

ASX Announcement

Prime Financial Group Ltd
(Prime – ASX:PFG)

aspire, innovate, grow & impact

2 July 2024

Completion of fully underwritten \$3.3M Entitlement Offer and Equity Plan Management Acquisition

Highlights:

- **Fully underwritten non-renounceable Entitlement Offer closes, raising \$3.3 million**
- **Offer strongly supported by new and existing institutional investors along with strong participation from existing shareholders and directors**
- **Completion of EPM acquisition, delivering on PFG's strategy of growth through complementary, EPS-accretive acquisitions**
- **EPM expected to deliver \$2.2m of revenue and \$1.3m of EBITDA**
- **PFG continuing to progress NBIO for Wealth Management Business acquisition**
- **Appointment of Independent Non-Executive Director and Chief Growth Officer**
- **The appointments, EPM acquisition and NBIO progress positions PFG to deliver on its goal of doubling revenue from \$26m in FY22 to \$50m in FY25 and further doubling that figure again to \$100 million**

Prime Financial Group Ltd ("Prime") (ASX:PFG), an Advice, Capital and Asset Management Group, announces that its fully underwritten non-renounceable Entitlement Offer closed on 27 June 2024, raising \$3.3 million.

The Entitlement Offer gave eligible shareholders the opportunity to subscribe for one (1) new fully paid ordinary share in the Company (**New Share**) for every 13.19 existing fully paid ordinary shares in the Company held on the Record Date of 5.00pm (AEST) on 14 June 2024, at an issue price of A\$0.20 per New Share (Offer Price).

The Company has received valid acceptances of 4,130,957 New Shares with a shortfall of 12,370,724 New Shares. Pursuant to the Underwriting agreement, Canaccord Genuity (Australia) Limited will allocate the shortfall of shares. The Company's CEO, Managing Director & Chairman Mr Simon Madder and Executive Directors Timothy Bennett and Matthew Murphy are sub-underwriting \$50,000 each of the shortfall.

New Shares are scheduled to be issued to Shareholders on Wednesday 3 July.

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The Offer was strongly supported by new and existing institutional investors along with strong participation from existing shareholders and directors, which is consistent with PFG's approach to offer its existing shareholders the opportunity to fund its future growth.

PFG has also now completed the acquisition of Equity Plan Management Pty Ltd and the associated business conducted by Remuneration Strategies Pty Ltd (collectively "EPM").

The EPM acquisition marks PFG's entry into the remuneration and employee share plan management sector and delivers on its strategy of growth through complementary, EPS-accretive acquisitions, and expanding its capability within its Business Advisory segment focus for Emerging Businesses.

The acquisition is also complementary to PFG's existing Capital & Corporate Advisory capability and supports its ambition to accelerate growth and provide clients with additional solutions across a diversified range of services, with significant cross-selling opportunities across the Group.

The EPM business is expected to add revenue and EBITDA run rate of \$2.2+ million and \$1.3+ million per annum, respectively.

Funds raised from the Entitlement Offer are being used for the Tranche 1 payment for the EPM acquisition of \$2.8 million (paid on completion), associated transaction costs, the costs of the Entitlement Offer, and working capital.

PFG is also making continued progress with its confidential non-binding indicative offer ("NBIO") for the acquisition of a Melbourne-based company that provides investment research, portfolio and asset/fund management services ("Potential Acquisition").

The Potential Acquisition will complement Prime's Wealth segment and provide it with operational, client and capability synergies.

If it proceeds, the acquisition would represent a material contribution to revenue in FY25. The target is expected to generate approximately \$12 million in revenue in FY24.

For further details on the NBIO, EPM acquisition and Entitlement Offer, please see the ASX Announcement dated 11 June 2024.

On 25 June 2024, PFG also announced the appointment of experienced C-Suite executive, advisor and Board member Andrea Slingsby as an Independent Non-Executive Director, effective 5 July 2024, and James Lake to the new position of Chief Growth Officer.

Both appointments are key to PFG's next phase of growth and as the Group continues its strategy of pursuing organic growth and EPS-accretive acquisitions. For further details on the appointment of Ms Slingsby and Mr Lake, see ASX Announcement dated 25 June 2024.

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The appointments, EPM acquisition and NBIO progress positions PFG to deliver on its goal of doubling revenue from \$26 million in FY22 to \$50 million in FY25 and then doubling that figure again to \$100 million.

Prime's CEO, Managing Director & Chairman, Mr Simon Madder said: "We are delighted to have closed our \$3.3 million Entitlement Offer and to have completed the acquisition of EPM, marking our entry into the employee share plan management sector.

"The EPM acquisition provides us with ownership of a leading Australian remuneration and employee share plan provider, strong profitability and a highly complementary product suite that adds to our existing Business Advisory offering and provides significant cross-sell opportunities across our combined client base. We warmly welcome the well-established and capable EPM team to PFG.

"At the same time, our progress with our NBIO for a Wealth Management Business Acquisition, as well as the addition of Andrea and James to the PFG team, marks a significant contribution to our strategy of pursuing organic growth and EPS-accretive acquisitions as we continue to work towards our goal of doubling revenue from \$26 million in FY22 to \$50 million in FY25 and then doubling that figure again to \$100 million."

The Board takes this opportunity to thank all of those shareholders who participated in the Entitlement Offer and for their ongoing support for the Company.

Authorised for release by the Board of Prime Financial Group Limited.

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About Prime Financial Group Ltd (Prime – ASX:PFG)

PFG is an Advisory, Capital & Asset Management Group, operating across four key areas in Accounting & Business Advisory, Wealth Management, SMSF and Capital in its three core locations of Melbourne, Sydney and Brisbane.