

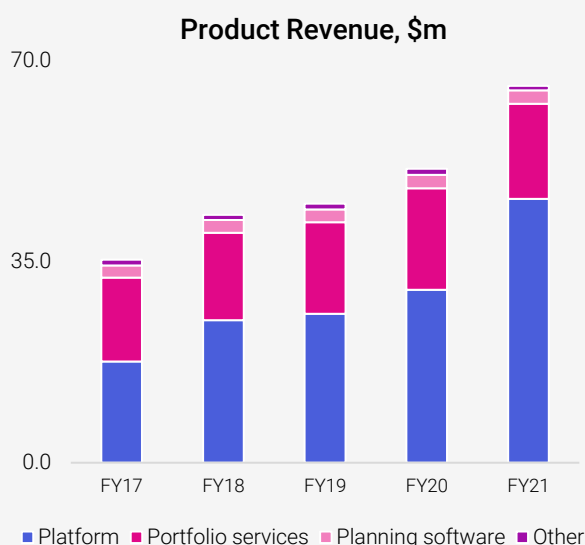
A year of record growth

Key summary for FY2021

Business highlights

*Excluding major client transition

» EBITDA margins of 21%

¹ Excludes interest income.

Summary

Praemium's financial results reflect a year of strong growth including the acquisition of Powerwrap in September 2020. The business managed well through COVID-19 and built excellent momentum leading into FY2022.

Praemium's Australian business segment again delivered an increase in financial performance, with revenue up 37% over FY2020 to \$53.1 million. Platform revenue increased 73% to \$36.5 million, with Powerwrap revenue of \$16.3 million and strong underlying growth from record platform inflows. Portfolio services revenue increased 6% to \$16.1 million, with VMAAS revenue up 40% from continued portfolio on-boarding.

Australia EBITDA declined by 2% to \$19.0 million, compared to \$19.4 million for FY2020. This is from the transition of the Powerwrap cost base and some cost expansion to support growth and service across sales, marketing and operations. EBITDA margins were 36% of revenue, down from the prior year's 50%. These growth investments and scale benefits from Powerwrap synergies will drive improved earnings into FY2022.

International net revenue (net of product commissions) increased 6% for the year to \$12.5 million. Platform revenue grew 30% to \$8.1 million, from record inflows driving International platform FUA to \$5.0 billion, up 55% in the 2021 financial year. Revenue was impacted from declines in the Smartfund range of managed funds, with fund revenue down 47% to \$1.5 million.

Expenses were up 2% to \$16.4 million from continued cost management. International's EBITDA loss decreased by 7% to \$3.9 million, comprising UK's EBITDA loss of \$1.4 million (27% improvement), Asia's EBITDA loss of \$0.9 million (1% increase) and the inclusion of Dubai's cost centre of \$1.6 million.

Looking forward

Subsequent to reporting date, an external strategic review was completed recommending the divestment of the international business through a formal sale process. The Praemium Board supports this recommendation. The proposed divestment will allow Praemium to focus its financial and leadership resources on further accelerating its growth trajectory in the Australian platform market, for the benefit of all shareholders. Further updates will be provided to shareholders as the process progresses.

CEO Anthony Wamsteker stated, "I am pleased to report that the 2021 financial year was an excellent year for Praemium. The highlights included the successful acquisition of Powerwrap and the outstanding growth achieved in each of our major operating segments. The financial and operating results achieved reflect the tremendous foundation that has been built over many years. That foundation includes our proprietary technology, a client base of market leading financial advisors and our highly skilled and passionate staff.

"Praemium's growth over the past year saw funds under administration (FUA) more than double to \$41.7 billion. The takeover of Powerwrap early in the financial year was a key contributor to this growth. Each of the other three major segments – Australian platform, international platform and our VMA administration service (VMAAS) – delivered outstanding growth.

"Whilst the growth rate was encouraging, the profitability achieved in this transitional year was also pleasing. Underlying EBITDA was very similar to last year in both the Australian and international segments. This result was achieved despite a significant increase in the expense base of the company. Some of this growth in expense was due to bringing in Powerwrap, with the balance attributable to an investment in the capacity needed not only to manage a larger business, but also to facilitate the faster growth rate that we are now starting to see. I am confident that the need for the expense base to grow as fast as revenue was a one-off in this year of transition and that underlying EBITDA will resume growing at a rate that is well above the rate of revenue growth.

"The year also saw a continuation of Praemium's commitment to providing market leading financial technology. In recent years, Praemium has greatly enhanced the user experience for financial advisors and their clients with innovative front-end portals. The quality of the experience for our clients is reflected in our ongoing success in several independent technology and platform surveys.

"Based on our recent changes and market announcements, we anticipate the coming year will once again produce some dramatic positive changes in our business. I believe that the steps we are taking will build on a proud heritage and ensure that we are positioned to realise the potential of the business that is just starting to take advantage of the wonderful opportunity presented by the investment platform market segment. There are some exciting improvements in the works which should further enhance Praemium's

competitiveness over the coming year. Pleasingly the growth has continued into FY2022 with net platform flows of \$634 million in July (Australia \$471 million, International \$163 million) setting a new monthly record for Praemium.”

Financial summary

Key financial metrics (\$m)	FY2021 Reported	FY2020 Reported	% change
Revenue and other income ¹	65.8	51.2	28%
Expenses	51.8	37.0	40%
EBITDA (underlying)²	14.0	14.2	(1%)
EBITDA margin	21%	28%	
Profit before tax	3.3	7.7	(58%)
Tax expense	1.8	2.8	(42%)
Profit after tax	1.5	4.9	(68%)
Earnings per share (cents)	0.3	1.2	(73%)
Cash	26.7	15.9	68%
Net Assets	80.1	30.6	162%
Operating cashflow	5.9	12.2	(52%)

FUA (\$m)	FY2021	FY2020	\$ change	% change
Australia Platform	18,384	5,684	12,700	223%
International Platform ³	5,007	3,226	1,781	55%
Total Platform FUA⁴	23,391	8,910	14,481	163%
VMAAS ⁴	18,290	11,376	6,914	61%
TOTAL FUA	41,681	20,286	21,395	105%

Notes:

¹ Other income as outlined in Note 4 of the financial statements

² Underlying EBITDA, as detailed in Note 20 of the attached annual report.

³ International FUA in GBP at 30 June 2021 is translated at spot rate of 0.5429 (2020: 0. 5586).

⁴ VMAAS comprises FUA under our non-custodial VMA Administration Service.

Additional financial information is provided in the attached Annual Report, Investor Presentation and Appendix 4E: Preliminary Final Report.

This announcement is authorised by the Board of Praemium Limited.

For further information contact Paul Gutteridge, Company Secretary, Ph: 1800 571 881.

About Praemium (ASX: PPS): Praemium is a global leader in the provision of technology platforms for managed accounts, investment administration and financial planning. Praemium services in excess of 300,000 investor accounts covering over \$170 billion in funds globally for more than 1,000 financial institutions and intermediaries, including some of the world's largest financial institutions.

Praemium Limited (ABN 74 098 405 826), Level 19, 367 Collins Street, Melbourne VIC 3000 Australia