Regal Partners Limited
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24 February 2023

ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Annual Report for the Year Ended 31 December 2022

Important Note: On 3 June 2022, VGI Partners Limited (subsequently renamed Regal Partners Limited) acquired all of the shares in Regal Funds Management Pty Limited. The information in this announcement and the accompanying presentation reflects the 12-month period ended 31 December 2022. As the transaction was accounted for under reverse acquisition accounting, the financial results for the six months ended 31 December 2022 and the accompanying presentation provide a more accurate summary of the Company's financial position.

Regal Partners Limited (ASX:RPL) hereby lodges:

- Appendix 4E for the year ended 31 December 2022; and
- Annual Report for the year ended 31 December 2022, incorporating the Directors' Report to Shareholders and Financial Statements.

AUTHORISED FOR RELEASE BY:

Ian Cameron, Joint Company Secretary

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Appendix 4E

Company	Regal Partners Limited (formerly VGI Partners Limited)
ASX code	RPL (formerly VGI)
Year ended	31 December 2022
Previous corresponding period	31 December 2021
ABN	33 129 188 450

IMPACT OF MERGER ON THE PRESENTATION OF RESULTS AND FINANCIAL REPORT

On 3 June 2022, VGI Partners Limited (**VGI**), completed its merger with Regal Funds Management Pty Limited (**Regal Funds Management**), an unlisted company (the **merger**). VGI's name has been changed from 'VGI Partners Limited' to 'Regal Partners Limited', and VGI's ASX ticker code has been changed from 'VGI' to 'RPL'.

In accordance with the Australian Accounting Standards, the merger has been accounted for as a reverse acquisition with Regal Funds Management being deemed the parent entity for accounting purposes.

As a result of the merger:

- The results for the year ended 31 December 2022 have been presented to reflect Regal Funds Management for the period from 1 January 2022 to 3 June 2022. The newly formed combined Regal Partners Limited consolidated group results include Regal Funds Management and VGI for the period 4 June 2022 to 31 December 2022; and
- The comparative results for the year ended 31 December 2021 reflect Regal Funds Management only.

Please see page 10 of the 2022 Annual Report for further details.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	YEAR ENDED 31 DECEMBER 2022 ($'000)	UP/DOWN	MOVEMENT (%)
Income from ordinary activities*	88,329	▼	(41%)
Profit from ordinary activities after tax attributable to RPL Shareholders*	11,623	▼	(77%)
Total comprehensive income attributable to RPL Shareholders*	11,413	▼	(81%)
Normalised net profit after tax attributable to RPL Shareholders**	24,766	▼	(78%)

* The comparative results for the year ended 31 December 2021 reflect Regal Funds Management only.

** Normalised and Pro Forma net profit after tax attributable to the owners of Regal Partners Limited is presented on a pro forma basis, i.e., it is prepared on the basis of using the results of Kilter Rural, Attunga Capital, VGI Partners and Regal Funds Management attributable to RPL Shareholders for the current and previous periods presented.

DIVIDEND INFORMATION

	DIVIDEND PER SHARE	FRANKED AMOUNT PER SHARE	TAX RATE FOR FRANKING CREDIT
Final 2022 dividend per share	4.0c	4.0c	30%

FINAL DIVIDEND DATES

Ex-dividend date	6 March 2023
Record date	7 March 2023
Last election date for the DRP	8 March 2023
Payment date	22 March 2023

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan (DRP) is in operation for shareholders in the company and the fully franked final dividend of 4.0 cents per share qualifies for the DRP.

Details of the DRP may be found at https://regalpartners.com/shareholders/

COMMENTARY ON RESULTS

STATUTORY RESULTS

In the 12 months to 31 December 2022, the Group recorded total net income from ordinary activities of $88,329,000 (2021: $150,006,000) and profit after tax of $13,911,000 (2021: $60,380,000), of which $11,623,000 (2021: $59,859,000) profit after tax was attributable to RPL Shareholders. The Group's operating expenses totalled $66,275,000 (2021: $64,152,000), which included one-off transaction costs in relation to the merger and one-off transaction costs from capital-raising activities during September 2022.

The Group is in a strong financial position with no debt on its balance sheet. As at 31 December 2022, the reported net tangible assets per ordinary share including contract assets was $0.92 (31 December 2021: $0.28). Net tangible assets per ordinary share excluding contract assets was $0.79 as at 31 December 2022 (31 December 2021: $0.28).* The Group's revenue is dependent upon its funds under management (**FUM**) and the performance of the investment portfolios it manages (together the **Regal Partners Funds**).

As at 31 December 2022, FUM for the Group was $5.2 billion** including $0.8 billion in non-fee paying FUM managed on behalf of staff and various charities.

Management fees for the 12 months to 31 December 2022 totalled $50,570,000 (12 months to 31 December 2021: $28,697,000). Performance fees for the 12 months to 31 December 2022 were $31,648,000 (12 months to 31 December 2021: $109,454,000).

NORMALISED AND PRO FORMA RESULTS

Normalised net profit after tax (**NPAT**) attributable to RPL Shareholders was $24,766,000 (2021: $111,500,000) on a pro forma basis. Normalised NPAT attributable to RPL Shareholders is presented on a pro forma basis i.e., it is prepared using the results of Kilter Rural, Attunga Capital, VGI Partners and Regal Funds Management attributable to RPL Shareholders for each of the current and previous reporting periods. For a reconciliation of normalised NPAT, please refer to a results release presentation published on the ASX on 24 February 2023 titled '2022 Full Year Results Presentation'.

Additional information supporting the Appendix 4E disclosure requirements can be found in the 2022 Annual Report, which contains the Directors' Report and the 31 December 2022 financial statements and accompanying notes.

DIVIDENDS

The Company has not declared any dividend since the merger completed on 3 June 2022 to 31 December 2022. Since the end of the financial year, the Directors declared a fully franked dividend of 4.0 cents per share to be paid on 22 March 2023.

The Company (under VGI) declared the following dividends (totalling $53,828,000 or 76.7 cents per share) prior to the merger with Regal Funds Management which are not included in the consolidated results:

- Special dividend of 39.7 cents per share fully franked, totalling $28,000,000, with a record date of 2 June 2022 and payment date of 9 June 2022.
- Final dividend for the year ended 31 December 2021 of 6.0 cents per share fully franked, totalling $4,188,000, with a record date of 7 March 2022 and payment date of 16 March 2022.
- Interim dividend for the half-year ended 30 June 2021 of 31.0 cents per share fully franked, totalling $21,640,000, with a record date of 31 August 2021 and payment date of 10 September 2021.

Regal Funds Management paid the following dividends prior to the merger with VGI on 3 June 2022:

- Interim dividend of $20,000,000 fully franked with a payment date of 21 February 2022.
- Interim dividend of $12,000,000 fully franked with a payment date of 24 March 2022.
- Interim dividend of $39,850 fully franked with a payment date of 30 March 2022.

* NTA includes the total assets shown in the financial statements less deferred tax assets, right of use assets and lease liabilities.

** The Group initially reported to the ASX that its estimated FUM totalled $5.1 billion as at 31 December 2022. Following the receipt of further information from external administrator service providers and auditors of the underlying Regal Partners Funds, this was revised to $5.2 billion.

NET TANGIBLE ASSETS *

	31 DECEMBER 2022	31 DECEMBER 2021
Net tangible assets per fully paid ordinary share (including contract assets)	$0.92	$0.28
Net tangible assets per fully paid ordinary share (excluding contract assets)	$0.79	$0.28

* NTA includes the total assets shown in the financial statements less deferred tax assets, right of use assets and lease liabilities.

** Number of fully paid ordinary shares has been restated to reflect the ratio of number of shares Regal Funds Management Shareholders obtained in the listed entity (the **exchange ratio**).

ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE YEAR

On 3 June 2022, VGI acquired 100% of the shares in Regal Funds Management. A summary of all subsidiaries is included in the 2022 Annual Report at Note 26.

On 3 October 2022, the Group seeded the Regal Private Credit Opportunities Fund.

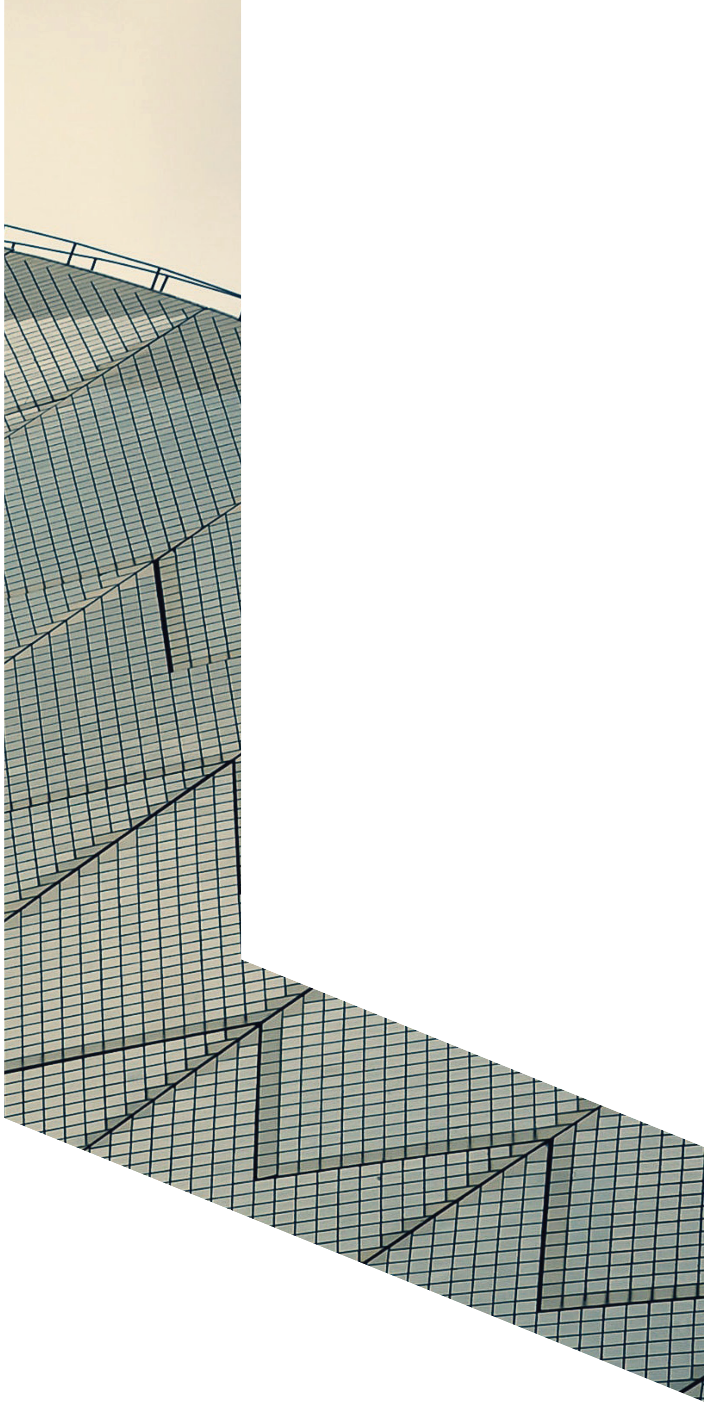
ASSOCIATES AND JOINT VENTURE ENTITIES

Details of associates and joint venture entities are included in the 2022 Annual Report at Note 27.

AUDIT

This report is based on the 2022 Annual Report for the year ended 31 December 2022, which has been reviewed by the Group's auditors, Deloitte Touche Tohmatsu. All the documents comprise the information required by Listing Rule 4.2A

REGAL
PARTNERS



2022 Annual Report

Year ended 31 December 2022

Regal Partners Limited
ABN 33 129 188 450

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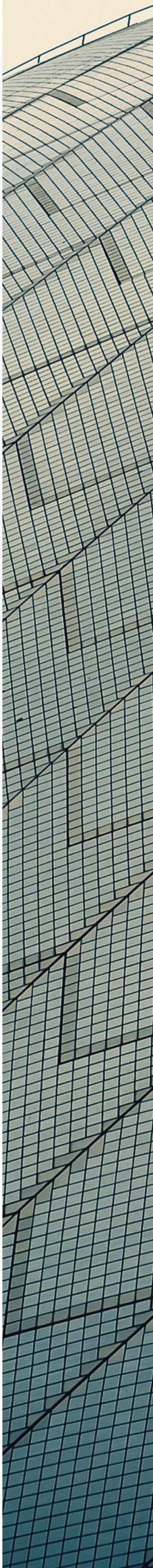
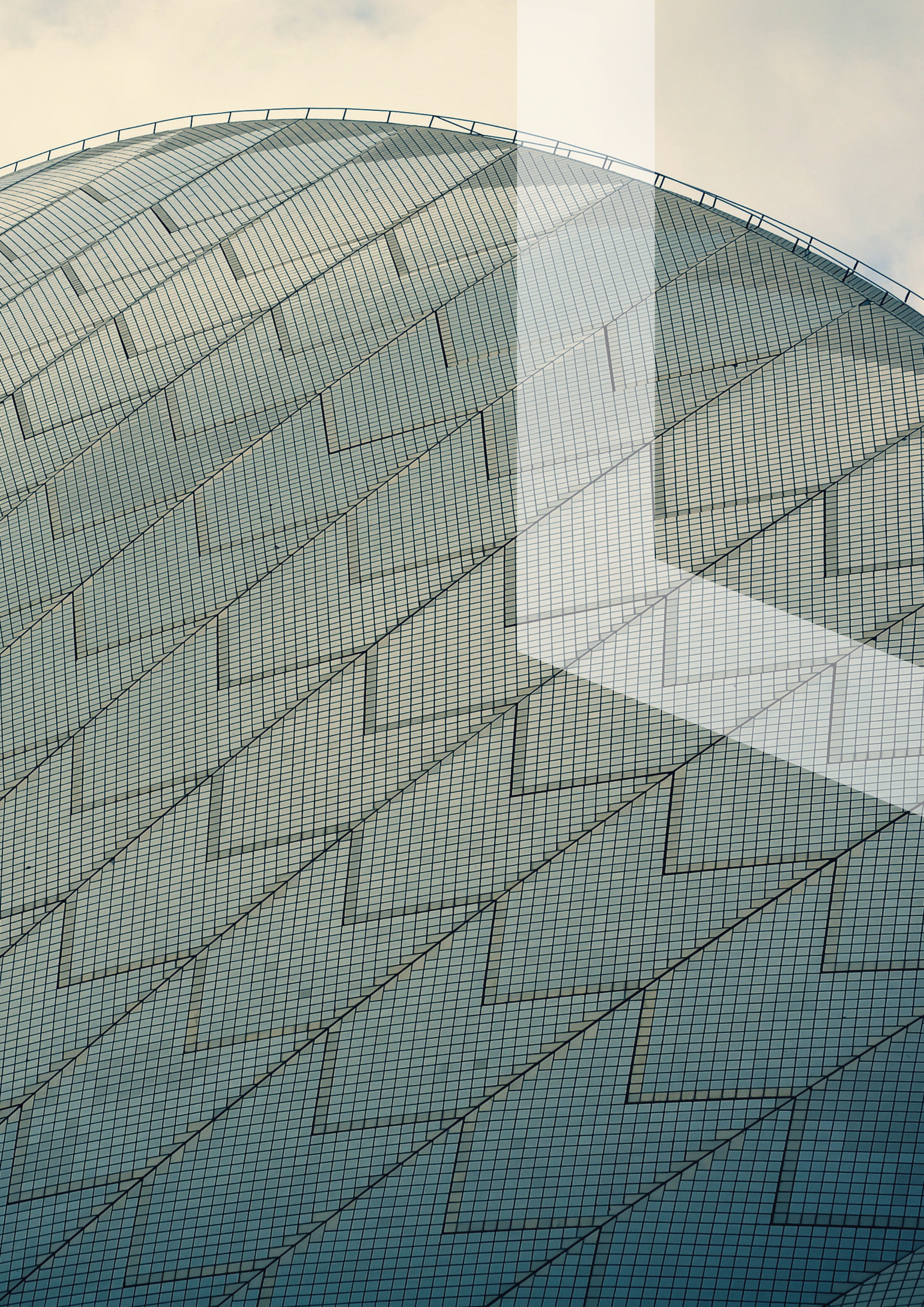


ANNUAL GENERAL MEETING 2023

Notice of the Annual General Meeting will be forwarded to all Shareholders separately.

CORPORATE GOVERNANCE

The Corporate Governance Statement of Regal Partners Limited (formerly VGI Partners Limited) ABN 33 129 188 450 has been approved by the Board and lodged with the Australian Securities Exchange (**ASX**). A copy of the Corporate Governance Statement is available at https://regalpartners.com.



Letter from the Chairman

Dear RPL Shareholders,

On behalf of the Board, it is with great pleasure that I present the inaugural annual report for Regal Partners Limited, following the merger of Regal Funds Management and VGI Partners in June 2022. With $5.2 billion of funds under management and a strong investment track record across a range of alternative asset strategies, Regal Partners is well placed to capture the rising demand for this asset class with ambitions to be a leading provider in Australia and Asia.

Before I provide shareholders with an update on the growth outlook ahead for the Company, I would first like to provide some additional information on the merger itself.

As shareholders may be aware, this is my first year as Chair and I was honoured to join the Board at the completion of the merger. Having spent my entire career in the finance and investment management industry, I have been in a fortunate position to follow the growth and progress of Regal and VGI since their respective inceptions with great interest. While the two firms share a great number of similarities, it was fortuitous that their product offerings and client relationships proved quite complementary, allowing the subsequent integration of both firms to progress smoothly and quickly. Phil King and Robert Luciano, the respective founders and Chief Investment Officers of Regal Funds and VGI, continue to lead their investment teams post the merger and remain significant shareholders in Regal Partners Limited. Importantly, post the completion of the merger, both Phil and Robert have stepped away from Board responsibilities, allowing both to solely focus their energies on portfolio management.

Also joining our Board of six members is Brendan O'Connor, CEO and Managing Director of Regal Partners. Brendan joined Regal Funds Management as CEO in 2016 and assumed the role of CEO and Managing Director of the combined Group following completion of the merger in June. Pleasingly, we also welcome Sarah Dulhunty to the Board as an independent Non-Executive Director, alongside Ian Gibson, a Director and Co-Founder of Regal Partners subsidiary Attunga Capital, as Executive Director. David Jones and Jaye Gardner, who were both VGI Partners Directors, have also joined the RPL Board. I would like to thank the former directors of VGI Partners – Robert Luciano, Darren Steinberg and Ben Pronk – for their years of service and for their role in completing the transaction.

With the merged company now a little over eight months old, I am pleased to report the business has achieved a great deal in its early days. For a more fulsome review of the first eight months, I would encourage you to read the CEO's letter and Directors' Report, however I would note a number of key highlights including: RPL taking on full management rights of a resources royalties capability; the seeding and launch of a new private credit strategy; the announced acquisition of East Point Asset Management; and ongoing generation of strong fund inflows across the business (including a mandate of approximately $0.5bn in the Regal Australian Long Short strategy and successful completion of a $90m capital raising for Regal's ASX-listed investment trust, RF1).

We have been delighted also with the exceptional support received from both existing and new shareholders for RPL's entitlement offer which was launched in September 2022, raising approximately $110m in gross proceeds to assist with ongoing growth initiatives and co-investment opportunities. Additionally, the business has flagged that funds raised from the entitlement offer may also be utilised for inorganic growth opportunities, should they make sense in further diversifying Regal Partners' revenue base and in leveraging our extensive operating platform. While the funds management industry has experienced a number of high-profile mergers over the years, the sector continues to remain highly fragmented and we remain open to exploring opportunities in which Regal Partners can participate in further consolidation, with a specific focus on areas where we feel our existing team can add meaningful value.

That being said, we believe RPL already has an attractive runway for growth from our existing investment strategies and team, providing us with the luxury of being able to examine any inorganic opportunities thoroughly and only proceed if it meets our financial criteria.

> "With regards to the outlook for 2023 and beyond, while we cannot predict markets, we are confident that demand for investments in the alternative assets space will continue to grow."

At the heart of any decision, the firm must strongly believe that it is in the best interests of our shareholders and stakeholders (including existing clients and investors), in the same manner that we would carefully consider the launch of a new product, fund or capability. Regal Partners is fortunate to have built significant and longstanding relationships with its shareholders and clients over the years, and will always seek to nurture and protect those relationships as a priority as the business continues in its growth.

A positive and inclusive staff culture is a similar key pillar for the business and must also be factored into any growth decisions for the company going forward. As a funds management business, our people create the greatest value for our clients and shareholders and we would like to thank all of RPL's staff for their contributions over the last year, whether that be on the investment side in delivering performance, or on the operations side in finalising the merger and integration, and providing valuable client support.

With regards to the outlook for 2023 and beyond, while we cannot predict markets, we are confident that demand for investments in the alternative assets space will continue to grow. With interest rates now rising and inflation likely to remain elevated compared to pre-2020 levels, the tailwinds that have helped drive equity markets and other investments over the last couple of decades have reversed. Investors are acutely aware of the need to be more strategic in choosing how to grow their wealth going forward – and wanting to partner with skilled active managers to help them achieve this. Regal's suite of products across long/short equities, private markets, real and natural assets and capital solutions gives clients the ability to select investments that have the potential to offer attractive risk-adjusted returns, as well as gain exposure to assets that are largely uncorrelated with more traditional investments.

In closing, I would like to thank all shareholders for your support of Regal Partners. Some of you have been long-standing shareholders from the VGI Partners days and many of you are also loyal investors in our funds. We also welcome new shareholders who came onto the RPL register during the capital raising or who have purchased shares on-market. Should you need any assistance with your shareholding, please reach out to our Investor Relations team at any time. In addition, please note that the Company's upcoming Annual General Meeting is currently planned for May and we would encourage all shareholders to participate. More details will be shared closer to the date and we look forward to speaking with many of you then.

Yours faithfully

Michael J Cole AM

Independent Chairman

23 February 2023

Letter from the CEO

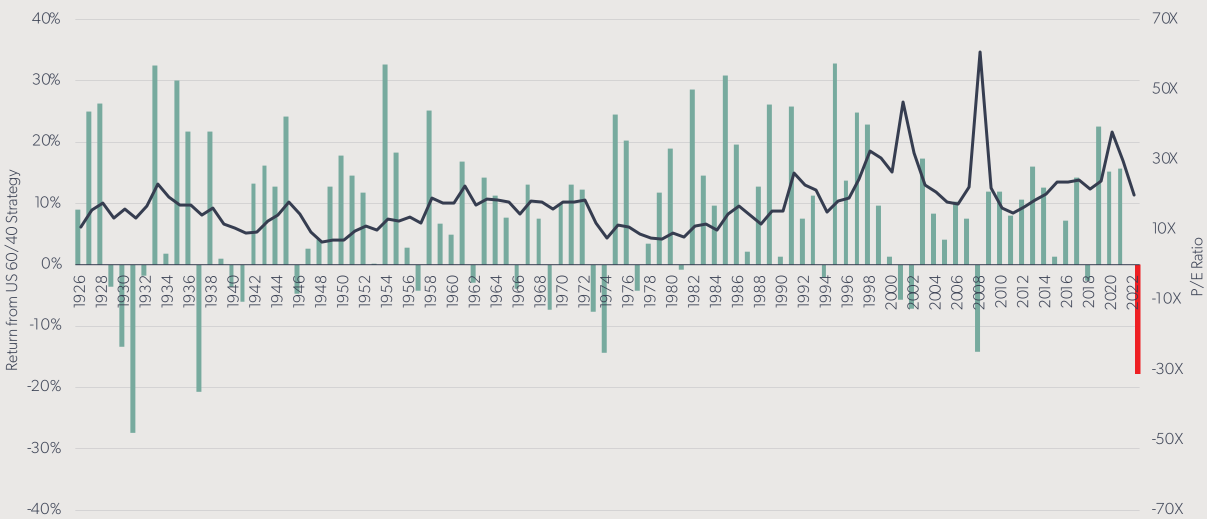
Dear RPL Shareholders,

Thank you for your support over the past twelve months – a transformative period which included the merger of the formerly privately owned Regal Funds Management with VGI Partners on 3 June 2022.

Renamed, rebranded and with a new ASX ticker, Regal Partners Limited (ASX:RPL) aims to be the leading provider of alternative investment strategies in Australia and Asia. Regal has always had a performance-led culture and that remains as true today as it did when Phil King founded the business with his brother in 2004. With more than 100 staff including over 45 investment professionals, our business managed $5.2 billion as at 31 December 2022 across long/short equites, private markets, real and natural asset and capital solutions. Importantly, not only are our staff significant shareholders, they collectively represent the single largest cohort of investors across our products. I believe it is this level of alignment that helps drive the growth of Regal Partners and makes our achievements since being listed that much more satisfying.

With regards to 2022, many investors would be aware that the simultaneous combination of out-sized negative moves in equities and bonds created the worst environment for the traditional balanced global portfolio of 60% equities and 40% bonds since 2008. It was even more extreme in the US, with the worst 60/40 performance since 1937.

US 60/40 STRATEGY RETURN AND US P/E



Source: UBS Research. Annual returns shown for a portfolio of 60% US equities (S&P 500) and 40% US 10-year bonds.

> "Regal Partners Limited (ASX:RPL) aims to be the leading provider of alternative investment strategies in Australia and Asia. Regal has always had a performance-led culture and that remains as true today as it did when Phil King founded the business with his brother in 2004."

Despite this challenging backdrop and since completion of the merger on 3 June 2022, we have made a solid start to progressing our strategic goals; and our financial results provide strong vindication of the progress we have made in diversifying the business over recent years across multiple asset classes. In particular:

- Regal's investment performance was recognised by a range of third-party groups including at the HFM Asian Performance Awards where the Regal Tasman Market Neutral Fund won the Arbitrage (Quant & Market Neutral) category and the Regal Tactical Opportunities Fund won the Global Equity category;
- Our fundraising momentum has not slowed down and we have raised over $690 million in net flows across a range of investment strategies over the past six months, including approximately $487 million from a new domestic institutional client;
- We progressed several strategic product initiatives including launching the Regal Private Credit Opportunities Fund, which was seeded by the Regal Partners balance sheet. Further, last month we announced that we had secured a binding commitment from a prominent Australian family office to invest $200 million (with an option to invest a further $100 million) in the Fund, significantly accelerating the FUM and growth profile of the strategy;
- We have explored numerous inorganic growth opportunities including as part of a consortium that made a non-binding indicative proposal for Perpetual Limited. While this proposal did not succeed, we continue to monitor a range of opportunities to add additional scale to the business. Earlier this month we announced a binding agreement to acquire East Point Asset Management, subject to customary regulatory approvals in Hong Kong. East Point Asset Management was founded in 2021 and currently has approximately US$100 million in assets under management. The business is profitable and the acquisition should be accretive this year for RPL. The East Point Asset Management Master Fund aims to provide investors with strong, risk-adjusted absolute returns through the Asia-Pacific via an Asian focused long/short equity strategy. The East Point team will offer considerable insights to Regal's existing team of analysts, supporting Phil King in managing our Asian equities exposure in RG8 and the Healthcare Fund as well as our market neutral and absolute return funds. Regal's total Asian equities exposure across these strategies at 31 December 2022 was over US$600 million;
- We have completely migrated all of VGI's dealing and risk management capabilities and funds onto Regal's IT system. We are now enjoying the benefits of one common system for dealing, risk management, reporting, compliance and performance attribution across all Regal and VGI funds;
- We raised approximately $110 million in new equity for Regal Partners Limited via a 1:5 entitlement offer to continue to grow and scale our existing strategies and seed new strategies. In addition, the capital raise increased our balance sheet liquidity and improved the free float in RPL shares to approximately 20%.

Pleasingly, we have started the 2023 calendar year strongly, with the majority of our Funds up year-to-date in 2023. In addition, we have onboarded new institutional clients domestically and we have a robust pipeline of new institutional clients offshore which we expect to convert into inflows before 30 June 2023.

Once again, thank you for your support in 2022 and I look forward to updating you on our achievements during 2023.

Your sincerely

Brendan O'Connor

CEO and Managing Director

"While the funds management industry has seen plenty of high-profile mergers over the years, both in Australia and abroad, the sector is still highly fragmented and Regal Partners is open to exploring ways to further diversify in areas the Regal team can add value."

Directors' Report

The Directors of Regal Partners Limited (formerly VGI Partners Limited) (**RPL** or **the Company**) present their Directors' Report together with the Consolidated Financial Statements for the year ended 31 December 2022 and the associated independent auditors' review report. The 2022 Annual Report represents the Company and its consolidated entities (**Regal Partners** or **the Group**). A list of the consolidated entities is included in note 26 of the Consolidated Financial Statements.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

NAME	POSITION	DATE APPOINTED	DATE RESIGNED
Michael J Cole AM	Independent Chairman	3 June 2022	
Brendan J O'Connor	Chief Executive Officer, Managing Director	3 June 2022	
Sarah J Dulhunty	Independent Non-Executive Director	3 June 2022	
Jaye L Gardner	Independent Non-Executive Director	12 May 2019	
Ian M Gibson	Executive Director	3 June 2022	
David F Jones AM	Non-Executive Director[1]	8 August 2018	
Robert M P Luciano	Executive Chairman	15 January 2008	3 June 2022
Benjamin A Pronk	Independent Non-Executive Director	12 May 2019	3 June 2022
Darren J Steinberg	Independent Non-Executive Director	12 May 2019	3 June 2022

1 Mr Jones resigned from his executive role with the Company on 3 June, and now serves on the Regal Partners Board as a Non-Executive Director.

CHANGES TO THE BOARD OF DIRECTORS AND COMPANY SECRETARY

As a result of the merger of VGI Partners Limited and Regal Funds Management Pty Limited (detailed in the review of operations), Mr Steinberg, Mr Pronk and Mr Luciano resigned from the Board. Mr Luciano continues as Chief Investment Officer of the VGI Partners investment team within the broader group, alongside Mr Philip King as Chief Investment Officer of Regal Funds Management.

Mr Jones has transitioned from being an Executive Director to a Non-Executive Director.

Mr Cole and Ms Dulhunty have been appointed as independent Non-Executive Directors, with Mr Cole being appointed as independent Chairman. Mr Gibson has been appointed as an Executive Director. He is not considered to be a Non-Executive Director due to his executive roles at an entity within the RPL Group.

Ms Kathleen Liu has been appointed as Joint Company Secretary of the Company alongside Mr Ian Cameron who will continue as Joint Company Secretary.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the provision of investment management services, specialising in alternative investments. The Group manages a diverse range of investment strategies covering hedge funds, private markets, real and natural assets, and capital solutions on behalf of institutions, family offices, charitable groups and private investors.

REVIEW OF OPERATIONS AND MERGER OF VGI PARTNERS LIMITED AND REGAL FUNDS MANAGEMENT PTY LIMITED

PRESENTATION OF RESULTS

On 3 June 2022, VGI Partners Limited (now Regal Partners Limited) (**the legal parent** or **VGI**) acquired all shares in Regal Funds Management Pty Limited (**the legal subsidiary** or **Regal Funds Management**) in return for the issuance of 141,008,460 fully paid VGI shares to Regal Funds Management Shareholders.

On completion of the merger, existing VGI Shareholders and Regal Funds Management Shareholders owned 33.3% and 66.7% respectively, of the shares in Regal Partners Limited.

The transaction has been accounted for as a business combination and the principles of reverse acquisition accounting applied i.e., a reverse acquisition of VGI by Regal Funds Management. The results of operations for the 12 months ended 31 December 2022 represent the consolidated entity comprising Regal Funds Management and VGI from 4 June 2022 to 31 December 2022. The comparative information represents Regal Funds Management only. This is illustrated in the table below:

	12 MONTHS ENDED 31 DECEMBER 2022	**12 MONTHS ENDED 31 DECEMBER 2021**
Consolidated Statement of Profit or Loss and Other Comprehensive Income Consolidated Statement of Changes in Equity Consolidated Statement of Cash Flows	Regal Funds Management + VGI 4 June 2022 to 31 December 2022	Regal Funds Management only
	AS AT 31 DECEMBER 2022	**AS AT 31 DECEMBER 2021**
Consolidated Statement of Financial Position	Regal Funds Management + VGI	Regal Funds Management only

The combination of VGI and Regal Funds Management aimed to create a market-leading alternative investment manager and provide shareholders with exposure to a diversified and growing platform of hedge fund, private market, real and natural asset and capital solutions for institutional, high net worth and retail investors.

STATUTORY RESULTS

In the 12 months to 31 December 2022, the Group recorded total net income from ordinary activities of $88,329,000 (2021: $150,006,000) and profit after tax of $13,911,000 (2021: $60,380,000), of which $11,623,000 (2021: $59,859,000) profit after tax was attributable to RPL Shareholders. The Group's operating expenses totalled $66,275,000 (2021: $64,152,000), which included one-off transaction costs in relation to the merger and one-off transaction costs from capital-raising activities during September 2022.

The Group is in a strong financial position with no debt on its balance sheet. As at 31 December 2022, the reported net tangible assets per ordinary share including contract assets was $0.92 (31 December 2021: $0.28). Net tangible assets per ordinary share excluding contract assets was $0.79 as at 31 December 2022 (31 December 2021: $0.28).* The Group's revenue is dependent upon its funds under management (**FUM**) and the performance of the investment portfolios it manages (together the **Regal Partners Funds**).

As at 31 December 2022, FUM for the Group was $5.2 billion** including $0.8 billion in non-fee paying FUM managed on behalf of staff on various charities.

Management fees for the 12 months to 31 December 2022 totalled $50,570,000 (12 months to 31 December 2021: $28,697,000). Performance fees for the 12 months to 31 December 2022 were $31,648,000 (12 months to 31 December 2021: $109,454,000).

* NTA includes the total assets shown in the financial statements less deferred tax assets, right of use assets and lease liabilities.

** The Group initially reported to the ASX that its estimated FUM totalled $5.1 billion as at 31 December 2022. Following the receipt of further information from external administrator service providers and auditors of the underlying Regal Partners Funds, this was revised to $5.2 billion.

NORMALISED AND PRO FORMA RESULTS

Normalised net profit after tax (**NPAT**) attributable to RPL Shareholders was $24,766,000 (2021: $111,500,000) on a pro forma basis. Normalised NPAT attributable to RPL Shareholders is presented on a pro forma basis i.e., it is prepared using the results of Kilter Rural, Attunga Capital, VGI Partners and Regal Funds Management attributable to RPL Shareholders for each of the current and previous reporting periods.

RECONCILIATION BETWEEN 'STATUTORY' RESULTS AND 'NORMALISED AND PRO FORMA' RESULTS

A reconciliation between statutory results and normalised and pro forma results is summarised below:

RECONCILIATION BETWEEN STATUTORY RESULTS AND PRO FORMA RESULTS	YEAR ENDED 31 DECEMBER 2022 ($'000)	YEAR ENDED 31 DECEMBER 2021 ($'000)
Statutory NPAT attributable to RPL shareholders	**11,623**	**59,859**
Normalisation adjustments:		
Amortisation of assets	11,064	1,800
Transaction costs (merger and capital raise)	4,440	-
Tax effect on the above (at 30%)	(1,501)	(540)
Pro Forma adjustments:		
Normalised VGI Partners NPAT	(860)	48,040
Normalised Kilter Rural and Attunga NPAT	–	2,341
Total Normalised and Pro Forma results	**24,766**	**111,500**

The statutory results for the year ended 31 December 2022 have been presented to reflect Regal Funds Management for the period from 1 January 2022 to 3 June 2022, and the newly formed combined Regal Partners Limited consolidated group results of Regal Funds Management including VGI Partners for the period 4 June 2022 to 31 December 2022. The comparative results for the year ended 31 December 2021 reflect Regal Funds Management only for that period.

Pro Forma and Normalised results have been prepared on the basis that:

- Pro Forma adjustments reflect the merger between VGI and Regal Funds Management as though the merger had completed on 1 January 2021, including the results of Kilter Rural and Attunga.
- Normalisation adjustments reflect the exclusion of one-off costs (e.g., one-off capital transaction costs) and certain non-cash items (e.g., amortisation of intangible assets).

For more detail around normalised NPAT reconciliation, please refer to a results release presentation published on the ASX on 24 February 2023 titled '2022 Full Year Results Presentation'.

REVENUES

The Group generates a substantial amount of revenue from management fees and performance fees charged on the investment portfolios it manages. The main driver of revenue is the value of Funds Under Management (**FUM**). Other factors include but are not limited to investment performance, flows, channel and product mix. Management fees are typically accrued and paid monthly for each investment portfolio. Management fees vary month to month, in line with changes in the FUM of each investment portfolio. Performance fees are driven by investment performance of the Regal Partners Funds, which can be volatile.

The Group charges performance fees for outperformance on the various investment portfolios it manages. It is typically subject to a 'high-water mark' mechanism and where relevant, also subject to a hurdle. Under this mechanism, if an investment portfolio's net asset value (**NAV**) (adjusted for transactions that are capital in nature) at the end of a period is lower than the respective high-water mark, then that investment portfolio does not pay a performance fee for the period. The performance fee for each Regal Partners Fund is based on performance over a specific period determined in the respective investment portfolio's investment management agreement or Information Memorandum (the **Performance Calculation Period**). Performance fees are typically calculated semi-annually on 30 June or 31 December, as prescribed in the investment portfolio's information memorandums or disclosure documents.

The normalised and pro forma management fees before amortisation and fund operating costs of the Regal Partners Funds for the 12 months to 31 December 2022 totalled $63,021,000 (2021: $73,400,000).

Performance fees for the 12 months to 31 December 2022 totalled $31,648,000 (2021: $109,454,000). In 2022, $22,705,000 of total performance fees were earned in the first half of the year and $8,943,000 in the second half. Performance fees are variable and can fluctuate significantly from period to period. Although volatile in nature, they are a key earnings stream for the Group and a significant component of value creation for shareholders over time.

EXPENSES

The Group's normalised and pro forma operating expenses totalled $58,486,000 (2021: $86,000,000), which excluded $9,065,000 (2021: nil) of one-off expenses as a result of the merger and $2,202,000 (2021: nil) of one-off expenses as a result of RPL's capital-raising activities during September 2022.

BUSINESS OBJECTIVES AND MANAGING BUSINESS RISKS

The Group balances its ability to meet its business objectives – generating management fees and performance fees – by proactively managing its business risks. It does this by:

- maintaining a level of capital to support business growth and strategy;
- conservatively managing expenses to ensure the Group remains profitable;
- deploying surplus capital to seed new revenue-generating funds and diversify the Group's revenue base;
- investing further in the Group's operating platform and extensive distribution capabilities;
- creating alignment between the Group's objectives and its employees; and
- following the Group's core investment philosophy.

RPL's approach to risk management and key business risks are discussed in detail on the following page.

RISK MANAGEMENT FRAMEWORK

RPL's approach to risk management globally is based on a Risk Management Policy set by the RPL Board, which outlines the risk boundaries and minimum expectations of RPL Management. The Audit and Risk Committee is responsible for overseeing RPL's risk management process.

The Group's Risk Management Framework is designed to manage and formulate responses to the key business risks faced by the Group. These key business risks and their mitigants are set out below.

RISK CATEGORY	RISK DESCRIPTION	RISK MITIGANTS
Investment	Risk arising from ineffective or underperforming investment strategies relative to peers and benchmarks, non-adherence to investment guidelines and mandates or inadequate management of market, credit and liquidity risks within the funds or client accounts.	– Well defined and disciplined investment objectives and strategies – Investment in proprietary operational, risk and trading infrastructure, as well as high performing investment staff – Dedicated risk management controls
Key Person & Talent	Risk arising if key investment management staff or key management team personnel are severely incapacitated or leave the firm. Wider firm risk arising from an inability to attract, engage and retain quality and appropriate people to execute RPL's business strategy, particularly in key investment management roles.	– Investment in attracting and retaining quality talent to execute investment strategies, as well as talent identification programs, retention strategies – Alignment of remuneration outcomes for staff, including key executive staff, to longer term value creation for shareholders and clients
Regulatory and compliance	Risk arising from inability or failure to meet existing or changing regulatory requirements.	– Regular review of compliance with existing laws and regulations as well as increased focus on any new or pending changes – Ongoing monitoring by RPL's legal and compliance department and regular focused training for investment team personnel
Information Technology & Cyber Security	Risk arising from failed, corrupted, breached or inadequate information systems resulting from inadequate infrastructure, applications, cloud services, security controls and support. Includes (but is not limited to) loss of confidentiality, integrity and availability of sensitive or critical data as well as business disruption resulting from a cyber security event or failure of technology service provider to meet business requirements.	– Defined information security program and IT security policies and procedures – Implementation of operational security technology (including firewalls and antivirus) – Security training for staff and regular external penetration testing
Financial	Risk that the strength of RPL's balance sheet, profitability or liquidity are inadequate for its business activities. This includes inappropriate accounting, financial reporting, or related disclosures and ongoing global inflation.	– Budget planning process – Reconciliation and review processes – Regular income and expense and balance sheet reviews – Engagement of external auditors – Monitoring of market risk factors including interest rates and inflation risk and broader impact to RPL

CAPITAL MANAGEMENT

The Group has a robust balance sheet and liquidity position that allows it to implement its business strategy. As at 31 December 2022, the Group had Shareholders' funds of $435,937,000 (31 December 2021: $78,782,000).

SEED CAPITAL AND CASH

A meaningful portion of the Group's capital is invested in funds managed by the Group to seed new strategies or invest surplus capital. At 31 December 2022, the Group held investments measured at fair value of $173,694,000, compared with $35,127,000 at 31 December 2021. Additionally, the Group held cash and cash equivalents, amounts held at brokers and distribution receivable from its on balance sheet investments of $41,208,000 at 31 December 2022, compared to cash and cash equivalents of $16,599,000 at 31 December 2021.

CAPITAL-RAISING ACTIVITIES: ENTITLEMENT OFFER FOR ~$110 MILLION

Following the successful merger and the release of the Group's inaugural interim results for the six months ended 30 June 2022, the Group accelerated the execution of its diversified growth strategy in September 2022 to help fulfill its ambition to be a leading provider of alternative investment strategies. It also increased the free float and shareholder base of Regal Partners via an entitlement offer, at an offer price of $2.60.

The general and specific risks associated with the entitlement offer and broadly in the Group were summarised in an investor presentation dated 5 September 2022.

Fundraising activities were successfully completed with around $110 million ($108 million raised net of fees) of proceeds deployed to:

- continue to grow and scale existing strategies, and seed new strategies, such as the Regal Private Credit Opportunities Fund (launched in October 2022) and the Regal Resources Royalties Strategy (launched in October 2022);
- co-invest in new and existing funds and strategies alongside wholesale investors; and
- accelerate growth capabilities in distribution, marketing and technology.

AWARDS UNDER EMPLOYEE INCENTIVE PLAN

In August 2022, the Group approved the granting of awards to promote the alignment of employees with Shareholders across the merged entity under the terms of the Group's Employee Incentive Plan (the **Plan**).

The awards were granted in three parts. A Deferred Bonus Grant, totalling $15.6 million was offered to certain senior employees as a partial deferral of annual bonuses into rights that will vest over two years subject to continuing to be employed on the vesting date.

An Integration Grant of $25.5 million and a $40.5 million Long-Term Incentive (LTI) Grant were offered to the Group's employees and Chief Executive Officer/Managing Director (CEO/MD). Rights issued under the Integration Grant and LTI Grant have a vesting period of approximately three years. In addition, the LTI Grant is subject to certain company-specific performance hurdles.

The rights issued under the Deferred Bonus Grant, Integration Grant and LTI Grant have no right to dividends during the vesting period. For further details on the awards granted, refer to note 30 of the Consolidated Financial Statements.

OUTLOOK

Regal Funds Management experienced positive business momentum leading into the merger and the business has continued to grow with over $690 million in net inflows achieved in the six months to 31 December 2022.

The Group's future performance is directly linked to the performance of the investment portfolios. The Group is well positioned for growth through the cycle with a diversified, scalable and growing platform that is exposed to attractive market tailwinds and has strong business economics with multiple growth opportunities.

Please refer to the Letter from the Chairman and the Letter from the CEO for more information on future outlook.

DIVIDENDS

Since the end of the financial year, the Directors have declared a fully franked dividend of 4.0 cents per share to be paid on 22 March 2023. Refer to Note 17 of the Consolidated Financial Statements.

DIVIDENDS PRIOR TO THE MERGER OF VGI AND REGAL FUNDS MANAGEMENT

The Company (under VGI Partners Limited) declared the following dividends (totalling $53,828,000 or 76.7 cents per share) prior to the merger with Regal Funds Management which have not been included in the consolidated results:

- a special dividend of 39.7 cents per share fully franked, totalling $28,000,000, with a record date of 2 June 2022 and payment date of 9 June 2022;
- a final dividend for the year ended 31 December 2021 of 6.0 cents per share fully franked, totalling $4,188,000, with a record date of 7 March 2022 and payment date of 16 March 2022; and
- an interim dividend for the half-year ended 30 June 2021 of 31.0 cents per share fully franked, totalling $21,640,000, with a record date of 31 August 2021 and payment date of 10 September 2021.

Regal Funds Management paid the interim following dividends prior to the merger with VGI on 3 June 2022:

- $20,000,000 fully franked with a payment date of 21 February 2022;
- $12,000,000 fully franked with a payment date of 24 March 2022; and
- $39,850 fully franked with a payment date of 30 March 2022.

DIVIDEND REINVESTMENT PLAN

On 24 February 2023, the Company announced to the ASX the establishment of a Dividend Reinvestment Plan (**DRP**) for holders of ordinary shares in the Company.

Shareholders will be able to participate in the DRP in respect of the fully franked final dividend for the year ended 31 December 2022 of 4.0 cent per share. Under the terms of the DRP, shareholders may elect to reinvest dividends payable on the ordinary shares in newly issued ordinary shares in the Company.

FINANCIAL POSITION

The Group's net assets as at 31 December 2022 were $435,937,000 (2021: $78,782,000).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue to pursue its investment objectives for the long-term benefit of Shareholders, as discussed in the Outlook section of the Directors' Report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

FUNDS UNDER MANAGEMENT

The Group's unaudited FUM totalled $5.2 billion*, including $0.8 billion in non-fee paying FUM managed on behalf of staff and various charities as at 31 December 2022. The Group's unaudited FUM increased to $5.4 billion as at 31 January 2023. January 2023 FUM excludes any FUM from the announced acquisition of East Point Asset Management and any unfunded commitments.

DIVIDEND AND DIVIDEND REINVESTMENT PLAN

On 23 February 2023, the Directors declared a fully franked dividend at a 30% tax rate of 4.0 cents per share, which will be paid on 22 March 2023.

On 24 February 2023, the Company announced to the ASX the establishment of a Dividend Reinvestment Plan (**DRP**) for holders of ordinary shares in the Company.

The fully franked 2022 final dividend of 4.0 cents per share qualifies for the DRP.

* The Group initially reported to the ASX that its estimated FUM totalled $5.1 billion as at 31 December 2022. Following the receipt of further information from external administrator service providers and auditors of the underlying Regal Partners Funds, this was revised to $5.2 billion.

ACQUISITION OF EAST POINT ASSET MANAGEMENT

On 10 February 2023, the Company announced its entry into binding agreements to acquire 100% of Hong Kong–based alternative investment manager East Point Asset Management (**EPAM**), the investment manager of the East Point Asset Management Master Fund (the **EPAM Fund**), conditional upon the receipt of customary regulatory approvals from the Hong Kong Securities and Futures Commission. The transaction will involve the issuance of 788,195 RPL shares, subject to escrow arrangements.

The Directors are not aware of any other event or circumstance since the end of the financial year, not otherwise dealt with in this report, that has or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted above and in the Review of operations section, there have been no other significant changes in the Group's state of affairs.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company and its controlled entities indemnify the current Directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and officers of the Group, except where the liabilities arise out of conduct involving a lack of good faith. The Company and its controlled entities will meet the full amount of any such liabilities, including costs and expenses. The auditor of the Company is in no way indemnified out of the assets of the Company.

In accordance with the provisions of the *Corporations Act 2001* (Cth), the Company has a liability policy covering all Directors and Officers of the Group. The terms of the policy specifically prohibit the disclosure of details of the amount of the insurance cover and the premium paid.

INFORMATION ON DIRECTORS AND OFFICERS

CURRENT BOARD OF DIRECTORS

Michael J Cole AM

Independent Chairman
B.Econ. M.Econ (UOW)

Experience and Expertise:
Mr Cole has over 40 years' experience in investment banking and portfolio management. He has held the following roles over his extensive career: Executive Director and Executive Vice-President of Bankers Trust Australia, Chairman of Challenger Listed Investments, Chairman of IMB Bank, Director of NSW Treasury Corporation, Chairman of SAS Trustee Corporation (State Super Board), Chairman of ASX-listed investment company Ironbark Capital, and Chairman of Platinum Asset Management Limited.

Current directorships:
Mr Cole is the Chairman of Ironbark Capital Limited.

Former directorships (last three years):
Mr Cole has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Nil

Brendan O'Connor

Chief Executive Officer and Managing Director
B.Bus (Acct/Fin) (UTS), CA, GAICD

Experience and Expertise:
Mr O'Connor has over 25 years' experience in financial markets and asset management, and is currently Chief Executive Officer of Regal Partners. In addition, he is a Director of Kilter Rural and a Director of Attunga Capital. Previously, he was Chief Financial Officer of Challenger's Asset Management business and then the company's Funds Management business. He served as a director on the boards of several listed investment trusts and several of Fidante Partners' boutique asset managers.

Current directorships:
Mr O'Connor is a Director of Kilter Pty Ltd and Attunga Capital Pty Ltd.

Former directorships (last three years):
Mr O'Connor has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Shares: 8,830,107
Performance Share Rights: 1,334,000

Sarah Dulhunty

Independent Non-Executive Director
BA, LLB (Hons) (USYD)

Board Committees:
Chair of Nomination and Remuneration Committee, member of Audit and Risk Committee

Experience and Expertise:
Ms Dulhunty was previously a partner in the Corporate Transactions team at Ashurst and has over 30 years' experience advising in equity capital markets, mergers and acquisitions, corporate governance, and corporate and securities law. She also served on the board of Ashurst for four years. She was a member of the Australian Takeovers Panel for nine years (during which time she served as Acting President) and sat on the AICD Law Committee for 13 years. She is currently a Deputy Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia.

Current directorships:
Ms Dulhunty is a Governor of Winifred West Schools Limited and a director of Parklife Metro.

Former directorships (last three years):
Ms Dulhunty has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Nil

Jaye L Gardner

Independent Non-Executive Director
B.Com (UQLD), LLB (Hons) (UQLD), SF Fin, CA, GAICD

Board Committees:
Chair of Audit and Risk Committee, member of Nomination and Remuneration Committee

Experience and Expertise:
Ms Gardner has more than 30 years' experience in corporate finance. She is a Managing Director of Grant Samuel, where she is responsible for the preparation of valuations and independent expert reports, primarily for top 200 ASX-listed companies. She also advises on mergers, acquisitions and asset sales, with a focus on the financial services, property, health and media industries.

Current directorships:
Ms Gardner does not hold any other directorships of listed companies.

Former directorships (last three years):
Ms Gardner has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Shares: 21,809

Ian M Gibson

Executive Director
LLB, B.Bus (Fin) (UTS)

Board Committees:
Member of Audit and Risk Committee, and Nomination and Remuneration Committee

Experience and Expertise:
Mr Gibson has over 25 years' experience in financial markets, spending the last 15 years acting as director, investment advisor and consultant for a range of financial groups and organisations. Currently, he is a Director of Regal, Director of Kilter, Director of Attunga Capital, Director of Renew Power Group, an advisor to RPG Management, a Director and Investment Committee member for Realside Financial Group, and an independent member of the Investment Committee for Atrium Investment Management.

Current directorships:
Mr Gibson is a Director of Attunga Capital Pty Ltd, Kilter Pty Ltd, Renew Power Group Pty Ltd and Realside Financial Group Pty Ltd.

Former directorships (last three years):
Mr Gibson has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Shares: 1,879,102

David Jones AM

Non-Executive Director
B.Eng. (1st Class Hons) (Melb.), MBA (Harvard)

Experience and Expertise:
Mr Jones has more than 30 years' experience in investment markets, the majority as a general partner in private equity firms, and before that in general management and management consulting. Mr Jones has been a board member of numerous private and public businesses, including a number in the wealth management sector. He is a non-executive member of the Investment Committee of Aviron Investment Management and EMR Capital, the Chairman of DTS Capital Partners and a board member of the Clean Energy Finance Corporation.

Current directorships:
Mr Jones is the Chairman of VGI Partners Global Investments Limited and a Director of Regal Asian Investments Limited.

Former directorships (last three years):
Mr Jones has not held any other directorships of listed companies within the past three years.

Interests in the Company:
Shares: 13,559

CURRENT OFFICERS & COMPANY SECRETARIES

Ian Cameron

Chief Financial Officer & Joint Company Secretary

Experience and expertise:
Mr Cameron has over 15 years' experience in investment management and professional services. Ian worked at Pantheon Ventures and Aspect Capital in London after starting his career at KPMG in Sydney. Ian is a member of Chartered Accountants Australia and New Zealand and a Solicitor of the Supreme Court of NSW. He is also the Company Secretary of VGI Partners Global Investments Limited and Regal Asian Investments Limited. Ian holds a Bachelor of Laws from the University of Wollongong and a Bachelor of Commerce majoring in Accounting from Macquarie University.

Kathleen Liu

General Counsel & Joint Company Secretary

Experience and expertise:
Ms Liu is the General Counsel and Company Secretary at Regal Partners. Initially joining Regal Funds Management in 2018, Kathleen has over 11 years' legal experience in the financial services industry. Before joining Regal, Kathleen practised law in Sydney and London at top-tier law firm Ashurst. She holds a Bachelor of Laws (Hons) and a Bachelor of Business majoring in Finance from the University of Technology Sydney.

Robert Luciano *(resigned 3 June 2022)*

Mr Luciano founded VGI Partners in 2008. He has over 25 years' experience gained as a portfolio manager, equities analyst and accountant. Mr Luciano has been a Director of the Company since 15 January 2008. He is also a Director of The VGI Partners Foundation, a registered charitable organisation.

Benjamin Pronk *(resigned 3 June 2022)*

Mr Pronk had a distinguished career in the Australian Army spanning 24 years, the majority of which was spent within Special Operations Command. In this capacity, he served on multiple combat deployments to Timor-Leste, Iraq and Afghanistan, where he was awarded the Distinguished Service Cross for leadership in action. He concluded his service as Commanding Officer of the Special Air Service Regiment. He is now the Managing Partner of Mettle Global Holdings, a consultancy firm specialising in crisis, emergency and business continuity management, and leadership training. Mr Pronk is also adjunct faculty at the Australian Graduate School of Management and a patron of the Military Art Program Australia.

Darren Steinberg *(resigned 3 June 2022)*

Mr Steinberg is the Chief Executive Officer of Dexus and an Executive Director of Dexus Funds Management Limited. He has more than 30 years' experience in the property and funds management industry, with an extensive background in office, industrial and retail property investment and development. He is a former National President of the Property Council of Australia and a founding member of Property Champions of Change Coalition and Member CEO of Climate Leaders Coalition.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel (**KMP**) is set out in the Remuneration Report section of this Directors' Report. The term 'KMP' refers to those who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. This includes any Director (Executive or otherwise) of the Company and its consolidated entities.

DIRECTORS' MEETINGS

The following table sets out the number of meetings the Group's Board of Directors held during the year ended 31 December 2022, and the numbers of meetings each Director attended.

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		NOMINATION AND REMUNERATION COMMITTEE MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND
Michael J Cole AM*	5	5	–	–	–	–
Brendan J O'Connor*	5	5	–	–	–	–
Sarah J Dulhunty*	5	5	2	2	2	2
Jaye L Gardner	11	11	4	4	4	4
Ian M Gibson*	5	5	2	2	2	2
David F Jones AM	11	11	–	–	–	–
Robert M P Luciano*	6	6	–	–	–	–
Benjamin A Pronk DSC*	5	6	2	2	–	1
Darren J Steinberg*	6	6	2	2	1	1

* Attendance for Mr Cole, Mr O'Connor, Ms Dulhunty and Mr Gibson reflects meetings they were eligible to attend after their appointment as Directors on 3 June 2022. Mr Luciano, Mr Pronk and Mr Steinberg resigned on 3 June 2022, so attendance reflects meetings they were eligible to attend up to that date.

REMUNERATION REPORT (AUDITED)

The Directors present the 2022 Remuneration Report for the year ended 31 December 2022, in accordance with Section 300A of the Corporations Act. The Remuneration Report provides our stakeholders with information about the remuneration arrangements for KMP.

Information in the Remuneration Report is prepared on a statutory basis. On 3 June 2022, VGI Partners Limited (now renamed Regal Partners Limited (**RPL**)) acquired 100% of the shares in Regal Funds Management Pty Limited (**Regal Funds Management**). The transaction has been accounted for as a business combination and the principles of reverse acquisition accounting applied i.e. a reverse acquisition of VGI Partners Limited by Regal Funds Management. Prior to 3 June 2022, Regal Funds Management was not required to prepare a remuneration report in accordance with the Corporations Act.

Accordingly, the 2022 Remuneration Report is presented only for 2022. Where appropriate, information in the report is divided as below:

- From the merger date of 3 June 2022 to 31 December 2022 – KMP among all current Directors and other Executives. This is included in sections 6 and 7 of the remuneration report.
- From the beginning of the financial year to 3 June 2022 – KMP of VGI Partners Limited (prior to the merger) including those Directors and Executives that had resigned or were no longer designated as KMP after the merger. The comparative information in this section refers to remuneration information of those KMP from VGI Partners Limited's prior year Annual Report for the year ended 31 December 2021. This is included in section 8 of the remuneration report.

The information provided in this report has been audited by the Group's auditor, Deloitte Touche Tohmatsu, as required by Section 308(3C) of the Corporations Act, and it forms part of the Directors' Report.

REMUNERATION REPORT – TABLE OF CONTENTS

The Group aims to be a leading provider of alternative investment strategies in Australia and Asia and believes it can achieve this objective through its deep industry experience, extensive networks and multi-award-winning performance track records. The Group believes investing in its people along with robust systems and processes is critical to achieve the Group's objectives.

1. THE GROUP'S REMUNERATION POLICY

OVERVIEW

The overall objectives of the Board's remuneration policy are to support and achieve the Group's long-term values and strategic objectives, and to align remuneration with the creation of sustainable shareholder value.

To deliver RPL's strategy and generate shareholder value, the Group must continue to attract, motivate and retain highly skilled staff, including executives, and ensure that reward for performance is competitive and appropriate for the results achieved. It aims to balance short-term and long-term incentives appropriately, including encouraging broad-based employee ownership of the Company.

REMUNERATION ARRANGEMENTS

The Group's remuneration arrangements comprise the following components:

(a) Fixed remuneration

This is set at a level to attract exceptional talent. It includes salary, benefits and statutory entitlements and reflects the nature and scope of the role as well as the skills and experience of the individual. Executive KMP fixed remuneration is determined at least annually by the Board on the recommendation of the Nomination and Remuneration Committee (**NRC**). Non-Executive Directors are provided with fixed remuneration in the form of Director's fees. Executive Directors and other executive KMP are offered fixed remuneration in the form of salaries (including superannuation arrangements).

(b) Short-term variable remuneration

Remuneration in cash (all staff and Executive KMP eligible to participate)

Under the cash bonus scheme, goals are set at the beginning of each annual performance period for each employee or Executive KMP. Recommendations in respect of variable remuneration award are generally made annually, based on the achievement of performance objectives. These recommendations are rigorously reviewed by senior management and the NRC before being referred to the Board for approval.

In approving the aggregate bonus amount, the Board considers factors including the performance of the Group, market remuneration levels and key metrics such as total compensation as a percentage of revenue. Employees are assessed annually across quantitative and qualitative factors relevant to their role, as well as against the Company's core values and principles, including risk management and compliance criteria. Any approved bonus amount is generally paid in cash within three months of the end of the remuneration year to which the bonus relates. It may be determined that a component of the annual bonus of Executive KMP be deferred to create longer alignment and promote staff retention, and delivered in equity under the Group's Employee Incentive Plan (the **Employee Incentive Plan**). Under the Employee Incentive Plan, employees can be awarded in the form of equity or equity rights. These may take the form of shares, options or rights to receive shares in the future (such as Performance Share Rights). A copy of the Employee Incentive Plan was lodged with the ASX on 21 June 2019.

Performance Share Right grants – Deferred Bonus Grant (all staff and Executive KMP eligible to participate)

As announced with the Company's interim results in August 2022, the Company approved the grant of awards to promote alignment of employees with Shareholders across the merged entity under the terms of the Group's Employee Incentive Plan.

The awards were comprised of three parts: a Deferred Bonus Grant, an Integration Grant and an LTI Grant. The Deferred Bonus Grant is detailed here, and the Integration Grant and the LTI Grant are discussed in section (c) below.

The Deferred Bonus Grant is a short-term variable remuneration component of the overall awards granted. It was offered to certain senior employees, including certain KMP, as a partial deferral of annual bonuses into rights. Fifty per cent of these rights will vest in one year, with the remaining fifty percent in two years' time subject to the recipient remaining employed by the Group on the relevant vesting date.

Other variable remuneration plans

Under the former deferred bonus scheme of Regal Funds Management (which operated prior to the merger between Regal Funds Management and VGI and is now inactive), a portion of the deferred bonus vested over a three-year period. There were no allocations under this plan during the 2022 financial year.

(c) Long-Term Variable Remuneration (Performance Share Rights)

Performance Share Right grants – Integration Grant and Long-Term Incentive Grant (all staff and Executives eligible to participate)

The long-term variable remuneration component of the awards made by RPL in August 2022 comprises the Integration Grant and the LTI Grant. Separate grants were offered under the Integration Grant and LTI Grant to employees, senior management and the CEO/MD of the Group. Rights issued under the Integration Grant and the LTI Grant vest over about three years, subject to the recipient being employed by the Group on the vesting date and not being subject to any formal performance management process on that date.

In addition, the LTI Grant is subject to certain company-specific performance hurdles (see Note 30 of the Consolidated Financial Statements for details on performance hurdles). The offer of rights under the Integration Grant and the LTI Grant is expected to be a one-off, with any future LTI allocations subject to different performance hurdles.

Restricted Share Plan

On 22 April 2022 before the merger, Regal Partners Limited (under VGI Partners Limited) issued 698,061 ordinary shares under a Restricted Share Plan for certain VGI employees (none of whom were VGI Directors). The shares were issued for nil consideration and carry the same voting and dividend rights as all other ordinary shares. The shares vest in June 2024 in accordance with the Restricted Share Plan rules. This was considered a one-off arrangement implemented by VGI prior to its merger with Regal Funds Management.

The deferral elements of the short-term and long-term variable remunerations arrangements are designed to align the interests of employees (including KMP) with Shareholders' interests. They will also help to retain talent and foster a culture of compliance, financial and operational risk management behaviour.

RPL's remuneration arrangements are regularly refined and reviewed to ensure that they align with the RPL's core purpose and business strategy.

2. OVERSIGHT AND GOVERNANCE

The Board delegates responsibility to the NRC for reviewing and making recommendations on remuneration policies and arrangements for the Group, including policies governing the remuneration of Directors and Executive KMP. RPL believes Group performance is driven by the quality of its Directors and Executive KMP. The NRC is scheduled to meet quarterly, or more frequently as and when required.

The NRC's objectives are to help the Board achieve its objectives to:

(a) evaluate the Board's performance and ensure that it is effective in terms of composition, size, commitment and knowledge of the business and industry in which it operates to adequately discharge its responsibilities and duties, and comprises individuals who are best able to discharge the responsibilities of directors of RPL having regard to the law and the best standards of governance;

(b) ensure that RPL has coherent remuneration policies and practices that are aligned with the Group's purpose, values, strategic objectives and risk appetite, and will help attract, motivate and retain executives and directors who will create value for Shareholders and are appropriately skilled and diverse;

(c) ensure that RPL observes its remuneration policies and practices; and

(d) ensure that RPL fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

The NRC periodically assesses the appropriateness of remuneration policies and the amount of remuneration on given with reference to relevant employment market conditions. It seeks independent advice from specialist remuneration consultants where required.

The NRC currently comprises two independent Non-Executive Directors and an Executive Director.

A copy of RPL's NRC Charter is available at www.regalpartners.com.

3. IDENTIFYING KMP COVERED IN THIS REPORT

The table below summarises the Group's KMP during the 2022 financial year and up to the date of this report, unless otherwise stated.

NAME	POSITION	DATE OF CHANGE AS KMP
Non-Executive KMP		
Michael J Cole AM	Independent Chair	Appointed as KMP from 3 June 2022
Sarah J Dulhunty	Independent Non-Executive Director	Appointed as KMP from 3 June 2022
Jaye L Gardner	Independent Non-Executive Director	
David F Jones AM	Non-Executive Director[1]	
Benjamin A Pronk DSC	Independent Non-Executive Director, VGI	No longer KMP from 3 June 2022
Darren J Steinberg	Independent Non-Executive Director, VGI	No longer KMP from 3 June 2022
Executive KMP		
Brendan J O'Connor	Chief Executive Officer and Managing Director	Appointed as KMP from 3 June 2022
Ian J Cameron	Chief Financial Officer and	
Joint Company Secretary		
Ian M Gibson	Executive Director	Appointed 3 June 2022
Robert M P Luciano	Executive Chairman, VGI	No longer KMP from 3 June 2022
Adam M Philippe	Chief Operating Officer, VGI	No longer KMP from 3 June 2022
Jonathan Howie	Chief Executive Officer, VGI	No longer KMP from 3 June 2022

1 Mr David Jones resigned from his executive role with RPL on 3 June 2022 and now serves on the Board of RPL as a Non-Executive Director.

4. RPL'S PURPOSE, OBJECTIVES AND BEHAVIOURS

RPL's purpose and strategic objectives encourage expected behaviours for staff and Executive KMP, as set out below.

RPL's purpose	The Group aims to be a leading provider of alternative investment strategies in Australia and Asia, and believes it can achieve this objective through its deep industry experience, extensive networks and multi-award-winning performance track records.
RPL's strategic objectives	– Provide clients with differentiated and attractive investment returns – Attract and retain a highly engaged team while promoting a culture of accountability, active risk management and the relentless pursuit of superior returns – Provide attractive returns to Shareholders – Build strong and constructive relationships with our investors
Behaviours RPL strives toward	– Clients first – Never lose sight of our clients and always act with integrity. Seek to constantly exceed expectations, both in investment performance and client experience. Delighted clients are our best advocates – Custodians of capital – we remind ourselves of the fiduciary duty we owe to our funds and clients. Promote active risk management, identify and manage key risks – Accountability and reputation – our reputation is of utmost value and must be preserved – Entrepreneurial – all staff members are encouraged to think like a business owner, be passionate and search for opportunities to invest and/or operate more efficiently – Teamwork - We aim to hire talented people and provide them with an opportunity to do their best work together. We operate a flat structure and win as a team, not as individuals. Leverage the collective. Embrace diversity of thought. – Alignment – we understand the power of true partnerships, and we invest alongside our clients and Shareholders to ensure interests remain aligned

As a leading provider of alternative investment strategies in Australia and Asia, RPL believes its value is linked to the skills and expertise of its people. When our staff members, including Executive KMP, consistently demonstrate the behaviours RPL strives towards; it plays an important part in driving long-term shareholder returns and achieving RPL's purpose and strategic objectives.

5. GROUP PERFORMANCE

The Group's performance is summarised below. The results are presented on a statutory basis. As the merger between Regal Funds Management and VGI was completed during the year, performance for the period is presented for the year ended 31 December 2022. Before the merger, Regal Funds Management was not required to prepare a remuneration report under the Corporations Act, and accordingly five (5) years of results are not presented.

	2022
Statutory gross revenue ($m)[1]	88.3
Statutory profit before tax ($m)[1]	22.1
Statutory profit after tax ($m)[1]	13.9
Dividends per share declared and paid prior to merger date (cents)[2]	76.7c
Dividends per share declared since merger date of 3 June 2022 (cents)[3]	4.0c
Statutory basic earnings per share (**EPS**) (cents)	6.99c
Statutory diluted EPS (cents)	5.73c
Traded share price at year end ($)	$3.43

1 Figures are prepared on a statutory basis and are consistent with RPL's Financial Report. These figures do not include normalised and pro forma results of RPL.

2 RPL (under VGI) declared dividends totalling $53,828,000 or 76.7 cents per share prior to the merger with Regal Funds Management, which are not included in the consolidated results. Regal Funds Management paid a total dividend of $32,040,000 prior to the merger.

3 Since the end of the financial year, the Directors declared a fully franked dividend of 4.0 cents per share to be paid on 22 March 2023.

PERFORMANCE OF KMP

Non-Executive KMP

The NRC is responsible for reviewing the collective and individual performance of Board members and reporting to the Board on the same. The NRC also reviews the remuneration of Non-Executive KMP for serving on the Board and any committee memberships, including the process by which the pool of Directors' fees approved by Shareholders is allocated to Non-Executive Directors.

Executive KMP

The NRC is responsible for reviewing the performance of the CEO/MD and ensuring RPL has a process for annually evaluating the performance of other senior executives including other Executive KMP. This is administered through annual performance reviews.

Executive KMP performance reviews consider the financial performance of the Group, and individual and team performance. The performance cycle commences in July each year, when performance objectives and targets are set for Executive KMP as a whole and individually. The performance cycle completes in June of the following year, when performance against objectives and targets is measured.

As this is the inaugural performance cycle since the merger between Regal Funds Management and VGI, measurement of performance against objectives and targets is currently underway.

The performance of each Executive KMP influences whether any adjustments are made to fixed and/or short-term variable remuneration.

6. REMUNERATION OF KMP – NON-EXECUTIVE DIRECTORS AND EXECUTIVE DIRECTORS

REMUNERATION OF EXECUTIVE KMP

The NRC also reviews the design of, and total proposed payments made under any incentive plan, including any performance hurdles associated with the incentive plans.

The table below shows the relative proportions of the 2022 remuneration of each Executive KMP, including the 2022 annual bonus and former bonus deferral program for their respective remuneration from 3 June 2022.

	FIXED (%)	VARIABLE – SHORT-TERM AND LONG-TERM (%)[1]	PAID DURING THE YEAR (%)[2]
Executive KMP			
Brendan J O'Connor	27	73	58
Ian J Cameron	43	57	88
Ian M Gibson	27	73	100

1 Short-term variable remuneration relates to cash bonuses paid during the year, as well as deferrals paid in the current year from prior periods. Accordingly, the relative proportions do not reflect remuneration on a forward-looking basis.

2 Excludes share-based payments, leave entitlement accruals and post-employment benefits.

For details of actual remuneration paid to Executive KMP, please refer to the Statutory Remuneration Table on page 27.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The NRC periodically reviews and determines Non-Executive Directors' remuneration. Non-Executive Directors' remuneration is not directly linked to the performance or earnings of the Group.

Under RPL's Constitution, the Board decides the total amount paid to each Non-Executive Director as remuneration for their services. The aggregate amount of remuneration that can be paid to the Non-Executive Directors is $1,200,000 per annum, as approved by Shareholders at a general meeting in May 2022. RPL's constitution specifies that any change to the maximum amount of remuneration that can be paid to the Non-Executive Directors must be approved by shareholders.

The Non-Executive Director roles held within the Group and the associated Directors' fees the Group has agreed to pay, including superannuation, are detailed in the table below. Non-Executive Directors receive no retirement benefits other than mandatory superannuation. No termination payments are payable on cessation of office, and any Director may retire or resign from the Board or be removed by a resolution of shareholders.

NON-EXECUTIVE DIRECTOR[1]	BOARD	AUDIT AND RISK COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Michael Cole	Chair	–	–
Sarah Dulhunty	Director	Member	Chair
Jaye Gardner	Director	Chair	Member
David Jones	Director	–	–

1 Mr Gibson is a member of both the Audit and Risk Committee and the Nomination and Remuneration Committee, however, he is excluded from the table as he is considered to be an Executive Director.

The table below presents amounts paid to the Non-Executive Directors on an annualised basis (including superannuation).

NON-EXECUTIVE DIRECTORS FEES – ANNUALISED	BOARD ($)	AUDIT AND RISK COMMITTEE ($)	NOMINATION AND REMUNERATION COMMITTEE ($)	TOTAL PER DIRECTOR ($)
Michael Cole	200,000	–	–	**200,000**
Sarah Dulhunty	100,000	10,000	20,000	**130,000**
Jaye Gardner	100,000	20,000	10,000	**130,000**
David Jones[1]	100,000	–	–	**100,000**

1 Mr David Jones resigned from his executive role with the Company on 3 June 2022 and now serves on the Regal Partners Limited Board as a Non-Executive Director.

For details of actual Directors' fees paid to Directors during 2022, please refer to the Statutory Remuneration Table on page 27. The remuneration of Directors must not include a commission on or a percentage of the profits or income of the Group.

7. STATUTORY REMUNERATION INCLUDING EQUITY AND PERFORMANCE SHARE RIGHTS

The following table discloses the total remuneration of KMP in accordance with the Corporations Act, for the year ended 31 December 2022, from the merger on 3 June 2022.

	SHORT-TERM BENEFITS				POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS		TOTAL REMUNERATION
FROM 3 JUNE 2022[1]	SALARY AND FEES ($)	SHORT-TERM VARIABLE ($)	LEAVE BENEFITS ($)	SHARE-BASED PAYMENTS ($)	SUPERANNUATION ($)	LEAVE BENEFITS ($)	SHARE-BASED PAYMENTS ($)	($)
Non-Executive KMP								
Michael J Cole AM	105,649	–	–	–	11,017	–	–	**116,666**
Sarah J Dulhunty	68,672	–	–	–	7,161	–	–	**75,833**
David F Jones AM[2]	52,825	–	–	–	5,509	–	–	**58,334**
Jaye L Gardner	68,672	–	–	–	7,161	–	–	**75,833**
Executive KMP								
Brendan J O'Connor	286,538	500,000	8,881	237,587	15,729	45,375	269,425	**1,363,535**
Ian J Cameron	243,363	300,000	16,327	–	14,610	–	184,205	**758,505**
Ian M Gibson	123,749	330,264	–	–	17,222	–	–	**471,235**
David F Jones AM[3]	–	300,000	–	–	–	–	–	**300,000**
Total KMP	**949,469**	**1,430,264**	**25,208**	**237,587**	**78,410**	**45,375**	**453,630**	**3,219,943**

1 Prior to the merger on 3 June 2022, the Group under Regal Funds Management was not required to prepare a remuneration report in accordance with the Corporations Act. Accordingly, information is presented from the merger date of 3 June 2022.

2 Mr David Jones resigned from his executive role with the Company on 3 June 2022, and now serves on the RPL Board as a Non-Executive Director.

3 Mr David Jones was eligible for short-term variable remuneration as part of his executive role before he resigned from the Board, pending Board and NRC approval. This was paid after the merger date of 3 June 2022.

KEY TERMS OF EMPLOYMENT OR SERVICE CONTRACTS

Independent Chairman and other Non-Executive Directors

Under the key terms and conditions of the Non-Executive Directors letters of appointment with RPL, Non-Executive Directors:

- receive fixed compensation per annum, including superannuation contributions;
- are not entitled to participate in the Company's short-term variable remuneration scheme; and
- may have their employment by the Group terminated without notice for serious misconduct, and the Group may terminate their employment contracts by providing three months' written notice.

Chief Executive Officer and Managing Director

Under the key terms and conditions of his employment contract, Mr O'Connor:

- receives fixed compensation of $527,500 per annum including superannuation contributions;
- may receive a bonus from time to time at the Board's absolute discretion, having regard to his performance against applicable key performance indicators and RPL's performance;
- is entitled to participate in any of RPL's compensation arrangements;
- may have his employment by the Group terminated without notice for serious misconduct, and the Group may terminate his employment contract by providing six months' written notice; and
- is subject to a six-month non-compete clause and six-month non-solicitation obligation on termination of his employment.

Other Executive KMP

Other than in respect to compensation, the key terms of the employment contracts of other Executive KMP are substantially the same as those of the Chief Executive Officer and Managing Director, other than as set out below:

- Mr Gibson receives a fixed Directors' fee for his role as Executive Director of the Company and separate fixed compensation for his employment as a Director of Attunga Capital Pty Ltd, a subsidiary company in the Group.

KMP equity holdings and other transactions

The following table sets out the interest of each KMP in ordinary shares in RPL:

EQUITY HOLDING IN RPL (NUMBER OF ORDINARY SHARES)						
	BALANCE AT 3 JUNE 2022 (MERGER DATE)[1]	RECEIVED AS PART OF REMUNERATION	PURCHASED ON ENTITLEMENT OFFER[2]	PURCHASED ON MARKET	ADDITIONS DUE TO EXERCISE OF PSRS	BALANCE AT 31 DECEMBER 2022
Non-Executive KMP						
Michael J Cole AM	**–**	–	–[3]	–	–	**–**
Sarah J Dulhunty	**–**	–	–	–	–	**–**
David F Jones AM[4]	**13,559**	–	–	–	–	**13,559**
Jaye L Gardner	**18,174**	–	3,635	–	–	**21,809**
Executive KMP						
Brendan J O'Connor	**8,715,107**	–	115,000	–	–	**8,830,107**
Ian J Cameron	**115,588**	–	–	–	–	**115,588**
Ian M Gibson	**1,879,102**	–	–	–	–	**1,879,102**

1 Holding as at 3 June 2022, the date of merger between Regal Funds Management and VGI. Prior to 3 June 2022, Regal Funds Management was not required to prepare a remuneration report in accordance with the Corporations Act. Accordingly, information is presented from the merger date of 3 June 2022.

2 During September 2022, RPL raised additional capital at $2.60 per share via an entitlement offer. The capital raising aimed to accelerate the execution of its diversified growth strategy, while increasing the free float and shareholder base of RPL. Shares issued under the entitlement offer rank equally with all existing fully paid ordinary RPL shares on issue. KMP who held shares at the record date for the entitlement offer were eligible to participate in the entitlement offer.

3 As announced to the ASX on 10 October 2022, Mr Michael Cole had been allotted 100,000 shares under the entitlement offer; these shares were subsequently sold due to ASX listing rule requirements.

4 Mr David Jones resigned from his executive role with the Company on 3 June 2022, and now serves on the RPL Board as a Non-Executive Director.

The following table sets out interests in PSRs of RPL held by KMP.

PERFORMANCE SHARE RIGHTS AWARDED						
	BALANCE AT 3 JUNE 2022 (MERGER DATE)[1]	DEFERRED BONUS GRANT	INTEGRATION GRANT	(LTI) GRANT	EXERCISED DURING THE PERIOD	BALANCE AT 31 DECEMBER 2022[2]
Executive KMP (only)						
Brendan J O'Connor	–	330,500	500,250	500,250	–	1,334,000
Ian J Cameron	–	–	116,725	116,725	–	233,450
Ian M Gibson	–	–	–	–	–	–
Total	**–**	**330,500**	**616,975**	**616,975**	**–**	**1,567,450**

1 Holding at the date of merger between Regal Funds Management and VGI. Prior to the acquisition on 3 June 2022, Regal Funds Management Pty Limited was not required to prepare a remuneration report in accordance with the Corporations Act. Accordingly, information is presented from merger date of 3 June 2022.

2 The amounts are unvested and unexercisable at balance date.

Shared-based payments

PSRs issued to KMP were made in accordance with the provisions of the Employee Share Plan. The table below shows the total PSRs granted to all KMP in 2022.

GRANTS	MATURITY	ISSUE VALUE ($/ RIGHT)	FAIR VALUE ($/ RIGHT)	NO. OF AWARDS GRANTED TO KMP (#)	NO. OF AWARDS HELD AT 31 DECEMBER 2022 (#)
2023 Deferred Bonus Grant	31 August 2023	2.9985	2.9305	166,750	166,750
2024 Deferred Bonus Grant	31 August 2024	2.9985	2.8153	166,750	166,750
2025 Integration Grant	August 2025	2.9985	2.6570	616,975	616,975
2025 LTI Grant	August 2025	2.9985	2.6570	616,975	616,975

For further detail around the Employee Incentive Plan, please refer to Section 1 of this Remuneration Report and note 30 of the Consolidated Financial Statements .

Further, for the 2025 LTI Grant, the fair value is adjusted for a probability of meeting a prescribed non-market performance hurdle of 5% per annum growth in normalised and pro forma net profit before tax over three years, calculated based on normalised profit during the year of the grant.

In relation to the 2025 LTI Grant, the Board considers that the specific financial hurdle encourages staff to strive for investment and operational achievement while making the hurdle an attractive return for shareholders. Over three years, the financial hurdle represents an increased net profit before tax of circa 15.7% increase from current levels. In addition, staff must be employed by the Group on the vesting date (being the date on which the 1H25 results for RPL are released to the market) and not have submitted a notice to terminate their employment agreement or be subject to any formal performance management processes.

The PSRs expenses are adjusted for RPL's estimate of those PSRs vesting (such as through forfeiture by KMP on terminating their employment with RPL). The remuneration report presents the carrying value allotted to KMP assuming all KMP will fulfil their service conditions.

Loans to KMP

No loans were made to KMP during the year.

8. OTHER STATUTORY DISCLOSURES

Use of remuneration advisors during the year

No remuneration consultants were engaged during the year.

SECURITIES TRADING POLICY

All staff members and Non-Executive Directors are required to comply with Regal Partners Securities Trading Policy at all times, with respect to all Group and other securities held. Trading is subject to pre-clearance and is not permitted during designated blackout periods, unless in exceptional circumstances. The Group's Securities Trading Policy is available at www.regalpartners.com.

DIVERSITY POLICY

RPL is committed to building a diverse and inclusive workforce, founded on respect, tolerance, growth and a workplace culture that fosters equal employment opportunities for all staff members. RPL actively promotes a culture of meritocracy, performance, fairness and potential. RPL recognises the value of attracting and retaining employees with different backgrounds, knowledge, experience and abilities.

The Company maintains a Diversity Policy, a copy of which is available at www.regalpartners.com. The policy outlines the Group's commitment to diversity and inclusion in the workplace and provides a framework for achieving its diversity and inclusion goals for the business. The Group's policy is to recruit and manage on the basis of competence and performance, regardless of age, race, gender, nationality, religion, sexuality, physical ability or cultural background.

Section 4 of the Diversity Policy sets out the Group's objectives for achieving diversity. Under the policy, the Group will seek to ensure that at least 30% of its Directors are female. Where measurable objectives for achieving gender or other forms of diversity are set, RPL will:

- task senior management with designing, implementing and maintaining programs and initiatives to ensure the Board achieves its diversity objectives;
- set indicators for senior management to measure and report on the achievement of the objectives; and
- annually review, assess and report on RPL's progress towards achieving those measurable objectives, and the adequacy of RPL's programs and initiatives in that regard.

REMUNERATION INFORMATION ON FORMER KMP OF RPL

As a result of the merger (detailed in the review of operations section of the Directors' Report), Mr Steinberg, Mr Pronk and Mr Luciano resigned from the Board. Ms Gardner and Mr Jones remained on the Board.

The tables below present the remuneration of Mr Steinberg, Mr Pronk, Mr Luciano, Mr Philippe and Mr Howie from 1 January 2022 to the merger on 3 June 2022 (from which date they ceased to be KMP). The tables also present the remuneration of Ms Gardner, Mr Jones and Mr Cameron until 3 June 2022 for completeness and represent the pre-merger list of KMP. Due to the principles of reverse acquisition accounting, these amounts are not included in RPL's consolidated statutory results (as detailed on Note 28 of the Consolidated Financial Statements). They are included here for the purpose of completeness only.

Other than as presented on the following page, any remuneration arrangements remain the same as in the 2021 figures (FY21) as presented in the 2021 Annual Report reported to the ASX on 28 February 2022.

	PERIOD[1]	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LEAVE BENEFITS		LONG-TERM VARIABLE	
	FROM 1 JANUARY 2022 TO 3 JUNE 2022 (MERGER DATE)	SALARY AND FEES ($)	SHORT-TERM VARIABLE ($)	NON-MONETARY AND OTHER ($)	SUPERANNUATION ($)	SHORT-TERM ($)	LONG-TERM ($)	SHARE-BASED[1] PAYMENTS ($)	TOTAL REMUNERATION ($)
Darren J Steinberg	Until merger date	35,035	–	–	3,503	–	–	–	38,538
	FY21	82,005	–	–	7,995	–	–	9,225	99,225
Ben A Pronk DSC	Until merger date	35,035	–	–	3,503	–	–	–	38,538
	FY21	82,005	–	–	7,995	–	–	3,690	93,690
Robert M P Luciano	Until merger date	182,600	–	8,171	10,092	15,728	–	–	216,591
	FY21	427,370	–	14,538	22,630	16,397	–	–	480,935
Jaye L Gardner	Until merger date	35,035	–	–	3,503	–	–	–	38,538
	FY21	82,005	–	–	7,995	–	–	3,690	93,690
David F Jones AM	Until merger date	107,664	–	–	10,092	3,708	–	–	121,464
	FY21	252,370	200,000	–	22,630	9,668	–	652	485,320
Jonathan Howie	Until merger date	139,780	525,000	–	10,092	12,039	–	–	686,911
	FY21	236,872	–	–	17,200	13,284	–	–	267,356
Ian Cameron	Until merger date	124,793	–	–	10,092	24,295	–	17,334	176,514
	FY21	277,369	285,000	–	23,131	22,973	–	2,703	611,176
Adam Philippe	Until merger date	124,793	–	–	10,092	15,909	2,245	33,513	186,552
	FY21	292,370	285,000	–	22,630	10,082	4,859	4,055	618,996
Total	**Until merger date**	**784,735**	**525,000**	**8,171**	**60,969**	**71,679**	**2,245**	**50,847**	**1,503,646**
Total	**FY21**	**1,732,366**	**770,000**	**14,538**	**132,206**	**72,404**	**4,859**	**24,015**	**2,750,388**

1 In 1H 2022, Regal Partners Limited refunded to participants any premiums paid in respect of VGI Options that were cancelled in April 2022. The amount paid to the participants that were KMP's were as follows: Darren Steinberg $6,500; Ben Pronk $2,600; Jaye Gardner $2,600; David Jones $9,000; Ian Cameron $37,296; Adam Philippe $55,944.

The following table sets out the interest of each former KMP in VGI until the merger on 3 June 2022.

EQUITY HOLDING IN RPL (NUMBER OF ORDINARY SHARES)						
	BALANCE AT 1 JANUARY 2022	RECEIVED AS PART OF REMUNERATION	PURCHASED/ (SOLD) ON MARKET	ADDITIONS DUE TO EXERCISE OF SHARE-BASED PAYMENTS	RESTRICTED SHARES ISSUED	BALANCE AT 3 JUNE 2022
Darren J Steinberg	**15,682**	–	–	–	–	**15,682**
Ben A Pronk DSC	**–**	–	–	–	–	**–**
Robert M P Luciano	**41,054,222**[1]	–	–	–	–	**41,054,222**
Jaye L Gardner	**18,174**	–	–	–	–	**18,174**
David F Jones AM	**13,559**	–	–	–	–	**13,559**
Jonathan Howie	**200**	–	(200)	–	–	**–**
Ian Cameron	**10,879**	–	–	–	104,709	**115,588**
Adam Philippe	**18,433**	–	–	–	202,438	**220,871**

1 Per Appendix 3Z as lodged on the ASX on 9 June 2022.

The following table sets out the interest of each former KMP in share options prior to the merger on 3 June 2022. All share options were cancelled before the merger.

NUMBER OF SHARE OPTIONS					
	BALANCE AT 1 JANUARY 2022	RECEIVED AS PART OF REMUNERATION	PURCHASED ON MARKET	OPTIONS CANCELLED AS A RESULT OF MERGER	BALANCE AT 3 JUNE 2022
Darren J Steinberg	**81,168**	–	–	(81,168)	**–**
Ben A Pronk DSC	**32,467**	–	–	(32,467)	**–**
Robert M P Luciano	**–**	–	–	–	**–**
Jaye L Gardner	**32,467**	–	–	(32,467)	**–**
David F Jones AM	**64,935**	–	–	(64,935)	**–**
Jonathan Howie	**–**	–	–	–	**–**
Ian Cameron	**269,089**	–	–	(269,089)	**–**
Adam Philippe	**403,636**	–	–	(403,636)	**–**

End of Remuneration Report

ROUNDING OF AMOUNTS

The Group is an entity of the kind referred to in Australian Securities and Investments Commission (**ASIC**) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Corporations Instrument, amounts in the Directors' Report are rounded to the nearest thousand dollars, or in certain circumstances to the nearest dollar.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the *Corporations Act 2001* (Cth) for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under Section 237 of the Corporations Act.

NON-AUDIT SERVICES

The Board is satisfied that the provision of other services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act. For the following reasons, the Directors are satisfied that the services disclosed in note 31 of the Consolidated Financial Statements did not compromise the Auditor's independence:

- All non-audit services are reviewed prior to commencement, to ensure they do not adversely affect the integrity or objectivity of the Auditor.
- The nature of the services provided does not compromise the general principles relating to the Auditor's independence, in accordance with the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional & Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is included on page 36.

ENVIRONMENTAL REGULATION

The Group has reviewed its exposure to environment-related regulation and other emerging risks, and has not identified any significant risk that could impact the financial performance or position of the Group. To the extent that any environmental regulations may have an incidental impact on the Group's operations, the Directors of the Group are not aware of any breach of those regulations by the Group.

Brendan O'Connor

Chief Executive Officer and Managing Director

Sydney

23 February 2023

Investing in the Community

Regal Partners strongly believes in supporting charitable, social and environmental causes and this philosophy is deeply embedded across the group's businesses and staff culture. The firm also considers that the best way to provide assistance is to draw on its strengths, namely by offering its investment management capabilities. Some of Regal's key partnerships and contributions are highlighted below.

FUTURE GENERATION INVESTMENT COMPANY (ASX:FGX)

Regal Funds Management provides pro bono funds management services to Future Generation Australia (ASX: FGX) a listed investment company which provides investors with both investment and social returns, whilst supporting a range of high-impact not-for-profits focused on children and youth at risk. FGX's social impact partners include United Way (childhood literacy), Lighthouse Foundation (youth homelessness), Giant Steps (youth autism) and Youth Off the Street's Aboriginal Cultural Connections program. Regal currently manages approximately $70m on behalf of FGX and approximately $3.6m of management and performance fees have been rebated by Regal since FGX's inception in 2014. In lieu of the payment of management and performance fees, FGX donates 1% of the investment company's net assets per annum to its nominated not-for-profits and others, equating to more than $30m since inception.

HEARTS AND MINDS

Regal Funds Management has been a longstanding supporter of Hearts and Minds, an organisation dedicated to raising money for Australian medical research. Regal provides pro bono services to Hearts and Minds Investments Limited (HM1), a philanthropic listed investment company, and provides speakers for the annual Sohn Hearts & Minds Investment Leaders Conference, where fund managers provide stock recommendations for HM1's portfolio. HM1 donates 1.5% of its net tangible assets per annum and, combined with the conference fundraising, has donated over $45m in cumulative research funding to date. As a HM1 Core Fund Manager, Regal is able to nominate beneficiaries and Regal has chosen to support the RPA Green Light Institute for Emergency Care.

About the RPA Green Light Institute: The Institute was established in 2020 as part of the Sydney Local Health District to facilitate and coordinate research for emergency department patients, as well as provide education and training to medical emergency professionals. Since it began, the Institute has spearheaded many high-impact research initiatives which will have direct impact on patient outcomes. The Institute also takes a highly collaborative approach, leading and facilitating research with other pioneering organisations and clinicians. Some of its key focus areas include care of patients suffering strokes, cardiac arrests and rib fractures, as well as broader programs relating to musculoskeletal and mental health problems. The Institute has also developed and piloted an Artificial Intelligence tool for managing patient flow and overcrowding, while also collaborating with Macquarie University and the Digital Health Cooperative Research Centre to test Artificial Intelligence-assisted chest X-Ray interpretation.

KILTER RURAL

Kilter Rural, currently 61% owned by Regal Partners, was established in 2004 to generate long-term, resilient and uncorrelated inflation-protected returns for investors by profitably improving Australian farmland, water and ecosystems at scale. One of Kilter's core funds is the Murray-Darling Basin Balanced Water Fund (BWF), founded in 2015, which invests in permanent water rights in the southern Murray-Darling Basin to secure water for agriculture. The fund has the ability to donate surplus water to endangered wetlands that are home to threatened wildlife and bird species. BWF has announced an intention to donate over 5,000 megalitres (ML) of water to the environment over the 2023 year. Previous donations of over 7,900ML have benefitted 35 wetlands and have resulted in 913ha of wetlands directly inundated. An area of over 9000ha is estimated for improved biodiversity outcomes as a result of the environmental water donations. The BWF donation is being delivered through the Funds partnership with The Nature Conservancy (TNC) and the Murray Darling Wetlands Working Group (MDWWG). The 2023 donation will represent one of the largest private water donations in Australian history.

"The 2023 donation will represent one of the largest private water donations in Australian history."

CHARITABLE FOUNDATION CLASS OF THE VGI PARTNERS MASTER FUND

The VGI Partners Foundation was established in 2018 to support social cohesion, the health and wellbeing of Australian children and families who have made a significant personal sacrifice while contributing to Australian society. The Foundation is funded from the donation of management and performance fees from a Charitable Foundation class of the VGI Partners Master Fund. Over $2m has been generated from fees for the Foundation since inception to December 2022. In the Foundation's most recent fiscal year, support was provided to a range of organisations including Dolly's Dream (bullying prevention), RAISE (high school mentoring), the Sydney Jewish Museum, Kids Under Cover (youth homelessness), the Women's and Girls' Emergency Centre and Women's Community Shelters. A matching program is also available for Regal Partners staff, who can have their charitable donations matched by the Foundation if the charity is deemed to be in line with the Foundation's objectives.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Regal Partners Limited
Level 47 Gateway, 1 Macquarie Place
Sydney NSW 2000

23 February 2023

Dear Board Members

Auditor's Independence Declaration to Regal Partners Limited (formerly VGI Partners Limited)

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Regal Partners Limited.

As lead audit partner for the audit of the financial report of Regal Partners Limited for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountant
Sydney, 23 February 2023

Consolidated Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	NOTE	YEAR ENDED 31 DECEMBER 2022 $'000	YEAR ENDED 31 DECEMBER 2021[1] $'000
Income			
Management fees	5	50,570	28,697
Performance fees	5	31,648	109,454
Share of profit of an associate or joint venture	6	4,152	249
Other income incl. net gain/(loss) on financial assets		1,959	11,606
Total net income		**88,329**	**150,006**
Expenses			
Personnel expenses	8	(41,483)	(48,653)
Research, IT and communications expenses		(3,436)	(772)
Finance and occupancy expenses		(1,706)	(1,560)
Depreciation and amortisation of other intangibles		(2,217)	(1,986)
Operating cost of funds	5	(4,954)	(4,514)
Amortisation of contract assets	5	(2,942)	–
Donations and charitable contributions		(196)	(145)
Other expenses	9	(9,341)	(6,522)
Total expenses		**(66,275)**	**(64,152)**
Profit before tax		**22,054**	**85,854**
Income tax expense	10	(8,143)	(25,474)
Profit for the period		**13,911**	**60,380**
Profit attributable to:			
Owners of RPL		11,623	59,859
Non-controlling interest		2,288	521
Earnings per share (EPS) attributable to the owners of RPL:			
Basic (cents per share)	7	6.99	59.29
Diluted (cents per share)	7	5.73	36.06
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(210)	622
Total comprehensive income for the period		**13,701**	**61,002**
Total comprehensive income attributable to			
Owners of RPL		11,413	60,481
Non-controlling interest		2,288	521

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

1 As set out in note 28 to the consolidated financial statements, as a result of the reverse acquisition of VGI by Regal Funds Management for accounting purposes, the comparative information for 31 December 2021 represents the financial performance of Regal Funds Management only. The Statement of Profit or Loss and Other Comprehensive Income for the 12 months ended 31 December 2022 represents results of Regal Funds Management only from 1 January 2022 to 3 June 2022 and the consolidated Group results from 4 June 2022 to 31 December 2022.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	NOTE	31 DECEMBER 2022 $'000	31 DECEMBER 2021[1] $'000
Assets			
Cash and cash equivalents		39,764	16,599
Amounts due from brokers		224	–
Trade and other receivables	14	23,306	64,362
Investment in financial assets	11	173,694	35,127
Income tax receivable	10	2,027	–
Contract assets	13	5,043	–
Total current assets		**244,058**	**116,088**
Property, plant and equipment		835	249
Loan receivables		4,200	6,401
Deferred tax asset	10	18,888	24,211
Right of use assets	15	4,071	5,483
Intangible assets	29	183,756	15,061
Investment in associate		99	–
Contract assets	13	28,901	–
Other assets		1,809	867
Total non-current assets		**242,559**	**52,272**
Total assets		**486,617**	**168,360**
Liabilities			
Trade and other payables	16	3,816	7,745
Income tax payable	10	–	16,073
Deferred revenue		14,975	17,596
Employee entitlements	12	20,517	25,644
Lease liability	15	1,777	1,873
Total current liabilities		**41,085**	**68,931**
Interest-bearing loans and borrowings		–	156
Employee entitlements	12	959	13,055
Deferred tax liability	10	5,800	3,390
Provisions		100	154
Lease liability	15	2,736	3,892
Total non-current liabilities		**9,595**	**20,647**
Total liabilities		**50,680**	**89,578**
Net assets		**435,937**	**78,782**
Equity			
Share capital	18	378,545	10,080
Reserves	18	15,564	7,112
Retained earnings		38,025	58,442
Non-controlling interests		3,803	3,148
Total Shareholders' equity		**435,937**	**78,782**

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

1 As set out in notes 28 of the consolidated financial statements, as a result of the reverse acquisition of VGI by Regal Funds Management for accounting purposes, the comparative information for 31 December 2021 represents the financial position of Regal Funds Management only. The Statement of Financial Position as at 31 December 2022 includes the consolidated positions of Regal Funds Management and VGI as at 31 December 2022.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	NOTE	SHARE CAPITAL $'000	FCTR* $'000	SHARE-BASED PAYMENT RESERVE $'000	RETAINED EARNINGS $'000	TOTAL ATTRIBUTABLE TO OWNERS OF RPL $'000	NON-CONTROLLING INTERESTS $'000	TOTAL EQUITY $'000
Balance at 1 January 2021[1]		**33,080**	**112**	**3,123**	**16,583**	**52,898**	**–**	**52,898**
Profit for the period		–	–	–	59,859	59,859	521	60,380
Other comprehensive income		–	622	–	–	622	–	622
Redeemed preference shares	18	(20,000)	–	–	–	(20,000)	–	(20,000)
Share-based payments		(3,000)	–	3,255	–	255	–	255
Non-controlling interest arising on a business combination		–	–	–	–	–	2,627	2,627
Dividends paid		–	–	–	(18,000)	(18,000)	–	(18,000)
Balance at 31 December 2021		**10,080**	**734**	**6,378**	**58,442**	**75,634**	**3,148**	**78,782**
Balance at 1 January 2022		**10,080**	**734**	**6,378**	**58,442**	**75,634**	**3,148**	**78,782**
Profit for the period		–	–	–	11,623	11,623	2,288	13,911
Other comprehensive income		–	(210)	–	–	(210)	–	(210)
Issue of shares on merger	18	260,161	–	–	–	260,161	–	260,161
Share issue transaction costs – merger	18	(353)	–	–	–	(353)	–	(353)
Issue of shares on capital raise	18	109,987	–	–	–	109,987	–	109,987
Share issue transaction costs – capital raise	18	(1,330)	–	–	–	(1,330)	–	(1,330)
Share-based payments	18	–	–	8,662	–	8,662	–	8,662
Dividends paid		–	–	–	(32,040)	(32,040)	(1,633)	(33,673)
Balance at 31 December 2022		**378,545**	**524**	**15,040**	**38,025**	**432,134**	**3,803**	**435,937**

* FCTR = foreign currency translation reserve.

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

1 As set out in note 28 to the consolidated financial statements, as a result of the reverse acquisition of VGI by Regal Funds Management for accounting purposes, the comparative information for 31 December 2021 represents the financial performance of Regal Funds Management only. The 'profit for the period' for the 12 months to 31 December 2022 represents Regal Funds Management only from 1 January 2022 to 3 June 2022 and the consolidated Group results from 4 June 2022 to 31 December 2022.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	NOTE	YEAR ENDED 31 DECEMBER 2022 $'000	YEAR ENDED 31 DECEMBER 2021[1] $'000
Cash flows from operating activities			
Cash receipts in the course of operations		146,118	166,485
Income taxes paid		(16,143)	(40,291)
Cash payments in the course of operations		(99,400)	(82,721)
Interest received		887	409
Repayment from other assets		32	–
Net cash inflows/(outflows) from operating activities	**24**	**31,494**	**43,882**
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(653)	(159)
Payments to acquire intangible assets		(2,200)	–
Cash obtained on acquisition of business	28	41,458	1,639
Broker advances		3,489	–
Payments for financial assets		(96,446)	–
Dividends received from associate		–	2,132
Receipts from loan receivables		490	140
Net cash inflows/(outflows) from investing activities		**(53,862)**	**3,752**
Cash flows from financing activities			
Redemption of preference shares	18	–	(20,000)
Repayments of borrowings		(156)	(94)
Proceeds on issue of shares	18	109,987	–
Payments related to issue of shares	18	(2,179)	–
Repayments of lease liability		(2,059)	(898)
Dividends paid		(60,040)	(18,000)
Net cash inflows/(outflows) from financing activities		**45,553**	**(38,992)**
Net increase in cash and cash equivalents		23,185	8,642
Cash and cash equivalents at the beginning of the year		16,599	7,957
Effects of exchange rate changes on the balance of cash held in foreign currencies		(20)	–
Cash and cash equivalents at the end of the year		**39,764**	**16,599**

The above consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1 As set out in note 28 to the consolidated financial statements, as a result of the reverse acquisition of VGI by Regal Funds Management for accounting purposes, the comparative information for 31 December 2021 represents the financial performance of Regal Funds Management only. The consolidated Statement of Cash Flows for the twelve months to 31 December 2022 represents the results of Regal Funds Management only for the period 1 January 2022 to 3 June 2022, and the consolidated Group results from 4 June 2022 to 31 December 2022.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1 CORPORATE INFORMATION

The 2022 Annual Report of Regal Partners Limited (formerly VGI Partners Limited) (the **Company**) and its controlled entities (together, **Regal Partners** or the **Group**) for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors on 23 February 2023.

Regal Partners Limited is a company limited by shares incorporated and domiciled in Australia and is listed on the Australian Securities Exchange (**ASX**) under the ticker, RPL (formerly VGI).

The registered office and principal place of business of the Group is Level 47 – Gateway, 1 Macquarie Place, Sydney NSW 2000.

The nature of the operations and principal activities of the Group are described in the Directors' Report. Information on the Group and entities comprising the Group is provided in note 26.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted have been consistently applied to all periods presented (unless otherwise stated) and are set out below.

(A) BASIS OF PREPARATION

The 2022 Annual Report for the year ended 31 December 2022 has been prepared in accordance with the *Corporations Act 2001* (Cth), Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (**AASB**) as appropriate for entities operating for profit.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except, where applicable, for the revaluation of financial assets and liabilities at fair value through profit or loss. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

Critical accounting estimates

Preparing financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Rounding

In accordance with ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, amounts in the Directors' Report and the consolidated financial statements have been rounded to the nearest thousand dollars or in certain circumstances, to the nearest dollar (where indicated).

Currency

The annual report is presented in Australian dollars ($).

(B) STATEMENT OF COMPLIANCE

Compliance with Australian Accounting Standards ensures that the Group's financial statements and notes comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (IASB). Consequently, this annual report has been prepared in accordance with IFRS as issued by the IASB.

(C) BASIS OF CONSOLIDATION

On 3 June 2022, VGI Partners Limited (now renamed Regal Partners Limited) acquired all shares in Regal Funds Management in return for the issuance of 141,008,460 fully paid VGI shares to Regal Funds Management Shareholders.

Pursuant to the merger, existing VGI Shareholders and Regal Funds Management Shareholders would own 33.3% and 66.7% respectively, of the shares in the listed entity (Regal Partners Limited) after merger completion.

These financial statements represent a continuation of Regal Funds Management since that entity is deemed the accounting acquirer pursuant to the accounting standards. Therefore, the comparative results represent those of Regal Funds Management's operations and not those of VGI, and the financial statements will not compare to the consolidated financial statements of VGI published in the previous financial reporting period. The current financial results represent those of the consolidated entity comprising Regal Funds Management for the entire period and the legal parent VGI from 4 June 2022 to 31 December 2022.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all Group subsidiaries as at 31 December 2022 and the results of the Group for the year then ended. Regal Funds Management (the accounting parent entity) and its subsidiaries are summarised in note 26.

Subsidiaries are all those entities over which the Group has control. Control is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control (as above). Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The acquisition of Regal Funds Management by VGI on 3 June 2022 has been accounted for by applying the principles of reverse acquisition accounting, and the consolidated financial statements represent a continuation of the financial statements of Regal Funds Management. Refer to note 28 for further explanation of the accounting for this transaction.

Business combinations, including acquisitions of subsidiaries, are initially accounted for on a provisional basis. The Group is permitted to retrospectively adjust the provisional amounts recognised and may also recognise additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of: (i) 12 months from the date of acquisition; or (ii) when the Group receives all the information possible to determine the fair value. Refer to note 28 for provisional calculations performed at the date of this report.

The profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (**NCI**), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(D) APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all new and revised standards and interpretations issued by the AASB that are relevant to its operations and which became mandatory for the current reporting period. This has not had any significant impact on the amounts recognised in the financial statements.

(E) ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group does not consider that any accounting standards issued but not yet effective will have any significant impact on the financial statements in future reporting periods.

(F) FAIR VALUE MEASUREMENT

The Group measures financial instruments such as investment in funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(G) FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent's functional currency. The Group determines the functional currency for each entity, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date, and their consolidated statements of profit or loss and other comprehensive income are translated at the exchange rate prevailing at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the components of other comprehensive income relating to that particular foreign operation are recognised in profit or loss.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(I) AMOUNTS DUE TO OR FROM BROKERS

Amounts due to or from brokers comprise of cash paid or received by brokers, on behalf of the Group under prime brokerage agreements and related to margin accounts.

Credit risk relating to these transactions is considered to be low due to the short settlement period involved and the high credit quality of the brokers used.

(J) TRADE AND OTHER RECEIVABLES

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are generally collected within 30 days and upon instructions of the investment manager, which are recognised at fair value less an allowance for uncollectible items.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (**ECLs**). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(K) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The consolidated Statement of Profit or Loss and Other Comprehensive Income reflects the Group's share of the results of operations of the associate and joint venture. Any change in Other Comprehensive Income (**OCI**) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

(L) FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

Financial assets are recognised when the Group becomes party to the contractual provisions of the instrument, and are initially recognised at fair value. For financial assets measured to fair value through profit or loss, trade date accounting is adopted, which is equivalent to the date the Group commits itself to purchase or sell the assets.

Transaction costs related to financial instruments held at fair value through profit or loss are immediately expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Classification

The Group classifies its financial assets into the following categories:

- Financial assets including cash and cash equivalents, trade receivables, contract assets and other assets are measured at amortised cost, as these assets are held within a portfolio with a business model whose objective is to hold assets in order to collect contractual cash flows ('hold to collect'), and contractual terms give rise to specified dates that are solely payments of principal and interest (**SPPI**).
- Financial assets including investments in listed securities and funds, unlisted funds managed by the Group and unlisted equity securities are classified at fair value through profit or loss as they are not held to collect contractual cash flows or sell, or the SPPI test is not passed. Further, fair value information is used to assess the performance of these assets and to make decisions.

Subsequent measurement

Financial assets in the 'fair value through profit or loss' category are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all listed or unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including reference to recent arm's-length transactions and similar instruments. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Financial assets in the 'amortised cost' category are subsequently measured using the effective interest rate (**EIR**) method and are subject to impairment. Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised, modified or impaired.

Impairment of financial assets

The ECL model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income (**FVOCI**), but not to investments in equity instruments measured at fair value through profit or loss (**FVTPL**). The Group does not hold any debt investments at FVOCI. The Group applies the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and right of use assets.

All the Group's trade receivables share consistent credit risk. The Group is not exposed to credit risk relating to the receivables balance as these amounts primarily relate to performance and management fees, which are settled between seven and 31 days after being invoiced and are managed internally within the Group.

Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, they are recognised as the net of directly attributable transaction costs.

Classification
Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at amortised cost consist of trade and other payables, and interest-bearing loans and borrowings. This category of financial liabilities is most relevant to the Group.

Subsequent measurement
Financial liabilities at amortised cost are measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees, or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

(M) INTANGIBLES

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for these assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit (**CGU**) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds), and the carrying amount of the asset, is included in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

A summary of the policies applied to the Group's intangible assets is, as follows:

	MANAGEMENT RIGHTS	GOODWILL
Useful lives	Finite	Indefinite
Amortisation method used	Amortised on a straight-line basis over contractual periods or up to 10 years.	No amortisation

Goodwill

Goodwill arises upon the acquisition of a business and is included as part of intangible assets. It is initially recognised on a provisional basis. Goodwill represents the excess of acquisition cost over the fair value of the consolidated entity's share of the net identifiable assets of the entity acquired at the date of acquisition. If the amount is less than the fair value of the net identifiable assets of the entity acquired, the difference is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Management rights

Management rights arise when one or more person act together to participate in or substantially influence the conduct to provide guidance concerning the management, operations or business objectives of the acquired investment portfolio.

Management rights have a finite useful life. The cost of acquiring a management right is amortised on a straight line basis over the contractual period or up to 10 years.

(N) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in an asset's carrying amount or it is 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 year in which they are incurred. Property, plant and equipment are depreciated to write off the cost of each asset over its expected economic life. Additions during the year are depreciated on a pro rata basis from the date of acquisition.

Depreciation rates used are in accordance with the Australian Taxation Office's effective life tables. An asset's residual value and useful life is reviewed, and adjusted if appropriate, at each balance date. The depreciation periods are:

Computer equipment	4 years
Office fit-out	3–5 years
Office furniture and equipment (including artwork)	5–100 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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.

(O) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the group assesses whether an asset may be impaired. If there is any indication of impairment, or when impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for any of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income as an expense.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(P) RIGHT OF USE ASSETS

A right of use asset is recognised at the commencement date of a lease. The value of a right of use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, net of any lease incentives received, and any initial direct costs incurred. A right of use asset is depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. The value of the right of use asset is determined with reference to the period over which the consolidated entity is expected to benefit from the lease, and will be disclosed as current or non-current accordingly. The value of right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group has elected not to recognise a right of use asset and a corresponding lease liability for short-term leases with terms of 12 months or less, and leases of low-value assets. Lease payments on these assets are expensed to the Statement of Profit or Loss and Other Comprehensive Income as incurred.

(Q) LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Lease payments comprise fixed payments less any adjustments as required under the relevant accounting standard, such as lease incentives receivable, or variable lease payments that depend on an index or rate. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured to reflect changes to lease terms or lease payments, and any lease modifications are not accounted for as separate leases. The unwinding of the discount on the lease liability is presented as a finance and occupancy cost in the Statement of Profit or Loss and Other Comprehensive Income.

(R) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability, with the amounts normally paid within 30 days of recognition of the liability.

(S) PROVISIONS

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, (for example, under an insurance contract), the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Leave entitlements

The liabilities for long service leave are recognised and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, and the experience and period of service of employee departures. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Liabilities for annual leave are recognised in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(T) REVENUE RECOGNITION

Revenue from a contract with a customer is recognised when control of the relevant goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled, in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Investment management fees

Investment management fees include management, performance and advisory fees. These are recognised by reference to the terms of the management agreements of the applicable funds, and accrued as and when they are due, and are no longer subject to significant reversal.

The majority of the Group's revenue arises from management fees and performance fees. Refer to note 5 for additional information.

Trust distribution and investment dividend income

Trust distribution and investment dividend income is recognised when the right to receive a distribution or dividend has been established.

Deferred revenue

Deferred revenue relates to performance fees received but not recognised as revenue during the year. Certain funds being managed by the Group can only recognise revenue to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue (i.e., performance fees at the end of the contract period) will not occur.

(U) EARNINGS PER SHARE

Basic earnings per share (**EPS**) are calculated by dividing the Group's profit after income tax by the weighted average number of ordinary shares outstanding during the financial year. The number of fully paid ordinary shares in the comparative period has been restated to reflect the ratio of the number of shares Regal Funds Management Shareholders obtained in the listed entity in exchange for transferring their interests in Regal Funds Management to the listed entity, as a result of the merger (the **exchange ratio**).

Diluted EPS are calculated by dividing the Group's profit after income tax, adjusted by profit attributable to all the dilutive ordinary potential shares, by the weighted average number of ordinary shares and potential ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares into ordinary shares. This includes the impact of the exchange ratio in the comparative period.

(V) TAXES

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. The exception is when the liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities. These entities must intend to either settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Goods and services tax

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

- the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

Cash flows are included in the consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, and that is recoverable from or payable to the taxation authority, is classified as part of operating cash flows.

(W) SHARE-BASED PAYMENTS

Equity-settled share-based compensation benefits are provided to certain employees, including the Chief Executive Officer (**CEO**), in the form of performance share rights (**PSRs**), which convert to ordinary shares at a future date.

The cost of equity-settled transactions is measured at fair value on the grant date. Fair value is determined using relevant share price trading on the grant date, adjusted for dividend yields on dividend foregone until the PSRs vest at a future period.

Unless otherwise determined by the Board, a PSR holder must continue to be employed by the Group until the vesting date. Certain grants may also have a specified performance hurdle as a condition of vesting.

The cost of the equity-settled transactions is recognised as an expense over each grant's vesting period, with a corresponding increase in the share-based payments reserve over the vesting term.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining the lease term of contracts with renewal and termination options – the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or arising circumstances that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (**DCF**) model. Further information is continued in note 29.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and the level of future taxable profits, together with future tax planning strategies.

Fair value measurement of financial instruments

The fair value of financial instruments that are not traded in an active market (such as financial instruments classified as Level 3 in the fair value hierarchy, as described in, note 20) is determined using valuation techniques.

The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (**IBR**) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of a lease (for example, when the lease is not in the subsidiarity's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available, and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Business combinations

As discussed in note 28, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group, taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting (including reverse acquisition accounting) is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Share-based payments

The PSRs expense is adjusted for RPL's estimate of those PSRs that are expected to vest (taking into account factors such as forfeiture by KMP on terminating their employment with RPL).

Further, for the 2025 Long-Term Incentive (**LTI**) Grant, the expense recognised takes into account the probability of meeting a prescribed non-market performance hurdle of 5% p.a. growth in normalised and pro forma net profit before tax over three years, calculated based on normalised profit during the year of the grant. It has been determined that it is probable the hurdles will be realised at balance date. Further information is contained in note 30.

Unconsolidated structured entities

The Group holds interests in certain investment funds for which group members provide investment management services. Such interests are not considered to be interests in controlled entities, and are recognised in the consolidated financial statements as financial assets held at fair value through profit and loss. This classification involves the use of judgement in assessing whether the Group controls each relevant fund, including consideration of the nature and significance of various factors such as the exposure of Group entities to variability of returns for the funds, fees to which Group entities are entitled from the funds, the scope of the Group entities' decision-making authority over the fund and the rights held by third parties to remove Group entities as the fund manager.

4 OPERATING SEGMENTS

The main business activities of the Group are the provision of investment management services. The Directors are identified as the Chief Operating Decision Makers (**CODM**), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources. Other activities undertaken by the Group, including investing activities, are incidental to the main business activities. Based on the internal reports that are reviewed by the CODM, the Group has one operating segment: the provision of investment management services with the objective of offering investment funds to investors.

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is measured at an amount that reflects the consideration the Group is expected to be entitled to in exchange for providing services to its customers, net of rebates. The criteria for recognition are outlined below:

- Management fees

  These fees are recognised over time as they are earned, based on the applicable investment management agreements. The fees are based on a percentage of the portfolio value of the fund or mandate at the relevant measurement period and are paid following the end of each month in arrears.

- Performance fees

  These fees are recognised as income over time as they are earned, based on applicable investment management agreements, when it is highly probable that a significant reversal in the cumulative amount of the revenue would not occur. Though performance fees are recognised over time, they are typically constrained until meeting or exceeding the relevant performance hurdle or high-water mark stated in the investment management agreement due to market volatility.

  The Group's entitlement to future performance fees is dependent on the net asset value of the relevant portfolio exceeding a stated hurdle or high-water mark. For those funds the Group manages that have a high-water mark, the high-water mark is the net asset value price at the end of the most recent calculation period for which the Group was entitled to a performance fee, adjusted for additions and redemptions.

DISAGGREGATION OF REVENUE

	YEAR ENDED 31 DECEMBER 2022 $'000	YEAR ENDED 31 DECEMBER 2021 $'000
Type of service		
Investment management services – management fees	50,570	28,697
Investment management services – performance fees [1]	31,648	109,454
Total investment management services	**82,218**	**138,151**
Costs associated with providing investment management services		
Operating costs of funds	(4,954)	(4,514)
Amortisation of contract assets[2]		
(from 4 June 2022 to 31 December 2022)	(2,942)	–

1 Excludes gross $5.6 million received in performance fees from associate. When considered together, total revenue the Group derived from performance fees related sources was $37,243,000. For further details see note 6.

2 Relates to VGI Partners Global Investments Limited (**VG1**) and Regal Asian Investments Limited (**RG8**).

6 SHARE OF PROFIT OF ASSOCIATE

	YEAR ENDED 31 DECEMBER 2022 ($'000)	YEAR ENDED 31 DECEMBER 2021 ($'000)
Share of profit	552	249
Dividend received from performance fees earned by associate (fully franked) (see below)	3,600	–
Total share of profit of associate	**4,152**	**249**

During the year, the Group received performance fee payments made up of a fully franked dividend of $3.6 million (the grossed-up amount is $5.1 million) and a $0.4 million expense reimbursement. These payments were crystallised due to performance fees received by the Gresham Resources Royalties Fund.

When considering this receipt with the performance fees earned during the year (see note 5), the total performance fees-related revenue for the year ended 31 December 2022 was $37,243,000 (31 December 2021: $109,454,000).

7 EARNINGS PER SHARE (EPS)

	YEAR ENDED 31 DECEMBER 2022 ($'000)	YEAR ENDED 31 DECEMBER 2021 ($'000)[1]
Profit after tax for the year attributable to the owners of RPL	11,623	59,859

	NUMBER ('000)	NUMBER ('000)
Weighted average number of ordinary shares outstanding during the period, used in calculating basic EPS	166,386	100,958
Weighted average number of ordinary shares used in calculating diluted EPS	202,702	166,015

EARNINGS PER SHARE	CENTS	CENTS
Basic EPS (cents per share)	6.99	59.29
Diluted EPS (cents per share)	5.73	36.06

1 In accordance with the specific guidance provided in AASB 3 Business Combinations, the weighted average number of ordinary shares outstanding has been calculated as follows:

- Year ended 31 December 2022: the number of ordinary shares by Regal Funds Management adjusted for the exchange ratio (141,008,460) weighted between 1 January 2022 to 3 June 2022, plus the number of RPL shares on issue (211,512,690) after 3 June 2022.
- Year ended 31 December 2021: the number of ordinary shares and preference shares by Regal Funds Management adjusted for the exchange ratio (141,008,460) weighted between 1 January 2021 and 31 December 2021.

Further, the Group raised capital via a non-renounceable accelerated entitlement offer during September 2022. The EPS calculation is adjusted for the 42,302,538 ordinary shares issued at a price of $2.60 per share.

8 PERSONNEL EXPENSES

	2022 ($'000)	2021 ($'000)
Defined contribution superannuation expense	1,204	699
Salary and wages and bonus	27,923	45,937
Amortisation of performance share rights	10,457	100
Payroll tax	1,899	1,917
Total personnel expenses	**41,483**	**48,653**

9 OTHER EXPENSES

	2022	2021
	($'000)	($'000)
Legal and professional	2,465	2,565
Insurance	2,626	639
Auditor fees (see note 31)	438	75
Acquisition-related costs	1,767	–
All other	2,045	3,243
Total other expenses	**9,341**	**6,522**

10 INCOME TAXES RELATING TO CONTINUING OPERATIONS

		2022 ($'000)	2021 ($'000)
10.1	**Income tax recognised in profit or loss**		
	Profit before tax from continuing operations	**22,054**	**85,854**
	Prima facie tax at the Australian tax rate of 30%	6,616	25,756
	Non-assessable income and non-deductible expenses	3,326	76
	Franking credit benefit derived	(1,295)	(50)
	Adjustment to tax charge in respect of previous periods	453	235
	Other adjustments	(957)	(543)
	Income tax expense recognised in profit or loss	**8,143**	**25,474**
	Represented by:		
	Current tax	1,888	35,262
	Adjustment to tax charge in respect of previous periods	(414)	236
	Deferred tax	6,669	(10,024)
	Income tax expense recognised in profit or loss	**8,143**	**25,474**
10.2	**Income taxes payable/(receivable)**		
	Income tax payable/(receivable) – opening	**16,073**	**14,816**
	Income tax payable acquired on business combination	1,350	–
	Income taxes payable for the financial year	1,316	36,028
	Tax paid during the year, net of any tax refunds	(16,668)	(35,006)
	Adjustment to tax charge in respect of previous periods	(4,098)	235
	Income taxes payable/(receivable) – closing	**(2,027)**	**16,073**
10.3	**Deferred tax balances**		
	Deferred tax assets – opening	**24,211**	**14,685**
	Deferred tax assets acquired on business combination	6,076	–
	Deductible capital expenditures movement	414	(197)
	Accruals and provisions, unearned income movement	(9,925)	9,873
	Other	(1,888)	(150)
	Deferred tax assets – closing	**18,888**	**24,211**
	Deferred tax liabilities – opening	**(3,390)**	**(3,087)**
	Deferred tax on acquisition	(3,806)	–
	Changes in fair value of financial assets	1,278	(284)
	Equity issuance	243	–
	Contract assets amortisation	269	–
	Other	(394)	(19)
	Deferred tax liabilities – closing	**(5,800)**	**(3,390)**

11 INVESTMENT IN FINANCIAL ASSETS

	31 DECEMBER 2022	31 DECEMBER 2021
	($'000)	($'000)
Investments in financial assets at FVTPL		
Listed securities and funds	44,035	921
Unlisted funds	127,462	34,206
Unlisted equity securities	2,197	–
Total financial assets	**173,694**	**35,127**

Refer to note 20 for further information on fair value measurement.

12 EMPLOYEE ENTITLEMENTS

	31 DECEMBER 2022	31 DECEMBER 2021
	($'000)	($'000)
Employee benefits – current	20,517	25,644
Employee benefits – non-current	959	13,055
Total	**21,476**	**38,699**

Employee benefits represent accrued annual leave, long service leave and bonus entitlements.

13 CONTRACT ASSETS

	31 DECEMBER 2022	31 DECEMBER 2021
	($'000)	($'000)
VG1 initial public offering (IPO) – offer costs	1,367	–
RG8 IPO – offer costs	8,537	–
RG8 IPO – alignment share costs	24,040	–
Total contract assets (net of amortisation)	**33,944**	**–**
Current	5,043	–
Non-current	28,901	–
Total	**33,944**	**–**

The Group manages two listed investment companies, being VGI Partners Global Investments Limited (**VG1**) and Regal Asian Investments Limited (**RG8**). Amounts relating to contract assets are balances where the Group has transferred services to the customer, but where the Group is yet to establish an unconditional right to consideration or is paid to obtain the contracts, which are amortised over time.

Offer costs: Under the VG1 and RG8 investment management agreements (**IMA**s), the Group is required to absorb certain costs for which VG1 and RG8 would normally be liable, including costs associated with the offer of VG1 and RG8. The value of the costs associated with the offer are recognised as contract assets as consideration paid to generate fee income from VG1 and RG8 over the period of the IMA.

Alignment share costs: RG8 was listed on the ASX in November 2019. To align initial investors for the long term, the Group issued 2,652,012 ordinary shares in the Group to all RG8 applicants that received an allocation of shares under the offer in November 2019 and a further 60,438 ordinary shares in the Group on the same terms as the shares that were issued to other investors in RG8. The value associated with these alignment shares have been recognised as contract assets since the shares issued are part of the security of the management in relation to RG8. The costs are also recoverable through the ongoing receipt of fee revenue.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

Based on the analysis at the end of the reporting period, the impairment under the ECL method is considered to be immaterial and no amount is recognised in the financial statements.

14 TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2022 $'000	31 DECEMBER 2021 $'000
Trade receivables and accruals	22,464	63,883
Prepayments	842	112
Other receivables	–	367
Total	**23,306**	**64,362**

Trade receivables mainly consist of management and performance fees that are received within 30 days after the balance date.

ALLOWANCE FOR EXPECTED CREDIT LOSSES

Based on the analysis at the end of the reporting period, the impairment under the ECL method is considered to be immaterial and no amount is recognised in the financial statements.

15 LEASES AND RIGHT OF USE ASSETS

The Group has lease contracts for office premises used in its operations. Leases of office premises generally have lease terms between one and five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets, and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The group applies the 'short-term lease' and 'lease if low-value assets' recognition exemptions for these leases.

The carrying amounts of right of use assets recognised and the movements during the period are set out below.

RIGHT OF USE ASSETS – OFFICE PREMISES	31 DECEMBER 2022	31 DECEMBER 2021
	($'000)	($'000)
Opening	**5,483**	**2,711**
Additions	–	3,193
Right of use assets acquired on acquisition of business	628	720
Depreciation expense	(2,030)	(1,194)
Exchange differences	(10)	53
Closing	**4,071**	**5,483**

The carrying amounts of lease liabilities recognised and the movements during the period are set out below.

LEASE LIABILITIES	31 DECEMBER 2022 ($'000)	31 DECEMBER 2021 ($'000)
Opening	**5,765**	**2,730**
Additions	–	3,249
Lease acquired on acquisition of business	731	705
Accretion of interest	–	–
Payments	(2,059)	(1,024)
Exchange differences	76	105
Closing	**4,513**	**5,765**
Current	1,777	1,873
Non-current	2,736	3,892
Total	**4,513**	**5,765**

16 TRADE AND OTHER PAYABLES

	31 DECEMBER 2022 ($'000)	31 DECEMBER 2021 ($'000)
Current		
Trade payables	1,260	3,032
Other creditors and accruals	1,275	35
GST payable (net)	1,281	4,678
Total	**3,816**	**7,745**

17 DIVIDENDS

Since the end of the financial year, the Directors have declared a fully franked dividend for FY 2022 of 4.0 cents per share to be paid on 22 March 2023.

Dividends prior to the merger of VGI and Regal Funds Management

The Company (under VGI Partners Limited) declared the following dividends (totalling $53,828,000 or 76.7 cents per share) prior to the merger with Regal Funds Management, which are not included in the consolidated results:

- a special dividend of 39.7 cents per share fully franked, totalling $28,000,000, with a record date of 2 June 2022 and payment date of 9 June 2022;
- a final dividend for the year ended 31 December 2021 of 6.0 cents per share fully franked, totalling $4,188,000, with a record date of 7 March 2022 and payment date of 16 March 2022; and
- an interim dividend for the half-year ended 30 June 2021 of 31.0 cents per share fully franked, totalling $21,640,000, with a record date of 31 August 2021 and payment date of 10 September 2021.

Regal Funds Management paid the following interim dividends prior to the merger with VGI on 3 June 2022:

- $20,000,000 fully franked with a payment date of 21 February 2022;
- $12,000,000 fully franked with a payment date of 24 March 2022; and
- $39,850 fully franked with a payment date of 30 March 2022.

Dividend reinvestment plan

On 24 February 2023, the Company announced to the ASX the establishment of a Dividend Reinvestment Plan (**DRP**) for holders of ordinary shares in the Company. Under the terms of the DRP, shareholders may elect to reinvest dividends payable on the ordinary shares in newly issued ordinary shares in the Company.

Shareholders will be able to participate in the DRP in respect of the fully franked final dividend for the year ended 31 December 2022 of 4.0 cent per share.

FRANKING CREDITS

	31 DECEMBER 2022	31 DECEMBER 2021
	($'000)	($'000)
Franking credits available for subsequent financial years	30,960	38,287

The above amounts comprise the balance of the franking account as at the end of the reporting period, adjusted for franking credits that will arise/(reduce) from the payment/(receipt) of the provision of income tax.

The dividend declared by the Directors on 23 February 2023 will be franked out of existing franking credits, or out of franking credits arising from the payment of income tax.

18 ISSUED CAPITAL AND RESERVES

ISSUED CAPITAL

The number of shares and dollar value represent the continuation of Regal Funds Management as the head entity for accounting purposes.

	2022 NUMBER	2021 NUMBER	2022 $'000	2021 $'000
Fully paid ordinary shares	253,815,228	114,286	378,545	10,080
Closing balance	**253,815,228**	**114,286**	**378,545**	**10,080**

Refer to the movement during the period below:

DETAILS	DATE	SHARES	$'000
Opening balance	**1 January 2022**	**114,286**	**10,080**
Ordinary shares relinquished on reverse acquisition	3 June 2022	(114,286)	–
New shares issued in RPL on reverse acquisition	3 June 2022	141,008,460	–
Shares to effect the deemed acquisition of VGI (see note 28)	3 June 2022	70,504,230	260,161
Share issue transaction costs	3 June 2022	–	(353)
Shares issued on entitlement offer – institutional component	14 September 2022	32,078,016	83,403
Shares issued on entitlement offer – retail and shortfall component	14 September 2022	10,224,522	26,584
Share issue transaction costs, net of tax benefits	14 September 2022	–	(1,330)
Closing balance	**31 December 2022**	**253,815,228**	**378,545**

Merger-related issued capital transactions (3 June 2022)

Refer to note 28 for further information on ordinary shares issued as part of the merger between VGI and Regal Funds Management.

Entitlement Offer (14 September 2022)

During the year, the Group raised $109,987,000 ($107,808,000 net of fees) via a one-for-five non-renounceable accelerated entitlement offer and shortfall placement (Offer). Shares issued under the Offer rank equally with all then existing fully paid ordinary RPL shares on issue. Under the Offer, a total of 42,302,538 ordinary shares in RPL were issued at $2.60 per share.

REDEEMABLE PREFERENCE SHARES

Redeemable preference shares participate in dividends and the proceeds of the winding up of the Company in priority to any other shares in the Group, equal to the amount paid up on the redeemable preference shares.

DETAILS	DATE	SHARES	$'000
Opening balance	**1 January 2021**	**200,000**	**20,000**
Redemption	1 March 2021	(200,000)	(20,000)
Closing balance		**–**	**–**

During the prior year ended 31 December 2021, the Group redeemed all its preference shares as part of the capital transactions undertaken for the Group to utilise the additional capital and liquidity provided by the performance fees booked at 31 December 2020.

CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safeguard its ability to continue as a going concern while maximising the return for shareholders.

The capital structure of the Group consists of only equity, comprising share capital, reserves and retained earnings. The Group has no debt.

Various entities in the Group are subject to regulatory financial requirements by virtue of holding Australian Financial Services Licences or similar licences with foreign regulators (the **Licences**). During the year ended 31 December 2022, the Group satisfied the liquidity requirements under the respective licences and there have been no reportable instances of non-compliance with externally imposed capital requirements.

RESERVES

	31 DECEMBER 2022 $'000	31 DECEMBER 2021 $'000
Foreign currency translation reserve	524	734
Share-based payments reserve	15,040	6,378
Total	**15,564**	**7,112**

NATURE AND PURPOSE OF RESERVES

(i) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial information of foreign subsidiaries.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel (**KMP**).

Prior to the merger on 3 June 2022

Prior to the merger between VGI and Regal Funds Management, the Group (under Regal Funds Management) maintained an Employee Share Opportunity Plan under which a number of employee shares were granted to employees, vesting over a period of up to five years across various tranches. On completion of the merger, the Employee Share Opportunity Plan matured and all employee shares vested and were transferred to the Company on the merger date. Any surplus balances from the share-based payments reserve were transferred to retained earnings.

Prior to the merger, VGI issued 698,061 ordinary shares under a Restricted Share Plan for employees. This is recognised as a group share-based payment and will vest in June 2024. The market value of those ordinary shares is recognised as an expense in the consolidated Statement of Profit or Loss and Other Comprehensive Income over the vesting period.

Since the merger from 4 June 2022

On 23 August 2022, Regal Partners Limited approved the granting of awards to promote alignment of employees with Shareholders across the merged entity under the terms of the Company's Employee Incentive Plan.

The awards were granted in three parts: a Deferred Bonus Grant, an Integration Grant and an LTI Grant. A Deferred Bonus Grant totalling $15.6 million was offered to recipients as a partial deferral of annual bonuses into rights that will vest over two years. A further $25.5 million Integration Grant and $40.5 million LTI Grant were offered to the Group's employees and CEO/MD. Rights issued under the Integration Grant and LTI Grant vest over about three years.

In addition, the LTI Grant is proposed to be subject to certain company-specific performance hurdles. The offer of rights under the Integration Grant and the LTI Grant is expected to be a one-off, with any future LTI allocations subject to different performance hurdles.

For further details around the awards granted, refer to note 30.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks, including market risk (such as foreign currency, interest rate and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods, including sensitivity analyses, to measure different types of risk to which it is exposed.

In particular, the Group manages the investments of certain funds and clients where it is entitled to receive management fees and fees contingent on the performance of the portfolio managed, on an annual basis or less frequently. All fees are exposed to significant risk associated with the funds' performance, including market risks (interest rate risk and, indirectly, market risk and foreign exchange risk) and liquidity risk, as detailed below.

Risk management is carried out by senior management and reviewed by the Board and discussed at Board meetings. Management identifies and evaluates financial risks.

MARKET RISK

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities, denominated in a currency that is not the entity's functional currency. The Group undertakes certain transactions denominated in foreign currencies (mainly US dollars and Singaporean dollars). The balances at the reporting date are not material and a 10% movement in those balances would not cause a significant fluctuation in the profit or loss or equity of the Group.

Price risk

Price risk is the risk that the value of investments held by the Group and classified in the Statement of Financial Position as financial assets at fair value through profit or loss will increase or decrease as a result of changes in equity prices in the local currency (caused by factors specific to the individual stock or the market as a whole), exchange rate movements or a combination of both.

The Group invests into its own funds to diversify its revenue source, seed new alternative investment strategies and deploy surplus capital (if any) available in the Group in revenue-generating assets.

Market risk impacts

An increase of 5% in market prices would have had the following impact as at 31 December.

	31 DECEMBER 2022 ($'000)	31 DECEMBER 2021 ($'000)
A 5% increase in market prices would result in:		
Net change in fair value of financial assets	8,685	1,756
Impact on net profit before tax	**8,685**	**1,756**

A decrease of 5% in market prices would have an equal but opposite impact on net profit before tax.

INTEREST RATE RISK

Interest rate risk is the possibility that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Group's financial assets and liabilities are non-interest-bearing. Any interest-bearing financial assets and financial liabilities either mature or reprice in the short term. As a result, the Group has limited exposure to fluctuations in market interest rates that would create interest rate risk. The Group also holds substantial cash positions, including those held at prime brokers that are directly affected by interest rate movements.

As at the reporting date, the Group held the following cash balances and other assets.

	FIXED ($'000)	FLOATING ($'000)
31 December 2022:		
Cash and cash equivalents	–	39,764
Amounts due from brokers	–	224
Other assets	536	1,273
31 December 2021:		
Cash and cash equivalents	–	16,599
Other assets	867	–

Based on cash balances and other assets, the Group does not consider a movement in interest rates to have a material impact on the Group's profit or loss or equity.

CREDIT RISK

Credit risk relates to the risk of a counterparty defaulting on a financial obligation, resulting in a loss to the Group.

Credit risk arises from the financial assets of the consolidated entity, including cash, term deposits, trade receivables, balances held at prime brokers, and contract assets. All term deposits (included in other assets in the Statement of Financial Position) and cash balances are held with Australian banks and their 100% owned banking subsidiary institutions that have a Standard & Poor's (**S&P**) A-2 rating (2021: A-2) to mitigate any associated credit risk. The Group is not exposed to any material risk relating to the receivables balance, as these amounts primarily relate to performance and management fees, which are settled between seven and 31 days after being invoiced and are managed internally within the Group.

The Group is not exposed to any material risk relating to the contract assets, as these are non-cash and will unwind over the 10-year IMA between the Group and VG1 and RG8 (the majority of the balance relating to RG8). Management fees are secured under the IMAs as a percentage of funds under management (**FUM**), regardless of performance, and as they are settled within 30 days there is no material exposure to loss. No assets subject to credit risk are past due or impaired.

The maximum exposure to direct credit risk at the balance date is the carrying amount recognised in the above identified financial assets and the contract assets in the Statement of Financial Position.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its liabilities. The Group has no external borrowings other than its lease liability. Accordingly, its liquidity risk is limited to its ability to pay its future overhead expenses. The Group's policy is to maintain liquid assets sufficient to cover a proportion of future overhead expenses, assuming no management revenue is received in that period.

Further, the Group invests a proportion of its capital in the investment portfolios or funds that it manages. The Group's policy is to maintain a proportion of the investment in those investment portfolios or funds that have daily or monthly liquidity that can be used by the Group as and when required.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Group can be required to pay. Except for the lease liability, no interest is payable on these financial liabilities. Accordingly, only principal cash flows have been disclosed.

CONSOLIDATED – 2022	LESS THAN 1 MONTH ($'000)	BETWEEN 1 AND 12 MONTHS ($'000)	BETWEEN 1 AND 5 YEARS ($'000)	5+ YEARS ($'000)	TOTAL ($'000)
Trade and other payables	3,816	–	–	–	**3,816**
Employee entitlements	–	20,517	959	–	**21,476**
Lease liability	–	1,777	2,736	–	**4,513**
Total	**3,816**	**22,294**	**3,695**	**–**	**29,805**

CONSOLIDATED – 2021	LESS THAN 1 MONTH ($'000)	BETWEEN 1 AND 12 MONTHS ($'000)	BETWEEN 1 AND 5 YEARS ($'000)	5+ YEARS ($'000)	TOTAL ($'000)
Trade and other payables	7,745	–	–	–	**7,745**
Employee entitlements	–	25,644	13,055	–	**38,699**
Interest-bearing loans and borrowings	156	–	–	–	**156**
Lease liability	–	1,874	3,893	–	**5,767**
Total	**7,901**	**27,517**	**16,948**	**–**	**52,367**

20 FAIR VALUE MEASUREMENT

The Group measures and recognises its investments as financial assets and liabilities at FVTPL, on a recurring basis.

AASB 13 Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy, reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of these investments is based on the closing price for the security as quoted on the relevant exchange.
- Level 2: fair value measurements are those derived from 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).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

FAIR VALUE IN AN ACTIVE MARKET (LEVEL 1)

The fair value of investments in financial assets at FVTPL is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets at FVTPL held by the Group is the current last traded price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

FAIR VALUE IN AN INACTIVE MARKET OR UNQUOTED MARKET (LEVEL 2 AND LEVEL 3)

The fair value of investments in financial assets at FVTPL that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's-length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Group considers that the inputs used for the fair value measurement of investments on unlisted funds are Level 2 inputs. Inputs used in the market approach technique to measure Level 2 fair values were based on recent application and redemption prices of the managed funds comprising the investments.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the security.

The following table presents the Group's financial assets and liabilities measured and recognised at fair value, at the reporting date. The carrying amounts of all financial instruments are reasonable approximations of the respective instrument's fair value.

31 DECEMBER 2022	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Investments in financial assets at FVTPL*				
Listed securities and funds	44,035	–	–	44,035
Unlisted funds	–	127,462	–	127,462
Unlisted equity security	–	–	2,197	2,197
Total financial assets	**44,035**	**127,462**	**2,197**	**173,694**

31 DECEMBER 2021	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Investments in financial assets at FVTPL*				
Listed securities and funds	921	–	–	921
Unlisted funds	–	34,206	–	34,206
Total financial assets	**921**	**34,206**	**–**	**35,127**

For each class of financial assets and financial liabilities not measured at fair value, the carrying amount is a reasonable approximation of the item's fair value.

Transfers between levels

The Group's policy is to recognise transfers between levels at the end of the financial reporting period. There were no transfers between levels for recurring fair value measurements during the period ended 31 December 2022 (31 December 2021: nil).

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

The Group acquired investments in unlisted equity securities as detailed in note 11. These investments were acquired by the Group on the acquisition date at their fair value. The fair value of these investments at the end of the financial reporting period were $2,197,000 (2021: nil). The movement in the fair value since the merger was due to a $147,000 change in unrealised foreign exchange gain (2021: nil) and an unrealised loss recognised in profit or loss of $4,860,000 (2021: nil).

Valuation process and methodology – Level 3

Unlisted equity securities classified as Level 3 relates to an investment in an unlisted company denominated in US dollars. Where possible, the investments are valued based on the recent market transactions involving the securities of the unlisted company.

The value of any foreign currency denominated transactions are converted back into the Group's presentation currency in accordance with the accounting policy at note 2(g).

Where there are no recent market transactions or the information is otherwise unavailable, the value is measured from alternative valuation techniques. These techniques include income and market-derived valuations that incorporate market unobservable inputs.

As at 31 December 2022, the Group valued the securities using recent market transactions involving the securities of the unlisted company adjusted for a discount applied by management.

Reconciliation of Level 3 securities

As at 31 December 2022, the valuation technique applied to the Level 3 holding was based on recent arm's-length market transactions during the year, which was the significant unobservable input. As at 31 December 2022, a 10% movement in that price would have a corresponding $219,000 movement in the pre-tax profit or loss of the Group (2021: nil).

* FVTPL : fair value through profit or loss

21 RELATED-PARTY TRANSACTIONS

ULTIMATE PARENT ENTITY

Regal Partners Limited (formerly VGI Partners Limited) is the ultimate parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in note 26.

ASSOCIATES

Interest in associates are set out in note 27.

KEY MANAGEMENT PERSONNEL (KMP)

Disclosures relating to key management personnel (KMP) are set out in note 25, and in the Remuneration Report included in the Directors' Report.

RELATED-PARTY TRANSACTIONS

The Group provides investment management services to the following related parties (together, the **Regal Partners Funds**):

- listed investment vehicles: Regal Investment Fund (ASX:RF1), Regal Asian Investments Limited (ASX:RG8) and VGI Partners Global Investments Limited (ASX:VG1);
- unlisted trusts and wholesale funds managed by the Group; and
- other investment portfolios (including separately managed accounts, limited partnerships) and investment funds located in Australia and other foreign jurisdictions.

Related-party fees and operating cost of funds

The total related-party fees recognised in the periods ended 31 December 2022 and 31 December 2021 are set out in the following table. In addition, the Group pays for certain operating costs of the Regal Partners Funds.

	2022 ($)	2021 ($)
Management and performance fees received/receivable from unconsolidated unlisted vehicles	60,078,534	96,486,162
Net expenses (paid/payable) on behalf of unlisted vehicles	(1,358,411)	(328,413)
Management and performance fees received/receivable from listed vehicles	10,044,773	–
Net expenses (paid/payable) on behalf of listed vehicles	(678,461)	–

The Group also receives management and performance fee income from non-related parties.

Related-parties' holdings of units in listed and unlisted vehicles

At 31 December 2022, the value of KMP and/or their related parties' holdings in unlisted trusts and wholesale funds was $4,014,392 and listed investment vehicles was $1,903,830.

Group's holdings in listed and unlisted vehicles

Investment held by the Group in the listed and unlisted vehicles managed by the Group are detailed in note 20.

LOANS TO AND FROM RELATED PARTIES

There were no loans to or from related parties as at the current and previous reporting dates.

TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions, and at market rates.

22 PARENT ENTITY DISCLOSURES

Parent entity disclosures are prepared on the basis that Regal Partners Limited (formerly VGI Partners Limited) is the legal parent and disclosing entity.

	2022 ($'000)	2021 ($'000)
Results of the parent entity – Regal Partners Limited		
Loss after income tax for the period	(222)	37,260
Other comprehensive loss	(93)	–
Total comprehensive loss for the period	**(315)**	**37,260**
Financial position of parent entity at year end		
Total assets	471,175	135,133
Total liabilities	(6,172)	8,166
Net assets	**465,003**	**126,967**
Total equity of the parent entity, comprising:		
Share capital	479,626	108,156
Reserves	(723)	1,083
(Accumulated losses)/retained earnings	(13,900)	17,728
Total equity	**465,003**	**126,967**

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 31 December 2022 and 31 December 2021.

CONTINGENT LIABILITIES

The parent entity had no contingent liabilities as at 31 December 2022 or 31 December 2021.

CAPITAL COMMITMENTS

The parent entity had no capital commitments as at 31 December 2022 or 31 December 2021.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2.

23 UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Group manages several investment funds and holds an interest in these unconsolidated structured entities by receiving management and performance fees and for structured entities via direct investment in the form of 'seed capital'. These funds are considered unconsolidated structured entities representing individually managed accounts, wholesale investment schemes in the form of unlisted trusts, offshore domiciled companies and listed investment companies.

These unconsolidated structured entities invest in a range of asset classes. The unconsolidated structured entities have investment objectives and policies that are subject to the terms and conditions of their respective offering documentation. However, all unconsolidated structured entities invest capital from investors in a portfolio of assets, to provide a return to those investors from capital appreciation of those assets, income from those assets, or both. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold. The unconsolidated structured entities are financed through equity capital provided by investors, in which the Group does not hold any material equity interest.

The nature and extent of the Group's material interests in funds are summarised below.

	2022 ($'000)	2021 ($'000)
Carrying value of assets held at fair value through profit or loss		
Listed securities and funds	44,035	921
Unlisted funds	127,462	34,206
Total carrying value of assets	**171,497**	**35,127**
Maximum exposure to loss		
Listed securities and funds	44,035	921
Unlisted funds	127,462	34,206
Total maximum exposure to loss	**171,497**	**35,127**

Unless specified otherwise, the Group's maximum exposure to loss is the total of its on-balance sheet positions as at reporting date. There are no additional off-balance sheet arrangements that would expose the Group to potential loss in respect of unconsolidated structured entities.

During the year, the Group earned both management and performance fee income from structured entities of $47,587,000 (2021: $99,950,000).

24 CASH FLOW INFORMATION

(A) RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022 ($'000)	2021 ($'000)
Profit for the period	13,911	60,380
Adjustments to profit after tax:		
Depreciation and amortisation	2,351	3,182
Non-cash items (reinvestment of dividends and distributions received)	(1,044)	–
Fair value losses and movements in financial assets	7,876	(3,563)
Share-based payments	8,663	256
Net foreign exchange (gain)/loss	(831)	–
Amortisation of contract assets	2,942	–
Share of profit of an associate	(99)	(249)
Amortisation of intangible assets	1,477	1,874
Movements in working capital:		
Decrease/(increase) in trade and other receivables	42,840	5,322
Decrease/(increase) in other assets	(82)	–
Decrease/(increase) in financial assets and other assets	(7,360)	(19,569)
Decrease/(increase) in deferred revenue	(2,621)	–
Increase/(decrease) in employee entitlements	(21,764)	37,258
Increase/(decrease) in trade and other payables	(8,963)	(26,191)
Increase/(decrease) in taxes	(5,802)	(14,818)
Net cash inflows from operating activities	**31,494**	**43,882**

(B) NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash activities during the year of $1,506,000 relates to dividend and distribution income from investments held by the Group, whereby additional interests in the investments were acquired in accordance with their respective dividend or distribution reinvestment plans (31 December 2021: nil).

25 KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to Directors and other Company and Group KMP is set out below. As at 31 December 2022, there were seven KMP.

	31 DECEMBER 2022 ($)
Short-term employment benefits	2,642,528
Post-employment benefits	78,410
Other long-term benefits	45,375
Share-based payments	453,630
Total	**3,219,943**

Detailed remuneration disclosures are provided in the Statutory Remuneration Report on page 27.

26 SUBSIDIARIES

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2.

NAME OF SUBSIDIARY	31 DECEMBER 2022 (% OWNED)	31 DECEMBER 2021 (% OWNED)
Operating entities		
Regal Funds Management Pty Limited (head entity for accounting purposes)		
Regal Funds Management Asia Pte Limited	100.00	100.00
RFM Capital Pty Ltd	100.00	100.00
Regal ESOP Pty Ltd	100.00	100.00
Kilter Pty Ltd[1]	61.49	61.49
Kilter Investments Pty Ltd[1]	61.49	61.49
Kilter Management Services Pty Ltd[1]	61.49	61.49
Attunga Capital Pty Ltd	51.00	51.00
Regal Partners Limited (formerly VGI Partners Limited) (subsidiary entity for accounting purposes)	100.00	–
Regal Asian Investments Management Pty Limited (formerly VGI Partners Asian Investments Management Pty Limited)[2]	100.00	–
VGI Partners Principal Investments Pty Limited[2]	100.00	–
VPPI No.1 Pty Limited[2]	100.00	–
Regal Partners US, Inc. (formerly VGI Partners, Inc.)[2]	100.00	–
VGI Partners Agricultural Investments No.1 Pty Limited[2]	100.00	–
Non-operating entities		
VPPP 1A[2]	100.00	–
VPPP 1B[2]	100.00	–
VPPP 1C[2]	100.00	–
VGI Partners Investments Pty Limited[2]	100.00	–
Vichingo Global Investments Pty Limited[2]	100.00	–
Vichingo Global Investors Pty Limited[2]	100.00	–
VGI Partners Share Plan Pty Limited[2]	100.00	–

1 61.49% economic interest; in November 2022, the Group realigned its economic interest in these entities from 57.4% to 61.49%.

2 As at 31 December 2021, these entities were wholly owned subsidiaries of VGI.

3 On 3 October 2022, the Group seeded the Regal Private Credit Opportunities Fund.

27 INTERESTS IN ASSOCIATES AND JOINT VENTURE ENTITIES

INVESTMENT IN ASSOCIATES

On 18 December 2018, the Group (under Regal Funds Management) acquired 50% interest in Kilter Pty Ltd (**Kilter**), a specialist manager in Australian farmland, water and ecosystem assets. In December 2021, the Group (under Regal Funds Management) acquired an additional 11.49% interest in Kilter such that the Group's total voting interest was 61.49%.

Consequently, from December 2021, the Group reclassified the accounting for its investment in Kilter from using the equity method to being a consolidated subsidiary of the Group (as described under in note 26). As such, there is no carrying amount of the investment in Kilter presented as at 31 December 2022 (31 December 2021: nil). Further, the Statement of Profit or Loss and Other Comprehensive Income for the 12 months ended 31 December 2021 includes the performance of Kilter under a single line 'share of profit of an associate or joint venture'. However, for the 12 months ended 31 December 2022, the performance of Kilter is presented on a line-by-line basis in the Statement of Profit or Loss and Other Comprehensive Income and, accordingly, may not be directly comparable. As at 31 December 2022, the Group's interest in Kilter Pty Ltd is 61.49% (31 December 2021: 61.49%).

INVESTMENT IN JOINT VENTURE

On 9 October 2019, the Group (under Regal Funds Management) acquired a 33.33% interest in Gresham Royalties Management Pty Ltd ('GRMPL'), a joint venture involved in managing advisory and fund companies primarily engaged in the investing in mining and energy royalties, commodity streams and royalty related structured solutions. The Group's interest in GRMPL is accounted for using the equity method in the consolidated financial statements.

During the year ended 31 December 2022, the Group was appointed as the trustee and investment manager of Gresham Resources Royalties Fund ("**GRRF**") pursuant to the Liquidity Proposal that was approved on 13 October 2022 by the unitholders of GRRF. Subsequent to the implementation of the Liquidity Proposal, GRRF's Constitution has been amended and GRRF renamed Regal Resources Royalties Fund ('RRRF'). As a manager of the RRRF, the Group is entitled to receive a performance fee as well which is calculated under the same mechanism as the other managed funds.

The total carrying amount of the investment amounts to $99,000 as at 31 December 2022 (2021: $200) as the joint venture entity had begun the process of being wound up.

The joint venture had no contingent liabilities or capital commitments as at 31 December 2022 (2021: nil).

28 BUSINESS COMBINATIONS

MERGER BETWEEN VGI AND REGAL FUNDS MANAGEMENT

On 3 June 2022, VGI Partners Limited (now renamed Regal Partners Limited) acquired all the shares in Regal Funds Management in return for the issuance of 141,008,460 fully paid VGI shares to the Regal Funds Management Shareholders.

The result of the transaction is that existing VGI Shareholders would own 33.3% and Regal Funds Management Shareholders would own 66.7% of all the issued shares of the merged entity, now known as Regal Partners Limited (ASX:RPL). The transaction has been accounted as a business combination and the principles of reverse acquisition accounting applied – i.e., Regal Funds Management acquiring VGI for accounting purposes.

SUMMARY OF ACQUISITION

A summary of the acquisition is as follows:

	$'000
Equity consideration	260,161
Fair value of identifiable net assets acquired	(91,607)
Goodwill arising on acquisition	**168,554**

ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

Based on the principles of reverse acquisition accounting, the fair value of VGI's net assets acquired and the resulting goodwill and tax balances have been measured provisionally. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the requirements of the Australian Accounting Standards permits the acquisition values to be revised.

This acknowledges the time required to gain access to and consolidate information for both entities and to make certain valuations as at the acquisition date. Any changes to these provisional values will be reported within the next reporting period.

The amounts in the table on the following page have been measured on a provisional basis.

	$'000
Assets acquired	
Cash and cash equivalents	41,458
Amounts due from brokers	3,712
Trade and other receivables	2,317
Contract assets	36,886
Property, plant and equipment	637
Financial assets	46,117
Deferred tax asset	6,334
Right of use assets	684
Other assets	415
Total assets acquired	**138,560**
Liabilities assumed	
Trade and other payables	35,810
Employee entitlements	4,941
Income tax payable	1,350
Lease liability	745
Deferred tax liability	4,107
Total liabilities assumed	**46,953**
Provisional fair value of identifiable net assets acquired (of VGI as at 3 June 2022)	**91,607**
Provisional goodwill arising on acquisition	168,554
Consideration transferred, satisfied in equity[1]	**260,161**

1 No contingent consideration arrangements or indemnification assets have been recognised as a result of the transaction.

Carrying value of receivables and payables approximate their fair value and reflected at the gross amounts which are expected to be collected or settled in full.

From the date of acquisition (3 June 2022), VGI contributed $13,098,000 of investment management revenue, $14,159,000 of consolidated net income and a net loss before tax of $779,000 to the Group. If the acquisition had taken place at the beginning of the period (i.e., 1 January 2022), consolidated net income of the Group would have been $94,142,000 and the consolidated net gain before tax for the period would have been $10,227,000.

The provisional goodwill of $168,554,000 reflects expected synergies and future prospects that will arise from the acquisition, providing opportunities for additional efficiency and access to an institutional-grade operating platform. None of the goodwill recognised is expected to be deductible for income tax purposes. As at 31 December 2022, the goodwill is provisional on completing the further identification of separately identifiable intangible assets.

29 INTANGIBLE ASSETS

	31 DECEMBER 2022 $'000	31 DECEMBER 2021 $'000
Goodwill	180,595	10,551
Management rights	1,204	4,510
Intellectual property	1,957	–
Total	**183,756**	**15,061**

RECONCILIATIONS

Reconciliations of carrying values at the beginning and end of the current and previous financial year are set out in the table below.

	GOODWILL $'000	MANAGEMENT RIGHTS $'000	INTELLECTUAL PROPERTY $'000	TOTAL $'000
Cost				
At 1 January 2021	**5,527**	**7,042**	**–**	**12,569**
Goodwill acquired on acquisition of business	5,024	3,821	–	**8,845**
At 31 December 2021	**10,551**	**10,863**	**–**	**21,414**
			–	
At 1 January 2022	**10,551**	**10,863**	**–**	**21,414**
Goodwill reassessed during provisional period	1,490	(1,872)	–	**(382)**
Goodwill acquired on acquisition of business	168,554	–	–	**168,554**
Acquired intellectual property	–	–	2,000	**2,000**
At 31 December 2022	**180,595**	**8,991**	**2,000**	**191,586**
Accumulated amortisation				
At 1 January 2021	**–**	**(4,436)**	**–**	**(4,436)**
Amortisation	–	(1,917)	–	**(1,917)**
At 31 December 2021	**–**	**(6,353)**	**–**	**(6,353)**
At 1 January 2022	**–**	**(6,353)**	**–**	**(6,353)**
Amortisation	–	(1,434)	(43)	**(1,477)**
At 31 December 2022	–	(7,787)	(43)	**(7,830)**
Net carrying value				
At 31 December 2021	10,551	4,510	–	**15,061**
At 31 December 2022	180,595	1,204	1,957	**183,756**

GOODWILL – KEY ESTIMATES AND JUDGMENTS

The value of the Group's goodwill balance on 1 January 2022 was $10,551,000. As a result of the merger, the Group recognised additional provisional goodwill of $168,554,000 which has been incorporated in the existing cash-generating unit of Regal Partners Group's investment management business.

The Group identifies as a single CGU and, therefore, the recoverable amount has been determined at the Group level.

The recoverable amount of the CGU to which goodwill has been allocated is greater than the carrying value and therefore not impaired. The recoverable amount is based on value-in-use (VIU) model and is based on the application of significant judgment when making assumptions about future cash flows of the CGU, along with reasonableness of applied growth and discount rates.

In the Group's goodwill impairment testing, estimated future cash flows are based on financial projections by the Group for a period of one year and are extrapolated for a further four-year period.

In forecasting cash flows over the assessment period, impacts of changes in market conditions and FUM performance were considered.

Management is of the view that no reasonable possible change to a key assumption would cause the recoverable amount of goodwill to fall short of the carrying amount. The following key assumptions were used in the VIU model, noting that this is based on requirements under accounting standards:

(a) Pre-tax discount rate of 15.7%;

(b) Projected growth rate of 2% beyond the five-year period; and

(c) Increase in operating costs and overheads based on current expenditure levels adjusted for inflationary increases.

SENSITIVITY ANALYSIS

Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use goodwill that would require the assets to be impaired.

30 SHARE-BASED PAYMENTS

SHARE-BASED PAYMENTS RESERVE	2022 ($'000)	2021 ($'000)
Balance at the beginning of the year	**6,378**	**3,123**
Expensed during the period	8,662	3,255
Balance at the end of the year	**15,040**	**6,378**

As the merger between VGI and Regal Funds Management has been accounted for as a reverse acquisition with Regal Funds Management being deemed the parent entity for accounting purposes, the share-based payments arrangements during the current and previous period comprise arrangements that apply to Regal Funds Management until merger date (3 June 2022) and all Group entities from 4 June 2022. Refer to note 28 for further detail.

EMPLOYEE INCENTIVE PLAN

During August 2022, the Group granted awards to employees to promote alignment of employees with Shareholders across the merged entity under the terms of the Group's Employee Incentive Plan.

Summary of awards

Awards were granted in three parts: a Deferred Bonus Grant, an Integration Grant and a LTI Grant in the form of performance share rights (**PSRs**). The number of rights allocated in each grant is based on a five-day volume-weighted average price on grant date of 31 August 2022 being $2.9985 per PSR.

Background and key features of each grant are summarised below:

GRANTS	BACKGROUND OR KEY FEATURES	NUMBER OF AWARDS GRANTED	MATURITY
2023 Deferred Bonus Grant	Offered to employees and the CEO as a partial deferral of annual bonuses into rights that will vest over one (1) year	2,599,628	31 August 2023
2024 Deferred Bonus Grant	Offered to employees and the CEO as a partial deferral of annual bonuses into rights that will vest over two (2) years	2,599,627	31 August 2024
2025 Integration Grant	Offered to employees and the CEO as a one-off grant of rights that will vest over three (3) years with no performance hurdles	8,705,005	August 2025
2025 LTI Grant	Offered to employees and the CEO as a one-off grant of rights that will vest over three (3) years with certain performance hurdles	13,381,677	August 2025

General conditions for all grants

Awards granted do not carry entitlement to dividends. Shares issued on maturity of the awards rank equally with other ordinary shares of the Company on and from issue. There are no inherent participating rights or entitlements inherent in the awards and no inherent receipt of proceeds from participants in each grant.

Awards granted during the year

Key features, fair value and maturity of each grant is summarised in the table below:

GRANTS	MATURITY	ISSUE VALUE ($/RIGHT)	FAIR VALUE ($/SHARE)	NO. OF AWARDS AT END OF YEAR (#)
2023 Deferred Bonus Grant	31 August 2023	2.9985	2.9305	2,599,628
2024 Deferred Bonus Grant	31 August 2024	2.9985	2.8153	2,599,627
2025 Integration Grant	Circa August 2025	2.9985	2.6570	8,705,005
2025 LTI Grant	Circa August 2025	2.9985	2.6570	13,381,677

Fair value of awards granted

The fair value of the awards granted was calculated using the traded price on grant date (31 August 2022), being $2.96. Further, as the PSRs do not have entitlements to dividends during the vesting period, the fair value was further adjusted for one-year, two-year and three-year annualised dividend yields on the Company's shares for dividends expected to be foregone during the vesting period of 1.0%, 4.1% and 5.7% respectively.

Further, for the 2025 LTI Grant, the expense recognised takes into account the probability of meeting a prescribed company-specific performance hurdle growth of 5% p.a. in normalised and pro forma net profit before tax over three years, calculated using policies applied during the year ended 31 December 2022.

DISCONTINUED SHARE-BASED PAYMENTS ON MERGER

Prior to the merger, the Group under Regal Funds Management had established an Employee Share Opportunity Plan (**ESOP**) under which options were issued to senior employees, subject to the Board's discretion, in reflection of staff seniority, performance and retention.

On the merger date (3 June 2022), all vested Regal ESOPs converted into ordinary shares in Regal Funds Management Pty Limited, which was purchased in whole by Regal Partners Limited. Any unvested Regal ESOPs were cancelled. Any incremental fair value on conversion did not have a material impact on the results of the Group during the year ended 31 December 2022.

31 REMUNERATION OF AUDITOR

During the period, the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the Auditor of the Group, its related practices and non-related audit firms.

AUDITOR OF THE GROUP	2022 ($)
Audit of Regal Partners Limited	295,360
Audit of Regal Partners Funds	126,480
Total audit and review of financial statements	**421,840**
Assurance over regulatory requirements	15,750
Total assurance services	**437,590**
Taxation services relating to Regal Partners Limited	104,650
Taxation services relating to Regal Partners Funds	42,100
Total taxation services	**146,750**
Total services provided by Deloitte Touche Tohmatsu	**584,340**

REGAL PARTNERS FUNDS

The Group is responsible for the audit costs of certain Regal Partners Funds including listed investment companies (VG1 and RG8), certain unlisted managed investment schemes and Cayman Islands domiciled investment vehicle and a number of separate managed accounts.

32 CONTINGENCIES AND COMMITMENTS

The Group had no material contingent liabilities or commitments at 31 December 2022 or 31 December 2021.

33 SUBSEQUENT EVENTS

FUNDS UNDER MANAGEMENT

The Group's unaudited FUM totalled $5.2 billion* including $0.8 billion in non-fee paying FUM managed on behalf of staff and various charities as at 31 December 2022. The Group's unaudited FUM increased to $5.4 billion as at 31 January 2023. January 2023 FUM excludes any FUM from the announced acquisition of East Point Asset Management and any unfunded commitments.

DIVIDEND AND DIVIDEND REINVESTMENT PLAN

On 23 February 2023, the Directors declared a fully franked dividend at a 30% tax rate of 4.0 cents per share, which will be paid on 22 March 2023. On 24 February 2023, the Company announced to the ASX the establishment of a Dividend Reinvestment Plan (**DRP**) for holders of ordinary shares in the Company. The fully franked 2022 final dividend of 4.0 cents per share qualifies for the DRP.

ACQUISITION OF EAST POINT ASSET MANAGEMENT

On 10 February 2023, the Company announced its entry into binding agreements to acquire 100% of Hong Kong–based alternative investment manager East Point Asset Management (**EPAM**), the investment manager of the East Point Asset Management Master Fund (the **EPAM Fund)**, conditional upon the receipt of customary regulatory approvals from the Hong Kong Securities and Futures Commission. The transaction will involve the issuance of 788,195 RPL shares, subject to escrow arrangements.

The Directors are not aware of any other event or circumstance since the end of the financial year, not otherwise dealt with in this report, that has or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

* The Group initially reported to the ASX that its estimated FUM totalled $5.1 billion as at 31 December 2022. Following the receipt of further information from external administrator service providers and auditors of the underlying Regal Partner Funds, this was revised to $5.2 billion.

Directors’ Declaration

In the Directors’ opinion:

(i) The attached financial statements and notes comply with the *Corporations Act 2001* (Cth), the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

(ii) The attached financial statements and notes give a true and fair view of the consolidated entity’s financial position as at 31 December 2022, and of its performance for the year ended on that date.

(iii) 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 2(b) includes a statement that the Consolidated Financial Statements comply with International Financial Reporting Standards.

The Directors have been given the declarations required under Section 295A of the Corporations Act for the financial year ended 31 December 2022.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act.

Brendan J O’Connor
Chief Executive Officer and Managing Director

Sydney
23 February 2023

Deloitte Touche Tohmatsu
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Independent Auditor's Report
to the Shareholders of Regal Partners Limited *(formerly VGI Partners Limited)*

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Regal Partners Limited (formerly VGI Partners Limited) (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 other explanatory information, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

(ii) 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 & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Deloitte.

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 for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for the acquisition of Regal Partners Limited ("RPL") (formerly; VGI Partners Limited) Regal Funds Management Pty Limited was acquired by RPL on 3 June 2022 ("merger date") in exchange for the issuance of 141,008,460 fully paid RPL shares to the shareholders of Regal Funds Management as disclosed in Note 28. Accounting for the acquisition gives rise to the following key areas of management judgement: • Assessment of the transaction and classification as a reverse acquisition, • Determination of the acquisition date, • The fair valuation of the equity consideration transferred, and • Determination of the fair value of identifiable net assets acquired. As a result of these complexities the accounting for the acquisition of RPL was identified as a key audit matter	Our procedures, in conjunction with relevant firm specialists, included, but were not limited to: • Evaluating the identification of the acquisition as a reverse acquisition; • Reviewing and assessing the reverse acquisition entries, including adjustments made to equity, for compliance with the Explanatory Memorandum and applicable accounting standards; • Evaluating the acquisition date used to measure the consideration of shares issued; • Conducting inquiries with management to understand the Group's methodology on purchase price allocation accounting and evaluating the purchase price allocation performed by management, including evaluating the key assumptions. We have also assessed the adequacy of the disclosures in Note 28 to the financial statements.
Impairment assessment of goodwill As at 31 December 2022, the Group's provisional goodwill balance amounts to $168.6million as disclosed in Note 29. Our assessment of the recoverability of goodwill requires significant judgement due to the assumptions and estimates used in preparing a discounted cash flow model ('value in use'), including determination of: • Identification of a single Cash Generating Unit ("CGU"), • Future cash flows for the CGU, and • Judgment in determining the discount rate and growth rate. As a result of the judgments associated with the assessment we have considered this an key audit matter.	Our procedures included, but were not limited to: • Evaluating the appropriateness of management's identification of the Group as a single CGU to which the goodwill is allocated; • Evaluating management's controls over the impairment assessment process for the identification of indicators of impairment; • Evaluating the reasonableness of cash flow projections and assessing growth rates against external economic and financial data and the Group's own historical performance; • Engaging our valuation specialists to assess the key assumptions and methodology used by management in the impairment model, in particular the discount rate and the growth rate; and • Testing the mathematical accuracy of the impairment model. We have also assessed the adequacy of the disclosures in Note 29 to the financial statements.

Deloitte.

Performance Fees revenue	
For the year ended 31 December 2022, the Group earned $50.6 million in management fees and $31.6 million in performance fees, as disclosed in Note 5. These revenue streams are calculated in accordance with the Investment Management Agreements and offer documents, of the underlying managed funds (listed and unlisted) and individually managed accounts. These fees are earned based upon service criteria and performance obligations set out in these agreements. The quantum of performance fees can change significantly and are dependent upon market-based returns and management's ability to outperform their previous performance or 'high-water mark', and in certain instances include the risk of reversal of those fees in future periods. As a result of the risk factors identified above we consider the measurement of performance fee revenue to be a key audit matter.	Our procedures included, but were not limited to: • obtaining an understanding and assessing the design and implementation of the key controls in the Group and key service providers associated with: - recording of funds under management ("FUM"); and - the calculation of performance fees; • assessing the appropriateness of the revenue accounting policy adopted by the management; • confirming the key terms and conditions (fee rates, FUM, high-water mark) used within the calculation of performance fees to the Investment Management Agreements and offer documents of the underlying managed funds and individually managed accounts; • on a sample basis, performing recalculations of the performance fees; • on a sample basis validating the FUM used in the calculation by: - agreeing the funds under management to investment administrator records; - vouching investment positions to prime broker statements to confirm existence; and obtaining independent pricing. We also assessed the adequacy of the disclosures in Note 5 to the financial statements.

Other Information

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 31 December 2022, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of 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 ability of the Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 21 to 32 of the Directors’ Report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Regal Partners Limited, for the year ended 31 December 2022, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jonathon Corbett
Partner
Chartered Accountant
Sydney, 23 February 2023

Shareholder Information

The shareholder information set out below was applicable as at 31 January 2023.

The following is additional information required by the ASX Listing Rules and not disclosed elsewhere in this report.

A) SUBSTANTIAL SHAREHOLDERS

The following parties have notified the Company that they have a substantial relevant interest in ordinary shares of the Company in accordance with section 671B of the *Corporations Act 2001* (Cth).

	ORDINARY SHARES	
NAME	NUMBER HELD	PERCENTAGE OF TOTAL SHARES ISSUED (%)
Regal Partners Limited (see section (G) below)	148,237,541	58.40%
New Highland Pty Ltd	89,946,895	35.44%
Robert M P Luciano	41,054,222	16.17%
Ficus Fiduciary Limited (as trustee for The Regal Foundation)	23,198,746	9.14%

B) VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder present at a meeting or by proxy has one vote on a show of hands.

C) AUSTRALIAN SECURITIES EXCHANGE LISTING

Quotation has been granted for all ordinary shares of the Company on the Australian Securities Exchange.

D) UNQUOTED SECURITIES

PERFORMANCE SHARE RIGHTS

SIZE OF HOLDING	NUMBER OF HOLDERS	NUMBER OF RIGHTS
1–1,000	–	–
1,001–5,000	7	18,340
5,001–10,000	4	34,680
10,001–100,000	29	1,543,425
100,001 and over	33	25,587,775

E) DISTRIBUTION OF ORDINARY SHARES

The following table lists ordinary shareholders by size of holding.

	ORDINARY SHARES		
HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE OF ISSUED SHARES (%)
1–1,000	1,839	612,202	0.24
1,001–5,000	1,112	2,787,916	1.10
5,001–10,000	350	2,592,396	1.02
10,001–100,000	403	11,076,319	4.36
100,001 and over	75	236,746,395	93.28
Total	**3,779**	**253,815,228**	**100.00**

There were 588 holders of less than a marketable parcel of ordinary shares.

F) ORDINARY SHAREHOLDERS

Following are the 20 largest ordinary shareholders as at 31 January 2023.

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF ISSUED SHARES (%)
New Highland Pty Ltd <King Family A/C>	66,025,210	26.01
RMPL Investments Pty Ltd <RMPL Family A/C>	40,905,913	16.12
New Highland Pty Ltd <Philip King Family A/C>	23,921,685	9.42
Ficus Fiduciary Limited <The Regal Foundation A/C>	16,964,761	6.68
M&B O'Connor Investments Pty Ltd <O'Connor Family A/C>	8,830,107	3.48
HSBC Custody Nominees (Australia) Limited	7,653,023	3.02
D&C Tynan Investments Pty Ltd <D&C Tynan Family A/C>	7,144,415	2.81
Stroud Agricultural Company Pty Ltd <The Vernon A/C>	6,465,040	2.55
Regal Funds Management Pty Limited <The Regal Foundation A/C>	6,300,299	2.48
Citicorp Nominees Pty Limited	4,842,202	1.91
D&C Tynan Investments Pty Ltd <D&C Tynan Family A/C>	3,543,102	1.40
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient DRP>	3,360,925	1.32
Mightyboy Pty Ltd	2,463,317	0.97
Dr Fesq Pty Ltd <The Mariners Revenge A/C>	2,227,439	0.88
HSBC Custody Nominees (Australia) Limited – A/C 2	2,214,851	0.87
Latimore Family Pty Ltd <Latimore Family Trust A/C>	1,923,077	0.76
Washington H Soul Pattinson and Company Limited	1,923,077	0.76
Warman Investments Pty Ltd	1,923,076	0.76
Total top 20 holdings	**212,349,363**	**83.66**

G) SECURITIES SUBJECT TO VOLUNTARY ESCROW

Approximately 58.40% of the Company's issued ordinary shares are under voluntary escrow arrangements. Voluntary escrow arrangements are in place in respect of:

- shares issued to shareholders of Regal Funds Management Pty Limited on merger with Regal Partners Limited (formerly VGI Partners Limited) on 3 June 2022;
- shares held by shareholders in Regal Partners Limited (formerly VGI Partners Limited) prior to the Company's IPO in June 2019; and
- shares held by shareholders in Regal Partners Limited on conversion of share option arrangements into ordinary shares in June 2021.

Please see Section 5.3 of the Company's Notice of Annual General Meeting and Explanatory Memorandum lodged on the ASX on 27 April 2022, for more information on voluntary escrow arrangements and updates to the relevant interests in relation to the voluntary escrow arrangements lodged on the ASX on 19 September 2022 and 5 October 2022.

Corporate Directory

BOARD OF DIRECTORS

Michael J Cole AM – Independent Chairman

Brendan J O'Connor – Chief Executive Officer and Managing Director

Sarah J Dulhunty

Jaye L Gardner

Ian M Gibson

David F Jones AM

JOINT COMPANY SECRETARIES

Kathleen Liu

Ian Cameron

INVESTOR RELATIONS

Ingrid L Groer

T: 1800 571 917 (inside Australia)

T: +61 2 8197 4350 (outside Australia)

E: investorrelations@regalpartners.com

REGISTERED OFFICE

Level 47 – Gateway, 1 Macquarie Place

Sydney NSW 2000

Australia

WEBSITE

www.regalpartners.com

SHARE REGISTRAR

Boardroom Pty Limited

Level 8, 210 George Street

Sydney NSW 2000

T: 1300 737 760 (inside Australia)

T: +61 2 9290 9600 (outside Australia)

E: enquiries@boardroomlimited.com.au

For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.

AUDITOR

Deloitte Touche Tohmatsu

225 George Street

Sydney NSW 2000

T: +61 2 9322 7000

ASX CODE

RPL (formerly VGI)

Regal Partners Limited (formerly VGI Partners Limited)

Level 47 – Gateway, 1 Macquarie Place
Sydney NSW 2000 Australia

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