



Completion of divestment of International Business to Morningstar

ASX Release: 30 June 2022

Praemium Limited (ASX: PPS) ("**Praemium**") today announces the successful completion of the divestment of its operations in the United Kingdom, Jersey, Hong Kong and Dubai ("**International Business**") to Morningstar, Inc. (Nasdaq: MORN) ("**Morningstar**").

Following completion, Praemium received net transaction proceeds ("**Net Proceeds**") of GBP £35 million, consistent with the originally agreed price, with final gross proceeds subject to finalisation of post completion adjustments. The transaction is expected to result in a gain on divestment. This gain will be recognised as a one-off item in the FY22 financial results and remains subject to finalisation, including audit, of results to be released on or about 31 August 2022.

The divestment will allow Praemium to focus its financial and leadership resources on its domestic market, as a leader in innovative platform solutions for sophisticated wealth advisers and their clients.

Praemium CEO, Anthony Wamsteker, said, "*We are delighted to achieve this milestone in our history and this successful divestment will allow Praemium to focus on the enormous opportunity that the Australian wealth market offers. Morningstar has been a tremendous partner as we have worked collaboratively through the sale conditions, and is an ideal owner of the International Business. We wish them well.*"

As announced on 21 December 2021, Praemium intends to return the surplus Net Proceeds to shareholders. Following consideration of Praemium's likely future investment and liquidity needs and prevailing exchange rates, the Board has resolved to return approximately \$50 million to shareholders through a combination of:

- **On-Market Buy-Back** – an on-market share buy-back of up to 10% of Praemium's issued capital (equivalent to \$23.6 million at the current prevailing share price), to be commenced following the release of Praemium's FY22 financial results; and
- **Special Dividend** – the declaration of a fully franked special dividend of 5 cents per share, equating to \$25.7 million based on the total issued capital as at 30 June 2022 ("**Special Dividend**").

"The proposed capital management initiatives provide an attractive outcome for Praemium's shareholders through a combination of cash return and the benefits of earnings per share accretion from the reduction in shares outstanding from the buy-back", Anthony Wamsteker said. "In addition to the Special Dividend, with this transaction now simplifying the business, the Board is also in a position to commence a sustainable dividend policy and will announce those details in due course."

Morningstar now holds 100% of the shares in the International Business entities. Praemium will support Morningstar in completing transitional workstreams, which are expected to be finalised on or before 31 December 2022.



The key dates with respect to the Special Dividend are as follows:

Event	Date
Announcement of Special Dividend	Thursday, 30 June 2022
Praemium shares commence trading 'ex' entitlement to the Special Dividend	10:00am on Monday, 25 July 2022
Record date for the Special Dividend	7:00pm on Tuesday, 26 July 2022
Payment of the Special Dividend	Wednesday, 10 August 2022

This announcement was authorised by the Praemium Board.

Further information

If you have any questions regarding the Special Dividend, please contact Praemium's share registry, Link Market Services Limited on +61 1300 554 474.

For media enquiries, please contact Anthony Wamsteker, Chief Executive Officer on 1800 571 881.

For investor enquiries, please contact David Coulter, Chief Financial Officer on 1800 571 881.

About Praemium Ltd (ASX: PPS)

Praemium is a leading wealth management technology and financial services company and has been providing platform services to the Private Wealth and high net worth advice sector since its establishment in 2001. In Australia, Praemium directly administers \$41 billion funds under administration (FUA).

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