

26 August 2024

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

Interim Financial Report and Financial Statements for the half year ended 30 June 2024

Regal Partners Limited (ASX: RPL) hereby lodges:

- Appendix 4D for the half year ended 30 June 2024; and
- Interim Financial Report for the half year ended 30 June 2024, incorporating the Directors' Report to Shareholders and Condensed Consolidated Financial Statements.

AUTHORISED FOR RELEASE BY:

Ian Cameron, Joint Company Secretary

CONTACT INFORMATION:

Ingrid Groer, CFA

Head of Corporate Affairs

Regal Partners Limited

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Appendix 4D

Interim Financial Report

Company	Regal Partners Limited
ASX code	RPL
Half year ended	30 June 2024
Previous corresponding period half year ended	30 June 2023
ABN	33 129 188 450

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This announcement to the market for Regal Partners Limited's (the **Company**) consolidated group (**Regal Partners** or the **Group**) results should be read in conjunction with the attached 30 June 2024 Interim Financial Report.

	HALF YEAR ENDED 30 JUNE 2024 \$'000	HALF YEAR ENDED 30 JUNE 2023 \$'000	UP / DOWN	% MOVEMENT
Income from ordinary activities	140,822	47,601	▲	196%
Profit/(loss) from ordinary activities after tax attributable to RPL Shareholders	50,229	(3,891)	▲	1,391%
Total comprehensive income/(loss) attributable to RPL Shareholders	49,936	(4,058)	▲	1,331%
Normalised net profit after tax attributable to RPL Shareholders	58,996	13,102	▲	350%

DIVIDEND INFORMATION

	DIVIDEND PER SHARE	FRANKED AMOUNT PER SHARE	TAX RATE FOR FRANKING CREDIT
Interim 2024 dividend determined	8.0c	8.0c	30%
Final 2023 dividend (paid on 18 April 2024)	5.0c	5.0c	30%

INTERIM 2024 DIVIDEND DATES

Ex-dividend date	29 August 2024
Record date	30 August 2024
Last election date for the DRP	2 September 2024
Payment date	1 October 2024

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan (**DRP**) is in operation for shareholders of the Company (**RPL Shareholders**) and the fully franked interim dividend of 8.0 cents per share qualifies for the DRP.

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

COMMENTARY ON RESULTS

STATUTORY RESULTS

For the half year ended 30 June 2024, the Group recorded total net income of \$140,822,000 (2023: \$47,601,000) and profit after tax of \$50,237,000 (2023: loss after tax of \$3,409,000) of which profit after tax attributable to RPL Shareholders was \$50,229,000 (2023: loss after tax of \$3,891,000). For the half year ended 30 June 2024, the Group's operating expenses totalled \$68,207,000 (2023: \$44,906,000).

The Group is in a strong financial position. As at 30 June 2024, the reported net tangible assets (**NTA**)¹ per ordinary share was \$0.96 per share (31 December 2023: \$0.76 per share). The net tangible assets per ordinary share as at 30 June 2024 reflects the payment of a fully franked dividend of 5.0 cents per share in April 2024.

As at 30 June 2024, Funds Under Management (**FUM**)² for the Group was \$12.3 billion, including \$1.1 billion FUM managed on behalf of staff and \$0.1 billion of non-fee paying FUM managed on behalf of various charities. This excludes FUM contributed by Merricks Capital (\$2.9 billion) and Argyle Group (\$1.4 billion) subsequent to 30 June 2024. With Merricks Capital and Argyle Group's FUM included on a pro forma basis, the Group's FUM as at 30 June 2024 was \$16.5 billion.

From 1 January 2024, the management and performance fees on the capital managed by the Regal Funds Management business on behalf of staff was adjusted to a 50% rebate (the rebate was previously 100%). As a result of this change and based on the level of FUM as at 30 June 2024, a further \$7,000,000 in management fees per annum may be generated with further performance fee earning potential.

Management fees for the 6 months to 30 June 2024 totalled \$46,967,000 (2023: \$29,463,000). Performance fees for the 6 months to 30 June 2024 totalled \$59,449,000 (2023: \$7,978,000).

NORMALISED RESULTS

Normalised net profit after tax (**NPAT**) attributable to RPL Shareholders was \$58,996,000 (2023: \$13,102,000). The normalised NPAT attributable to RPL Shareholders for the half year ended 30 June 2024 is presented using the results of Kilter Rural, Attunga Capital, PM Capital, Taurus Funds Management, VGI Partners and Regal Funds Management (the half year ended 30 June 2023 did not include PM Capital and Taurus Funds Management). For a reconciliation of normalised NPAT, please refer to page 6 of the 30 June 2024 Interim Financial Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Interim Financial Report for the half year ended 30 June 2024.

TAURUS FUNDS MANAGEMENT – UPDATE REGARDING DEFERRED CONTINGENT CONSIDERATION AND SEED CAPITAL PURCHASE

The Group completed its acquisition of 50% of the issued ordinary shares (**Taurus Acquisition**) in Taurus SM Holdings Pty Limited (**Taurus Holdings**) on 4 November 2023. As referred to in the Group's 2023 Annual Report, the Group was in discussions with the vendor in the 50% Taurus Acquisition in relation to the purchase of the deferred contingent consideration (that is, the 'carry') and the seed capital in Taurus Resources Fund III, LLC and Taurus Resources Fund No.2 LLC (together, the **Taurus Resources Funds**). On 14 June 2024, Regal announced that it had finalised and entered into binding transaction documents in respect of that purchase, such that the deferred contingent consideration payable pursuant to the 50% Taurus Acquisition is no longer payable by Regal and further, Regal also acquired the additional seed capital from the vendor.

The consideration in respect of the carry and the seed capital is US\$15,900,000 and is payable by Regal on a deferred basis, with the last payment due on 31 July 2026. Refer to note 11 of the 2024 Interim Financial Report for further detail.

1 NTA includes the total assets shown in the Condensed Consolidated Financial Statements less deferred tax assets, intangible assets, contract assets, right of use assets and lease liabilities. The total number of ordinary shares excludes converting redeemable preference shares issued on the acquisition of PM Capital.

2 FUM data is approximate, rounded and has not been audited. FUM for the group (including 100% of Kilter Rural, Attunga Capital, Taurus Funds Management and, where applicable, Argyle Group) includes FUM managed on behalf of staff and various charities.

ACQUISITION OF MERRICKS CAPITAL – SUBSEQUENT TO REPORTING DATE

On 3 June 2024, the Company announced it had entered into a share sale deed to acquire 100% of the issued share capital of JRJ Capital Pty Ltd (the head entity of the business trading as 'Merricks Capital') (**Merricks Acquisition**), a leading alternative investment manager focused on private credit investments across commercial real estate, agriculture and specialised industrial and infrastructure, with approximately \$2.9 billion of FUM. On 9 July 2024, the Company completed the Merricks Acquisition, following RPL Shareholder approval.

For accounting purposes, the consideration for the Merricks Acquisition was approximately \$251,508,000, which comprised:

- cash consideration of \$45,000,000 paid on completion (inclusive of customary net debt, regulatory capital and working capital adjustments); and
- scrip consideration of 63,934,426 fully paid ordinary shares in the Company (**RPL Share**) at a price of \$3.23 per RPL Share, issued on completion of the Merricks Acquisition. Under the terms of the share sale deed between RPL and the Vendors, it was agreed that 63,934,426 RPL Shares would be issued to the Vendors at an issue price of \$3.05, equating to a total scrip consideration value of \$195,000,000. The scrip consideration is subject to statements of intention provided by each entity or person to whom the scrip consideration was issued, which confirms that they intend to hold their RPL Shares for a period of at least 12 months from completion of the Merricks Acquisition.

In connection with the Merricks Acquisition, the Company also issued 10,934,403 unlisted options in the Company, in aggregate, to current employees of Merricks Capital in exchange for the cancellation of the options which they held in Merricks Capital as at the date of completion of the Merricks Acquisition.

As the Merricks Acquisition completed subsequent to the end of the half year period, Merricks Capital's results do not form part of the Group's results for the half year ended 30 June 2024.

ACQUISITION OF MINORITY INTEREST IN ARGYLE GROUP – SUBSEQUENT TO REPORTING DATE

On 19 July 2024, the Company announced that it had entered into an agreement to acquire 40% of the issued share capital of Argyle Group Holdings Pty Ltd and 40% of the issued units of Argyle Group Holdings Unit Trust (the head entities of the business trading as 'Argyle Group') (**Argyle Acquisition**), a highly experienced specialist manager of Australian water entitlement portfolios with approximately \$1.4 billion of FUM. The Argyle Acquisition completed on 26 July 2024.

The Argyle Acquisition followed a corporate restructure of Argyle Group, which resulted in the divestment of Argyle Group's agricultural investment management business (the **Agriculture Divestment**), establishing Argyle Group as Australia's largest 'pure-play' water entitlements investment manager. The Company acquired its stake in Argyle Group from departing securityholders associated with the Agriculture Divestment.

The total consideration for the Argyle Acquisition is \$12,509,000 in cash (inclusive of customary net debt and working capital adjustments).

As the Argyle Acquisition completed subsequent to the end of the half year period, Argyle Group's results do not form part of the Group's results for the half year ended 30 June 2024.

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

On 1 December 2023, the Group participated in the seeding of the Regal Partners Private Fund. During the half year ended 30 June 2024, the Group raised external capital in the Regal Partners Private Fund, which diluted the Group's relative ownership interest in this fund.

As the Company completed the acquisition of Merricks Capital and 40% of Argyle Group subsequent to the end of the half year period, Merricks Capital's and Argyle Group's results were not incorporated in the Group's results for the half-year ended 30 June 2024.

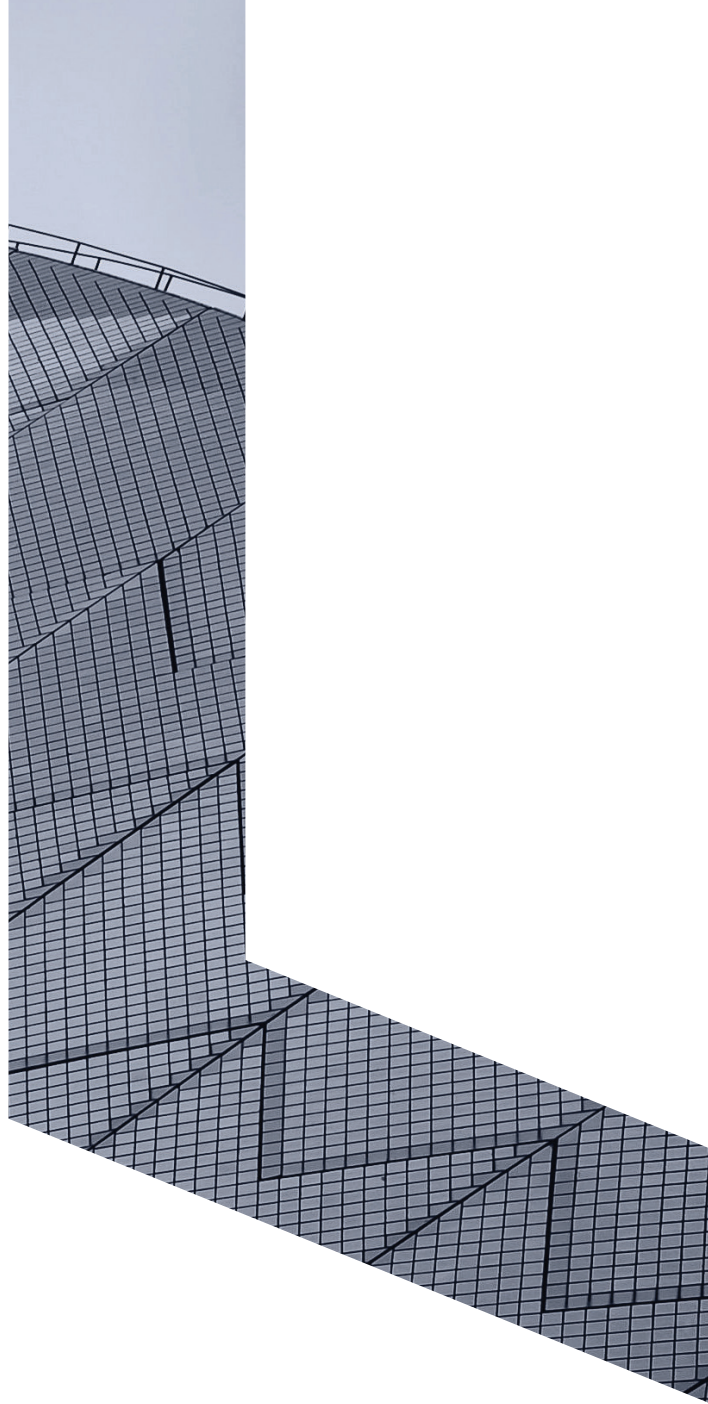
ASSOCIATES AND JOINT VENTURE ENTITIES

The Group has an investment in 50% of the ordinary shares of Taurus Holdings. See note 11 of the Interim Financial Report for further details.

AUDIT / REVIEW

This Interim Financial Report is based on the Condensed Consolidated Financial Report for the half year ended 30 June 2024, which has been reviewed by the Group's auditors, KPMG. During the half year period, the auditors of the Group changed from Deloitte Touche Tohmatsu to KPMG following RPL Shareholder approval on 30 May 2024. This Interim Financial Report comprises all information required by Listing Rule 4.2A.

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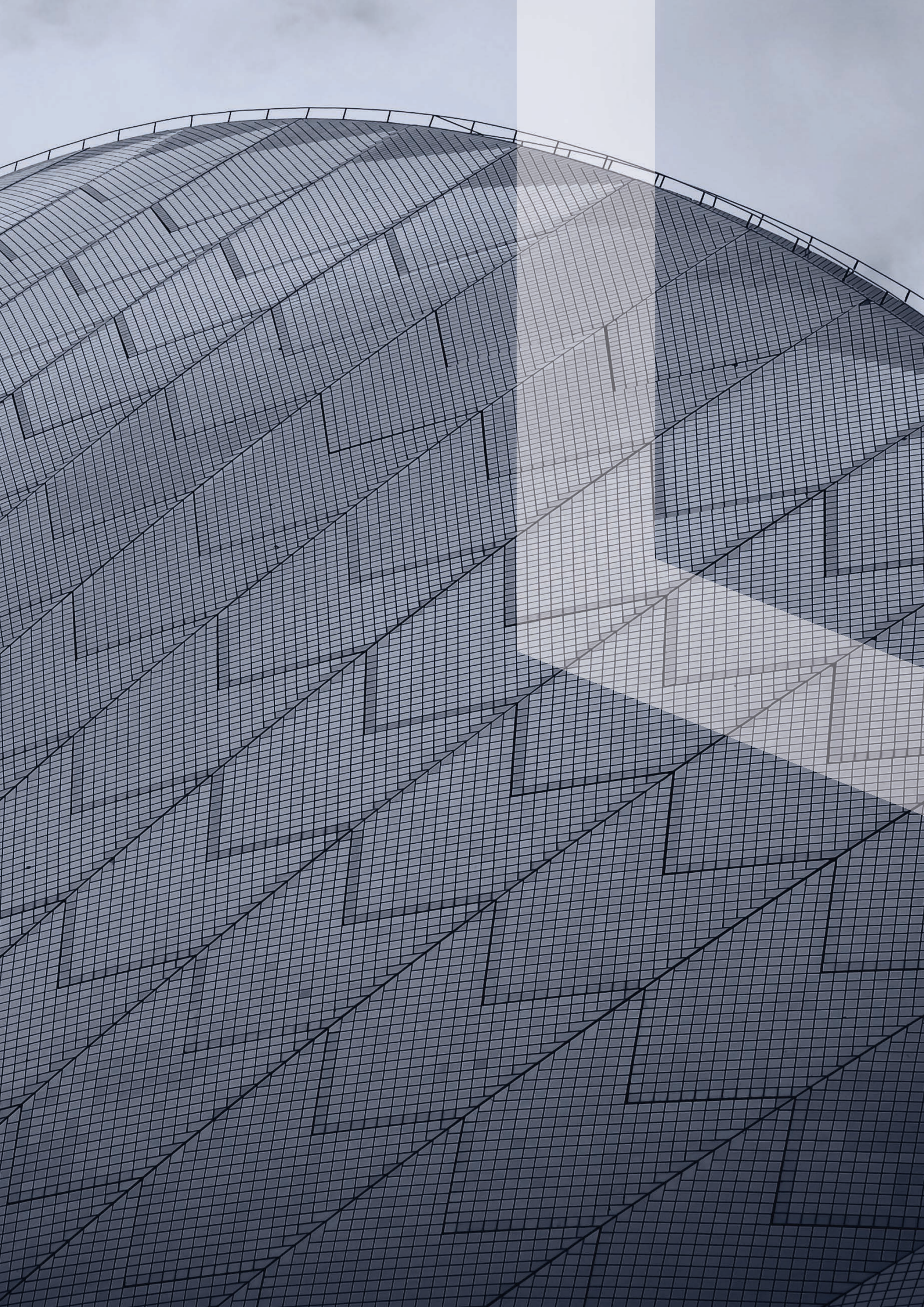
Interim Financial Report

30 June 2024

Regal Partners Limited
ABN 33 129 188 450

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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

JOINT COMPANY SECRETARIES

Kathleen Liu
Ian Cameron
Candice Driver

INVESTOR RELATIONS

Ingrid L Groer
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REGISTERED OFFICE

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Australia

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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

KPMG
Level 38 Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000
T: +61 2 9335 7000

ASX CODE

RPL

Directors' Report

The Directors of Regal Partners Limited (**the Company**) present their Directors' Report together with the Interim Financial Report for the half year ended 30 June 2024 and the independent auditor's review report. The Interim Financial Report represents the Company and its consolidated entities (**Regal Partners** or **the Group**).

DIRECTORS

The following persons were directors of the Company during the half year ended 30 June 2024 and up to the date of this report:

NAME	POSITION	DATE APPOINTED
Michael J Cole AM	Independent Chairman	3 June 2022
Brendan J O'Connor	Chief Executive Officer and 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

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

PRESENTATION OF RESULTS

The Group completed a number of acquisitions in the second half of the financial year ended 31 December 2023, including the acquisition of 50% of the issued ordinary shares in Taurus SM Holdings Pty Limited (**Taurus Holdings**) on 4 November 2023 and 100% of the issued shares in PM Capital Limited (**PM Capital**) on 20 December 2023. As a result of these acquisitions, the Group's results include the results of Taurus Holdings as an associate and the results of PM Capital as a subsidiary for the half year ended 30 June 2024.

STATUTORY RESULTS

For the half year ended 30 June 2024, the Group recorded total net income of \$140,822,000 (2023: \$47,601,000) and profit after tax of \$50,237,000 (2023: loss after tax of \$3,409,000) of which profit after tax attributable to shareholders of the Company (**RPL Shareholders**) was \$50,229,000 (2023: loss after tax of \$3,891,000). For the half year ended 30 June 2024, the Group's operating expenses totalled \$68,207,000 (2023: \$44,906,000).

The Group is in a strong financial position. As at 30 June 2024, the reported net tangible assets (**NTA**)* per ordinary share was \$0.96 per share (31 December 2023: \$0.76 per share). The net tangible assets per ordinary share as at 30 June 2024 reflects the payment of a fully franked dividend of 5.0 cents per share in April 2024.

As at 30 June 2024, Funds Under Management (**FUM**)** for the Group was \$12.3 billion, including \$1.1 billion FUM managed on behalf of staff and \$0.1 billion of non-fee paying FUM managed on behalf of various charities.

From 1 January 2024, management and performance fees on the capital managed by the Regal Funds Management business on behalf of staff was adjusted to a 50% rebate (the rebate was previously 100%). As a result of this change and based on the level of FUM as at 30 June 2024, a further \$7,000,000 in management fees per annum may be generated with further performance fee earning potential.

Management fees for the 6 months to 30 June 2024 totalled \$46,967,000 (2023: \$29,463,000) and performance fees for the 6 months to 30 June 2024 totalled \$59,449,000 (2023: \$7,978,000) on a statutory basis.

* NTA includes the total assets shown in the Condensed Consolidated Financial Statements less deferred tax assets, intangible assets, contract assets, right of use assets and lease liabilities. The total number of ordinary shares excludes converting redeemable preference shares issued on the acquisition of PM Capital.

** FUM data is approximate, rounded and has not been audited. FUM (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management) is rounded and unaudited, and includes FUM managed on behalf of staff and various charities.

NORMALISED RESULTS

Normalised net profit after tax (**NPAT**) attributable to RPL Shareholders was \$58,996,000 (2023: \$13,102,000).

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

RECONCILIATION BETWEEN STATUTORY RESULTS AND NORMALISED RESULTS	NOTES	HALF YEAR ENDED 30 JUNE 2024 (\$'000)	HALF YEAR ENDED 30 JUNE 2023 (\$'000)
Statutory NPAT attributable to RPL Shareholders		50,229	(3,891)
Normalisation adjustments:			
Non-cash amortisation of contract assets and intangible assets	(A)	4,125	2,414
Non-cash amortisation of share-based payments (related to one-off long term incentive grant on acquisition of VGI)	(A)	5,600	9,434
Realised and unrealised gains on a strategic asset	(B)	(5,796)	–
Transaction and integration costs	(C)	3,559	–
Non-recurring professional services and other costs	(D)	656	–
One-off strategic initiatives in 2023	(E)	–	5,548
Tax adjustments on normalisation adjustments		623	(403)
Normalised NPAT attributable to RPL Shareholders		58,996	13,102

Notes to normalised results:

- (A) Amortisation is non-cash in nature. Share-based payments include one-off equity issuance in 2022 following the merger of VGI Partners and Regal Funds Management and issued in connection with that acquisition.
- (B) Gain on a strategic asset held during the period. Mark-to-market and change in fair value gains/losses on all other seed capital managed by the Group are included in the normalised NPAT results.
- (C) Relates to the transaction and integration costs associated with the acquisitions of Merricks Capital, Argyle Group and the acquisition of carry and seed capital in funds managed by Taurus Funds Management, and the continued integration and restructuring related costs in relation to PM Capital and Taurus Funds Management.
- (D) In the half year ended 30 June 2024, one-off legal, professional and other costs associated with specific non-operational matters occurring during the half year.
- (E) In the half year ended 30 June 2023, one-off expenses related to strategic initiatives which included approximately \$4 million of contingent consideration in connection with the acquisition of the Group's 51% interest in Attunga Capital (which increased the Group's ownership to 61%). The consideration has been expensed in the current period as required under AASB 3 *Business Combinations*.

The normalised results have been prepared on the basis that:

- normalisation adjustments reflect the exclusion of one-off costs (for example, one-off capital transaction costs) and certain non-cash items (for example, amortisation of intangible assets); and
- the current half year ended 30 June 2024 incorporates the results of Taurus Funds Management and PM Capital as a result of acquisitions completed in the second half of the financial year ended 31 December 2023.

For more detail around normalised NPAT reconciliation, please refer to the results release presentation released to ASX on 26 August 2024 titled '1H24 Results Presentation'.

NON-IFRS FINANCIAL MEASURES

Non-IFRS financial measures are measures that are not defined or specified under the Accounting Standards. The Group believes non-IFRS financial measures assist in providing additional meaningful information about the performance of the business and period-to-period comparability by adjusting certain strategic, non-recurring, non-cash or other items which affect the Group's statutory results.

Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, the Group's statutory results. These measures may also differ from non-IFRS measures used by other companies. Normalised NPAT has been disclosed in accordance with ASIC's Regulatory Guide RG230. The adjustments to profit have been extracted from the reviewed books and records.

CAPITAL MANAGEMENT

The Group has a robust balance sheet and liquidity position that allows it to implement its business strategy. As at 30 June 2024, the Group had Shareholders' funds of \$621,899,000 (31 December 2023: \$578,763,000). The balance at 30 June 2024 is after paying a dividend of \$16,308,000 during the period.

Cash and short-term receivables

Additionally, the Group held cash and cash equivalents, amounts held at brokers and short-term fees and distribution receivables from its balance sheet investments of \$162,456,000 as at 30 June 2024 (31 December 2023: \$47,700,000). Subsequent to 30 June 2024, a portion of cash and short-term receivables was utilised in order to fund the upfront consideration of the acquisition of Merricks Capital and Argyle Group.

Seed capital

A meaningful portion of the Group's capital is invested in funds managed by the Group as part of seeding new strategies or investing surplus capital.

At 30 June 2024, the Group held investments measured at fair value of \$134,542,000, compared with \$194,497,000 at 31 December 2023. The Group's seed capital generated a return of +8.9% (including mark to market and change in fair value movements, dividend income and distribution income from the seed investments) in the 6 months to 30 June 2024.

The reduction in seed capital during the half year was a result of sell downs, which enabled the Group to crystallise gains on certain funds that had performed positively during the period. A portion of the realised cash was used by the Group post 30 June 2024 to fund the upfront consideration of the acquisition of Merricks Capital and Argyle Group, as described earlier.

Corporate Credit Facility

As at 30 June 2024, the facility was drawn to \$22,000,000 out of an available \$50,000,000 with repayment of \$20,000,000 made during the half year period. Subsequent to the end of the half year, a further \$3,500,000 was repaid on the facility as at the date of this financial report.

The Group has agreed to various debt covenants including a minimum ratio of gross debt to earnings before interest, taxes, and depreciation and amortisation (**EBITDA**), and minimum interest cover. The Group was compliant with all facility covenants as at 30 June 2024.

Taurus Funds Management – update regarding deferred contingent consideration and seed capital purchase

The Group completed its acquisition of 50% the issued ordinary shares in Taurus Holdings Pty Limited (**Taurus Acquisition**) on 4 November 2023. As referred to in the Group's 2023 Annual Report, the Group was in discussions with the vendor in Taurus Acquisition in relation to the purchase of the deferred contingent consideration (that is, the 'carry') and the seed capital in Taurus Resources Fund III, LLC and Taurus Resources Fund No.2 LLC (together, the **Taurus Resources Funds**). On 14 June 2024, the Company announced that it had finalised and entered into binding transaction documents in respect of the purchase, such that the deferred contingent consideration payable pursuant to the Taurus Acquisition is no longer payable by the Company and further, the Company also acquired the relevant seed capital from the vendor.

The consideration in respect of the carry and the seed capital is US\$15,900,000 and is payable by the Company on a deferred basis, with the last payment due on 31 July 2026. Refer to note 11 of the 2024 Interim Financial Report for further detail.

Other updates

During the half year ended 30 June 2024, the Group decided to close the Hong Kong-based East Point Asset Management (**EPAM**) business following a period of challenging performance and the departure of a seed investor. The Group is currently in the process of winding up EPAM's operations and obtaining customary regulatory wind-up approvals.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted above, there have been no other significant changes in the Company's state of affairs.

DIVIDENDS

A dividend of \$16,308,000 (5.0 cents per share) was paid (in cash and under the Group's Dividend Reinvestment Plan (**DRP**) on 18 April 2024. This dividend was fully franked at a 30% tax rate.

SUBSEQUENT EVENTS

Funds under management

The Group's unaudited FUM as at 30 June 2024 totalled \$12.3 billion*, including \$1.1 billion of FUM managed on behalf of staff and \$0.1 billion FUM managed on behalf of various charities. This excludes FUM contributed by Merricks Capital (\$2.9 billion) and Argyle Group (\$1.4 billion) subsequent to 30 June 2024. With Merricks Capital and Argyle Group's FUM included on a pro forma basis, the Group's FUM as at 30 June 2024 was \$16.5 billion.

* FUM data is approximate, rounded and has not been audited. FUM (including 100% of Kilter Rural, Attunga Capital, Taurus Funds Management and Argyle Group where applicable) is rounded and unaudited and includes FUM managed on behalf of staff and various charities.

Acquisition of Merricks Capital – subsequent to reporting date

On 3 June 2024, the Company announced it had entered into a share sale deed to acquire 100% of the issued share capital of JRJ Capital Pty Ltd assets (the head entity of the business trading as 'Merricks Capital') (**Merricks Acquisition**), a leading alternative investment manager focused on private credit investments across commercial real estate, agriculture and specialised industrial and infrastructure, with approximately \$2.9 billion of FUM. On 9 July 2024, the Company completed the Merricks Acquisition, following RPL Shareholder approval.

For accounting purposes, the consideration for the Merricks Acquisition is approximately \$251,508,000, which comprised:

- cash consideration of \$45,000,000 paid on completion (inclusive of customary net debt, regulatory capital and working capital adjustments); and
- scrip consideration of 63,934,426 fully paid ordinary shares in the Company (**RPL Share**) at a price of \$3.23 per RPL Share, issued on completion of the Merricks Acquisition. Under the terms of the share sale deed between RPL and the Vendors, it was agreed that 63,934,426 RPL Shares would be issued to the Vendors at an issue price of \$3.05, equating to a total scrip consideration value of \$195,000,000. The scrip consideration is subject to a statement of intention provided by each entity or person to whom the scrip consideration was issued, which confirms that they intend to hold their RPL Shares for a period of at least 12 months from completion of the Merricks Acquisition.

In connection with the Merricks Acquisition, the Company also issued 10,934,403 unlisted options in the Company, in aggregate, to current employees of Merricks Capital in exchange for the cancellation of the options which they held in Merricks Capital as at the date of completion of the Merricks Acquisition.

As the Merricks Acquisition completed subsequent to the end of the half year period, Merricks Capital's results do not form part of the Group's results for the half year ended 30 June 2024.

Acquisition of minority interest in Argyle Group – subsequent to reporting date

On 19 July 2024, the Company announced that it had entered into an agreement to acquire 40% of the issued share capital of Argyle Group Holdings Pty Ltd and 40% of the issued units of Argyle Group Holdings Unit Trust (the head entities of the business trading as 'Argyle Group') (**Argyle Acquisition**), a highly experienced specialist manager of Australian water entitlement portfolios with approximately \$1.4 billion of FUM. The Argyle Acquisition completed on 26 July 2024.

The Argyle Acquisition followed a corporate restructure of Argyle Group, which resulted in the divestment of Argyle Group's agricultural investment management business (the **Agriculture Divestment**), establishing Argyle Group as Australia's largest 'pure-play' water entitlements investment manager. The Company acquired its stake in Argyle Group from departing securityholders associated with the Agriculture Divestment.

The total consideration for the Argyle Acquisition is \$12,509,000 in cash (inclusive of customary net debt and working capital adjustments).

As the Argyle Acquisition completed subsequent to the end of the half year period, Argyle Group's results do not form part of the Group's results for the half year ended 30 June 2024.

Dividend

On 26 August 2024, the Directors determined to pay a fully franked dividend at a 30% tax rate of 8.0 cents per share, which will be paid on 1 October 2024. The Group's DRP will be in operation for this dividend.

ROUNDING

In accordance with *Australian Securities and Investment Commission (ASIC) Corporations (Rounding in Financials / Directors' Reports) Instrument 2016/191*, all dollar amounts in the Directors' Report and the Condensed Consolidated Financial Statements have been rounded to the nearest thousand dollars, or in certain circumstances, to the nearest dollar (where indicated).

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 (CTH)

A copy of the auditor's independence declaration is set out on page 9.

Signed on behalf and in accordance with a resolution of the Directors made pursuant to s.306(3) of the *Corporations Act 2001* (Cth).



Brendan J O'Connor

Chief Executive Officer and Managing Director

Sydney

26 August 2024

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Regal Partners Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Regal Partners Limited for the half-year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature of David Kells, written in blue ink.

David Kells
Partner

Sydney
26 August 2024

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Condensed Consolidated Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 30 June 2024

	NOTE	HALF YEAR ENDED 30 JUNE 2024 \$'000	HALF YEAR ENDED 30 JUNE 2023 \$'000
Income			
Management fees	4	46,967	29,463
Performance fees	4	59,449	7,978
Share of profit of an associate or joint venture		1,580	–
Other income incl. net gain/(loss) on financial assets		32,826	10,160
Total net income		140,822	47,601
Expenses			
Personnel expenses		(47,878)	(29,266)
Research, IT and communications expenses		(2,995)	(1,988)
Finance and occupancy expenses		(1,965)	(985)
Depreciation and amortisation		(4,832)	(2,841)
Operating cost of funds	4	(3,093)	(1,969)
Other expenses		(7,444)	(7,857)
Total operating expenses		(68,207)	(44,906)
Profit before tax		72,615	2,695
Income tax expense		(22,378)	(6,104)
Profit / (loss) for the period		50,237	(3,409)
Profit / (loss) attributable to:			
Owners of RPL		50,229	(3,891)
Non-controlling interest		8	482
Earnings / (Losses) per share (EPS) attributable to the owners of RPL:			
Basic (cents per share)	12	19.31	(1.53)
Diluted (cents per share)	12	17.69	(1.53)
Other comprehensive income, net of tax:			
Foreign currency translation		(293)	(167)
Total comprehensive income for the period		49,944	(3,576)
Total comprehensive income attributable to:			
Owners of RPL		49,936	(4,058)
Non-controlling interest		8	482

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	NOTE	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Assets			
Cash and cash equivalents		78,104	17,227
Amounts due from brokers		53	52
Trade and other receivables	6	87,217	32,206
Financial assets	5	134,542	194,497
Total current assets		299,916	243,982
Property, plant and equipment		875	1,161
Net deferred tax asset ²		3,788	4,030
Right of use assets		2,461	3,497
Intangible assets	10	371,693	375,739 ¹
Investment in associates	11	55,089	55,181
Other assets		1,564	1,999
Total non-current assets		435,470	441,607
Total assets		735,386	685,589
Liabilities			
Trade and other payables		26,609	6,935
Income tax payable		18,178	3,535
Deferred revenue		2,007	15,444
Employee entitlements		26,411	11,227
Lease liabilities		1,774	2,179
Total current liabilities		74,979	39,320
Employee entitlements		1,209	983
Lease liabilities		1,027	1,872
Borrowings		22,000	42,000
Other long-term liabilities	11	14,272	22,651
Total non-current liabilities		38,508	67,506
Total liabilities		113,487	106,826
Net assets		621,899	578,763
Equity			
Share capital	7	527,681	526,325
Reserves	7	39,968	31,727
Retained earnings		51,436	17,515
Non-controlling interests		2,814	3,196
Total shareholders' equity		621,899	578,763

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

1 As set out in note 9(B) to the Condensed Consolidated Financial Statements, the Group has updated the accounting for the acquisition of PM Capital, which was provisional in the 2023 Annual Report. As a result, the Group has made retrospective amendments to the comparative information presented during the measurement period, as required by the applicable accounting standards.

2 Deferred tax assets and deferred tax liabilities are presented on a net basis. See note 2(E).

STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2024

	NOTE	SHARE CAPITAL \$'000	RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL ATTRIBUTABLE TO OWNERS OF RPL \$'000	NON- CONTROLLING INTERESTS (NCI) \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2023		378,545	15,564	38,839	432,948	3,803	436,751
Profit for the period		-	-	(3,891)	(3,891)	482	(3,409)
Other comprehensive loss		-	(167)	-	(167)	-	(167)
Issue of shares		2,877	-	-	2,877	-	2,877
Dividend reinvestment plan – ordinary shares		196	-	-	196	-	196
Share based payments		-	14,972	-	14,972	-	14,972
Dividends paid		-	-	(10,184)	(10,184)	-	(10,184)
Balance at 30 June 2023		381,618	30,369	24,764	436,751	4,285	441,036
Balance at 1 January 2024		526,325	31,727	17,515	575,567	3,196	578,763
Profit / (loss) for the period		-	-	50,229	50,229	8	50,237
Other comprehensive loss		-	(293)	-	(293)	-	(293)
Dividend reinvestment plan – ordinary shares	7	297	-	-	297	-	297
Dividend reinvestment plan – converting shares	7	1,059	-	-	1,059	-	1,059
Share based payments		-	8,534	-	8,534	-	8,534
Dividends paid	8	-	-	(16,308)	(16,308)	(390)	(16,698)
Balance at 30 June 2024		527,681	39,968	51,436	619,085	2,814	621,899

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

STATEMENT OF CASH FLOWS

For the half year ended 30 June 2024

	HALF YEAR ENDED 30 JUNE 2024 \$'000	HALF YEAR ENDED 30 JUNE 2023 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	41,012	42,552
Cash payments in the course of operations	(27,154)	(18,909)
Income taxes (paid)/ refunded	(7,493)	2,306
Interest received	1,080	934
Net cash inflows from operating activities	7,445	26,883
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(176)	(331)
Broker advances	(1)	174
Payment to acquire / invest in subsidiary	(18)	–
Payments for purchase of financial assets	–	(36,101)
Proceeds from sale of financial assets	88,021	15,000
Proceeds from sale of property, plant and equipment	58	–
Receipts from other assets	–	229
Receipts from loan receivables	–	2,108
Payment for other liabilities	(1,356)	–
Dividends received from associates	1,672	–
Dividends and distributions received	2,268	–
Net cash inflows/(outflows) from investing activities	90,468	(18,921)
Cash flows from financing activities		
Repayments of borrowings	(20,000)	–
Repayments of lease liabilities	(1,272)	(1,013)
Dividends paid to company's shareholders	(14,952)	(9,988)
Dividends paid to non-controlling interests in subsidiaries	(390)	–
Interest and financing costs paid	(983)	–
Net cash (outflows) from financing activities	(37,597)	(11,001)
Net increase / (decrease) in cash and cash equivalents	60,316	(3,039)
Cash and cash equivalents at the beginning of the period	17,227	39,764
Effects of exchange rate changes on the balance of cash held in foreign currencies	561	514
Cash and cash equivalents at the end of the period	78,104	37,239

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

Notes to the Condensed Consolidated Financial Statements

For the half year ended 30 June 2024

1 CORPORATE INFORMATION

The financial report of Regal Partners Limited (**the Company**) and its controlled entities (together, the **Group**) for the half year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors dated 26 August 2024.

Regal Partners Limited is a company limited by shares incorporated and domiciled in Australia and is listed on the Australian Stock Exchange under the ticker, RPL.

The registered office and principal place of business of the Company is Level 47, Gateway, 1 Macquarie Place, Sydney NSW 2000. The Group is a for-profit entity.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 GENERAL INFORMATION AND BASIS OF PREPARATION

The Condensed Consolidated Financial Statements are for the Group, which consists of Regal Partners Limited and its controlled entities.

The material accounting policies adopted have been consistently applied to all the periods presented and are consistent with those adopted and disclosed in the Group's 2023 Annual Financial Report, unless otherwise stated.

(A) BASIS OF PREPARATION

The Condensed Consolidated Financial Statements for the period ended 30 June 2024 has been prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with *AASB 134 Interim Financial Reporting* ensures compliance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

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

This Interim Financial Report is presented in Australian Dollars (\$) unless otherwise indicated.

(B) ACQUISITION IMPACT ON THE COMPARATIVE PERIOD

The Group completed a number of acquisitions in the second half of the financial year ended 31 December 2023, including the acquisition of 50% of the issued ordinary shares in Taurus SM Holdings Pty Limited (**Taurus Holdings**) and 100% of PM Capital Limited (**PM Capital**). As a result of these acquisitions, the half year ended 30 June 2024 includes the results of Taurus Holdings as an associate and the results of PM Capital result as a subsidiary.

The results presented for the last comparative period, being the half year ended 30 June 2023, exclude the results of Taurus Holdings and PM Capital as these acquisitions completed in the half year to 31 December 2023.

(C) APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all of the 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.

(D) 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.

(E) COMPARATIVE INFORMATION

The Group has updated the accounting for the acquisition as set out in note 9(B) to the Condensed Consolidated Financial Statements, which was provisional in the 2023 Annual Report. As a result, the Group has made retrospective amendments to the comparative information presented during the measurement period, as required by the applicable accounting standards.

The Group also reclassified deferred tax assets and liabilities in order to present deferred taxes on a net basis to be consistent with the current year treatment.

3 OPERATING SEGMENTS

The main business activities of the Group are the provision of investment management services. The Board of 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.

4 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.
- Responsible entity / trustee fees
These fees are recognised over time as they are earned, based on the applicable constitution of each scheme. The fees are earned in the Groups capacity as responsible entity, or trustee and fund administrator.
- Performance fees
These fees are recognised as income over time as they are earned, based on applicable investment management agreements and/or offering documents, 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 the end of the contractual calculation period and the relevant investment vehicle 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 increasing or exceeding a stated hurdle, subject to a high-water mark. For those funds that the Group manages which 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 applications and redemptions.

DISAGGREGATION OF REVENUE

	HALF YEAR ENDED 30 JUNE 2024 \$'000	HALF YEAR ENDED 30 JUNE 2023 \$'000
Type of service		
Investment management services – management fees and responsible entity fees	46,967	29,463
Investment management services – performance fees	59,449	7,978
Total investment management services	106,416	37,441
Costs associated with providing investment management services		
Operating costs of funds	(3,093)	(1,969)
Amortisation of contract assets	(61)	(49)

5 FINANCIAL ASSETS

The Group measures and recognises its investments in financial assets at fair value through profit and loss (**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).

The following table presents the Group's financial assets and liabilities measured and recognised at fair value, at the reporting date:

30 JUNE 2024	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Investments in financial assets at FVTPL				
Listed securities and funds	82,314	–	–	82,314
Unlisted funds	–	36,844	13,196	50,040
Unlisted equity securities	–	–	2,188	2,188
Total financial assets	82,314	36,844	15,384	134,542
31 DECEMBER 2023				
Investments in financial assets at FVTPL				
Listed securities and funds	84,190	–	–	84,190
Unlisted funds	–	108,173	–	108,173
Unlisted equity securities	–	–	2,134	2,134
Total financial assets	84,190	108,173	2,134	194,497

The Group considers that the inputs used for the fair value measurement of investments in unlisted funds are generally 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. There has been no change to valuation techniques used in fair value measurements.

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 half year ended 30 June 2024.

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)**Reconciliation of Level 3 investments**

HALF YEAR ENDED 30 JUNE 2024	UNLISTED EQUITY SECURITIES \$'000	UNLISTED FUNDS \$'000	TOTAL \$'000
Opening balance	2,134	–	2,134
Purchase/Sales	–	2,256	2,256
Change in fair value	–	10,940	10,940
Change in foreign exchange rates	54	–	54
Closing balance	2,188	13,196	15,384

Valuation techniques used to determine fair values

Specific valuation techniques used to value the Level 3 financial instruments include:

- Unlisted equity securities – Unlisted equity securities classified as Level 3 relate to an investment in an unlisted company denominated in US dollars. Where possible, the investment is valued based on recent market transactions involving the securities of the unlisted company. Where there are no recent market transactions or the information is otherwise unavailable, the value is measured using alternative valuation techniques. These techniques include income and market-derived valuations that incorporate market unobservable inputs.
As at 30 June 2024, the Group valued the unlisted equity securities using recent arm's-length market transactions during the year involving the securities of the unlisted company adjusted for a discount applied by management (which were the significant unobservable inputs), where applicable.
- Unlisted funds (Level 3) – Unlisted funds classified as Level 3 securities relate to interests purchased during the half year ended 30 June 2024 from the vendors of Taurus Holdings (see note 11). These interests were valued at a discount of 30% to their last net asset value (**NAV**) price, calculated in accordance with the unlisted funds' investment management agreement. Both the discount and the NAV reflect significant unobservable inputs, where applicable.

6 TRADE AND OTHER RECEIVABLES

	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Trade receivables and accruals	85,981	31,047
Prepayments	1,236	1,159
Total	87,217	32,206

Trade receivables mainly consist of management and performance fees and distribution receivables that are received within 30 to 60 days after the balance date.

7 ISSUED CAPITAL AND RESERVES

ISSUED CAPITAL

	30 JUNE 2024 NUMBER	31 DECEMBER 2023 NUMBER	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Fully paid ordinary shares	257,444,971	257,345,572	389,715	389,418
Shares in employee share trust	(2,643,478)	(2,600,000)	(6,057)	(6,057)
Total ordinary share capital	254,801,493	254,745,572	383,658	383,361
Converting redeemable preference shares issued on business combination net of transaction costs	69,173,576	68,819,483	144,023	142,964
Total issued capital	323,975,069	323,565,055	527,681	526,325

FULLY PAID ORDINARY SHARE CAPITAL

Refer to the movement during the period below:

DETAILS	DATE	SHARES	\$'000
Opening balance	1 January 2024	254,745,572	383,361
Shares issued under DRP	18 April 2024	99,399	297
Shares issued under DRP on shares held in employee share trust	18 April 2024	(43,478)	–
Closing balance	30 June 2024	254,801,493	383,658

NATURE AND PURPOSE OF ISSUANCES

- Shares issued under DRP (18 April 2024): the Group operates a Dividend Reinvestment Plan (**DRP**) under which eligible shareholders of the Company (**RPL Shareholders**) may reinvest their dividends into new shares in the Company (**RPL Shares**).

CONVERTING REDEEMABLE PREFERENCE SHARES – ISSUED IN CONNECTION WITH THE ACQUISITION OF PM CAPITAL

Refer to the movement in converting redeemable preference shares (**Converting Shares**) during the current period below:

DETAILS	DATE	SHARES	\$'000
	1 January 2024	68,819,483	142,964
Contingent Converting Shares issued under DRP	18 April 2024	354,093	1,059
	30 June 2024	69,173,576	144,023

NATURE AND PURPOSE OF ISSUANCES

- Shares issued under DRP (18 April 2024): the Group operates a DRP under which eligible RPL Shareholders may reinvest their dividend into new RPL Shares.

RESERVES

	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Foreign currency translation reserve	260	553
Share based payments reserve	42,112	33,578
Other capital reserves	(2,404)	(2,404)
Total	39,968	31,727

Further information in relation to the rights and key terms of the Converting Shares is summarised in note 19 of the 2023 Annual Report.

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 (including performance share rights) provided to employees, including key management personnel.

The reserve includes balances in relation to: (a) Performance Share Rights granted since the merger from 4 June 2022; and (b) RPL Shares issued under a Restricted Share Plan for employees prior to the merger on 3 June 2022.

(iii) Other capital reserve

Other capital reserves are used to record additional equity interests purchased in partially owned subsidiaries.

8 DIVIDENDS

	HALF YEAR ENDED 30 JUNE 2024 \$'000	HALF YEAR ENDED 30 JUNE 2023 \$'000
Dividends determined and paid during the period:		
Final 2022 dividend (paid on 22 March 2023)	–	10,184
Final 2023 dividend (paid on 18 April 2024)	16,308	–
Total	16,308	10,184

DIVIDENDS DETERMINED AFTER THE END OF THE HALF YEAR PERIOD

Subsequent to the end of the half year, the Directors determined to pay a fully franked interim dividend of 8.0 cents per share franked at 30%, which will be paid on 1 October 2024.

9 BUSINESS COMBINATIONS

A) BUSINESS COMBINATION IN THE CURRENT PERIOD

There were no business acquisitions in the current half-year period.

B) BUSINESS COMBINATION IN THE PREVIOUS PERIOD

There were no businesses acquired in the previous comparative half-year period.

Acquisition of PM Capital – Measurement period adjustments

As disclosed in the Company's 2023 Annual Report, the accounting for the acquisition of PM Capital (acquired on 20 December 2023) was presented on a provisional basis.

Consistent with the requirement of the accounting standards, the Group retrospectively amended the provisional amounts during the measurement period based on new information obtained about the facts and circumstances that existed at the acquisition date.

The amendments to the assets acquired and liabilities assumed compared to the previous period are as follows:

	\$'000
Assets acquired	
Cash	7,624
Fixed assets	84
Investment in financial assets	5,941
Fees receivable	2,176
Deferred tax assets	921
Right of use assets	446
Intangible assets – management rights ¹	24,971
Other	225
Total assets acquired	42,388
Liabilities assumed	
Creditors	1,967
Other payables	451
Deferred tax liabilities ¹	7,491
Lease liabilities	493
Total liabilities assumed	10,402
Fair value of identifiable net assets acquired on 20 December 2023²	31,986
Goodwill arising on acquisition ²	133,373
Consideration transferred, satisfied in equity and cash³	165,359

1 There were no provisional amounts recognised for intangible assets on 20 December 2023 as a result of the acquisition. The amounts now recognised represent 'management rights' acquired as a result of underlying management agreements of those acquired investment portfolios managed by PM Capital at the date of the acquisition with the corresponding deferred tax liabilities.

2 The fair value of identifiable net assets acquired has increased from the provisional amount by \$17,480,000 and the goodwill arising from the acquisition has reduced from the provisional amount by the same amount.

3 Additional final settlement amount of \$18,000 was paid on 28 March 2024.

10 INTANGIBLE ASSETS

	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Goodwill	315,668	315,650
Management rights	54,186	58,139
Intellectual property	1,839	1,950
Total	371,693	375,739

RECONCILIATIONS

Reconciliations of carrying values at the beginning and end of the current half-year period are set out in the table below.

CARRYING VALUE OF INTANGIBLE ASSETS	GOODWILL \$'000	MANAGEMENT RIGHTS \$'000	INTELLECTUAL PROPERTY \$'000	TOTAL \$'000
At 1 January 2024	333,130	33,168	1,950	368,248
Goodwill and separately identified intangible reassessed during provisional period ¹	(17,480)	24,971	–	7,491
At 1 January 2024 reassessed¹	315,650	58,139	1,950	375,739
Settlement consideration	18	–	–	18
Amortisation expense	–	(3,953)	(111)	(4,064)
As at 30 June 2024	315,668	54,186	1,839	371,693

¹ As set out in note 9(B) to the Condensed Consolidated Financial Statements, the goodwill acquired on the acquisition of PM Capital was initially recognised on provisional basis in the 2023 Annual Report. The accounting for the acquisition has been updated and retrospective changes have been applied to the comparative information.

11 INTEREST IN ASSOCIATES AND JOINT VENTURE ENTITIES

INVESTMENT IN ASSOCIATES AND JOINT VENTURE ENTITIES	30 JUNE 2024 \$'000	31 DECEMBER 2023 \$'000
Investment in associates	55,061	55,082
Investment in joint venture entities	28	99
Total	55,089	55,181

Investment in associates

In the prior financial year, the Group acquired 50% of Taurus Funds Management, a specialist provider of financing solutions to global mid-tier and junior mining companies, which is treated as an associate. The transaction involved upfront consideration and deferred contingent consideration with respect to the after-tax performance fees (that is, the 'carry') on certain funds also to be paid in cash. The estimated deferred contingent consideration was recognised as an 'other long-term liability' for \$22,036,000 as at 31 December 2023. At a high-level, this deferred contingent consideration was intended to operate as a 'pass-through' (that is, it was intended to be extinguished on receipt of dividends from the associate) as and when it was received and accordingly, would not have drawn on the Group's cash balances.

During the half year ended 30 June 2024, the Group purchased this deferred contingent consideration from the vendor of Taurus Funds Management such that the deferred contingent consideration that the Company owed to that vendor over time is no longer required. Accordingly, the entitlement to the Group's share of the cash flows from the carry interest on all funds managed by Taurus Funds Management will remain with the Group. Additionally, the Group agreed to purchase seed capital in two of the funds managed by Taurus Funds Management from the vendor at a discount to their carrying value. Together, the Group has agreed to pay net consideration of US\$15,900,000 (or approximately A\$23,956,000) over three (3) years in consideration for this arrangement.

As a result of these transactions, a payable amount of \$23,956,000 has been recognised in the Condensed Consolidated Statement of Financial Position, of which \$9,040,000 is payable within 12 months of 30 June 2024. The Group derecognised the \$22,036,000 deferred contingent consideration and instead recognised a financial asset in the form of 'unlisted funds' securities (see note 5 to the Condensed Consolidated Financial Statements for further detail) with the difference being recognised in 'other income' in the Condensed Consolidated Statement of Profit or Loss.

The Group's share of the associate's profit or loss which is presented in the 'share of profit of associate' item in the Condensed Consolidated Statement of Profit or Loss is \$1,580,000 as at 30 June 2024. Dividends received from an associate are accounted for as a reduction in the carrying value of the investment. During the period, the Group received a dividend from its share of the investment in associate of \$1,600,000.

Investment in joint venture entities

The Group held an investment in a joint venture entity as at 30 June 2024 of \$28,000 (30 June 2023: \$99,000).

12 EARNINGS PER SHARE

	HALF YEAR ENDED 30 JUNE 2024 (\$'000)	HALF YEAR ENDED 30 JUNE 2023 (\$'000)
Profit/(loss) after tax for the half year attributable to RPL Shareholders	50,229	(3,891)
	Number ('000)	Number ('000)
Weighted average number of ordinary shares (WANOS) outstanding during the period, used in calculating basic EPS	260,062	254,383
Weighted average number of ordinary shares used in calculating diluted EPS	283,976	254,383
Earnings per share	Cents	Cents
Basic EPS (cents per share)	19.31	(1.53)
Diluted EPS (cents per share)	17.69	(1.53)

Impact of issuance of Converting Shares in connection with the acquisition of PM Capital on 20 December 2023

In accordance with AASB 133 *Earnings Per Share*, the weighted average number of ordinary shares outstanding includes Converting Shares which will convert into ordinary shares issued as part of consideration transferred in a business combination for the purposes of calculating Basic and Diluted EPS as follows:

- The Group includes in WANOS the ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument in the calculation of Basic EPS from the date the contract was entered. This includes the 5,293,807 Deferred Converting Shares on issue which are unconditional and which will mandatorily convert on 30 September 2026.
- The Group includes in WANOS the ordinary shares that will be issued upon the conversion of a convertible instrument in the calculation of Diluted EPS from the beginning of the reporting period to the end of the reporting period if at the end of the reporting period, those Converting Shares would have met their underlying conditions if they were measured at 30 June 2024. Accordingly, the remaining 42,350,451 Deferred Converting Shares and 21,529,318 Contingent Converting Shares were not included in diluted EPS as the relevant conditions for conversion have not yet been satisfied.

If all of the Contingent Converting Shares were included in the calculation of Diluted EPS, the Diluted EPS for the half year ended 30 June 2024 would have been 14.45 cents per share (30 June 2023: (1.53) cents per share).

Impact of issuance of Performance Share Rights (PSRs)

The weighted average number of PSRs were included in the calculation of diluted EPS during the year as they will vest based on the completion of employment conditions.

In the comparative period, diluted EPS is the same as basic EPS due to a loss in that period.

13 SUBSEQUENT EVENTS

FUNDS UNDER MANAGEMENT

The Group's unaudited FUM as at 30 June 2024 totalled \$12.3 billion*, including \$1.1 billion in FUM managed on behalf of staff and \$0.1 billion* FUM managed on behalf of various charities. This excludes FUM contributed by Merricks Capital (\$2.9 billion) and Argyle Group (\$1.4 billion) subsequent to 30 June 2024. With Merricks Capital and Argyle Group's FUM included on a pro forma basis, the Group's FUM as at 30 June 2024 was \$16.5 billion*.

ACQUISITION OF MERRICKS CAPITAL – SUBSEQUENT TO REPORTING DATE

On 3 June 2024, the Company announced it had entered into a share sale deed to acquire 100% of the issued share capital of JRJ Capital Pty Ltd (the head entity of the business trading as 'Merricks Capital') (**Merricks Acquisition**), a leading alternative investment manager focused on private credit investments across commercial real estate, agriculture and specialised industrial and infrastructure, with approximately \$2.9 billion of FUM. On 9 July 2024, the Company completed the Merricks Acquisition, following RPL Shareholder approval.

For accounting purposes, the consideration for the Merricks Acquisition was approximately \$251,508,000, which comprised:

- cash consideration of \$45,000,000 paid on completion (inclusive of customary net debt, regulatory capital and working capital adjustments); and
- scrip consideration of 63,934,426 fully paid ordinary shares in the Company (**RPL Share**) at a price of \$3.23 per RPL Share, issued on completion of the Merricks Acquisition. Under the terms of the share sale deed between RPL and the Vendors, it was agreed that 63,934,426 RPL Shares would be issued to the Vendors at an issue price of \$3.05, equating to a total scrip consideration value of \$195,000,000. The scrip consideration is subject to statements of intention provided by each entity or person to whom the scrip consideration was issued, which confirms that they intend to hold their RPL Shares for a period of at least 12 months from completion of the Merricks Acquisition.

In connection with the Merricks Acquisition, the Company also issued 10,934,403 unlisted options in the Company, in aggregate, to current employees of Merricks Capital in exchange for the cancellation of the options which they held in Merricks Capital as at the date of completion of the Merricks Acquisition.

As the Merricks Acquisition completed subsequent to the end of the half year period, Merricks Capital's results do not form part of the Group's results for the half year ended 30 June 2024.

ACQUISITION OF MINORITY INTEREST IN ARGYLE GROUP – SUBSEQUENT TO REPORTING DATE

On 19 July 2024, the Company announced that it had entered into an agreement to acquire 40% of the issued share capital of Argyle Group Holdings Pty Ltd and 40% of the issued units of Argyle Group Holdings Unit Trust (the head entities of the business trading as 'Argyle Group') (**Argyle Acquisition**), a highly experienced specialist manager of Australian water entitlement portfolios with approximately \$1.4 billion of FUM. The Argyle Acquisition completed on 26 July 2024.

The Argyle Acquisition followed a corporate restructure of Argyle Group, which resulted in the divestment of Argyle Group's agricultural investment management business (the **Agriculture Divestment**), establishing Argyle Group as Australia's largest 'pure-play' water entitlements investment manager. The Company acquired its stake in Argyle Group from departing securityholders associated with the Agriculture Divestment.

The total consideration for the Argyle Acquisition is \$12,509,000 in cash (inclusive of customary net debt and working capital adjustments).

As the Argyle Acquisition completed subsequent to the end of the half year period, Argyle Group's results do not form part of the Group's results for the half year ended 30 June 2024.

DIVIDEND

On 26 August 2024, the Directors determined to pay a fully franked dividend at a 30% tax rate of 8.0 cents per share, which will be paid on 1 October 2024. The Group's DRP will be in operation for this dividend.

* FUM data is approximate, rounded and has not been audited. FUM (including 100% of Kilter Rural, Attunga Capital, Taurus Funds Management and, where applicable, Argyle Group) is rounded and unaudited, and includes FUM managed on behalf of staff and various charities.

Directors' Declaration

In the Directors' opinion:

- (i) the attached Condensed Consolidated Financial Statements and notes comply with the *Corporations Act 2001* (Cth), Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth);
- (ii) the attached Condensed Consolidated Financial Statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half year ended on that date; and
- (iii) there are reasonable grounds at the date of this declaration, to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



Brendan J O'Connor

Chief Executive Officer and Managing Director

Sydney

26 August 2024

Independent Auditor's Review Report



Independent Auditor's Review Report

To the members of Regal Partners Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Regal Partners Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Regal Partners Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Statement of Financial Position as at 30 June 2024;
- Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date;
- Notes 1 to 13 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Regal Partners Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

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Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A stylized signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature of David Kells, written in blue ink.

David Kells
Partner

Sydney
26 August 2024



Regal Partners Limited

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