,054,602</b>

Consolidated				
2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Listed unit trusts	163,287	-	-	163,287
- Shares in unlisted entity	-	-	286,759	286,759
- Regulatory reserve	1,251,971	-	-	1,251,971
	<b>1,415,258</b>	<b>-</b>	<b>286,759</b>	<b>1,702,017</b>

### 3. Revenue from contracts with customers

Consolidated		
	2023 \$	2022 \$
Revenue from contracts with customers:		
Virtual Managed Accounts	19,100,395	17,467,463
Managed accounts platform and investment management	55,194,005	45,749,721
Financial planning software	-	118,245
<b>Total revenue from contracts with customers</b>	<b>74,294,400</b>	<b>63,335,429</b>

All revenue from contracts with customers represents services transferred over time except for \$4,286,554 (2022: \$4,736,764) of managed accounts platform and investment management revenue which represents services transferred at a point in time.

#### 4. Other Income

	Consolidated	
	2023 \$	2022 \$
Interest income from other parties	1,397,173	78,556
Unit trust distributions	6,047	8,408
Realised gain on investments	-	199,236
Government grant	297,849	-
<b>Total other income</b>	<b>1,701,069</b>	<b>286,200</b>

#### 5. Expenses

	Consolidated	
	2023 \$	2022 \$
<b>Profit before tax from continuing operations includes the following specific expenditure:</b>		
Employee costs excluding superannuation	30,098,299	28,317,980
Defined contribution superannuation expense	2,816,495	2,435,036
<b>Employee costs</b>	<b>32,914,794</b>	<b>30,753,016</b>
Depreciation of plant and equipment	628,948	346,301
Amortisation of intangible assets	5,238,917	6,136,997
Depreciation on right-of-use assets	884,324	1,148,807
Impairment of intangible assets	110,607	-
<b>Depreciation, amortisation and impairments</b>	<b>6,862,796</b>	<b>7,632,105</b>
Net foreign exchange loss/(gain)	63,168	(28,334)
Impairment (gain)/loss – trade receivables	(26,549)	21,089
Unrealised (gain)/loss from investments in equity instruments designated at fair value through profit or loss	(94,946)	97,727

#### 6. Income Tax (Benefit)/Expense

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

	Consolidated	
	2023 \$	2022 \$
Profit before tax	13,728,172	6,225,057
<b>Prima facie tax expense on earnings before income tax at 30% (2022: 30%)</b>	<b>4,118,452</b>	<b>1,867,517</b>
<b>Tax effect of:</b>		
Entertainment	7,782	15,238
Director and employee option expense	738,886	1,302,845
Restructure costs	44,322	138,805
Tax credits (franking credits and R&D tax credits)	(603,130)	-
Unrealised gain on financial assets	-	29,318
Loss on investments	-	(59,771)
Reduced input tax credits	(1,093,941)	(984,191)
Prior year tax differences	(4,482,076)	155,048
Other	(156,689)	(36,949)
<b>Permanent tax differences</b>	<b>(5,544,846)</b>	<b>560,343</b>
Difference in overseas tax rates	-	(37,979)
Withholding tax not recoverable	-	107,184
<b>Income tax (benefit)/expense</b>	<b>(1,426,394)</b>	<b>2,497,065</b>
<b>Tax expense comprises:</b>		
Current tax expense	3,419,596	2,457,431
Other	-	(365,488)
Prior year tax differences	(4,482,076)	155,048
Withholding tax not recoverable	-	107,184
<b>Deferred tax expense:</b>		
Origination and reversal of temporary differences	(363,914)	142,890
<b>Income tax (benefit)/expense</b>	<b>(1,426,394)</b>	<b>2,497,065</b>

##### b) Deferred tax assets not brought to account

	Consolidated	
	2023 \$	2022 \$
Hong Kong	-	11,870,261
Total unused tax losses	-	11,870,261
<b>Potential tax benefit @ 30% (2022: 30%)</b>	<b>-</b>	<b>3,561,078</b>

### c) Franking credits

	Consolidated	
	2023 \$	2022 \$
The amount of the franking credits available for subsequent reporting periods are:		
Balance at the end of the reporting period	6,259,072	14,878,775
Franking credits that will arise from the payment of the amount of provision for income tax	200,854	(1,595,684)
Franking debits that will arise from a refund of tax	(3,071,060)	-
<b>Total franking credits</b>	<b>3,388,866</b>	<b>13,283,091</b>

## 7. Cash and Cash Equivalents

	Consolidated	
	2023 \$	2022 \$
Bank balances	46,253,718	80,545,210
<b>Total cash and cash equivalents</b>	<b>46,253,718</b>	<b>80,545,210</b>

Bank balances include a cash management account held in Australia which earns a weighted average effective interest rate of 3.49% (2022: 0.02%).

## 8. Trade and Other Receivables

	Consolidated	
	2023 \$	2022 \$
<b>Current</b>		
Trade receivables	3,018,303	3,179,149
Allowance for impairment of receivables	(95,276)	(165,999)
Other receivables	2,362	359
Deposits receivable	227,869	234,993
<b>Total trade and other receivables</b>	<b>3,153,258</b>	<b>3,248,502</b>

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.

Deposits receivable relate to the rental bond of the office leases and other receivables represent an amount held to meet the cash buffer requirement as determined by the Financial Conduct Authority in the United Kingdom.

### (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			
	2023		2022	
	Gross \$	Allowance \$	Gross \$	Allowance \$
Not past due	7,340,213	1,083	5,912,163	5,434
Past due 1 - 30 days	26,396	173	717,579	8,684
Past due 31 - 60 days	53,411	1,529	172,602	4,620
Past due 61 - 90 days	10,879	6,213	282,067	26,871
Past due 91 days	116,901	86,277	137,709	120,390
	<b>7,547,800</b>	<b>95,276</b>	<b>7,222,120</b>	<b>165,999</b>

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	
	2023 \$	2022 \$
Opening balance 1 July	165,999	144,911
Additional allowance	95,276	165,999
Amount used	(50,363)	(9,302)
Amount reversed	(115,636)	(135,609)
<b>Closing balance 30 June</b>	<b>95,276</b>	<b>165,999</b>

### 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 uncollectable.

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	2023 \$
<b>Financial assets</b>			
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
<b>Total financial assets</b>	<b>49,406,976</b>	<b>2,054,602</b>	<b>51,461,578</b>
<b>Financial liabilities</b>			
Lease liabilities	2,182,611	-	2,182,611
Trade and other payables	9,499,849	-	9,499,849
<b>Total financial liabilities</b>	<b>11,682,460</b>	<b>-</b>	<b>11,682,460</b>

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	2022 \$
<b>Financial assets</b>			
Units in unit trust	-	163,287	163,287
Operational Risk Financial Requirement (ORFR) reserve	-	1,251,971	1,251,971
Shares in unlisted entity	-	286,759	286,759
Trades and other receivables	3,248,502	-	3,248,502
Cash and cash equivalents	80,545,210	-	80,545,210
<b>Total financial assets</b>	<b>83,793,712</b>	<b>1,702,017</b>	<b>85,495,729</b>
<b>Financial liabilities</b>			
Current borrowings	3,098,299	-	3,098,299
Non-current borrowings	7,500,000	-	7,500,000
Lease liabilities	800,358	-	800,358

Trade and other payables	8,196,019	-	8,196,019
<b>Total financial liabilities</b>	<b>19,594,676</b>	<b>-</b>	<b>19,594,676</b>

## Borrowings

	Current		Non-current	
	2023 \$	2022 \$	2023 \$	2022 \$
<b>At amortised cost</b>				
Bank borrowings	-	3,098,299	-	7,500,000
<b>Total borrowings</b>	<b>-</b>	<b>3,098,299</b>	<b>-</b>	<b>7,500,000</b>

	2023 \$	2022 \$
Facilities available	-	10,500,000
Facilities used	-	(10,500,000)
Facilities unused	-	-

Bank borrowings were secured by assets owned by Praemium Ltd and by specified material subsidiaries within the Group.

### Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- » trade and other receivables
- » cash and cash equivalents
- » trade and other payables

### Finance costs

Finance costs for the reporting period consist of the following:

	Consolidated	
	2023 \$	2022 \$
Interest expense for bank borrowings at amortised cost	49,691	386,618
Finance expense for leasing arrangements	47,007	76,706
<b>Total finance costs</b>	<b>96,698</b>	<b>463,324</b>

## 10. Property, Plant and Equipment

	Consolidated	
	2023 \$	2022 \$
Buildings and leasehold improvements at cost	3,953,004	3,745,137
Accumulated depreciation	(1,788,659)	(2,884,779)
<b>Total buildings and leasehold improvements</b>	<b>2,164,345</b>	<b>860,358</b>
Furniture, fixtures and fittings at cost	601,499	600,853
Accumulated depreciation	(449,644)	(349,532)
<b>Total furniture, fixtures and fittings</b>	<b>151,855</b>	<b>251,321</b>
Computer equipment at cost	2,953,743	2,521,237
Accumulated depreciation	(2,216,373)	(2,023,919)
<b>Total computer equipment</b>	<b>737,370</b>	<b>497,318</b>
<b>Total property, plant and equipment</b>	<b>3,053,570</b>	<b>1,608,997</b>

30 June 2023	Consolidated			Total \$
	Furniture, fixtures and fittings \$	Computer equipment \$	Buildings and leasehold improvements \$	
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)
<b>Balance at 30 June 2023</b>	<b>151,855</b>	<b>737,370</b>	<b>2,164,345</b>	<b>3,053,570</b>

30 June 2022	Consolidated			Total \$
	Furniture, fixtures and fittings \$	Computer equipment \$	Buildings and leasehold improvements \$	
Balance at 1 July 2021	338,920	768,971	2,710,104	3,817,995
Additions	80,993	416,319	139,238	636,550
Disposed through sale of international operations	(81,616)	(324,256)	(87,666)	(493,538)
Depreciation expense	(91,727)	(341,737)	(1,906,049)	(2,339,513)
Exchange differences	4,750	(21,978)	4,731	(12,496)
<b>Balance at 30 June 2022</b>	<b>251,321</b>	<b>497,318</b>	<b>860,358</b>	<b>1,608,997</b>

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

	Consolidated	
	2023 \$	2022 \$
Buildings	2,149,272	695,257
Equipment	12,727	12,641
	<b>2,161,999</b>	<b>707,898</b>

## Lease liabilities

	Consolidated	
	2023 \$	2022 \$
Current	415,269	800,358
Non-current	1,767,342	-
	<b>2,182,611</b>	<b>800,358</b>

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	
	2023 \$	2022 \$
Short-term leases	183,954	142,109

## 11. Goodwill

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

	Consolidated	
	2023 \$	2022 \$
<b>Gross carrying amount</b>		
Balance at beginning of period	48,428,853	50,608,686
Disposed through sale of international operations	-	(2,179,833)
<b>Balance at end of period</b>	<b>48,428,853</b>	<b>48,428,853</b>
<b>Accumulated Impairment</b>		
Balance at beginning of period	(653,725)	(23,000)
Impairment loss recognised	-	(653,725)
Disposed through sale of international operations	-	23,000
<b>Balance at end of period</b>	<b>(653,725)</b>	<b>(653,725)</b>
<b>Carrying amount at end of period</b>	<b>47,775,128</b>	<b>47,775,128</b>

(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	
	2023	2022
	\$	\$
Powerwrap Limited	47,775,128	47,775,128
<b>Goodwill allocation at 30 June</b>	<b>47,775,128</b>	<b>47,775,128</b>

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 post tax.

(b) Growth rates

The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available). The growth rate for Powerwrap Limited is 2.30%.

(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 12.21%.

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

Intangible Assets 2022	Customer Contracts \$	Database and Software Costs \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 July 2021	2,192,912	24,962,880	27,155,792
Disposed through sale of international operations	(1,774,184)	(4,052,534)	(5,826,718)
Additions	-	5,985,517	5,985,517
Net exchange differences	(79,085)	(141,851)	(220,936)
<b>Balance at 30 June 2022</b>	<b>339,643</b>	<b>26,754,012</b>	<b>27,093,655</b>
<b>Amortisation and Impairment</b>			
Balance at 1 July 2021	(1,842,018)	(11,557,608)	(13,399,626)
Disposed through sale of international operations	1,602,349	1,600,613	3,202,962
Amortisation	(123,862)	(6,279,345)	(6,403,207)
Net exchange differences	23,888	77,079	100,967
<b>Balance at 30 June 2022</b>	<b>(339,643)</b>	<b>(16,159,261)</b>	<b>(16,498,904)</b>
<b>Carrying amount 30 June 2022</b>	<b>-</b>	<b>10,594,751</b>	<b>10,594,751</b>

As at 30 June 2023, we had software assets under development amounting to \$6,146,910 (2022: \$2,932,017). 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 \$7,524,570 (2022: \$5,985,517) of capitalised Software costs for internally generated assets.

Praemium has assessed that the Customer Contracts and Database intangibles are amortised on a straight-line basis over 5 years (2022: 5 years). Capitalised Software Costs are amortised on a straight-line basis over 3 years (2022: 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 \$5,244,308 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:

Deferred tax assets/(liabilities) 2023	Consolidated		
	1 July 2022	Recognised in Profit and Loss	30 June 2023
	\$	\$	\$
<b>Current assets</b>			
Trade and other receivables	49,800	(21,217)	28,583
<b>Non-current assets</b>			
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
<b>Non-current liabilities</b>			
Pension and other employee obligations	1,197,990	(1,068,262)	129,727
<b>Current liabilities</b>			
Provisions	379,961	1,105,114	1,485,075
Unused tax losses	2,765,061	(195,727)	2,569,334
<b>Net deferred tax assets/(liabilities)</b>	<b>3,165,679</b>	<b>363,915</b>	<b>3,529,594</b>
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)
<b>Total</b>			<b>3,529,594</b>

Deferred tax assets/(liabilities) 2022	1 July 2021	Recognised in Profit and Loss	30 June 2022
	\$	\$	\$
<b>Current assets</b>			
Trade and other receivables	43,473	6,326	49,799
<b>Non-current assets</b>			
Intangible assets	(1,559,820)	35,143	(1,524,677)
Other financial assets	-	9,798	9,798
Right-of-use assets	(577,599)	373,308	(204,291)
Amounts reversed	603,066	(454,007)	149,059
Blackhole expenditure	525,247	(182,268)	342,979
<b>Non-current liabilities</b>			
Pension and other employee obligations	1,107,450	90,540	1,197,990
<b>Current liabilities</b>			
Provisions	401,691	(21,730)	379,961
Unused tax losses	2,765,061	-	2,765,061
<b>Net deferred tax assets/(liabilities)</b>	<b>3,308,569</b>	<b>(142,890)</b>	<b>3,165,679</b>

Deferred tax asset as represented on the Statement of Financial Position	4,894,647
Deferred tax liability as represented on the Statement of Financial Position	(1,728,968)
<b>Total</b>	<b>3,165,679</b>

### 14. Trade and Other Payables

	Consolidated	
	2023	2022
	\$	\$
<b>Unsecured liabilities</b>		
Trade payables	2,653,965	684,301
Accrued expenses	6,845,884	7,511,718
Good and services tax	2,641,501	1,936,179
<b>Total trade and other payables</b>	<b>12,141,350</b>	<b>10,132,198</b>

### 15. Provisions

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

	Consolidated	
	2023	2022
	\$	\$
<b>Current</b>		
Employee benefits	3,365,335	3,162,804
<b>Total current provisions</b>	<b>3,365,335</b>	<b>3,162,804</b>
<b>Non-current</b>		
Employee benefits	432,421	400,740
<b>Total provisions</b>	<b>432,421</b>	<b>400,740</b>

### 16. Share Capital and Reserves

	Consolidated	
	2023	2022
	\$	\$
2023: 501,875,217 (2022: 513,908,225) fully paid ordinary shares	112,342,200	122,267,482

#### Movement in ordinary share capital

Date	Details	Number Of Shares	Issue Price	Total \$
01-July-2022	Opening Balance	513,908,225		122,267,482
08-July-2022	Issue under employee share plan	2,000,000	0.39	780,000
13-July-2022	Share issue costs	-	0.00	(1,250)
13-July-2022	Issue under employee share plan	189,204	0.30	56,761
27-September-2022	Cancellation of shares pursuant to on-market buy-back	(2,031,663)	0.71	(1,442,781)
04-October-2022	Issue under employee share plan	1,726,274	0.47	811,349

## 16. Share Capital and Reserves Continued

24-October-2022	Cancellation of shares pursuant to on-market buy-back	(1,783,036)	0.69	(1,228,657)
18-November-2022	Cancellation of shares pursuant to on-market buy-back	(2,740,000)	0.85	(2,339,710)
12-December-2022	Cancellation of shares pursuant to on-market buy-back	(1,317,915)	0.85	(1,116,921)
23-December-2022	Cancellation of shares pursuant to on-market buy-back	(615,000)	0.81	(498,967)
11-January-2023	Share issue costs	-	0.00	(15,728)
17-January-2023	Cancellation of shares pursuant to on-market buy-back	(61,620)	0.79	(48,968)
20-March-2023	Cancellation of shares pursuant to on-market buy-back	(1,362,081)	0.79	(1,077,351)
15-May-2023	Cancellation of shares pursuant to on-market buy-back	(1,392,580)	0.68	(940,754)
07-June-2023	Cancellation of shares pursuant to on-market buy-back	(2,450,285)	0.63	(1,553,199)
07-June-2023	Cancellation of shares pursuant to on-market buy-back	(135,117)	0.62	(84,248)
08-June-2023	Cancellation of shares pursuant to on-market buy-back	(170,000)	0.61	(103,050)
09-June-2023	Cancellation of shares pursuant to on-market buy-back	(1,090,484)	0.56	(612,327)
13-June-2023	Cancellation of shares pursuant to on-market buy-back	(105,000)	0.60	(62,875)
14-June-2023	Cancellation of shares pursuant to on-market buy-back	(50,000)	0.60	(30,000)
16-June-2023	Cancellation of shares pursuant to on-market buy-back	(15,906)	0.61	(9,623)
20-June-2023	Cancellation of shares pursuant to on-market buy-back	(56,574)	0.62	(35,326)
21-June-2023	Cancellation of shares pursuant to on-market buy-back	(40,000)	0.64	(25,600)
22-June-2023	Cancellation of shares pursuant to on-market buy-back	(160,000)	0.64	(103,000)
23-June-2023	Cancellation of shares pursuant to on-market buy-back	(60,000)	0.65	(39,000)
26-June-2023	Cancellation of shares pursuant to on-market buy-back	(55,000)	0.65	(35,600)
27-June-2023	Cancellation of shares pursuant to on-market buy-back	(71,292)	0.64	(45,683)
28-June-2023	Cancellation of shares pursuant to on-market buy-back	(89,933)	0.66	(59,454)
29-June-2023	Cancellation of shares pursuant to on-market buy-back	(60,000)	0.66	(39,870)
30-June-2023	Cancellation of shares pursuant to on-market buy-back	(35,000)	0.67	(23,450)
<b>30-June-2023</b>	<b>Balance</b>	<b>501,875,217</b>		<b>112,342,200</b>

### (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	
	2023	2022
	\$	\$
Share capital	112,342,200	122,267,482
Foreign currency translation reserve	(99,170)	28,209
Share based payments reserve	1,522,759	844,523
Accumulated losses	(5,644,233)	(20,798,799)
<b>Total equity</b>	<b>108,121,556</b>	<b>102,341,415</b>

### (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	
	2023	2022
	\$	\$
Foreign currency translation reserve	(99,170)	28,209
Performance rights and share based payments reserve	1,522,759	844,523
<b>Total</b>	<b>1,423,589</b>	<b>872,732</b>

The movement in foreign currency translation reserve consists of \$127,379 currency translation losses during the year.

## 18. Auditor's Remuneration

	Consolidated	
	2023 \$	2022 \$
Remuneration of the auditor of the consolidated entity for:		
<b>Grant Thornton</b>		
- Audit and review of financial reports	245,908	255,093
<b>Non-Grant Thornton firm</b>		
- Audit of financial reports	83,247	228,270
<b>Audit services remuneration</b>	<b>329,154</b>	<b>483,363</b>
<b>Other Services</b>		
<b>Auditors of Praemium Limited: Grant Thornton</b>		
- Internal controls audit	178,493	140,275
- Taxation services	166,117	112,314
<b>Overseas non-Grant Thornton firm</b>		
- Taxation services	-	49,998
- Compliance audit	-	60,045
<b>Total other services remuneration</b>	<b>344,610</b>	<b>362,632</b>
<b>Total Auditor's remuneration</b>	<b>673,764</b>	<b>845,995</b>
<b>Grant Thornton remuneration</b>		
- Audit and review of financial reports	245,908	255,093
- Internal controls audit	178,493	140,275
- Taxation services	166,117	112,314
<b>Total remuneration to Grant Thornton</b>	<b>590,517</b>	<b>507,682</b>

## 19. Contract assets and liabilities

	Consolidated	
	2023 \$	2022 \$
<b>Contract assets</b>		
Managed accounts platform and investment management	4,529,497	4,042,971
<b>Total contract assets</b>	<b>4,529,497</b>	<b>4,042,971</b>

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	
	2023 \$	2022 \$
<b>Contract liabilities</b>		
Virtual Managed Accounts	1,598,687	1,571,794
Managed accounts platform and investment management	101,000	369,166
<b>Total contract liabilities</b>	<b>1,699,687</b>	<b>1,940,960</b>

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

Management has determined the operating segments that are used to make strategic decisions. It considers performance on a geographic basis and has 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. This service terminated in June 2022 as part of the international divestment.

### (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 2023 is as follows:

	Consolidated			
	2023	Australia	International	Total
<b>Revenue</b>				
Revenue from contracts with customers	74,294,400	-	-	74,294,400
<b>Total segment revenue</b>	<b>74,294,400</b>	<b>-</b>	<b>-</b>	<b>74,294,400</b>
<b>EBITDA</b>	<b>23,423,497</b>	<b>(29,463)</b>	<b>(29,463)</b>	<b>23,394,034</b>
Interest income	1,397,002	171	171	1,397,173
Interest expense	(96,407)	(291)	(291)	(96,698)
Depreciation, amortisation and impairments	(6,835,624)	(27,172)	(27,172)	(6,862,796)
Unrealised foreign exchange loss	(37,605)	(25,563)	(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)	(131,462)	(1,678,411)
Share based payments	(2,462,955)	-	-	(2,462,955)
<b>Net profit/(loss) before tax</b>	<b>13,941,952</b>	<b>(213,780)</b>	<b>(213,780)</b>	<b>13,728,172</b>
Income tax benefit/(expense)	1,444,379	(17,985)	(17,985)	1,426,394
<b>Net profit/(loss) after tax</b>	<b>15,386,331</b>	<b>(231,765)</b>	<b>(231,765)</b>	<b>15,154,566</b>
<b>Current assets</b>	<b>58,769,400</b>	<b>1,152</b>	<b>1,152</b>	<b>58,770,552</b>
<b>Non-current assets</b>	<b>70,728,544</b>	<b>(1,043)</b>	<b>(1,043)</b>	<b>70,727,501</b>

<b>Total assets</b>	<b>129,497,944</b>	<b>109</b>	<b>129,498,053</b>
Current liabilities	(17,617,475)	(14,449)	(17,631,924)
Non-current liabilities	(3,744,573)	-	(3,744,573)
<b>Total liabilities</b>	<b>(21,362,048)</b>	<b>(14,449)</b>	<b>(21,376,497)</b>
<b>Employee costs</b>	<b>32,947,944</b>	<b>(33,150)</b>	<b>32,914,794</b>

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2022 is as follows:

2022	Consolidated		
	Australia	International	Total
<b>Revenue</b>			
Revenue from contracts with customers	63,335,429	15,012,075	78,347,504
<b>Total segment revenue</b>	<b>63,335,429</b>	<b>15,012,075</b>	<b>78,347,504</b>
<b>EBITDA</b>	<b>19,107,428</b>	<b>(2,469,977)</b>	<b>16,637,452</b>
Interest income	78,556	126	78,682
Interest expense	(463,324)	(36,507)	(499,831)
Depreciation and amortisation	(7,632,105)	(1,371,299)	(9,003,403)
Unrealised foreign exchange gain	28,334	3,348	31,682
Unit trust income	8,408	-	8,408
Unrealised loss on financial instruments	(97,727)	-	(97,727)
Restructure, arbitration and acquisition costs	(461,694)	(1,921,145)	(2,382,839)
Share based payments	(4,342,819)	-	(4,342,819)
<b>Net profit/(loss) before tax and intercompany interest</b>	<b>6,225,057</b>	<b>(5,795,453)</b>	<b>429,604</b>
Income tax and withholding tax	(2,497,065)	(101,027)	(2,598,093)
<b>Net profit/(loss) after tax before intercompany interest</b>	<b>3,727,992</b>	<b>(5,896,480)</b>	<b>(2,168,488)</b>
Gain on sale of international division	-	45,743,174	45,743,174
Intercompany interest and margin	2,205,364	(2,205,364)	-
<b>Net profit</b>	<b>5,933,356</b>	<b>37,641,330</b>	<b>43,574,686</b>
Current assets	90,235,043	99,243	90,334,286
Non-current assets	66,546,525	29,015	66,575,540
<b>Total assets</b>	<b>156,781,568</b>	<b>128,258</b>	<b>156,909,826</b>
Current liabilities	(44,484,783)	(453,920)	(44,938,703)
Non-current liabilities	(9,629,708)	-	(9,629,708)
<b>Total liabilities</b>	<b>(54,114,491)</b>	<b>(453,920)</b>	<b>(54,568,411)</b>

<b>Employee costs</b>	<b>30,753,016</b>	<b>13,333,076</b>	<b>44,086,091</b>
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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 \$8,342,983 (2022: \$8,880,424) are derived from a single external customer. These revenues are attributable to the Australian segment.

## 21. Events after The Reporting Date

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 2023 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	
	2023 \$	2022 \$
<b>Profit attributable to members of the Group</b>	<b>15,154,566</b>	<b>45,824,009</b>
<b>Adjustments for:</b>		
Depreciation, amortisation and impairments	6,862,796	9,003,404
Share based payments	2,462,955	3,556,010
Expected credit losses	(26,549)	21,089
Unrealised foreign exchange gain/(loss)	63,168	(31,682)
Sale of international operations	-	(48,044,164)
Interest expense	96,698	499,831
Revaluation on financial instruments	(94,946)	97,727
<b>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries</b>		
Increase in trade and other receivables	(369,489)	(1,518,306)
Increase in trade payables and accruals	577,644	916,607
Increase in employee provisions	1,352,176	393,569
Decrease in tax payable	(2,621,153)	(355,614)
<b>Net cash provided from operating activities</b>	<b>23,457,866</b>	<b>10,362,479</b>

## 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.

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)	-	-
		<b>5,057,153</b>	-	<b>(3,006,311)</b>	<b>(2,050,842)</b>	-	-
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	-
		<b>2,459,632</b>	-	<b>(770,366)</b>	<b>(565,770)</b>	<b>1,123,496</b>	-
27-Nov-20	30-Sep-22	156,447	-	(138,801)	(17,646)	-	-
	30-Sep-23	375,461	-	-	(37,197)	338,264	-
		<b>531,908</b>	-	<b>(138,801)</b>	<b>(54,843)</b>	<b>338,264</b>	-
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	-
		<b>2,041,815</b>	-	-	<b>(710,292)</b>	<b>1,331,523</b>	<b>443,841</b>
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	-
		<b>1,200,000</b>	-	-	-	<b>1,200,000</b>	<b>400,000</b>
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	-
		-	<b>3,121,800</b>	-	<b>(334,200)</b>	<b>2,787,600</b>	-
06-Feb-23	30-Sep-24	-	218,365	-	-	218,365	-
		-	<b>218,365</b>	-	-	<b>218,365</b>	-
18-May-23	30-Sep-25	-	726,700	-	-	726,700	-
		-	<b>726,700</b>	-	-	<b>726,700</b>	-
22-May-23	30-Sep-26	-	600,000	-	-	600,000	-
		-	<b>600,000</b>	-	-	<b>600,000</b>	-
<b>TOTAL</b>		<b>11,290,508</b>	<b>4,666,865</b>	<b>(3,915,478)</b>	<b>(3,715,947)</b>	<b>8,325,948</b>	<b>843,841</b>

2022

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
12-Nov-14	30-Sep-16	6,780	-	(6,780)	-	-	-
	30-Sep-17	16,000	-	(16,000)	-	-	-
		<b>22,780</b>	-	<b>(22,780)</b>	-	-	-
15-Sep-15	30-Sep-16	10,206	-	(10,206)	-	-	-
	30-Sep-17	20,475	-	(20,475)	-	-	-
	30-Sep-18	50,400	-	(50,400)	-	-	-
		<b>81,081</b>	-	<b>(81,081)</b>	-	-	-
20-Sep-16	30-Sep-17	17,870	-	(15,414)	(2,456)	-	-
	30-Sep-18	58,962	-	(54,462)	(4,500)	-	-
	30-Sep-19	142,708	-	(130,708)	(12,000)	-	-
		<b>219,540</b>	-	<b>(200,584)</b>	<b>(18,956)</b>	-	-
20-Sep-17	30-Sep-18	49,372	-	(47,925)	(1,447)	-	-
	30-Sep-19	106,591	-	(104,179)	(2,412)	-	-
	30-Sep-20	387,435	-	(376,241)	(11,194)	-	-
		<b>543,398</b>	-	<b>(528,345)</b>	<b>(15,053)</b>	-	-
16-Oct-18	30-Sep-19	49,976	-	(48,671)	(1,305)	-	-
	30-Sep-20	116,952	-	(115,370)	(1,582)	-	-
	30-Sep-21	1,091,480	-	(1,072,434)	(19,046)	-	-
		<b>1,258,408</b>	-	<b>(1,236,475)</b>	<b>(21,933)</b>	-	-
01-Jul-19	30-Sep-22	<b>9,000,000</b>	-	<b>(5,000,000)</b>	-	<b>4,000,000</b>	-
16-Sep-19	30-Sep-20	170,400	-	(167,275)	(3,125)	-	-
	30-Sep-21	879,502	-	(873,188)	(6,314)	-	-
	30-Sep-22	2,110,749	-	(859,425)	(194,171)	1,057,153	-
		<b>3,160,651</b>	-	<b>(1,899,888)</b>	<b>(203,610)</b>	<b>1,057,153</b>	-
24-Sep-20	30-Sep-21	834,560	-	(824,645)	(9,915)	-	-
	30-Sep-22	1,390,955	-	(455,635)	(211,889)	723,431	-
	30-Sep-23	3,338,208	-	(1,039,695)	(562,312)	1,736,201	-
		<b>5,563,723</b>	-	<b>(2,319,975)</b>	<b>(784,116)</b>	<b>2,459,632</b>	-
27-Nov-20	30-Sep-21	127,475	-	(119,382)	(8,093)	-	-
	30-Sep-22	212,466	-	-	(56,019)	156,447	-
	30-Sep-23	509,896	-	-	(134,435)	375,461	-
		<b>849,837</b>	-	<b>(119,382)</b>	<b>(198,547)</b>	<b>531,908</b>	-
28-Oct-21	30-Sep-22	-	937,799	(202,041)	(55,153)	680,605	-
	30-Sep-23	-	937,799	(202,041)	(55,153)	680,605	-
	30-Sep-24	-	937,799	(202,041)	(55,153)	680,605	-
		-	<b>2,813,397</b>	<b>(606,123)</b>	<b>(165,459)</b>	<b>2,041,815</b>	-
21-Dec-21	30-Sep-22	-	400,000	-	-	400,000	-
	30-Sep-23	-	400,000	-	-	400,000	-
	30-Sep-24	-	400,000	-	-	400,000	-
		-	<b>1,200,000</b>	-	-	<b>1,200,000</b>	-
<b>TOTAL</b>		<b>20,699,418</b>	<b>4,013,397</b>	<b>(12,014,633)</b>	<b>(1,407,674)</b>	<b>11,290,508</b>	-

(b) Shares issued as employee bonus

Nil shares were issued as an employee bonus in the current period (2022: 250,000)

(c) 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	
	2023 \$	2022 \$
Shares issued as employee bonus <sup>1</sup>	-	175,000
Performance rights	2,462,955	4,167,819
	<b>2,462,955</b>	<b>4,342,819</b>

<sup>1</sup> valued at \$0.75 per share that being the closing price on the date of grant

## 24. Earnings Per Share

	Consolidated	
	2023 \$	2022 \$
<b>Reconciliation of earnings to profit or loss</b>		
Earnings used to calculate basic and diluted EPS: Continuing Operations	15,154,566	3,727,992
Earnings used to calculate basic and diluted EPS: Discontinued Operations	-	39,846,694
<b>Earnings used to calculate basic and diluted EPS: Attributable to owners of the parent</b>	<b>15,154,566</b>	<b>43,574,686</b>
<b>Profit attributable to owners of the parent</b>	<b>15,154,566</b>	<b>43,574,686</b>

	Consolidated	
	2023 \$	2022 \$
<b>Weighted average number of ordinary shares outstanding during the year:</b>		
Number used in calculating basic EPS	511,007,859	505,596,758
Number used in calculating diluted EPS	511,007,859	505,596,758
<b>Earnings Per Share</b>		
Basic and diluted earnings per share (cents per share): Continuing operations	3.0	0.7
Basic and diluted loss per share (cents per share): Discontinued operations	-	7.9
Basic and diluted earnings per share (cents per share): Attributable to owners of the parent	3.0	8.6

2023: 8,325,948 (2022: 11,290,508) options/performance rights outstanding are not included in the calculation.

## 25. Parent Entity Information

The following details information related to the parent entity, Praemium Limited, at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

Note: Restatement of comparatives

Correction of error

FY22 Accumulated loss has been adjusted by \$3,198,239 to reflect retrospective application of service fees for Powerwrap (a wholly owned subsidiary) from its acquisition on 4 September 2020.

	2022		2022
	\$	\$	\$
	Reported	Adjustment	Restated
Current assets	901,444	-	901,444
Non-current assets	77,368,929	-	77,368,929
<b>Total assets</b>	<b>78,270,373</b>	<b>-</b>	<b>78,270,373</b>
Current liabilities	33,861,369	-	33,861,369
Non-current liabilities	17,800,293	(3,198,239)	14,602,054
<b>Total Liabilities</b>	<b>51,661,662</b>	<b>(3,198,239)</b>	<b>48,463,423</b>
Contributed equity	122,267,482	-	122,267,482
Accumulated loss	(96,788,231)	3,198,239	(93,589,992)
Option reserve	1,129,459	-	1,129,459
<b>Total equity</b>	<b>26,608,710</b>	<b>3,198,239</b>	<b>29,806,949</b>
Profit/(loss) for the year	30,379,585	-	30,379,585
Other Comprehensive income/(loss) for the year	(25,804,085)	-	(25,804,085)
<b>Total comprehensive income/(loss) for the year</b>	<b>4,575,500</b>	<b>-</b>	<b>4,575,500</b>

	2023 \$	2022 Resated \$
Current assets	1,928,697	901,444
Non-current assets	85,541,374	77,368,929
<b>Total assets</b>	<b>87,470,071</b>	<b>78,270,373</b>
Current liabilities	3,897,604	33,861,369
Non-current liabilities	65,469,337	14,602,054
<b>Total Liabilities</b>	<b>69,366,941</b>	<b>48,463,423</b>

Contributed equity	112,342,200	122,267,482
Accumulated loss	(95,761,826)	(93,589,992)
Option reserve	1,522,756	1,129,459
<b>Total equity</b>	<b>18,103,130</b>	<b>29,806,949</b>
Profit/(loss) for the year	(2,171,834)	30,379,585
Other Comprehensive income/(loss) for the year		(25,804,085)
<b>Total comprehensive income/(loss) for the year</b>	<b>(2,171,834)</b>	<b>4,575,500</b>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries  
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities  
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment  
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies  
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- » Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- » Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- » Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## 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 30/6/23	Ownership interest % at 30/6/22
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

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

## 27. Related party transactions

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

	Consolidated	
	2023 \$	2022 \$
<b>Management fees:</b>		
Managed accounts platform revenue	55,194,005	45,947,083

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

	Consolidated	
	2023	2022
Short-term employee benefits	1,629,475	1,672,822
Post-employment benefits	86,352	93,297
Long-term benefits	3,840	-
Share-based payments	238,070	381,615
<b>Total</b>	<b>1,957,737</b>	<b>2,147,734</b>

## 28. Discontinued Operations

On 14 July 2021, Praemium announced that it had finalised the strategic review of its international operations which recommended divestment of these operations through a formal sale process, and that the Board supported this recommendation. On 21 December 2021, Praemium announced that it had entered into an agreement to sell 100% of its operations in the UK, Jersey, Hong Kong and Dubai ('International Business') to Morningstar, Inc.

The sale of the International Business was completed on 30 June 2022. Praemium received net transaction proceeds of GBP £35 million (AUD \$61.9 million), consistent with the originally agreed price. The final gross proceeds were GBP £36.8 million (AUD \$65.0 million) as a result of post completion adjustments based on net assets transferred.

The operations divested are disclosed as discontinued operations. Financial information for the discontinued operations are as follows:

	2023	2022
Revenue from contracts with customers	-	15,012,075
Other income	-	1,261,395
Platform trading & recovery	-	(405,834)
Employee costs	-	(13,333,076)
Depreciation, amortisation and impairments	-	(1,371,299)
Legal, professional, advertising and insurance expense	-	(2,876,763)
IT support	-	(822,652)
Commissions expense	-	(395,935)
Travel expenses	-	(472,233)
Occupancy costs	-	(322,643)
Net foreign exchange gains/(losses)	-	3,348

Telecommunication costs	-	(114,184)
Finance costs	-	(36,507)
Restructure, arbitration and acquisition costs	-	(1,921,145)
<b>Loss on discontinued operations before tax</b>	<b>-</b>	<b>(5,795,453)</b>
Income tax expense	-	(101,027)
<b>Loss on discontinued operations after tax</b>	<b>-</b>	<b>(5,896,480)</b>

Praemium Asia Limited and WealthCraft Systems (Shenzhen) Limited remain part of the Praemium Group post the completion of the transaction with Morningstar completed but operationally will be closed as a result of the transaction.

Cash flow used in the discontinued operations were:

	2023	2022
	\$	\$
<b>Cash from discontinued operating activities:</b>		
Receipts from customers	-	16,266,147
Payments to suppliers and employees	-	(20,967,631)
Interest received	-	126
<b>Net cash used in discontinued operations</b>	<b>-</b>	<b>(4,701,358)</b>
<b>Principal elements of lease payments</b>		
Payment for Intangibles	-	(816,550)
Payment for PPE	-	(341,593)
<b>Net cash used in discontinued operations</b>	<b>-</b>	<b>(1,158,143)</b>
<b>Cashflows from financing activities</b>		
Interest paid	-	(39,837)
Principal elements of lease payments	-	(792,385)
<b>Net cash used in discontinued operations</b>	<b>-</b>	<b>(832,222)</b>

## 29. Contingent Liabilities

The consolidated entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

## 30. Commitments

The consolidated entity had no commitments as at 30 June 2023 and 30 June 2022.

# Directors' Declaration

## The Directors of the Company declare that:

- The financial statements and notes, as set out on pages 25-67, are in accordance with the Corporations Act 2001 and:
  - Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - Give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated entity.
- The Chief Executive Officer and Chief Financial Officer have each declared that:
  - The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - The financial statements and notes for the financial year comply with the Accounting Standards; and
  - The financial statements and notes for the financial year give a true and view of the financial position and performance of the consolidated entity.
- 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.
- 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  
29 August 2023

# Auditor's Independence Declaration



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## 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 2023, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton Audit Pty Ltd  
Chartered Accountants

C S Gangemi  
Partner – Audit & Assurance

Melbourne, 29 August 2023

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# Independent Audit Report



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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 2023, 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 a summary of significant accounting policies, 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 2023 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.

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# Independent Audit Report

## Key audit matter

## How our audit addressed the key audit matter

### Revenue Recognition - Note 3

The Group has recognised \$74,294,400 of revenue from contracts with customers.

Service-based revenue consists predominately of portfolio services and platform revenue derived from virtually managed accounts (VMA) and separately managed accounts (SMA).

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. The audit team is required to obtain sufficient audit evidence as to whether the assumptions used by management to recognise revenue are reasonable and appropriate in the circumstances.

This area is a key audit matter due to the assumptions and estimation involved in assessing service revenue.

Our procedures included, amongst others:

- Assessing revenue recognition policies of individual customer agreements and contractual arrangements to ensure compliance with AASB 15 *Revenue from Contracts with Customers*;
- Documenting and testing the operating effectiveness of the internal controls with respect to VMA and SMA revenue from the rendering of services;
- Testing a sample of revenue transactions recognised during the year to supporting documentation to verify occurrence and accuracy; and
- Assessing relevant disclosures within the financial statements to ensure adequate.

### Capitalised Database and Software Costs - Note 12

Capitalised product development costs with respect to databases and software had a net carrying value of \$12,769,797 at 30 June 2023.

During the year, the Group capitalised \$7,524,570 of product development costs. These intangible assets are being amortised over a 3-year period, and an amortisation expense of \$5,224,308 has been included in the statement of profit or loss and other comprehensive income.

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.

Given the nature of the industry in which the Group operates, there is also a risk that there could also be a material impairment to capitalised development costs carried as intangible assets, which needs to be considered under accounting standard AASB 136 *Impairment of Assets*.

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.

Our procedures included, amongst others:

- Assessing the Group's accounting policy in respect of product development costs for adherence to AASB 138 and AASB 136;
- 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 2023;
- 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;
- Evaluating the appropriateness of the useful economic lives over which capitalised costs are being amortised;
- 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;
- 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
- Assessing relevant disclosures within the financial statements to ensure adequate.

## 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 2023, 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.

# Independent Audit Report

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

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](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 21 to 26 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Praemium Limited, for the year ended 30 June 2023 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

*C S Gangemi*

C S Gangemi  
Partner – Audit & Assurance

Melbourne, 29 August 2023

## Additional information

In accordance with ASX Listing Rules the shareholder information set out below is current as of 31 July 2023.

### Top 20 Shareholders

Rank	Name	Number of shares	% of issued shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	47,228,328	9.41
2	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	47,045,387	9.38
3	CITICORP NOMINEES PTY LIMITED	46,974,564	9.36
4	NATIONAL NOMINEES LIMITED	43,457,526	8.66
5	BNP PARIBAS NOMS PTY LTD	19,023,326	3.79
6	MR DONALD WILLIAM STAMMER	11,326,794	2.26
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,171,498	2.03
8	SUPERTCO PTY LTD	7,500,000	1.49
9	PACIFIC CUSTODIANS PTY LIMITED	7,136,632	1.42
10	CAMERON RICHARD PTY LTD	6,638,497	1.32
11	NELCAN PTY LTD	5,936,172	1.18
12	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	5,128,957	1.02
13	MEROMA PTY LIMITED	4,353,304	0.87
14	R & JS SMITH HOLDINGS PTY LTD	3,860,939	0.77
15	NETWEALTH INVESTMENTS LIMITED	3,185,566	0.63
16	SANDHURST TRUSTEES LTD	2,534,513	0.51
17	JAMPLAT PTY LTD	2,250,000	0.45
18	EPR SUPERANNUATION FUND PTY LTD	2,239,001	0.45
19	DAVID SIMMONDS FRANKS	2,222,223	0.44
20	EMNJ PTY LTD	2,200,000	0.44
	<b>Total</b>	<b>280,413,227</b>	<b>55.88</b>
	<b>Balance of register</b>	<b>221,401,990</b>	<b>44.12</b>
	<b>Grand total</b>	<b>501,815,217</b>	<b>100.00</b>

### Substantial shareholders

As of 31 July 2023, there are no substantial holders in Praemium Limited.

### Securities subject to escrow

As of 31 July 2023, there are no securities subject to voluntary escrow.

### Distribution of shareholdings

The total number of shareholders in Praemium Limited (ASX: PPS) was 7,150. The voting rights are one vote per share. There were 501,815,217 shares on issue. The distribution of shareholders was as follows:

Range	Number of holders	Shares	%
100,001 and over	377	400,386,539	79.79
10,001 to 100,000	2,571	84,432,028	16.83
5,001 to 10,000	1,282	10,340,100	2.06
1,001 to 5,000	2,165	6,199,245	1.24
1 to 1,000	755	457,305	0.09
<b>Total</b>	<b>7,150</b>	<b>501,815,217</b>	<b>100.00</b>

There were 536 shareholders holding less than a marketable parcel of \$500 worth of shares, based on the closing market price on 31 July 2023 of \$0.56 per share.



