

30 November 2017

Company Announcements Office
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2017 ANNUAL GENERAL MEETING

In accordance with the requirements of the ASX Listing Rules, Prime Financial Group Ltd (ASX.PFG) is pleased to provide a copy of the presentation to be given by Prime's Chairman, Mr Paul Cowan, and its Managing Director / CEO, Mr Simon Madder at the Company's Annual General Meeting (which will commence at 10.00am this morning).

For more information on this announcement please contact **Simon Madder (Managing Director / CEO)** on (03) 9827 6999.

Prime Financial Group

Prime is an Integrated Accounting, Wealth Management and Capital Advisory firm that operates a B2C direct client advice model and a B2B partnership model with Accounting and Advisory firms. Prime's goal is for clients to receive complete Accounting, Wealth Management and Capital Advice

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2017 ANNUAL GENERAL MEETING

Chairman's Address

Good morning Ladies and Gentlemen. On behalf of my fellow directors, Mr Simon Madder, Mr Peter Madder, and Mr Tim Carroll, it gives me great pleasure to welcome you to the 2017 Annual General Meeting of Prime Financial Group Limited. My name is Paul Cowan, and I have the honour of being your Chairman.

I would also like to take the opportunity to welcome the members of our team who are in attendance this morning, as well as representatives from our current auditors, William Buck, and from our legal advisers, HFW Australia. I would also like to welcome representatives of Computershare who will be counting votes on resolutions to be considered this morning.

The agenda for this meeting will comprise of my address, followed by our Managing Director/CEO, Mr Simon Madder's presentation on the business and the results for the 2017 financial year. Simon will also provide a progress update for the current financial year. We will then allow some time for questions on the business of Prime.

The formal business of the meeting will then be conducted which will include resolutions for the adoption of the 2017 Annual Financial Statements and the Remuneration Report, followed by the re-election of myself as a director of the Company.

On behalf of the Directors and shareholders, I would like to thank our CEO Simon Madder for his dedication and leadership, our management team and staff for their passion and commitment, and also to our 30+ partner firms across the country for embracing the opportunity to join us on our journey.

I would also like to thank my fellow Directors (Peter Madder & Tim Carroll) for their valuable contributions during the past 12 months, and to welcome those new members to the Prime team, who have already and will continue to place their own stamp on the future direction, growth and success of the business.

To such extent, I would this year like to acknowledge the principal's and staff of both MPR Accountants and Advisers and Altezza Partners who fully committed to being part of the Prime story during the 2017 financial year, as evidenced by their preparedness to rebrand their businesses under the Prime Accounting and Business Advisory banner, and desire to take a meaningful proportion of their acquisition consideration in Prime shares. Our collective interests are very much aligned.

With MPR and Altezza both having proven expertise in assisting clients with research and development initiatives and the securing of capital for early stage and

entrepreneurial businesses, Prime has added additional capability which can be applied to benefit the clients of Prime and our partner firms.

The establishment of Prime Accounting and Business Advisory and the consolidation of the operating results of MPR and Altezza within Prime was a key driver in Prime's 40% underlying revenue growth to \$19.3 million.

I would also wish to acknowledge the establishment of Prime's Capital Advisory division during the year, which is capably led by Tim Bennett. In addition to contributing revenue and profits from completed advisory and transactional mandates, this additional competency can likewise be introduced to clients of Prime and our partner firms.

The 2017 financial year was again one of consolidation, but also one of strategic importance for Prime, where our focus has shifted towards acquiring majority positions in businesses which share our passion for innovation, and our ambition of establishing the Prime brand as the leading integrated advice firm for Accounting, Wealth Management and Capital.

In addition to these corporate developments, other key outcomes achieved during the financial year included;

- Increase in Prime's Funds under Management by \$131 million driven by increased net fund inflows;
- Increased adoption of Prime's Separately Managed Account service, which grew from \$96 million at 30 June 2016 to \$157 million at 30 June 2017.
- The continued enhancement of Prime's IT infrastructure, which will provide a more robust and scalable platform for growth, improved operational efficiencies, and higher levels of engagement with clients of our partner firms.

Excluding the impact of certain non-cash technical accounting entries amounting to some \$991k and relating to the carrying values of Company's intangible assets;

- Profit before tax attributable to members of the parent entity increased by 26% to \$4.38 million compared to a profit (excluding net benefits from restructuring) of \$3.48 million in the 2016 financial year;
- Profit after tax attributable to members of the parent entity increased by 30% to \$3.59 million compared to a profit (excluding net benefits from restructuring) of \$2.77 million in the 2016 financial year; and
- Earnings per share increased by 18% to 2.24 cents per share (excluding FY16 net benefit from restructuring investments).

As a result of such, your Directors declared a fully franked final dividend of 0.45 cents per ordinary share, bringing the total dividends declared in respect of the 12 months to 30 June 2017 to 0.85 cents per ordinary share. This compares to total dividends declared in the prior 12-month period of 0.80 cents per ordinary share, or an increase of 6%.

Simon will elaborate further on the results for the year during his presentation.

Having outlined the operational results and the impact of the technical accounting adjustments on the 2017 Financial Statements, it would be remiss not to make mention of the decision by our auditors William Buck, to also issue a Disclaimer of Opinion audit report on the 2017 Financial Statements and the 2017 Remuneration Report.

This Disclaimer of Opinion was limited to queries raised in relation to the treatment adopted by the Company in accounting for its Employee Share Plan.

In light of this outcome, the Directors engaged a Big 4 accounting firm to conduct an independent review of the accounting treatment of the Employee Share Plan and the disclosures in the Financial Statements and Remuneration Reports from FY13 to FY17.

Prime recently announced to the ASX that this review is significantly advanced and, having determined it appropriate to perform an external audit tender given the long tenure of William Buck, the advice received has been that the proposed accounting treatment ought be discussed with and approved by Prime's auditors prior to finalization.

Prime intends to provide the draft independent review report to its appointed auditor and then finalise the ESP accounting and disclosures as part of its financial reporting for the half year ending 31 December 2017.

Looking forward, your Board is committed to increasing its footprint in the Wealth Management, Accounting & Business Advisory and Capital sectors, and to identifying opportunities to grow both organically and via the acquisition of businesses who share our passion for excellence.

In closing, I would like to thank our shareholders for their continued support of Prime during the year and in particular those shareholders who have been able to attend today's meeting.

I can assure you that the Board and Management are working hard to realise Prime's potential to grow our business and service offerings in the Wealth Management, Accounting & Business Advisory and Capital sectors, and to see these efforts recognized by way of an increased earnings per share, and consequential growth in value attributed to the Prime business.

Paul Cowan
Chairman



Prime Financial Group Ltd (ASX: PFG) – Annual General Meeting Presentation

30 November 2017

Important Notice and Disclaimer

This investor presentation (**Presentation**) has been prepared by Prime Financial Group Limited (**PFG**).

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Welcome

Directors

- Simon Madder – Managing Director & CEO
- Peter Madder – Executive Director & CFO
- Paul Cowan – Independent Non-Executive Chairman
- Tim Carroll – Independent Non-Executive Director

Auditors

- William Buck Audit (VIC)

Legal Advisors

- HFW

Share Registry

- Computershare Investor Services

Agenda

- Independent Non-Executive Chairman's Address – Paul Cowan
- Managing Director/CEO's Presentation – Simon Madder
- Business of the Meeting



Managing Director/CEO's Presentation – Simon Madder

Who We Are

- Prime is an Integrated Accounting, Wealth Management and Capital Advisory firm that operates a B2C direct client advice model and a B2B partnership model with Accounting & Advisory firms
- Prime's goal is for clients to receive complete Accounting, Wealth Management and Capital advice

Prime At A Glance



ASX Listed

- Established in 1998
- Accounting & wealth management heritage



National Presence

- Significant growth in FY17
- 90+ team members across five locations
- Personalised and integrated advice
- Leading innovation partner to entrepreneurs



Business Model

- Prime offers integrated accounting, business advisory, wealth management and capital services
- \$1.1 billion funds under management
- Partner to 30+ accounting firms

FY17 Key Developments

Accounting & Business Advisory

- Acquisitions of outside interests of MPR and Altezza and rebranding as Prime Accounting & Business Advisory
- Brisbane presence through acquisition of Altezza
- Acquisition of MPR has enabled Prime to expand its service offering to its direct clients and the clients of Prime's business partners

Capital

- New Capital Division established to provide Corporate Advisory, Transactions & Restructuring and Capital Raising Services
- Acquisition of equity crowdfunding platform

Technology

- Continued enhancement of IT infrastructure
- Significant progress on other projects which are expected to be completed in FY18 including transition to a new accounting system, automation of certain wealth management processes and implementation of a new business intelligence system

FY17 Financial Highlights

- **Earnings increased in FY17 v FY16 (excluding FY16 net benefit from restructuring investments, amortisation and goodwill impairment)**
 - Profit Before Tax for members of the parent entity up 26% to \$4.38 million
 - Profit After Tax for members of the parent entity up 30% to \$3.59 million
 - Earnings Per Share (EPS) up 18% to 2.24 cents per share
- **Dividend increased in FY17 v FY16**
 - Final dividend increased 12.5% to 0.45 cents per share
 - Full year dividend up 0.05 cents (6%) to 0.85 cents per share
- **Revenue increased in FY17 v FY16**
 - Revenue increased by 40% in FY17 to \$19.3 million mainly driven by the acquisition of the outside equity interests of MPR Accountants & Advisers Pty Ltd (MPR) which resulted in all revenue, expenses, assets and liabilities of MPR being consolidated, versus previously, being recognised as an equity accounted profit
- **Operating margin stable in FY17 v FY16**
 - Operating margin remained stable at 29%
- **Net debt increased mainly due to funding acquisitions and associated working capital**
 - Debt facility increased from \$7.7 million to \$12.0 million in June 2017
 - Group net debt increased by \$5.7 million to \$8.0 million at 30 June 2017 mainly due to the acquisition of MPR, together with the consolidation of MPR's working capital and the recent acquisition of Altezza Partners Pty Ltd (Altezza)
- **Group Funds Under Management (FUM)**
 - Group FUM increased by \$131 million (13%) from \$977 million at 30 June 2016 to \$1,108 million at 30 June 2017 mainly driven by stronger than normal net FUM inflows
 - SMA FUM increased by 64% to \$157 million at 30 June 2017
 - Group Net FUM inflows were \$99 million which was \$94 million higher than the prior year

FY18 Key Focus Areas

Wealth Management

- Identification of new partners to join the Group
- Further development of client offering and scalable platform through technology enhancements
- Planned technology enhancements will provide both internal efficiencies and revenue opportunities
- Further develop relationships with accounting partners particularly in relation to superannuation advice

Accounting & Business Advisory

- Integration of MPR and Altezza acquisitions
- Further promotion and deployment of Prime's expanded business and service model across both owned and partner firms
- Identification of new partners to join the Group

Capital

- Increase sell side mandates
- Become a capital facilitator for early stage companies
- Develop and maximise opportunity from equity crowdfunding platform
- Continue to promote offering across owned and partner firms

FY18 Progress

- Prime's growth strategy and integration plans are progressing in-line with expectations and the business is performing well
- Internal referrals across the firm are increasing
- Acquisition opportunities are continuing to progress
- Prime's offering to its Accounting Partners' clients has been enhanced as follows:
 - Additional superannuation solutions;
 - R&D and EMDG services;
 - Venture Capital Fund;
 - Equity Crowdfunding;
 - Corporate advisory services; and
 - Client VIP program
- Efficiencies from increased scale, centralisation and technology investment are flowing through and will progressively improve the cost base and client experience

Business Of The Meeting

- Consideration of the Financial Statements
 - Note: There is no requirement for the shareholders to approve these statements
- Adoption of the Remuneration Report
- Re-Election of Director – Mr. Paul Cowan

Resolution 1

- The first item on the agenda is the resolution concerning the Remuneration Report
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman I have elected that the resolution be put to vote as a poll

Resolution 2

- The second item on the agenda is the Re-election of Mr. Paul Cowan as a Director of the Company
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman I have elected that the resolution be put to vote as a poll

Contact

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