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Company Announcements Office
Australian Securities Exchange Limited

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Prime increases stake in leading Melbourne accounting firm

Wealth management firm Prime Financial Group Ltd (Prime - ASX code PFG) has entered into arrangements to increase its stake in leading Melbourne accounting & advisory firm MPR Group (MPR) from 40% to approximately 93%.

Prime has 8 Investments in accounting firms and 35 wealth management joint ventures with accounting firms across the country, but this is the largest stake it has purchased in any one firm.

Prime has increased its holding through the issue of new shares by MPR (www.mprgroup.com.au) and the acquisition of existing shares from MPR Managing Director Matthew Murphy. It is expected that completion of all arrangements will be effected by early next week.

Mr Murphy will stay on as Managing Director of MPR but will take on additional responsibilities including joining Prime's leadership team, assisting to guide the growth in Prime's Accounting Firm investments along with current Prime leadership team member, Timothy Bennett. For the past 12 months Mr Murphy has been on Prime's Accountant Advisory Board.

As part of the transaction Mr Murphy will receive \$1.35M cash, paid over 12 months plus 13,500,000 Prime shares. This will make Mr Murphy a significant shareholder in Prime with those shares being escrowed, one third for 1 year, one third for two years and one third for three years.

Prime Managing Director and CEO Simon Madder welcomed Mr Murphy to the broader Prime team.

"MPR is a key partner and investment for Prime and Matthew is an integral part of that business and its future growth ambitions" he said.

"With the injection of capital into MPR we have a growth target for double-digit revenue growth in the coming years".

"This will be based around acquisitions and/or mergers and the expansion of MPR's service offering and locations."

MPR's focus is on supporting businesses beyond accounting and business advisory with a focus on R&D and innovation.

Mr Madder said Prime initially invested in MPR in July 2014, purchasing 10% equity with MPR's revenue at that time at around \$4 million annually, this has since grown to over \$5.5 million".

Mr Madder said Prime's ongoing equity interest in MPR will vary according to acquisition activity and the funding mechanisms utilised. "Prime strongly believes in the alignment of ongoing interests through equity," he said.

Prime has a clear operating model supporting accounting firm partners to grow and address operational challenges, this is achieved via Prime's co-investment equity model and through the provision of the following services:

- Wealth Management Operations & Client Advice
- Funds Management
- Accountant Licensing
- Acquisition identification, deal structuring and funding support
- Marketing & Digital Strategy and Implementation
- Outsourced Labour through a Global Resourcing Model

This investment and structure further enhances Prime's value proposition and growth opportunities.

For more information on this announcement or to arrange an interview please contact Simon Madder (Managing Director / CEO) on (03) 9827 6999.

About Prime Financial Group

Prime Financial Group Ltd (Prime) is an Integrated Wealth Management Firm for business owners and family groups. Prime's goal is to become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management and to deliver personalised advice to clients for a secure financial future.