Prime

Prime Financial Group Ltd and its Controlled Entities
ABN 70 009 487 674

Appendix 4D Half Year Report

For the period ended 31 December 2023

Reporting Period

Reporting Period	
Current reporting period	Half year ended 31 December 2023
Previous corresponding reporting period	Half year ended 31 December 2022

Results to Announcement to the Market

Results to Announcement to the Market			
Revenue from ordinary activities	up	14% to	18,283,046
Profit (loss) from ordinary activities after tax attributable to members	down	102% to	(33,204)
Net profit (loss) for the period attributable to members	down	102% to	(33,204)

Dividends	Amount per security	Franked amount per security
Interim dividend	0.75 cents	0.75 cents
Previous corresponding period	0.70 cents	0.70 cents
Record date for determining entitlements to interim dividend		19 March 2024
Payment date for interim dividend		28 March 2024

Results were extracted from the Half Year Financial Statements for the six-month period ended 31 December 2023 which was subject to an independent review.

Commentary on the results for the half year ended 31 December 2023 is included in the Directors' Report section of the Half Year Financial Statements for the six-month period ended 31 December 2023.

Net Tangible Assets Per Security

Reporting Period	31 December 2023	30 June 2023
Net tangible asset backing per ordinary security	(0.79) cents	(0.48) cents

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Appendix 4D Half Year Report

For the period ended 31 December 2023

Results to Announcement to the Market

Dividends	Date of Payment	Total amount of dividend
Final dividend – Year ended 30 June 2023	29 September 2023	0.80 cents
Interim dividend – Year ended 30 June 2024	28 March 2024	0.75 cents

Amount per security	Amount per security	Franked amount per security
Current Year	0.75 cents	100%
Previous Year	0.70 cents	100%

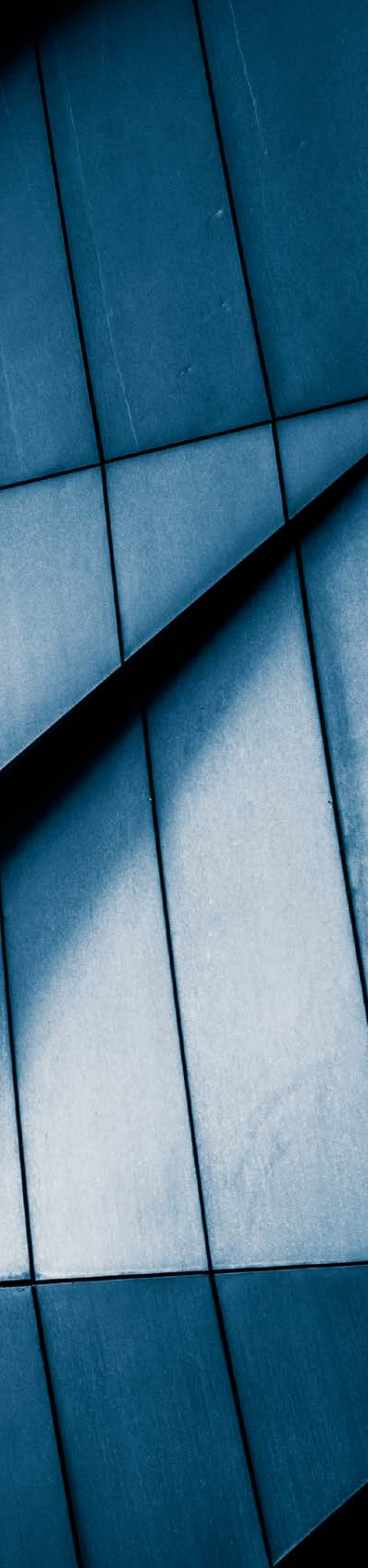
Total dividend on all securities	2024 $A'000	2023 $A'000
Ordinary Securities	1,600	1,192
Total	**1,600**	**1,192**

Prime

aspire, innovate, grow & impact

Half Year Report 2024

For the six months ended 31 December 2023



In this Report

Managing Director & Chairman's Message

Dear Shareholders,

The first half of the 2024 financial year (H1 FY24) was another period of strong top-line growth for Prime Financial Group ("Prime") as we continue to progress towards our goal of doubling group revenue to $50 million by FY25 and then doubling revenue again to $100 million within 3-5 years of FY25.

Revenues for the half increased by 14%, driven by a tremendous result in Wealth Management with revenues up 38% vs H1 FY23, a moderate contribution from new service lines such as Debt Capital Advisory and Consulting, while Accounting & Business Advisory and SMSF also posted higher revenues.

Our Capital division operated in challenging conditions in equity capital markets over the past 6+ months, which had an impact on the top line, with deal completions proving more difficult.

However, the division, which includes Debt Capital Advisory and the recently established Consulting services, still delivered 12% revenue growth and had a higher number of client engagements than in H1 FY23.

It is important to note that Prime, like many other businesses, has strong seasonality in earnings. Our earnings are heavily weighted to the second half of the financial year, with the split around 70/30 for H2 and H1, respectively.

Over H1 FY24, we continued to invest in the business, further bolstering our newer service offerings, which include Consulting, Debt Capital Advisory, Property and the expansion of our Wholesale Wealth Management offering and International Capability.

This has been the most substantial investment Prime has made in our new services in the last 5 years. These services are growing their client engagements and revenue contribution, and we expect to see them breakeven in the next 12 months, which will drive improved margins and profitability.

We are now at a point where we have all the service lines we need with the focus now on growing our client base and executing the substantial cross-sell opportunity we have.

With increased earnings, and a strong balance sheet, Prime's Board has declared an interim dividend of 0.75 cps, up 7% on H1 FY23.

We are also pleased today to introduce a Dividend Reinvestment Plan (DRP) for our shareholders, which will enable Prime more flexibility to invest for growth, while at the same time giving our shareholders the

H1 FY24 Highlights

+14% to $18.2M Revenue	+2% to $3.8M Underlying EBITDA (members/shareholders)	21% EBITDA Margin
-0.02cps (vs 0.88 cps) Reported Earnings Per Share (EPS)	+7% to 0.75cps Interim Dividend Up	1.4 x Underlying EBITDA to Net Debt Ratio Net Debt of $11.98M

option to further participate in growth upside or receive dividends.

Post the half-year end, we were delighted to announce the acquisition of alternative asset manager, Altor Capital Pty Ltd (Altor).

The acquisition of Altor will allow us to make available two existing funds across Private Credit and Private Equity and launch new products in the burgeoning alternative asset management space.

Altor is also an established business, providing Prime with accretive earnings, that will also deliver additional value within our network.

The acquisition also supports our strategy of wanting to double group revenue between FY22 and FY25 to $50 million, through organic and inorganic activity, enhancing our capability across Advice, Capital & Asset Management for our Business and Wealth segment clients.

As part of growing the client base, we are actively assessing inorganic growth opportunities that will accelerate our growth. Following the success of the Intello acquisition and the more recent Altor deal, we are confident in our ability to acquire successfully.

Looking ahead, as well as pursuing EPS-accretive acquisitions, our strategy for continued strong growth is to pursue margin expansion as we continue to scale up our new services, as well as our existing service lines, through growth in client numbers and greater cross-sell.

We remain well placed to deliver our FY24 guidance of revenue growth of 15-20%, underlying EBITDA growth of 10-15% and dividend growth of 5-10%.

As a Group we will continue to aspire, innovate, grow and impact whilst focusing on our purpose of providing our clients with a personalised service to realise their goals and aspirations and our ambition to be the leading Integrated Advice, Capital & Asset Management Group of the future.

I would like to thank my fellow Board Members, management team and all Prime employees for their hard work and commitment in another successful period for the Group.

I would also like to thank our shareholders for their ongoing support. I look forward to updating you on our progress over the months ahead.

Simon Madder
Managing Director & Chairman

Key Financial Information

H1 FY24 vs H1 FY23

Prime has achieved the following financial results for H1 FY24.

Financial Highlights

	H1 FY23	H1 FY24	Change	
Underlying				
Revenue - Contracts with Customers	$16.0M	$18.2M	14%	↑
Expenses - Total	($12.2M)	($14.4M)	(18%)	↓
EBITDA**	$3.7M	$3.8M	2%	↑
Margin	23%	21%	(3%)	↓
Reported				
EBITDA	$3.5M	$1.7M	(53%)	↓
NPAT	$1.7M	$0.0M	n/a	
Diluted EPS - cents per share (cps)	0.88	(0.02)	n/a	

*EBITDA is defined as earnings before interest, tax, depreciation and amortisation.

Note: Rounding is to nearest AUD $M and as such subject to rounding differences when calculating variances and totals.

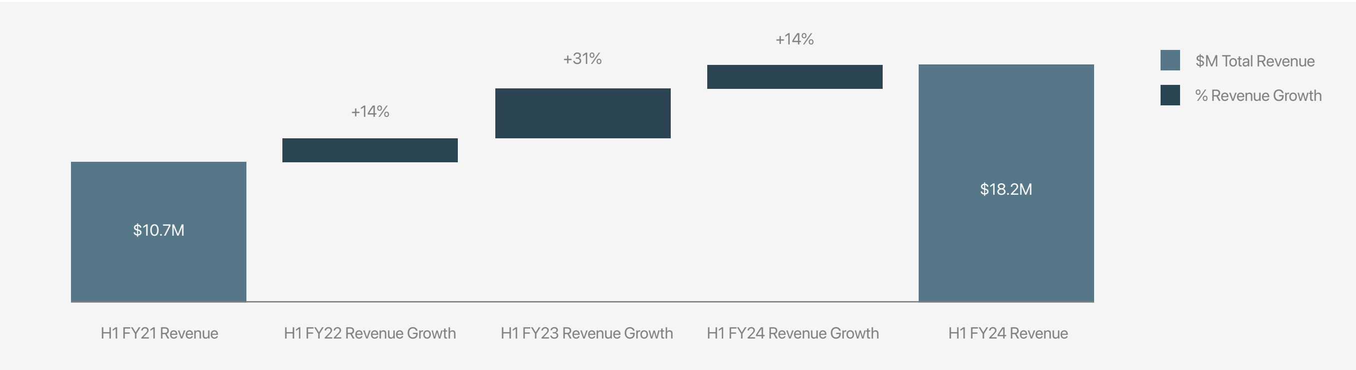
Revenue Growth & Service Lines

- +70% of total revenue is generated from existing customers on a recurring basis.
- Revenue growth has accelerated over the past 3 years versus the prior periods.
- On target to achieve $50M in revenue by FY25.

- OneConnected firm growing revenue four ways:
  - Organically
  - New Revenue Contributors
  - New Service Lines
  - Acquisitions.

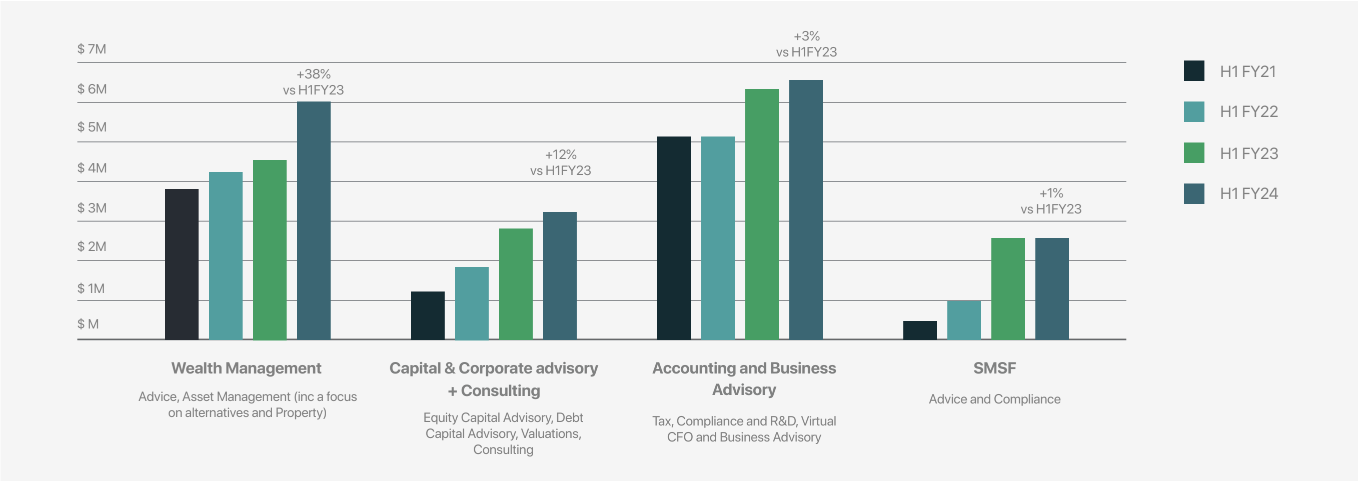
Analysis of Revenue Growth

Revenue (Contracts with Customers) +14% including acquisitions (v H1 FY23).



Revenue Growth By Service Line

Revenue (Contracts with Customers) + 14% including acquisitions (v H1 FY23).



OneConnected Group

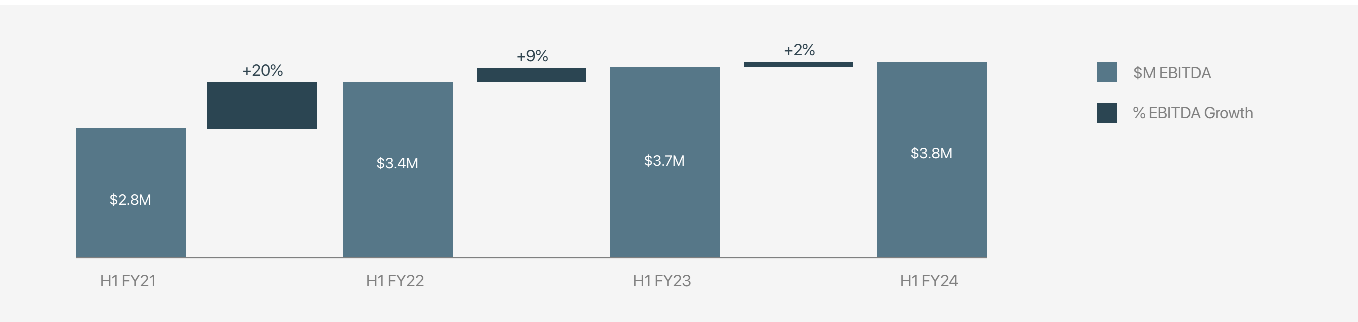
- Strong revenue growth (up 38% on pcp) in Wealth Management due to:
  - Continued and growing focus on Wholesale Investment opportunities.
  - A material increase in origination from Prime's Property team across both equity and debt investing.
- Moderate contribution from new service lines such as Debt Capital Advisory and Consulting.
- Accounting & Business Advisory, SMSF and Capital revenues all up between 1-12%.
- Capital division impacted by difficult conditions in equity capital markets, with deal completions proving more difficult.
- Capital still delivered 12% revenue growth, and combined, had a higher number of client engagements than in H1 FY23.

Analysis of Revenue (Contracts with Customers) - H1 FY24 vs H1 FY23

Revenue	H1 FY24 Weighting	H1 FY24 $M	H1 FY23 $M	Variance (%)
Accounting, Business Advisory & Capital	53%	9.7	9.1	+6%
Wealth Management & SMSF	47%	8.5	6.9	+25%
Total Revenue from contracts with customers	**100%**	**18.2**	**16.0**	**+14%**

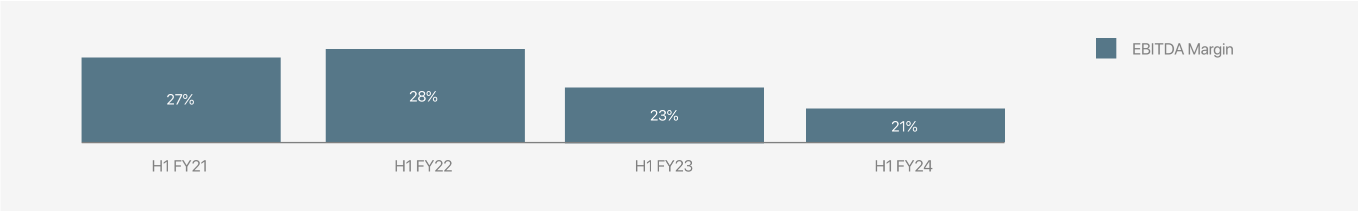
Underlying EBITDA H1 FY21 - H1 FY24

Underlying EBITDA (members/shareholders) + 2%, $3.8M v $3.7M (H1 FY23).



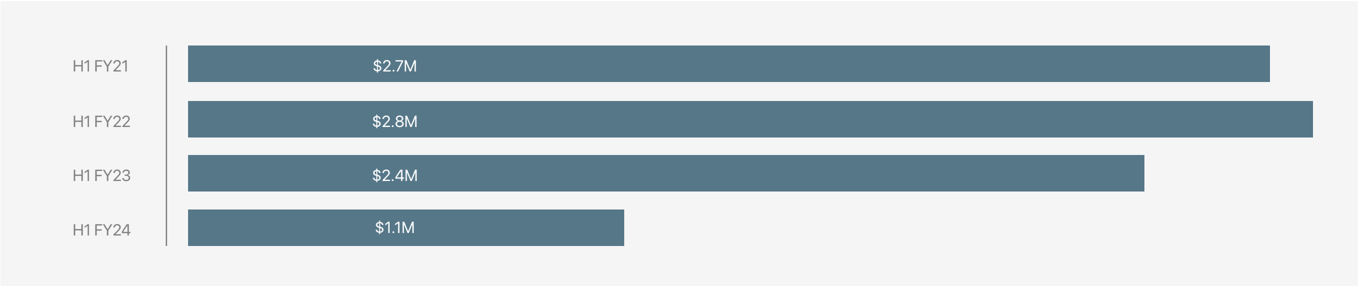
EBITDA Margin H1 FY21 - H1 FY24

Operating Margin 21% (v 23% in H1 FY23).



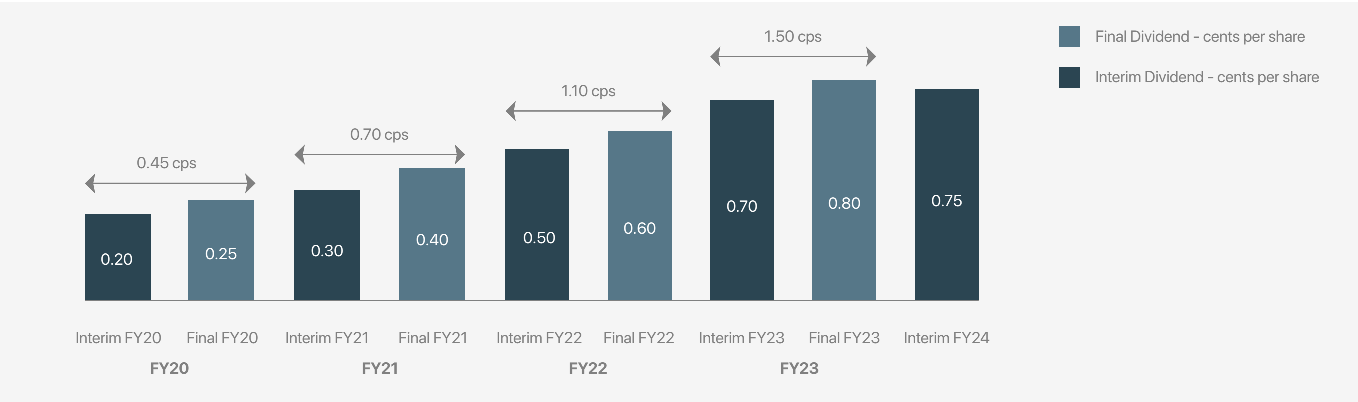
Net Operating Cashflow H1 FY21 - H1 FY24

Operating Cashflow $1.1M (v $2.4M H1 FY23).



Dividends

- H1 FY24 interim dividend declared of 0.75 cents per share cps (fully franked) vs Interim Dividend of 0.70 cps in H1 FY23 (+7%).
- Prime is targeting a moderate dividend increase in future periods, with the FY24 Final Dividend to be within the guidance range of a 5-10% increase.
- Prime to introduce a Dividend Reinvestment Plan (DRP) available for the Interim Dividend FY24.



Our Commitment to Impact

Together we Aspire, Innovate, Grow and Impact

As we accelerate our growth, we do so with a commitment to impactful corporate citizenship, and the planet in mind, all contributing to creating a just world today and for generations to come.

We will do this by working with our people, partners, clients and the communities in which we operate to form meaningful and impactful partnerships.

Our plan is focused on creating impact guided by the United Nations (UN) Sustainable Development Goals (SDGs) and as such have in 2023 become signatories to the UN Global Compact.

We are committed to diversity, equity & inclusion (DEI) and know that our approach to DEI plays a significant role in our success.

We support the following UN SDGs:

5 GENDER EQUALITY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Outlook & Update FY24

01. Maintain outlook: Growth in Revenue & Earnings

- Revenue Growth 15% - 20% .
- Growth in Underlying EBITDA 10% - 15%.
- Dividend Growth 5 - 10%+.

02. Strong Organic Growth

- Organic growth to be driven across core services plus new service offerings.

03. Dividends continue to increase

- Interim Dividend +7% to 0.75 cps.

04. Delivering Accretive Acquisitions

- Funding capability to capitalise on future growth opportunities.

05. Share ownership

- 45% of shares in Prime are owned by the team & associates.

Director's report

The directors submit their report for the period ended 31 December 2023 together with the consolidated financial statements of Prime Financial Group Ltd ('PFG' 'Prime' or 'the Company') and the entities it controlled ('the Group') at the end of, or during, the period ended 31 December 2023, and independent audit report thereon.

The names and details of the Company's directors in office during the financial period and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Prime Directors

Simon Madder
Managing Director & Chairman

- Co-founder, Managing Director of Prime Financial Group Ltd (Prime) since 1998.
- 25+ years' experience in Wealth Management & Accounting Services across Operations, Strategy & Acquisitions.

Tim Bennett
Executive Director (effective 3 July 2020) & Managing Director – Capital & Corporate Advisory

- Established the Capital & Corporate Advisory division. Prior to joining Prime, Tim was a partner at a 'Big 4 Firm' leading a Mergers & Acquisitions group.
- Chartered Accountant with 15+ years' specialist M&A experience having advised on a range of transactions, across all industry sectors.

Matt Murphy
Executive Director (effective 3 July 2020)

- Joined Prime in 2016 as Managing Director – Accounting & Business Advisory after merging his Accounting Firm with Prime.
- Experienced Leader, Accountant and Business Adviser with 20+ years' experience across Business, Accounting and Taxation Advisory services and a focus on integrated advice.

Interests in the shares and options of the Company and related bodies corporate

	Ordinary Shares	Performance Rights	Options over Shares
Mr S Madder	32,208,972	4,622,090	-
Mr M Murphy	14,878,571	-	-
Mr T Bennett	3,703,125	1,813,730	-

Dividends

The Board has resolved to declare a fully franked interim dividend of 0.75 cents per ordinary share. This compares to an interim dividend declared in respect of the previous corresponding period of 0.70 cents per ordinary share.

Principal Activities

The principal activities of the Group entity during the financial year were:

- Wealth Management and SMSF;
- Accounting & Business Advisory plus Capital & Corporate Advisory services

Growth Strategy & Values

Winning, growing and retaining our client of the future: creating value.

Business	Wealth
Emerging Businesses: $0-$100M	**Wholesale Clients/ Investors**
Business Advisory	Wealth Management
Accounting Services	SMSF
Outsourced CFO Services	Property
R&D	Alternative Asset Management
Leaders Network	Distribution
ESG Consulting	Advice
Equity & Debt Capital Advisory	
M&A and Corporate Development	

01. Topline growth

- Organic growth in existing service lines and new services
- Recruiting people with an existing revenue and client base
- Cross-delivery of additional services to existing clients
- Stable & growing recurring revenue across Advice, Accounting, Wealth & Asset Management
- Revenue diversification through emerging strategies and solutions

02. Margin expansion

- Efficiencies driven by centralised operations and a shared services model
- Emerging and new services with higher EBITDA margins
- Economies of scale as the group grows
- The potential of Artificial Intelligence to enhance productivity

03. Balance sheet strength

- Accretive acquisition strategy
- Funding capability to capitalise on future growth opportunities

Reported & Underlying Earnings

In this report, certain non-IFRS information, such as EBITDA (Earnings before interest, tax, depreciation and amortisation) is used. This non-IFRS information is not audited.

Underlying EBITDA for members/shareholders is the key measure used by management and the Board to assess and review business performance. Underlying EBITDA for members/shareholders is adjusted to exclude the following items:

- Non-recurring expenses including Acquisitions, Investments in New Service Offerings, Restructuring & Repositioning
- Fair value movements/adjustments

Underlying EBITDA for members/shareholders (Prime's key profitability measure) has increased from $3.7 m (H1 FY23) to $3.8M (H1 FY24) (+2%).

	Period ended 31 December 2022	Period ended 31 December 2023
Reported net profit after tax operations (Group)	**1,992,474**	**215,289**
Add: Tax expense	739,936	165,985
Add: Interest expense/(income)	313,502	510,352
EBIT (Group)	**3,045,912**	**891,625**
Add: Depreciation	32,012	66,660
Add: Amortisation	785,759	1,041,671
Reported EBITDA (Group)	**3,863,683**	**1,999,957**
Reconciliation of Reported to Underlying EBITDA		
Non-recurring expenses including Acquisitions, Investment in New Service Offerings, Restructuring & Repositioning	315,357	2,044,780
Fair value movements on financial assets	(135,592)	(50,445)
Fair value movement on contingent consideration	-	101,430
Underlying EBITDA (Group)	**4,043,448**	**4,095,722**
Underlying EBITDA (members/shareholders)	**3,707,222**	**3,764,398**
Reported EBITDA (members/shareholders)	**3,527,457**	**1,668,634**

Review of Financial Condition

In H1 FY24, the Group generated net cash outflow of $0.02 million consisting of cash inflows from operating activities of $1.1 million, offset by cash outflows from financing activities of $0.08 million and investing activities of $1.0 million.

At 31 December 2023, the Group's net debt, calculated as borrowings less cash and cash equivalents, was $12.0 million (30 June 2023: $9.5 million), an increase of 26% and a 32% increase from the corresponding period ended 31 December 2022.

Excluding the $0.8 million final payment paid for Intello Pty Ltd, the net debt increase was $1.7 million.

Significant Changes in The State of Affairs

Divestments and Acquisitions

None in H1 FY24.

Significant Events After The Balance Date

On 11 February 2024, Prime executed a binding Share Purchase Agreement (SPA) to acquire 100% of the share capital of Altor Capital Pty Ltd (Altor) and its controlled entities.

Altor has built a funds management platform, covering distribution and administration, which allows a capability to launch new products in the alternative asset management space. Prime will look to leverage this capability and build out a diversified alternative asset management business under its Wealth Management offering.

Outside of the above, there are no matters or circumstances which have arisen since the end of the financial period, that have significantly affected, or may significantly affect the operations of the Group, or the state of affairs of the Group in future periods.

Likely Developments And Expected Results Of Operations

Prime's strategy, focus and likely developments are included in the Managing Director & Chairman's Report.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Indemnification And Insurance Of Directors And Officers

As outlined in the company's constitution, to the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person. These persons include, an officer of the Company, a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which involves a lack of good faith, or is contrary to the Company's express instructions. The Company indemnifies every person who is or has been an officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as an officer of the Company, in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person, or in which the person is acquitted, or in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Law. Insurance premiums were paid during the financial year, for all Directors and Officers of the consolidated entity. To the extent permitted by law, the group has agreed to indemnify our auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial period.

Proceedings On Behalf Of The Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Corporate Governance Statement

A full copy of Prime's Corporate Governance Statement can be found on Prime's website (https://www.primefinancial.com.au/shareholdernews/corporate-governance/).

Diversity Policy

The measurable objectives established for achieving gender diversity is to increase the number of females in the whole organisation and at senior management positions to 50%. The proportion of female employees in the whole organisation at present is 53% (30 June 2023: 55%), the proportion of females in senior management positions at present is 50% (30 June 2023: 46%). Given the recent strong growth and to support plans for future growth, the senior management team has been reviewed and focusses on Managing Directors and divisional heads. There are no females on the Board. A full copy of Prime's Diversity Policy can be found on Prime's website (www.primefinancial.com.au/corporate-governance).

Auditor Independence

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 in relation to the audit of the financial year is provided with this report.

Non-Audit Services

In H1 FY24, Ernst & Young (EY) did not provide any non-audit services to Prime.

Independent Auditor's Declaration

Ernst & Young
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Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

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Fax: +61 3 8650 7777
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Auditor's independence declaration to the directors of Prime Financial Group Limited

As lead auditor for the review of the half-year financial report of Prime Financial Group Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Prime Financial Group Limited and the entities it controlled during the financial period.

Ernst & Young

John MacDonald
Partner
20 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2023

	Notes	Six months ended 31 December 2023 $	Six months ended 31 December 2022 $
Revenue			
Wealth Management & SMSF		8,502,981	6,819,776
Accounting & Business Advisory plus Capital		9,665,677	9,131,499
Total Revenue from contracts with customers		**18,168,658**	**15,951,275**
Interest income		46,473	44,095
Service income		67,915	55,110
Total revenue		**18,283,046**	**16,050,480**
Expenses			
Employee benefits		(11,433,689)	(8,544,186)
Depreciation		(66,660)	(32,012)
Amortisation		(1,041,671)	(785,759)
Finance costs		(554,501)	(351,488)
IT and communication expenses		(1,239,025)	(982,771)
Insurance		(250,416)	(242,697)
Occupancy		(12,155)	(61,339)
Professional fees		(226,931)	(443,827)
Other expenses		(2,333,216)	(1,353,903)
Total operating expenses		**(17,158,264)**	**(12,797,982)**
Share based payment benefit/(expense)	10	(700,988)	(520,585)
Fair value movement on financial assets		50,445	135,592
Fair value movement on contingent consideration		(101,430)	-
Credit loss expense		8,464	(135,095)
Total expenses		**(17,901,773)**	**(13,318,070)**
Profit before tax from continuing operations		**381,273**	**2,732,410**
Attributable to:			
- Members/shareholders of the parent entity		49,950	2,396,184
- Non-controlling interests		331,323	336,226
Income tax expense		(165,985)	(739,936)
Profit after tax from continuing operations		**215,288**	**1,992,474**
Attributable to:			
- Members/shareholders of the parent entity		(33,204)	1,740,304
- Non-controlling interests		248,492	252,170
Total comprehensive income		**215,288**	**1,992,474**

Earnings per share attributable to ordinary members/shareholders of the parent		
Basic earnings/(loss) per share (cents)	(0.02)	0.88
Diluted earnings/(loss) per share (cents)	(0.02)	0.88

Consolidated Statement of Financial Position

As at 31 December 2023

Current assets	Notes	31 December 2023 $	30 June 2023 $
Cash and cash equivalents		1,019,530	1,043,303
Trade and other receivables	6	5,265,461	4,844,631
Financial assets	12	225,000	225,000
Lease receivable	8	84,388	184,062
Contract assets and other current assets	9	8,969,210	8,124,215
Total current assets		**15,563,589**	**14,421,211**
Non-current assets			
Property, plant and equipment		301,336	204,619
Right-of-use asset	7	1,841,757	306,488
Financial assets	12	1,900,827	1,920,027
Intangible assets		49,768,058	50,284,945
Total non-current assets		**53,811,978**	**52,716,079**
Total assets		**69,375,567**	**67,137,290**
Current liabilities			
Payables		3,139,496	2,504,546
Lease liabilities		796,352	781,492
Current tax payable		(353,985)	84,385
Employee benefits		981,648	893,174
Borrowings – bank facility	12	1,662,520	1,699,613
Borrowings – other	12	249,883	-
Balance outstanding on acquisition of investments		-	704,395
Total current liabilities		**6,475,914**	**6,667,605**
Non-current liabilities			
Borrowings – bank facility	12	11,083,901	8,814,060
Lease liabilities		1,284,380	-
Employee benefits		318,176	260,077
Deferred tax liabilities		2,135,350	2,060,995
Total non-current liabilities		**14,821,807**	**11,135,132**
Total liabilities		**21,297,721**	**17,802,737**
Net assets		**48,077,846**	**49,334,553**
Equity			
Contributed equity		68,993,100	67,624,594
Treasury shares		(150,907)	(150,907)
Share-based payment Reserve		757,245	1,432,763
Accumulated losses		(21,829,314)	(20,203,785)
Equity attributable to equity holders of the parent		**47,770,124**	**48,702,665**
Non-controlling interests		307,722	631,888
Total equity		**48,077,846**	**49,334,553**

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

Revenue	Treasury Shares	Contributed equity	Share-based Payment Reserve	Retained earnings/ Accumulated Losses	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2022	**(150,907)**	**67,621,062**	**609,443**	**(22,045,843)**	**615,225**	**46,648,980**
Total comprehensive income for the period	-	-	-	1,740,304	252,170	1,992,474
Transactions with equity holders in their capacity as equity holders:						
Share based payments	-	-	215,802	-	-	215,802
Share capital issued	-	304,782	-	-	-	304,782
Share capital cancelled - Buyback	-	(249,946)	-	-	-	(249,946)
Dividends paid	-	-	-	(1,186,609)	(557,288)	(1,743,897)
Transactions with non-controlling interests in their capacity as equity holders	-	-	-	14,481	-	14,481
Total transactions with equity holders in their capacity as equity holders	**-**	**54,836**	**215,802**	**(1,172,128)**	**(557,288)**	**(1,458,778)**
Balance at 31 December 2022	**(150,907)**	**67,675,898**	**825,245**	**(21,477,667)**	**310,107**	**47,182,676**
Balance at 1 July 2023	**(150,907)**	**67,624,594**	**1,432,763**	**(20,203,785)**	**631,888**	**49,334,553**
Total comprehensive income for the period	-	-	-	(33,204)	248,492	215,288
Transactions with equity holders in their capacity as equity holders:						
Share based payments	-	-	(675,518)	-	-	(675,518)
Share capital issued	-	1,376,506	-	-	-	1,376,506
Share capital cancelled - Buyback	-	(8,000)	-	-	-	(8,000)
Dividends paid	-	-	-	(1,592,325)	(572,658)	(2,164,983)
Transactions with non-controlling interests in their capacity as equity holders	-	-	-	-	-	-
Total transactions with equity holders in their capacity as equity holders	**-**	**1,368,506**	**(675,518)**	**(1,592,325)**	**(572,658)**	**(1,471,995)**
Balance at 31 December 2023	**(150,907)**	**68,993,100**	**757,245**	**(21,829,314)**	**307,722**	**48,077,846**

Consolidated Statement of Cash Flows

For the six months ended 31 December 2023

	Notes	Period ended 31 December 2023 $	Period ended 31 December 2022 $
Cash flows from operating activities			
Receipts from customers		18,648,551	16,723,253
Payments to employees and suppliers		(16,675,307)	(14,071,495)
Other income from sub-lease		67,915	587,044
Interest received		3,618	5,591
Interest paid		(434,089)	(356,646)
Income tax paid		(530,000)	(470,768)
Net cash provided by operating activities		**1,080,688**	**2,416,979**
Cash flows from investing activities			
Payments for business acquisitions		(835,601)	(1,924,960)
Payments for intangible assets		(129,653)	(1,493,516)
Lease payments received		99,675	-
Payments for plant and equipment		(163,378)	(53,536)
Net cash provided by/(used in) investing activities		**(1,028,957)**	**(3,472,012)**
Cash flows from financing activities			
Dividends paid		(1,592,325)	(1,186,609)
Dividends paid to non-controlling interests		(326,651)	(341,501)
Repayment of lease liabilities		(631,159)	(995,452)
Share Buyback		(8,000)	(249,946)
Drawdown of borrowings		2,482,631	3,784,493
Net cash provided by/(used in) financing activities		**(75,504)**	**1,010,955**
Net decrease in cash and cash equivalents		(23,773)	(44,078)
Cash and cash equivalents at beginning of the year		**1,043,303**	**128,699**
Cash and cash equivalents at end of the year		**1,019,530**	**84,621**

Notes to the Financial Statements

1. Corporate information

The half-year consolidated financial statements of Prime Financial Group Ltd ('Prime' or 'the Company') and its controlled entities ('the Group') for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 20 February 2024.

Prime is a for profit company limited by shares and incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange ('ASX').

2. Basis of the preparation of the financial report

2.1 Basis of preparation

The half-year consolidated financial statements for the half year ended 31 December 2023 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year consolidated financial statements are presented in Australian dollars and have been prepared on a historical cost basis. It complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The half-year consolidated financial statements do not include all the information and disclosures required in the annual financial statements. It is recommended that the half-year consolidated financial statements be read in conjunction with the consolidated financial statements for the year ended

30 June 2023 and any public announcements made by Prime during the half-year in accordance with any continuous disclosure obligations arising under the ASX listing rules.

2.2 New standards, interpretations and amendments

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2023. The Company has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these financial statements.

2.3 Share-based payments accounting policy

Prime's accounting policy for share-based payments is below.

Equity-settled share-based payment transactions

Directors and employees also receive remuneration in the form of share-based payments whereby they are granted Performance Rights that vest into shares after a set vesting period. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date of granting. The fair value was determined by management using the Binomial and Monte Carlo Model, further details of which are given in Note 10.

Share-based payments accounting policy

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity (Retained Earnings), over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date the relevant employees are awarded the shares (the vesting date).

2.4 Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on shared credit risk characteristic and on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include past default experience of the debtor profile and an assessment of the historical loss rates.

The methodologies and assumptions applied in the base expected credit loss calculations remain unchanged from those applied in the 2023 Annual Financial Report.

The Group has continued to review outstanding invoices and the trade receivable balance for indicators of impairment and if upon this impairment assessment there is no reasonable expectation of recovery, the Group has applied a credit against the profit & loss and the amount is written off.

Forward looking credit factors, including the global and Australian economic conditions, and factors relevant to the client base continue to be assessed in conjunction with historical performance and specific considerations on individual debtor balances.

The allowance for expected credit loss on the lease receivable has been considered for the six month period ending 31 December 2023, under the same approach discussed above and is considered immaterial.

The Group have concluded that the existing Expected Credit Losses (ECL) methodology remain appropriate in the current environment.

3. Business combinations

Intello

On 4 October 2022, Prime acquired a 100% ownership of Intello Pty Ltd for a mixture of consideration payable at completion and deferred contingent consideration. Total cash consideration had been estimated in the June 2023 Financial Report to be $4,001,699 comprised of;

- $3,159,899 cash consideration paid at completion (inclusive of a client management portal),
- $118,786 cash consideration paid in January 2023 based upon its first quarter post completion performance, and
- a further cash consideration amount estimated to be $723,014 which was payable in October 2023 based upon performance to the first anniversary from completion.

Following improved revenue performance in the September 2023 quarter, the amount of $835,601 was paid in November 2023, taking total cash consideration to $4,114,286 and completing Prime's obligations under the Share and Asset Sale Agreement. The increase in Deferred Consideration ($112,587) from the amount estimated in the June 23 Financial Report was expensed in the Consolidated Statement of Profit and Loss for the period in the form of;

- a Fair Value Adjustment to contingent consideration of $101,430 and
- attributable Interest of $11,157

In addition to an established SMSF client base, Prime through the business combination obtained an enhanced SMSF query and client management portal, as well as a complementary and capable team to continue to enhance its services for B2B Accounting & Financial Adviser clients.

4. Dividends paid and proposed

	Six months ended 31 December 2023 $	Six months ended 31 December 2022 $
Cash dividends to the equity holders of the parent:		
Dividends on ordinary shares declared and paid:		
Final fully franked dividend for the year ended 30 June 2023 (2023): 0.80 cents per share (2022:0.60 cents per share)	1,592,325	1,192,456
Proposed dividends on ordinary shares (not recognised at the end of the half year):		
Interim fully franked dividend for the year ended 30 June 2024: 0.75 cents per share (2023: 0.70 cents per share)	1,584,382	1,394,783

The proposed interim dividend for the six-month period ended 31 December 2023 was approved on 20 February 2024 and is not recognised as a liability at 31 December 2023.

5. Segment information

To better report on the progress of the company strategy, Prime has classified its financial accounts into two reporting segments. The two segments are, 'Wealth Management & SMSF' and 'Accounting & Business Advisory plus Capital.' Prime operates within these two reporting segments comprising of providing integrated advice solely in Australia. This reporting structure provides current and prospective shareholders with a more detailed understanding of the drivers of performance of those segments and the cost of operating centralised services and the corporate office. These segments are consistent with the way the Managing Director (who is the chief operating decision-maker) monitors and assesses the business with regard to resource allocation and performance assessment. These reportable segments are as follows;

- **Wealth Management & SMSF Division** – Providing Wealth Management, Financial Planning, plus Self-Managed Superannuation Fund services and advice.
- **Accounting & Business Advisory (ABA) plus Capital Advisory Division** – Providing Accounting, Tax and Advisory services, plus Capital advice.

Segment performance is evaluated based on segment profit before tax. The Group's financing, taxes, depreciation and amortisation are managed on a Group basis and are not allocated to operating segments.

5. Segment information - continued

	Wealth & SMSF $	ABA & Capital $	Corporate $	Consolidated $
Six Months Ended 31 December 2023				
Segment revenue	8,502,981	9,665,677	-	18,168,658
Interest income	-	-	46,473	46,473
Service income	-	-	67,915	67,915
Total segment revenue	**8,502,981**	**9,665,677**	**114,388**	**18,283,046**
Deduct				
Segment expenses	(6,495,143)	(7,898,483)	(1,101,805)	(15,495,431)
Segment profit/(loss)	2,007,838	1,767,194	(987,417)	2,787,615
Depreciation	-	-	(66,660)	(66,660)
Right Of Use Asset amortisation	(88,899)	(271,911)	(34,320)	(395,130)
Amortisation	-	-	(646,542)	(646,542)
Finance costs	(15,058)	(21,446)	(517,997)	(554,501)
Share based payment expense/(benefit)	(100,913)	(288,565)	(311,510)	(700,988)
Fair value movement on financial asset	-	-	50,445	50,445
Fair value movement on contingent consideration	(101,430)	-	-	(101,430)
Credit loss benefit/(expense)	33,007	(25,044)	501	8,464
Reported profit before tax	**1,734,545**	**1,160,228**	**(2,513,500)**	**381,273**
Attributable to:				
Members/shareholders of the parent entity	1,403,222	1,160,228	(2,513,500)	49,950
Non-controlling interests	331,323	-	-	331,323
Reported profit before tax	**1,734,545**	**1,160,228**	**(2,513,500)**	**381,273**
Tax	-	-	(165,985)	(165,985)
Reported profit after tax	**1,734,545**	**1,160,228**	**(2,679,485)**	**215,288**
Attributable to:				
Members/shareholders of the parent entity	1,403,222	1,160,228	(2,679,485)	(33,204)
Non-controlling interests	248,492	-	-	248,492
Reported profit after tax	**1,734,545**	**1,160,228**	**(2,679,485)**	**215,288**
Segment assets	31,723,441	32,927,049	4,725,077	69,375,567
Total assets				**69,375,567**
Segment liabilities	(2,055,682)	(2,792,264)	(16,449,775)	(21,297,721)
Total liabilities				**(21,297,721)**
Segment net assets	29,667,759	30,134,785	(11,724,698)	48,077,846
Group net assets				**48,077,846**

5. Segment information - continued

	Wealth & SMSF $	ABA & Capital $	Corporate $	Consolidated $
Six Months Ended 31 December 2022				
Segment revenue	6,819,776	9,131,499	-	15,951,275
Interest income	-	-	44,095	44,095
Service income	-	-	55,110	55,110
Total segment revenue	**6,819,776**	**9,131,499**	**99,205**	**16,050,480**
Deduct				
Segment expenses	(5,093,669)	(5,786,691)	(748,363)	(11,628,723)
Segment profit/(loss)	1,726,107	3,344,808	(649,158)	4,421,757
Depreciation	-	-	(32,012)	(32,012)
Right Of Use Asset amortisation	(74,717)	(159,324)	(34,319)	(268,360)
Amortisation	-	-	(517,399)	(517,399)
Finance costs	(8,418)	(11,990)	(331,080)	(351,488)
Share based payment expense/(benefit)	(89,655)	(259,360)	(171,570)	(520,585)
Fair value movement on financial asset	-	-	135,592	135,592
Credit loss expense	(34,282)	(99,396)	(1,418)	(135,095)
Reported profit before tax	**1,519,035**	**2,814,738**	**(1,601,363)**	**2,732,410**
Attributable to:				
Members/shareholders of the parent entity	1,182,808	2,814,738	(1,601,363)	2,396,184
Non-controlling interests	336,226	-	-	336,226
Reported profit before tax	**1,519,035**	**2,814,738**	**(1,601,363)**	**2,732,410**
Tax	-	-	(739,936)	(739,936)
Reported profit after tax	**1,519,035**	**2,814,738**	**(2,341,299)**	**1,992,474**
Attributable to:				
Members/shareholders of the parent entity	1,266,865	2,814,738	(2,341,299)	1,740,304
Non-controlling interests	252,170	-	-	252,170
Reported profit after tax	**1,519,035**	**2,814,738**	**(2,341,299)**	**1,992,474**
Segment assets	31,474,380	30,522,229	2,909,560	64,906,169
Total assets				**64,906,169**
Segment liabilities	(1,693,386)	(3,336,355)	(12,693,752)	(17,723,493)
Total liabilities				**(17,723,493)**
Segment net assets	29,780,994	27,185,874	(9,784,192)	47,182,676
Group net assets				**47,182,676**

6. Trade and other receivables

	31 December 2023 $	30 June 2023 $
Current		
Trade receivables	5,655,700	5,256,683
Provision for expected credit losses	(390,239)	(412,052)
Total current trade and other receivables	**5,265,461**	**4,844,631**
Provision for expected credit losses		
Reconciliation of changes in the provision for expected credit loss		
Balance at beginning of the year	412,052	272,930
Additional expected credit loss provision recognised (P&L Charge)	(8,464)	247,391
Provision used	(13,349)	(110,869)
Recovery of Bad Debts previously written off	-	2,600
Balance at end of the year	**390,239**	**412,052**
Aged Analysis		
The aging analysis of receivables is as follows:		
0 - 30 days	3,566,560	3,176,031
31 - 60 days	455,422	133,273
61 - 90 days	179,176	132,860
91+ days	1,454,542	1,814,519
Total	**5,655,700**	**5,256,683**

Provision for Expected Credit Losses (ECLs)

The Group applies the simplified approach and records lifetime expected losses on all trade receivables. As a result, Prime does not monitor change in credit risk but recognises a provision based on lifetime expected credit losses at each reporting date.

The trade receivable balance represents the Group's unconditional right to receive the cash.

Current trade receivables are generally on 30 days credit terms. However, the Group's Accounting & Business Advisory service line offers a grant and R&D tax incentive service to customers that are eligible for the Australian Government incentive funding. The payment terms for this segment (due to subsequent Australian Tax Office review) is likely to be greater than the standard credit terms given. The Group continues to perform an extensive review on the outstanding trade receivable balance at each reporting period, which includes an invoice- by-invoice assessment basis. Additionally, the unbiased probability-weighted matrix reflects the various segment groupings, which is described further below. The Group continue to write-off the uncollectable trade receivables which the Group do not expect to obtain from the relevant customers and continue to take this approach at every reporting date. The indicators the Group consider includes confirmation of non-payment, financial difficulties, credit ratings, customer industry and/or delinquency of payments. A credit is applied against the profit & loss if an amount is written off.

The Group utilised a provision matrix to calculate its ECL and provision for its trade receivables balance at 31 December 2023. The unbiased probability-weighted matrix reflects the various segment groupings based both upon the Group's debtor aging, service line, and various customer segment groupings with similar loss patterns.

This included Geography (notably Melbourne and Brisbane for the Accounting & Business Advisory service line), product type and customer profile. This generated a historical credit loss experience which was adjusted for in the ECL for The Group. At every reporting date the historical rates used within the Groups provision matrix to calculate the ECL is updated for trade and other receivables.

Forward looking credit factors, including the global and Australian economic conditions, and factors relevant to the client base continue to be assessed in conjunction with historical performance and specific considerations on individual debtor balances as specified above.

Refer to note 9 for commentary on contract assets.

7. Right-of-use Asset

During the reporting period the Group entered into a new lease agreement for its Sydney and Brisbane offices. The existing lease agreement for the Sydney office expired on 29 June 2023 and a new two year lease was entered into from 1 July 2023. The existing lease agreement for the Brisbane office expired on 10 October 2023 and a new five year lease was entered into from 5 October 2023. As per the terms of both lease agreements, a lease incentive in the form of a rent reduction was provided and will be phased over the course of the lease term. As a result of the new leases, the Group has recognised the ROU asset and lease liability related to these leases in accordance with AASB16.

The Group continues to sub-lease half of the Melbourne office space until it expires in May 2024. The Group received a total service income of $67,915 in the six months period ending 31 December 2023.

See note 8 for Lease Receivable details.

	31 December 2023 $	30 June 2023 $
Right of Use Asset		
Balance at 1 July	306,488	823,667
Additions during period	1,930,399	19,542
Less: Accumulated depreciation	(395,130)	(536,721)
Balance at end of the period	**1,841,757**	**306,488**

8. Lease Receivable

	31 December 2023 $	30 June 2023 $
Lease receivable		
Balance at beginning of the period	184,062	380,424
Additions	-	-
Total lease receivable	2,325	9,563
Less: receipts	(102,500)	(205,000)
Movement in expected credit loss provision	501	(925)
Balance at end of the period	**84,388**	**184,062**
Less than one year	84,993	186,992
One to two years	-	-
Total undiscounted lease payments receivable	**84,993**	**186,992**
Unearned finance income	(605)	(2,930)
Net investment in the lease	**84,388**	**184,062**
Current	84,388	184,062
Non-current	-	-
Total lease receivable	**84,388**	**184,062**

9. Contract assets and other current assets

	31 December 2023 $	30 June 2023 $
Current		
Contract assets	7,900,281	7,097,218
Distributions advanced to non-controlling interests	465,389	711,397
Prepayments	431,765	103,223
Other assets	171,775	212,377
Total contract assets and other current assets	**8,969,210**	**8,124,215**

9. Contract assets and other current assets - continued

Contract assets

Consistent with the approach for trade and other receivables, the Group applies a simplified approach to recognising expected credit losses for contract assets as the Group does not contain a significant financing component for its trade receivables or contract assets. Contract assets are initially recognised for revenue earned through work in progress and monitored on both a monthly and ongoing basis. Upon completion of sale and acceptance by the customer and the provider, invoices are issued to the provider for the amount receivable and reclassified from contract assets to trade receivables. The trade receivable balance represents the Group's unconditional right to receive the cash.

10. Share-based payments

Prime wishes to reward team members for their contribution to the growth of the firm, while also aiming to attract and retain employees with the skills and passion to best serve clients and uphold the firm's values. Therefore a Performance Rights Plan involving a Short Term Incentive (STI) and Long Term Incentive (LTI) Share Program was implemented to continue rewarding staff through the Employee Share Plan (ESP). Under AASB-2 (Para 10) these are defined as Equity-settled share-based payment transactions.

10a. Types of share-based payment plans

Equity-settled share-based payment transactions - Performance Rights Plan

A transaction will be classified as share-based compensation where the Group receives services from employees and pays for these in shares.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they were granted. The fair value was determined by management using the Black-Scholes-Merton, Binomial and Monte Carlo Models. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date the relevant employees are awarded the shares (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of:

(i) grant date fair value of the award;

(ii) current best estimate of the number of awards that will vest, taking into account the likelihood of employee turnover during the vesting period, estimated staff performance score and the likelihood of non-market performance conditions being met; and

(iii) expired portion of the vesting period.

The charge to profit or loss for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods where there is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so due to the failure to meet a service or non-market vesting condition. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

10a. Types of share-based payment plans - continued

The key terms of the Performance Rights Plans are as follows:

- The Performance Rights Plan allows the Group to issue rights to employees, contractors and directors. The number of Performance Rights issued is determined by dividing the remuneration value by the 30 day VWAP prior to the grant date;
- The Performance Rights Plan will only vest upon satisfaction of certain conditions which are set by the Board at the time of the offer;
- If the conditions are met and the Performance Rights vest, each participant is entitled to an ordinary share for each Performance Right which vests.
- Until the Performance Rights vest and ordinary shares are issued, the participant is not entitled to exercise any voting rights attached to the Performance Rights and is not entitled to any dividend payments; and
- In general, if the conditions are not satisfied by the relevant testing date for those conditions, or if the participant ceases employment before the Performance Rights Plan Shares vest, the participant forfeits all interest in the Performance Rights.

Offer under Performance Rights Plan

The Performance Rights Plan rights granted are subject to the achievement of the performance measure, which is tested once at the end of the 3-year performance period. The Performance Rights will be measured against two performance measures – Underlying EBITDA for members/ shareholders and Share Price.

These two performance measures require the Performance Rights to be measured under separate valuations;

- Tranche 1 – Long Term Incentives based on Share Price performance hurdle (Valued using Monte Carlo Model)
- Tranche 2 – Long Term Incentives based on underlying EBITDA performance hurdle (Valued using Binomial Model) The Performance Rights that do not vest after testing of the relevant performance measure, lapse without retesting.

The Performance Rights that do not vest after testing of the relevant performance measure, lapse without retesting.

Cessation of employment

Except where the Board determines otherwise in a specific instance, where a participant ceases employment with Prime prior to any conditions attaching to Performance Rights Plan Shares issued under the Performance Rights Plan being satisfied, their Performance Rights will be forfeited, and the participant will have no further interest in the Performance Rights. However, the Board has discretion to approve the reason for a participant ceasing employment before Performance Rights have vested in appropriate circumstances. Such circumstances may include ill health, death, redundancy, or other circumstances approved by the Board.

Where the Board has approved the reason for ceasing employment, it has discretion to determine any treatment in respect of the unvested Performance Rights it considers appropriate in the circumstances – for example, that a pro-rata number of Performance Rights are eligible to vest, having regard to time worked during the performance period and the extent the performance condition has been satisfied at the time of cessation.

10b. Recognised share-based payment expenses/(benefits)

The expense/(benefit) recognised during the six-month period is shown in the following table:

	Six months ended 31 December 2023 $	Six months ended 31 December 2022 $
Expense/(benefit) arising from equity-settled share-based payment transactions	700,987	520,585
Total Expense arising from share-based payment transactions	**700,987**	**520,585**

10c. Movements during the period

The following table illustrates the number and weighted average exercise price ('WAEP') of, and movements in, share options during the six-month period ended 31 December 2023:

Equity-settled Share-based Payments Long-term Incentives (2020-21 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**2,571,659**	**6.4**	**2,761,976**	**6.4**
Granted during period	-	-	-	-
Forfeited during period	(394,494)	6.4	(127,656)	6.4
Exercised during period	(1,877,165)	6.4	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**300,000**	**6.4**	**2,634,320**	**6.4**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Short-term Incentives (2020-21 STIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**1,171,875**	**6.4**	**1,171,875**	**6.4**
Granted during period	-	-	-	-
Forfeited during period	-	-	-	-
Exercised during period	(1,171,875)	6.4	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**-**	**-**	**1,171,875**	**6.4**
Exercisable at 31 December	-	-	1,171,875	6.4

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**9,361,438**	**6.4**	**9,653,681**	**6.4**
Granted during period	-	-	-	-
Forfeited during period	(200,168)	6.4	(208,369)	6.4
Exercised during period	(9,161,270)	6.4	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**-**	**-**	**9,445,312**	**6.4**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2022-23 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**6,769,393**	**9.46**	**-**	**-**
Granted during period	-	-	7,026,583	9.46
Forfeited during period	(286,327)	9.46	(95,125)	9.46
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**6,483,066**	**9.46**	**6,931,458**	**9.46**
Exercisable at 31 December	-	-	-	-

10c. Movements during the period - continued

Equity-settled Share-based Payments Long-Term Incentives (2023-24 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	4,840,115	17.1	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**4,840,115**	**17.1**	**-**	**-**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**1,000,000**	**18.0**	**1,000,000**	**18.0**
Granted during period	-	-	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**1,000,000**	**18.0**	**1,000,000**	**18.0**
Exercisable at 31 December			-	-

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**750,000**	**18.0**	**-**	**-**
Granted during period	-	-	750,000	18.0
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**750,000**	**18.0**	**750,000**	**18.0**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**500,000**	**18.5**	**-**	**-**
Granted during period	-	-	500,000	18.5
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Oustanding at 31 December	**500,000**	**18.5**	**500,000**	**18.5**
Exercisable at 31 December	-	-	-	-

10c. Movements during the period - continued

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**250,000**	**17.9**	**-**	**-**
Granted during period	-	-	250,000	17.9
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**250,000**	**17.9**	**250,000**	**17.9**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2021-22 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**1,000,000**	**18.1**	**-**	**-**
Granted during period	-	-	1,000,000	18.1
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**1,000,000**	**18.1**	**1,000,000**	**18.1**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2022-23 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**1,000,000**	**17.0**	**-**	**-**
Granted during period	-	-	1,000,000	17.0
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 31 December	**1,000,000**	**17.0**	**1,000,000**	**17.0**
Exercisable at 31 December	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2022-23 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**400,000**	**24.0**	**-**	**-**
Granted during period	-	-	650,000	24.0
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Expired during period	**400,000**	**24.0**	**650,000**	**24.0**
Oustanding at 31 December	-	-	-	-

10c. Movements during the period - continued

Equity-settled Share-based Payments Long-Term Incentives (2023-24 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	1,750,000	20.2	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Expired during period	**1,750,000**	**20.2**	**-**	**-**
Expired during period	-	-	-	-

Equity-settled Share-based Payments Long-Term Incentives (2022-23 LTIs)	Number Six months ended 31 December 2023	WAEP (cents) Six months ended 31 December 2023	Number Six months ended 31 December 2022	WAEP (cents) Six months ended 31 December 2022
Outstanding at 1 July	**204,677**	**24.0**	**-**	**-**
Granted during period	-	-	-	-
Forfeited during period	-	-	204,677	24.0
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Expired during period	**204,677**	**24.0**	**204,677**	**24.0**
Expired during period	-	-	-	-

10d. Share option valuation model

The fair value of the share options are calculated at each reporting date using either the Black-Scholes, Binomial or Monte Carlo model. The following table lists key inputs to the models used for the plans at 31 December 2023 and 31 December 2022:

Equity-settled Share-based payment

	Long-Term Incentives			
	Share based payments granted in 2020-21		Share based payments granted in 2021-22	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
	Share Price Hurdle	EBITDA Hurdle	Share Price Hurdle	EBITDA Hurdle
Grant date	29-Oct-20	29-Oct-20	26-Nov-21	26-Nov-21
Vesting/loan repayment date	29-Oct-23	29-Oct-23	26-Nov-23	26-Nov-23
Expected life of share options (years)	-	-	-	-
Exercise price at vesting (cents)	6.4	6.4	6.4	6.4
Share price at Grant date (cents)	7.7	7.7	16.6	16.6
Share price at reporting date (cents)	22.5	22.5	22.5	22.5
Fair value at Grant date (cents)	2.9	6.1	11.7	14.7
Risk-free interest rate	0.12%	0.12%	0.60%	0.60%
Dividend yield	8.0%	8.0%	6.0%	6.0%
Expected Volatility	60%	60%	55%	55%

10d. Share option valuation model - continued

Share-based payments granted in 2020-21	Long-Term Incentives Tranche 1 Share Price Hurdle	Long-Term Incentives Tranche 2 EBITDA Hurdle
Grant date	29-Oct-20	29-Oct-20
Vesting/loan repayment date	29-Oct-24	29-Oct-24
Expected life of share options (years)	0.83	0.83
Exercise price at vesting (cents)	6.4	6.4
Share price at Grant date (cents)	7.7	7.7
Share price at reporting date (cents)	22.5	22.5
Fair value at Grant date (cents)	2.7	5.6
Risk-free interest rate	0.21%	0.21%
Dividend yield	8.0%	8.0%
Expected Volatility	60%	60%

Share-based payments granted in 2022-23	Long Term Incentives Tranche 1 Share Price Hurdle	Long Term Incentives Tranche 2 EBITDA Hurdle
Grant date	25-Nov-22	25-Nov-22
Vesting/loan repayment date	25-Nov-24	25-Nov-24
Expected life of share options (years)	0.90	0.90
Exercise price at vesting (cents)	9.46	9.46
Share price at Grant date (cents)	24.0	24.0
Share price at reporting date (cents)	22.5	22.5
Fair value at Grant date (cents)	16.8	21.3
Risk-free interest rate	3.34%	3.34%
Dividend yield	6.0%	6.0%
Expected Volatility	55%	55%

		Long Term Incentives			
		Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share-based payments granted in 2020-21	Short Term Incentives	Share Price Hurdle	EBITDA Hurdle	Share Price Hurdle	EBITDA Hurdle
Grant date	29-Oct-20	29-Oct-20	29-Oct-20	29-Oct-20	29-Oct-20
Vesting/loan repayment date	29-Oct-21	29-Oct-23	29-Oct-23	29-Oct-24	29-Oct-24
Expected life of share options (years)	-	-	-	0.83	0.83
Exercise price at vesting date (cents)	6.4	6.4	6.4	6.4	6.4
Share price at Grant date (cents)	7.7	7.7	7.7	7.7	7.7
Share price at reporting date (cents)	22.5	22.5	22.5	22.5	22.5
Fair value at Grant date (cents)	7.1	2.9	6.1	2.7	5.6
Risk-free interest rate	0.05%	0.12%	0.12%	0.21%	0.21%
Dividend yield	8.0%	8.0%	8.0%	8.0%	8.0%
Expected Volatility	60%	60%	60%	60%	60%

10d. Share option valuation model - continued

Share-based payments granted in 2021-22	Revenue Hurdle				
	1M Performance Rights	750K Performance Rights	500K Performance Rights	250K Performance Rights	1M Performance Rights
Grant date	12-Jan-22	12-Jan-22	2-Feb-22	10-Feb-22	1-Apr-22
Vesting/loan repayment date	28-Nov-25	26-Nov-27	28-Nov-25	28-Nov-25	28-Nov-25
Expected life of share options (years)	1.91	3.91	1.91	1.91	1.91
Exercise price at vesting (cents)	18.0	18.0	18.5	17.9	18.1
Share price at Grant date (cents)	19.0	19.0	18.0	18.0	18.0
Share price at reporting date (cents)	22.5	22.5	22.5	22.5	22.5
Fair value at Grant date (cents)	15.2	13.5	14.0	14.4	14.5
Risk-free interest rate	1.31%	1.57%	1.42%	1.63%	2.50%
Dividend yield	6.0%	6.0%	6.0%	6.0%	6.0%
Expected Volatility	55%	55%	55%	55%	55%

Share-based payments granted in 2022-23	Revenue Hurdle		Employment Hurdle
	1M Performance Rights	400K Performance Rights	205K Performance Rights
Grant date	1-Jul-22	25-Nov-22	25-Nov-22
Vesting/loan repayment date	25-Nov-25	25-Nov-25	25-Nov-25
Expected life of share options (years)	1.90	1.90	1.90
Exercise price at vesting (cents)	17.0	24.0	24.0
Share price at Grant date (cents)	17.0	24.0	24.0
Share price at reporting date (cents)	22.5	22.5	22.5
Fair value at Grant date (cents)	13.9	20.0	20.0
Risk-free interest rate	2.99%	3.24%	3.24%
Dividend yield	6.0%	6.0%	6.0%
Expected Volatility	55%	55%	55%

	Long-term incentives	
Share-based payments granted in 2023-24	Tranche 1	Tranche 2
	Share Price Hurdle	EBITDA Hurdle
Grant date	30-Nov-23	30-Nov-23
Vesting/loan repayment date	30-Nov-25	30-Nov-25
Expected life of share options (years)	1.92	1.92
Exercise price at vesting (cents)	17.1	17.1
Share price at Grant date (cents)	22.5	22.5
Share price at reporting date (cents)	22.5	22.5
Fair value at Grant date (cents)	7.7	19.8
Risk-free interest rate	4.07%	4.07%
Dividend yield	6.7%	6.7%
Expected Volatility	45%	45%

10d. Share option valuation model - continued

Share-based payments granted in 2023-24	Revenue Hurdle
	1.75M Performance Rights
Grant date	30-Nov-23
Vesting/loan repayment date	30-Nov-26
Expected life of share options (years)	2.92
Exercise price at vesting (cents)	20.2
Share price at Grant date (cents)	22.5
Share price at reporting date (cents)	22.5
Fair value at Grant date (cents)	18.5
Risk-free interest rate	3.95%
Dividend yield	6.7%
Expected Volatility	45%

11. Significant Events After Balance Date

On 20 February 2024, the Board proposed to declare a fully franked interim dividend of 0.75 cents per share.

On 11 February 2024, Prime executed a binding Share Purchase Agreement (SPA) to acquire 100% of the share capital of Altor Capital Pty Ltd (Altor) and its controlled entities.

Altor has built a funds management platform, covering distribution and administration, which allows a capability to launch new products in the alternative asset management space. Prime will look to leverage this capability and build out a diversified alternative asset management business under its Wealth Management offering.

As part of the transaction, Prime will acquire the management companies of Altor's private equity and private credit funds.

The SPA prescribes Initial consideration of $1,500,000 but a purchase price not exceeding $4,200,000 payable over three years subject to achievement of maintainable annual EBITDA of $700,000 during that period. All consideration, initial and deferred will be paid 50% in cash and 50% in Prime shares and will be funded from existing financing facilities.

Completion will be subject to the fulfilment of closing conditions.

There are no other matters or circumstances which have arisen since the end of the financial period, that have significantly affected, or may significantly affect the operations of the Group, or the state of affairs of the Group in future periods.

12. Financial assets and financial liabilities

12a. Financial assets

The financial assets at the period end are as follows:

	31 December 2023 $	30 June 2023 $
Loan Receivable - Mr P Madder	1,022,986	1,092,631
Financial Asset - Crispin & Jeffery - SMSF	616,191	565,746
Other unquoted equity instruments	486,650	486,650
Total Financial Assets	**2,125,827**	**2,145,027**

The loan receivable (Mr P Madder) relates to a loan to Madder Corporate Pty Ltd, a nominee company of Mr P Madder. The loan is a full recourse loan supported by a general securities agreement over Madder Corporate Pty Ltd. The loan was provided by the PFG ESP to fund the allocation of 6,224,156 Shares (30 June 2023: 6,224,156 Shares) in Prime.

Crispin & Jeffery – SMSF is classified as a Level 3 financial asset and is measured at fair value through profit and loss. The fair value technique used was an earnings multiple approach. The key inputs in this valuation were the earnings generated by the investment and the earnings multiple. The fair valuation of Crispin & Jeffery – SMSF at 31 December 2023 resulted in a gain through the profit and loss of $50,445.

12a. Financial assets - continued

	31 December 2023 $	30 June 2023 $
Financial assets at fair value through profit and loss		
Unquoted equity instruments	486,650	486,650
Financial asset - Crispin & Jeffery - SMSF	616,191	565,746
Total financial assets at fair value through profit and loss	**1,102,841**	**1,052,396**
Financial assets at amortised costs		
Cash and cash equivalents	1,019,530	1,043,303
Trade and other receivables	5,265,461	4,844,631
Loans receivable	1,022,987	1,092,631
Lease receivable	84,388	184,062
Total financial assets	**8,495,206**	**8,217,023**
Total current	6,594,379	6,296,996
Total non-current	1,900,827	1,920,027
Total financial assets	**8,495,206**	**8,217,023**

12b. Financial liabilities

	Interest rate %		31 December 2023 $	30 June 2023 $
Current Interest-bearing loans and borrowing				
Lease liabilities	3.3-6.8%	31/12/2024	796,352	781,492
Borrowings - other	3.3%	07/05/2024	249,883	-
Borrowings - bank facility	7.3%	24/10/2024	1,662,520	1,699,613
Total current interest-bearing loans and borrowing			**2,708,755**	**2,481,105**
Non-current interest-bearing loans and borrowing				
Lease liabilities	3.3-6.8%	31/12/2028	1,284,380	-
Borrowings - bank facility	7.3%	31/01/2025	11,083,901	8,814,060
Total non-current interest-bearing loans and borrowings			**12,368,282**	**8,814,060**
Other financial liabilities				
Payables			3,139,496	2,504,546
Balance outstanding on acquisitions			-	704,395
Total other financial liabilities			**3,139,496**	**3,208,941**
Total financial liabilities			**18,216,532**	**14,504,106**
Total current financial liabilities			5,848,251	4,990,433
Total non-current financial liabilities			12,368,282	9,513,673
Total financial liabilities			**18,216,532**	**14,504,106**

As at 31 December 2023, the Group has the ability to access a total facility of $24,396,680 from Westpac. On 14 December 2023, following a revised facility agreement with Westpac, Prime has the ability to access a further $5,000,000 of funding.

The breakdown of the $24,396,680 facility is as follows:

As at 31 December 2023, $9,296,680 ($9,713,345: 30 June 2023) is available to fund working capital, future investments and for general purposes. $6,030,259 was used, with an unused amount of $3,266,421. This facility reduced by $83,333 per month to December 2023, however from this date until when the agreement expires in July 2025, there ceases to be any further amortisation. At 31 December 2023, the effective interest rate was 6.37% per annum. There is an additional 1.00% line fee for the total facility.

12b. Financial liabilities - continued

As at 31 December 2023, $10,000,000 ($10,000,000: 30 June 2023) is available for acquisitions. $6,716,162 was used, with an unused amount of $3,283,838. The effective interest rate is 6.14% per annum plus an additional 1.00% line fee on the total facility.

As at 31 December 2023, the further $5,000,000 ($nil: 30 June 2023) is to support lateral hires within existing service lines and initial working capital requirements. $nil was used, with an unused amount of $5,000,000.

At 31 December 2023, $100,000 is available for Business Cards.

On 4 January 2024, $2,667,000 of the $5,000,000 facility was approved for use, and is as such not reflected in the accounts at 31 December 2023.

12c. Fair values

Set out below is a comparison by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value:

	31 December 2023		30 June 2023	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Financial assets				
Unquoted equity instruments	486,650	486,650	486,650	486,650
Financial asset - Crispin & Jeffery - SMSF	616,191	616,191	565,746	565,746
Loans receivable	1,022,986	1,022,986	1,092,631	1,092,631
Lease receivable	84,388	84,388	184,062	184,062
Total	**2,210,215**	**2,210,215**	**2,329,089**	**2,329,089**
Financial liabilities				
Interest-bearing loans and borrowings				
- Bank facility	12,746,421	12,746,421	10,513,673	10,513,673
Other	249,883	249,883	-	-
Balance outstanding on acquisitions	-	-	704,395	704,395
Total	**12,996,304**	**12,996,304**	**11,218,068**	**11,218,068**

It has been assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, other borrowings and other contracts and the balance outstanding on acquisition of investments approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial liabilities relating to share-based payments have been calculated using a Black-Scholes model. Please see note 10 for further details.

Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant observable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value					
Unquoted equity securities	31 December 2023	486,650	-	-	486,650
Financial asset - Crispin & Jeffery - SMSF	31 December 2023	616,191	-	-	616,191
Liabilities measured at fair value					
Balance outstanding on acquisitions	31 December 2023	-	-	-	-
Assets measured at fair value					
Unquoted equity securities	30 June 2023	486,650	-	-	486,650
Financial asset - Crispin & Jeffery - SMSF	30 June 2023	565,746	-	-	565,746
Liabilities measured at fair value					
Balance outstanding on acquisitions	30 June 2023	704,395	-	-	704,395

Unquoted Equity Securities	31 December 2023 $	30 June 2023 $
Balance at the beginning of the year	**486,649**	**315,875**
Additions	-	-
Settlements	-	-
Movement in Fair value	-	170,774
Balance at the end of the half-year	**486,649**	**486,649**

Financial Asset - Crispin & Jeffery - SMSF	31 December 2023 $	30 June 2023 $
Balance at the beginning of the year	**565,746**	**590,739**
Additions	-	-
Settlements	-	-
Movement in Fair Value	50,445	(24,993)
Balance at the end of the half-year	**616,191**	**565,746**

Balance Outstanding on Acquisitions	31 December 2023 $	30 June 2023 $
Balance at the beginning of the year	**704,394**	**327,525**
Additions	29,777	4,509,900
Settlements	(835,601)	(3,658,233)
Movement in Fair Value	101,430	(474,797)
Balance at the end of the half-year	**-**	**704,395**

Unquoted Equity Securities

The fair value of unquoted equity securities – financial services sector consists of an investment purchased in FY18. The asset is measured based on a revenue multiple as a best practice for measuring Early-Stage entities. The key inputs in this valuation were revenue and the revenue multiple. Unquoted equity securities – financial services sector are classified as a Level 3 financial asset and are measured at fair value through profit and loss. A 5% increase (decrease) in the revenue utilised in the valuation would result in an increase (decrease) in fair value of $24,332.

Financial Asset

Crispin & Jeffery is classified as a Level 3 financial asset and is measured at fair value through profit and loss. The fair value technique used was an earnings multiple approach. The key inputs in this valuation were earnings generated by the investment and the earnings multiple. The earnings multiple used in the valuation at 31 December 2023 was 5.5 times. A 5% increase (decrease) in earnings would result in an increase (decrease) in fair value of $30,810. The fair valuation of Crispin & Jeffery – SMSF at 31 December 2023 resulted in a gain through the profit and loss of $50,445.

Balance outstanding on acquisitions

Intello Pty Ltd

On 4 October 2022, Prime acquired a 100% ownership of Intello Pty Ltd for a mixture of consideration payable at completion and deferred contingent consideration. This was comprised of $1,759,899 consideration paid at completion, deferred contingent consideration of $118,786 paid in January 2023, and a final payment of $835,601 in November, taking total cash consideration to $2,714,286.

Following improved revenue performance in the September 2023 quarter, the amount paid in November 2023 ($835,601) was higher than the amount estimated in the June 23 Financial Report resulting in a Fair Value Adjustment to contingent consideration of $101,430.

There was nil balance outstanding at 31 December 2023.

Director’s Declaration

The directors declare that the financial statements and notes set out on pages 15 to 39 are in accordance with the Corporations Act 2001, including:

(a) Complying with Accounting Standard AASB 134 “Interim Financial Reporting” and the Corporations Regulations 2001, and

(b) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors’ opinion there are reasonable grounds to believe that Prime Financial Group Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Simon Madder
Managing Director & Chairman
Melbourne, 20 February 2024

Independent Auditor's Report

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Independent auditor's review report to the members of Prime Financial Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Prime Financial Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Building a better working world

A review of a half-year 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.

Ernst & Young

John MacDonald
Partner
Melbourne
20 February 2024

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M. Murphy, Executive Director
T. Bennett, Executive Director

Company Secretary

A. Sanders

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Holman Fenwick Willan

Bankers

Westpac Banking Corporation

Share Register

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