

Annual Report 2023



For the year ended
30 June 2023

Netwealth Group Limited
ABN: 84 620 145 404

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Acknowledgement of Country

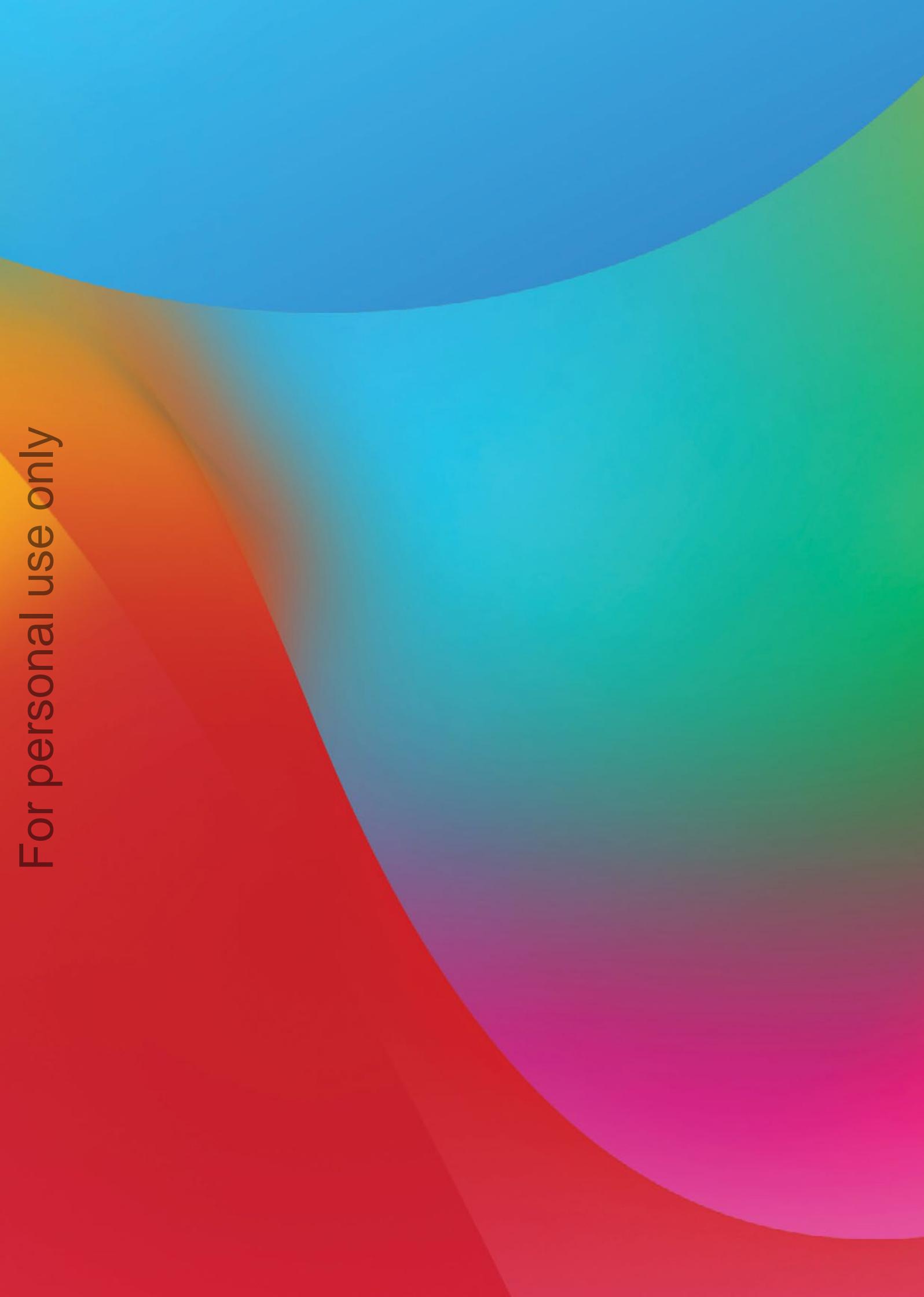
We acknowledge the traditional owners of the lands that we work and live on. Our offices are on the lands of the traditional owners of the Wurundjeri people of the Kulin Nation in Melbourne, the Turrbal and Jagera people in Brisbane, the Gadigal people of the Eora Nation in Sydney, the Kaurna people of the Adelaide Plains and the Whadjuk Nyoongar people in Perth. We celebrate the stories, culture and traditions of the Aboriginal and Torres Strait Islander people of all nations, and pay our respects to Elders past, present and future.

This statement is made by Netwealth Group Limited on behalf of its reporting entities for the financial year ending 30 June 2023.

Our purpose is

**To enable people to
see wealth differently
and discover a
brighter future**

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The background features a vibrant, abstract design with large, overlapping, wavy shapes. The colors transition from a bright blue at the top, through a green and yellow-green, to a bright orange and red at the bottom. The shapes are fluid and organic, creating a sense of movement and depth.

Appendix 4E

Report for the year ended 30 June 2023.

Netwealth Group Limited
ABN: 84 620 145 404

1. Details of the reporting period

Report for the year ended 30 June 2023 (FY2023).

⁷Previous corresponding period year ended 30 June 2022 (FY2022).

2. Results for announcement to the market

	FY2023 \$'000	FY2022 \$'000	Increase/ (Decrease)	Var %
Revenue from ordinary activities	207,008	172,864	34,144	19.8%
Profit from ordinary activities before tax attributable to members	97,014	81,110	15,904	19.6%
Net profit for the period attributable to members	67,153	55,552	11,601	20.9%

Refer to the attached Annual Report (Directors' report – Review of operations section), for further commentary on the full year results.

3. Net tangible assets per ordinary security

	FY2023	FY2022
Net tangible assets per ordinary security	47.8 cents	41.8 cents

Net tangible assets (NTA) used in the calculation of NTA per ordinary security are inclusive of both right of use assets and lease liabilities.

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4. Dividends information

	Amount per Share (cents)	Franked Amount per Share (cents)	% Franked	Tax rate for Franking Credit
Final 2022 dividend per share (paid 29 Sep 2022)	10.00	4.28	100%	30%
Interim 2023 dividend per share (paid 24 Mar 2023)	11.00	4.71	100%	30%
Final 2023 dividend per share (to be paid 21 Sep 2023)	13.00	5.57	100%	30%

Final 2023 dividend dates

Ex-dividend date	22 August 2023
Record date	23 August 2023
Payment date	21 September 2023

There is no dividend reinvestment plan.

5. Control gained/loss over entities

Not applicable.

6. Details of associates and joint venture entities

Netwealth owns 25% of the equity of Xeppo Pty Ltd (Xeppo), a specialist fintech data solution provider.

Xeppo specialises in connecting, matching and reconciling data from a wide range of sources and providing technology solutions to support the wealth management, accounting and mortgage industries.

The Group re-classified our investment in Xeppo from an Investment in Associate to a Joint Venture from August 2022 following a revised agreement with Xeppo. There is no significant change to the accounting treatment from this reclassification.

7. Compliance statement

This report is based on the consolidated financial statements for the year ended 30 June 2023 which have been audited by Netwealth Group Limited's auditors, Deloitte Touche Tohmatsu, with the audit report attached.



Matt Heine
CEO & Managing Director
16 August 2023

About Netwealth

Netwealth Group Limited (Netwealth, "NWL" or the Group) is a financial services company listed on the Australian Securities Exchange (ASX: NWL). Netwealth was created with an entrepreneurial spirit to challenge the conventions of Australia's financial services.

We are a technology company, a superannuation fund trustee and a wealth administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future.

Founded in 1999, Netwealth is one of the fastest growing wealth management businesses in Australia.

Our financial products are:

- superannuation including accumulation and retirement income products;
- investor directed portfolio services for self-managed superannuation and non-superannuation investments;
- managed accounts;
- managed funds;
- self-managed superannuation funds administration; and
- non-custodial administration and reporting services.

Netwealth's digital platform supports how our financial products are delivered to market. Financial intermediaries and clients can invest and manage a wide array of domestic and international products through the platform.

The platform is built, developed and maintained by our technology team. It is continuously enhanced using feedback from financial intermediaries, clients and other users and receives wide industry recognition as having market-leading functionality.

Supporting our financial products and technology platform is a significant investment in our people and resources to administer support, execute our custodial services and manage risk and governance.

Joint Letter from Chair and CEO & Managing Director

On behalf of the Board of Directors (the Board) of Netwealth Group Limited (Netwealth), we are pleased to present the Annual Report for the year ended 30 June 2023.

Global capital markets in FY2023 demonstrated continuing volatility as investors reacted to substantial and largely unexpected increases in official cash rates by federal reserve banks to tackle persistently high single digit inflation. Despite this uncertain economic environment, coupled with continuing geopolitical disruption, equity markets generally trended upwards while some other major assets classes performed poorly.

The Australian wealth management market is estimated to have slightly declined in the 12 months to March 2023 from \$1,002 billion to \$982 billion¹. Net inflows over this same period were \$14.2 billion, a substantial reduction compared to \$29.3 billion over the previous corresponding period. This decrease is believed to be primarily due to investors seeking the safety of cash and term deposits off platform and delayed transitions.

FY2023 was another milestone year for Netwealth across many financial and operating metrics.

Despite the very challenging backdrop, Netwealth’s Funds Under Administration (FUA), grew by 26.3% or \$14.6 billion to reach an all-time high of \$70.3 billion as at 30 June 2023. Netwealth delivered record annual gross inflows of \$18.7 billion and pleasingly, net inflows of \$9.9 billion.

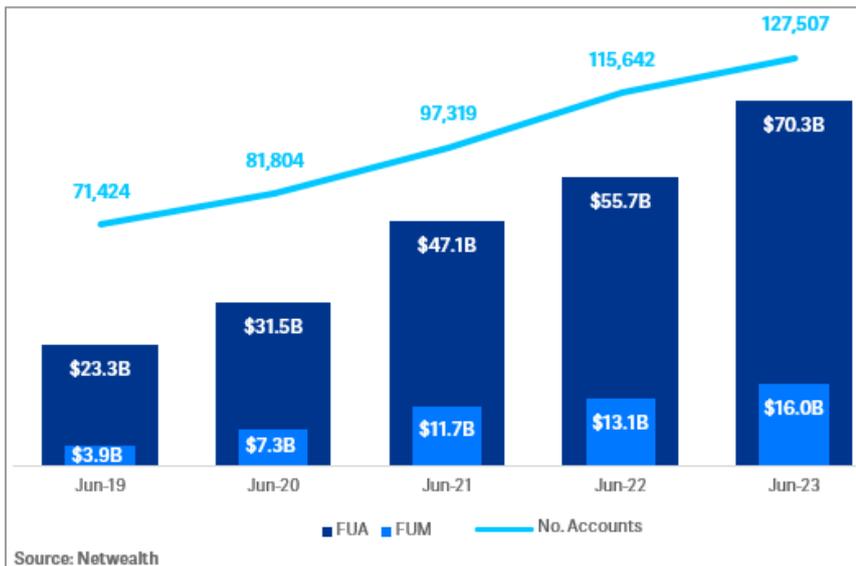
Netwealth was again recognised as the fastest growing platform, growing its market share by 1.0% to 6.7%¹ as at March 2023.



Timothy Antonie
Independent
Non-Executive
Chair



Matthew Heine
CEO & Managing
Director (CEO)



¹ Source: Plan for Life, Analysis of Wrap, Platform and Master Trust as at March 2023

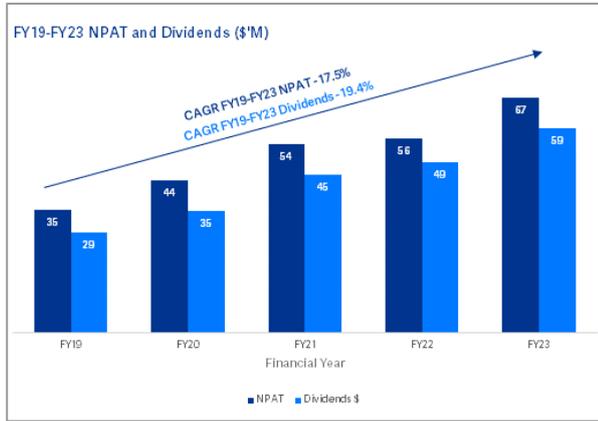
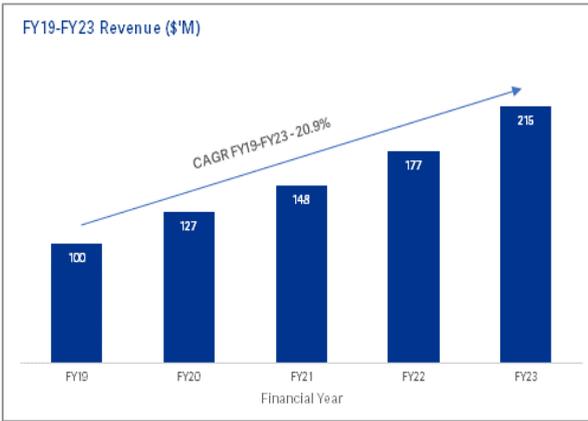


Total income increased by 21.6% over FY2022 to \$214.7 million. The substantial increase in income enabled Netwealth to absorb the annualised impact of the significant investment in platform and service capability in FY2022 and continuing investment in FY2023 to maintain our leadership position, continue to deliver on our client’s expectations and accelerate our whole of wealth roadmap and vision.

EBITDA exceeded \$100 million for the first time at an impressive EBITDA margin of 46.9% or 48.0% excluding non cash share based payments. Operating net cashflow (before tax) conversion remained very high at \$106.3 million.

Netwealth achieved a record profit of \$67.2 million, representing a 20.9% increase from the previous year’s result. Earnings per share increased by 20.6% to 27.5 cents per share.

The Board today declared a final fully franked dividend of 13 cents per share resulting in a total fully franked dividends of 24 cents per share for FY2023, a 20% increase from the previous year. Our dividend payout ratio of 87% reflects our continuing high conversion ratio of earnings to cashflow.



These record results are thanks to the outstanding performance of our Executive and growing Netwealth team, with over 550 employees at 30 June 2023. The dedication and talent of our team is the key driver of our continuing success. Our annual employee survey reflected high satisfaction levels, with an overall score of 77%, positioning us among the top quartile of comparable businesses and we are now certified with Work180 and recently ranked sixth in the Top 10 Workplaces for Women. We welcomed Shanyn Payne to the Executive in July 2023 as our new Chief People Officer to further enhance our leadership and culture to maximise outcomes for our team, clients and shareholders.

Netwealth received a number of accolades during the year and was rated No.1 in overall satisfaction by advisers in the Investment Trends May 2023 Adviser Technology Needs Report, a recognition we have held for 11 consecutive years. Additionally, we remain the leading platform for the High Net Worth segment, which speaks to the strength and reliability of our platform.

Throughout the year, we successfully expanded our offer and introduced our new non-custodial administration service as part of our whole of wealth strategy. The positive response received from our clients has been encouraging, and we will continue to fine-tune and enhance this service from customer feedback and expect to build substantial scale in the medium term.

Netwealth secured many new and important licensee and adviser relationships throughout the year with client accounts increasing by over 10% and further transitions to occur. We enter FY2024 well

positioned to continue to increase our market share. Our pipeline is strong and diverse with new business opportunities from across the country and market segments and we expect continued organic growth from existing channels and in particular from the High Net Worth segment.

We will continue to invest in our platform and service offering and are executing across many board approved strategic initiatives including: our whole of wealth strategy, trading capability, customised reporting, systems migration and security, and generative artificial intelligence solutions.

We are also excited to be relaunching an upgraded Core product next month with an expanded investment menu, made up of Australia's leading asset consultants and managers, at a very competitive fee. We expect this will significantly increase our presence in the the mass affluent and emerging affluent segments in the market, resulting in incremental and profitable revenue streams.

Given we operate in the highly regulated financial services industry and the significant trust placed in us by our clients, sound governance is paramount to our sustained success and growth. We continue to actively manage and enhance our systems, risk management framework and corporate governance practices to meet regulatory changes and exceed the expectations of our community and stakeholders. Additionally, our investment in cyber-security remains a priority, and we continue to raise awareness among all stakeholders to mitigate potential risks. We welcome Jodie Henson to the Executive as our new Chief Risk Officer. Jodie has immediately made a substantial contribution in further enhancing the management of our risk environment.

Netwealth Superannuation Services Pty Ltd (NSS) has now been operating for 2 years under a separate board of directors with the single purpose of administering our superannuation services. NSS operates in a highly regulated environment and we thank Rita Harris, Chair of NSS and her team for the effective discharge of their obligations and execution of their strategic objectives.

Our People and Corporate Sustainability Committee has again made great progress over the last 12 months under Kate Temby's leadership. We continue to make progress on four key areas that are important to our stakeholders: enhancing our core business; be ethical and transparent in our dealings; foster diversity, talent and wellbeing; and partner with financial support organisations that create lasting positive social and environmental impacts.

We are incredibly proud to share that, with Netwealth's financial support, over 100,000 school children have participated in the Banqer Financial Literacy program. This innovative online virtual economy is provided at no cost to schools all across Australia, empowering young minds with essential financial knowledge and skills for their future.

We would also like to congratulate Matt West (GM Product & Strategy), and Dave Sutherland (GM Investment Ops & Managed Accounts) on their promotions to the Executive. By bringing in new talent (Jodie and Shanyu) and promoting from within, we aim to enrich our leadership with fresh insights, diverse perspectives, and a wealth of experience. We believe that this dynamic blend of expertise will further enhance our ability to navigate new challenges and seize opportunities for growth.

Netwealth continues to retain sufficient levels of capital to meet our regulatory requirements. Our strong balance sheet and disciplined risk management strategies position us well to respond to both risks and opportunities.

We extend our gratitude to our Board, management, and the entire team for their unwavering dedication, commitment, and hard work, which have contributed to the record-breaking results we achieved this year.

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Finally, on behalf of the Board, we express our sincere appreciation to our valued clients and shareholders for your ongoing support. We look forward to working with you in FY2024 and for another successful year.

Yours sincerely



Timothy Antonie
Chair
16 August 2023



Matt Heine
CEO & Managing Director
16 August 2023

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Corporate Highlights

Netwealth has continued to experience significant growth in FY2023. Some highlights for the year were (comparative period being FY2022):



\$214.7M

Total Income
Growth \$38.1M (+21.6%)



\$100.7M^{1,2}

EBITDA
Growth \$15.7M (+18.4%)



46.9%¹

EBITDA margin



27.5 cents

EPS



\$106.3M¹

Operating net cash flow before tax



Dividend 24.0 cps

Interim dividend 11.0 cps
Final dividend 13.0 cps



\$70.3B FUA

Growth \$14.6B (+26.3%)
(Including \$126M of non-custodial FUA)



\$9.9B

FUA net inflows



127,507 Clients

Growth 11,865 (+10.3%)



\$16.0B FUM

Growth \$2.9B (+22.0%)



6.7%³

FUA Market Share
Growth 1.0% over 12 months



#1 Platform⁴

Rated by Investment Trends May 2023: Top industry rating for overall satisfaction among primary users

- 1 Directors consider these non-IFRS information to be a key metric in evaluating the operating performance of the Group. Reconciliations to IFRS information are on pages 15-17.
- 2 Prior period comparison excludes non-recurring transaction of \$0.5 million relating to acquisitions no longer pursued.
- 3 Plan For Life Media Release, Analysis of Wraps, Platforms and Master Trusts as at March 2023
- 4 Investment Trends, May 2023 Adviser Technology Needs Report
EPS – Earnings per share; CPS – Cents per share

Operating and Financial Review

Operational performance highlights

Set out in the below table is a summary of key platform statistics for FY2023 and FY2022.

	Consolidated Group for Year Ended			
	30 June 2023	30 June 2022	Variance	Variance %
FUA – Custodial - End of Period (EOP) (\$ million)	70,146	55,652	14,494	26.0%
FUA – Non-custodial (EOP) (\$ million)	126	-	126	100.0%
Total FUA	70,272	55,652	14,620	26.3%
FUA inflows – Custodial (\$ million)	18,609	18,679	(70)	(0.4%)
FUA outflows – Custodial (\$ million)	(8,844)	(5,690)	(3,154)	(55.4%)
FUA net inflows – Custodial (\$ million)	9,765	12,989	(3,224)	(24.8%)
FUA net inflows – Non-custodial (\$ million)	117	-	117	100.0%
FUA Market Movement – Custodial (\$ million)	4,730	(4,476)	9,206	205.7%
FUA Market Movement – Non-custodial (\$ million)	9	-	9	-
Platform revenue/average FUA (bps)	32.8 bps	32.0 bps	0.8 bps	2.5%
FUM (EOP*) (\$ million)	15,960	13,078	2,882	22.0%
FUM net inflows (\$ million)	1,959	2,585	(626)	(24.2%)
Managed Account (EOP) (\$ million)	13,592	11,170	2,422	21.7%
Managed Account net inflows (\$ million)	1,590	2,321	(730)	(31.5%)
Managed Funds (EOP) (\$ million)	2,368	1,908	460	24.1%
Managed Funds net inflows (\$ million)	369	264	105	39.8%
Cash transaction account as % of FUA (EOP) (\$ million)	6.4%	7.9%	-	-
Accounts (EOP*) (number)	127,507	115,642	11,865	10.3%
Financial intermediaries (EOP) (number)	3,512	3,327	185	5.6%
Average FUA/average number of Accounts (\$ thousands)	521	507	14	2.8%
Platform revenue/average number of accounts (\$)	1,710	1,621	89	5.5%

* EOP=End of Period

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Netwealth achieved record Funds Under Administration (FUA) at 30 June 2023 of \$70.3 billion, an increase of \$14.6 billion (26.3% increase) for FY2023. The Group posted record annual FUA gross Inflows of \$18.7 billion for FY2023.

FUA net inflows of \$9.9 billion for FY2023, was a decrease of \$3.1 billion in FUA net inflows on FY2022, due to an elevated level of outflows that primarily related to clients partially withdrawing funds to invest in off-platform investments including term deposits and other alternative investments and large partial withdrawals from high net worth and large accounts.

Cash transaction account as a % of FUA reduced to 6.4% from 7.9%, reflecting a preference in term deposits held by clients on the platform which increased to \$1.9 billion at 30 June 2023 (\$0.4 billion). A significant number of clients may have also chosen to hold their term deposit holdings or other fixed interest instruments off platform.

During the year, the new Wealth Accelerator – Multi-asset Portfolio Services including non-custodial administration service went live for clients. It was launched successfully in April 2023 with \$126 million of non-custodial FUA onboarded by 30 June 2023.

Funds Under Management (FUM) at 30 June 2023 were \$16.0 billion, an increase of \$2.9 billion (22.0%) from FY2022 including positive market movement of \$0.9 billion.

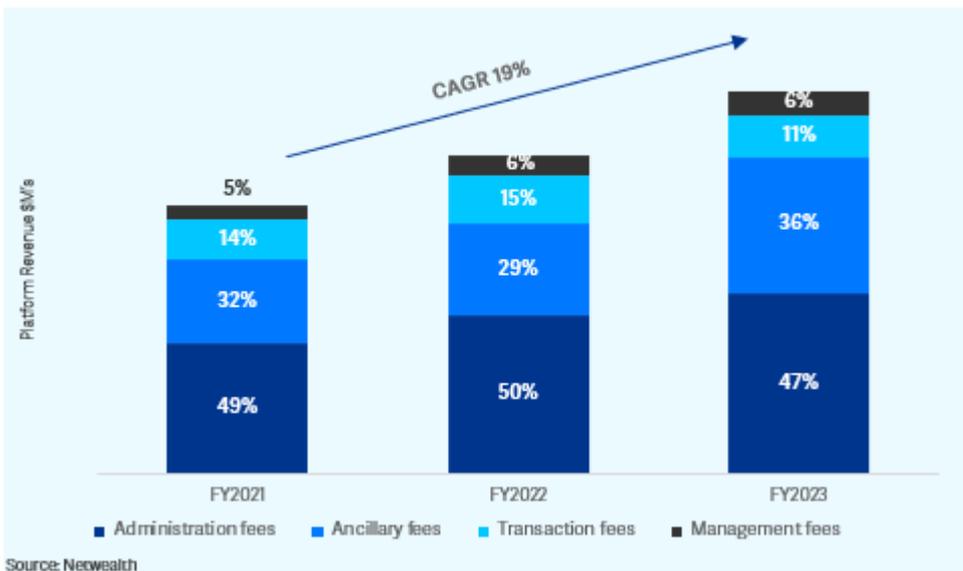
Managed Account balance at 30 June 2023 was \$13.6 billion, an increase of \$2.4 billion (21.7%) for FY2023. The increase for FY2023 included Managed Account net inflows of \$1.6 billion and positive market movement of \$0.8 billion.

Total client accounts increased by 11,865 or 10.3% to 127,507 at 30 June 2023. Financial Intermediaries using the platform increased by 185 or 5.6% to 3,512 at 30 June 2023.

Platform revenue per account increased to \$1,710 in FY2023. Platform revenue/average FUA of 32.8 bps for FY2023, an increase of 0.8 bps, primarily from a higher cash margins rate.

Average account size increased to \$521,000 for FY2023, up from \$507,000 in FY2022.

Platform revenue split FY2021 to FY2023



Review of FY2023 financial performance

Netwealth achieved total income of \$214.7 million for FY2023, a 21.6% growth from prior year. Platform revenues increased by \$34.1 million (19.8%) to \$207.0 million for FY2023. Strong FUA growth from both new and existing clients combined with higher margins on cash during the year led to the higher revenues.

Total operating expenses were \$114.0 million for FY2023, an increase of \$22.0 million or 23.9% compared to prior year.

Employee benefits expenses, excluding share-based payment expenses, increased by \$14.0 million to \$77.9 million, accounting for 68% of total operating expenses. The headcount as at year end was 553, an increase of 38 roles in FY2023 compared to 113 new roles added in FY2022. Out of these 38 roles, 30 were in the technology team. Technology and communication expenses (non-employees) increased by \$5.4 million or 65.2%. These increases both align with our strategic focus on enhancing functionality, scalability, and cyber security through investments in the technology team and platform infrastructure.

Advertising and marketing expenses also grew, rising by 82% to \$2.8 million, driven by the acceleration of marketing initiatives following the reopening of the economy enabling the Group to reach a broader segment of the industry.

Share based payment expense decreased by \$0.7 million to \$2.4 million for FY2023 as a limited number of new employee options and rights were issued compared to prior financial year.

The Group delivered underlying EBITDA¹ of \$100.7 million for FY2023, an increase of \$15.7 million (18.4%) versus FY2022 with an EBITDA margin of 46.9%.

Record net profit after tax (NPAT) of \$67.2 million was achieved, an increase of \$11.6 million or 20.9% over FY2022 with an NPAT margin of 31.3%.

Earnings per share (EPS) was 27.5 cents in FY2023, an increase of 20.6% over FY2022.

¹ FY2022 underlying EBITDA excludes non-recurring transaction of \$0.5M relating to acquisitions no longer pursued.

Results of profit or loss for FY2023

Set out in the table below is the consolidated statement of profit or loss and other comprehensive income for FY2023 presented in full to reflect other financial metrics.

	Consolidated Group for Year Ended			
	30 June 2023 \$'000	30 June 2022 \$'000	Variance \$'000	Variance %
Income				
Platform revenue	207,008	172,864	34,144	19.8%
Other income	7,741	3,767	3,974	105.5%
Total income	214,749	176,631	38,118	21.6%
Expenses				
Employee benefits expenses	(77,886)	(63,840)	14,046	22.0%
Share-based payment expense	(2,381)	(3,053)	(672)	(22.0%)
Technology and communication	(13,689)	(8,284)	5,405	65.2%
Professional and insurance	(6,186)	(5,002)	1,184	23.7%
Brokerage, investment & custody	(4,567)	(4,666)	(99)	(2.1%)
Advertising and marketing	(2,835)	(1,557)	1,278	82.0%
Other costs and expenses	(6,461)	(5,638)	823	14.6%
Total operating expenses	(114,005)	(92,040)	21,965	23.9%
EBITDA	100,744	84,591	16,153	19.1%
EBITDA margin	46.9%	47.9%	(1.0%)	-
Interest on leases	(451)	(497)	(46)	(9.5%)
Depreciation and amortisation	(3,279)	(2,984)	295	9.9%
NPBT	97,014	81,110	15,904	19.6%
Income tax expense	(29,861)	(25,558)	4,303	16.8%
NPAT	67,153	55,552	11,601	20.9%
NPAT margin	31.3%	31.5%	(0.2%)	-
EPS (cents per share)	27.5	22.8	4.7	20.6%

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Underlying profit or loss for FY2023

Set out in the table below is the reconciliation from EBITDA to underlying EBITDA and underlying NPAT to reflect an adjustment of non-recurring costs in FY2022. There were no adjustments in FY2023.

	Consolidated Group for Period Ended			
	30 June 2023 \$'000	30 June 2022 \$'000	Variance \$'000	Variance %
EBITDA	100,744	84,591	16,153	19.1%
Add back: non-recurring expense*	-	501	(501)	(100.0%)
Underlying EBITDA	100,744	85,092	15,652	18.4%
Underlying EBITDA margin	46.9%	48.2%	(1.3%)	-
Interest on leases	(451)	(497)	(46)	(9.5%)
Depreciation and amortisation	(3,279)	(2,984)	295	9.9%
Income tax expense	(29,861)	(25,558)	4,303	16.8%
Addback: Tax impact from non-recurring expense*	-	(150)	150	100.0%
Underlying NPAT	67,153	55,903	11,250	20.1%
Underlying NPAT margin	31.3%	31.6%	(0.3%)	-
Underlying EPS (cents per share)	27.5	22.9	4.6	20.1%

*Netwealth incurred \$0.5 million of legal and consulting costs in FY2022 which are not recurring in nature as they related to acquisitions no longer pursued. It has a tax impact of (\$0.15 million).

EBITDA, underlying EBITDA and underlying NPAT are non-International Financial Reporting Standard (IFRS) financial information and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with IFRS.

Management considers that EBITDA provides valuable insights into the operating performance of the Group by excluding certain non-cash expenses. It allows investors and stakeholders to assess the underlying operational profitability of the business and facilitates comparability across different companies within the industry.

The two tables above provide the reconciliation to IFRS financial information in this financial report audited in accordance with Australian Auditing Standards.

Underlying cash flow statement (pre-tax) FY2023

The table below sets out the summary of the underlying consolidated statement of cash flows.

	Consolidated Group for Period Ended			
	30 June 2023 \$'000	30 June 2022 \$'000	Variance \$'000	Variance %
Receipts from customers	223,412	186,387	37,025	19.9%
Payment to suppliers and employees	(120,302)	(96,415)	(23,887)	(24.8%)
Dividends and interest received	3,152	320	2,832	885.0%
Adjustment for proceeds in relation to leasehold*	-	(3,080)	3,080	100.0%
Adjustment for proceeds of non-recurring deposit	-	(4,000)	4,000	100.0%
Adjustment for legal and consulting costs**	-	501	(501)	(100.0%)
Operating net cash flows before tax	106,262	83,713	22,549	26.9%
Investing activities	(4,990)	(3,695)	(1,295)	(35.0%)
Payments and Interest on lease	(1,952)	(1,910)	(42)	(2.2%)
Adjustment for seed funding for Managed Funds	-	1,000	(1,000)	(100.0%)
Free cash flows before tax	99,320	79,108	20,212	25.6%

*Adjusted to exclude net cash received on leasehold incentives in FY2022.

**Adjusted to exclude \$0.5 million of non-recurring legal and consulting costs in FY2022 as they relate to acquisitions no longer actively being pursued.

Free cash flows before tax is a non-International Financial Reporting Standard (IFRS) financial information and should not be considered in isolation from, or as a substitute for financial information prepared in accordance with IFRS.

Management considers free cash flow to be a performance measure that provides useful information to management and investors about the amount of cash generated by the Group (before tax) available for strategic opportunities, dividends and for strengthening the Group's financial position.

The table above provide the reconciliation to IFRS financial information in this financial report audited in accordance with Australian Auditing Standards.

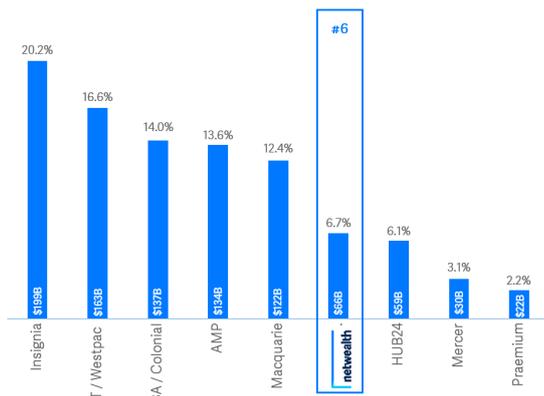
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Australia's best rated and fastest growing platform

Netwealth continues to be recognised as a market leader in the platform segment for its product offering, service, innovation and growth. During the year, Netwealth was:

- Rated No.1 by our clients for overall satisfaction in the Investment Trends May 2023 Adviser Technology Needs Report for the 11th consecutive year.
- Rated No.1 for Managed Account in the Investment Trends December 2022 Platform Competitive Analysis and Benchmarking Report.
- Netwealth became the 9th largest custodian by FUA in Australia, in the latest Australian Custodial Services Association (ACSA) industry analysis dated 31 December 2022.
- Netwealth was the market leader for industry net funds flows: net inflows of \$9.4 billion for the 12 months to 31 March 2023 accounted for 66.2% of industry net funds flows, compared to 45.6% for the prior year. Netwealth's market share increased by 1.0% for the 12 months to 31 March 2023 to 6.7%, according to the latest Plan for Life quarterly platform market update.

Platform providers by FUA market share
% market share (Mar 2023)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Mar 2023
Total industry retail FUA of \$982B (as at Mar 23)

Platform provider net funds flows
\$ Billions (12 months to Mar 2023)



Source: Plan For Life, Analysis of Wrap, Platform and Master Trust Managed Funds as at Mar 2023
Total net flows of +\$14.2B (Not included above: Others of \$1.7B)

Enhancements to our whole of wealth platform

We continue to heavily invest in our whole of wealth platform roadmap and vision, ensuring we lead in meeting the current and future needs of our clients. Throughout FY2023 we continued to execute on our strategic pillars and delivered on the following initiatives.

- Maintain market-leading technology position and constantly leverage technology advantages for operational efficiency and superior adviser experience.
 - Xeppo Connect, a market-leading digital capability which connects Netwealth platform technology to Xeppo's aggregated portfolio and client data.
 - Cloud migration and SQL server upgrade.
 - Launched a developer portal which provides access to a suite of netwealth API's.
- Increase market share among affluent advisers and support Netwealth's existing adviser base with functionality to drive adviser efficiency.
 - Cash functionality improvements including real time payments through the OSKO network. New reporting capability for advisers and clients which provides greater efficiency and ability to store and utilise global settings.
 - New 'Activities and Tasks' feature which allows advisers and clients to easily view, approve and manage important tasks and alerts driving efficiency and engagement.
 - 121 new managed models were added during the year, increasing the total number of managed models available to 578 at 30 June 2023.
- Continue to offer the leading platform for high net worth (HNW) advisers by expanding the feature-set to meet their evolving needs.
 - New Multi-asset portfolio service (MAPs), including non-custodial administration.
 - Custom data feeds for Managed Discretionary Accounts, High Net Worth, and mid-market institutional investors.
 - Integrated bank account and property feeds available across mobile and desktop.

FY2024 Commentary and Outlook

Netwealth continued to gain market share in FY2023 (moving to 6.7%), and it achieved the highest industry 12-month net funds flow. Netwealth enters FY2024 with a strong pipeline and high win rate for new business across all key segments. Netwealth has successfully secured several important new licensee relationships that will begin transitioning and funding new accounts.

As part of our ongoing strategic initiatives, we are committed to maintaining our market leadership by continually investing in the enhancement of our technology capability and service levels, which play a crucial role in supporting financial intermediaries to efficiently service and administer their client's wealth. Key Initiatives that will be delivered in the coming 12 months include:

- Continuing development of our client portal that offers Financial Intermediaries the option to interact online with all clients, including non-Netwealth clients. The portal is designed to provide a seamless user experience and incorporates features that encourage regular and meaningful interactions between clients and their advisers.
- Ongoing enhancements to our domestic and international trading technology.
- Offering a market leading customisable reporting and advice illustration solution.
- A series of generative artificial intelligence (AI) experiments and potential platform features which leverage the capabilities of AI to create innovative solutions, optimise processes, and deliver exceptional value to its clients.
- Continuing to invest into platform infrastructure to ensure scalability and stability.
- Relaunching in September 2023, an upgraded Core product will significantly boost our presence in both the mass affluent and emerging affluent segments. The relaunch is expected to generate new streams of revenue and increase FUA net inflows. The enhanced Core product will feature:
 - A significantly expanded investment menu of 48 Multi Asset managed models.
 - A highly competitive pricing structure providing client value and incremental revenue for Netwealth.
- To address term deposits leakage both on and off platform, an additional Netwealth cash product alternative to term deposits will be introduced, providing an option for advisers to offer differential interest rates on cash products.
- Executing our strategy of sound governance by actively managing and enhancing systems and risk management framework to meet regulatory changes and ensuring a strong focus on cybersecurity to mitigate potential risks in the highly regulated financial services industry.
- Netwealth remains the market leading platform for the High Net Worth sector and in FY2024, we will continue enhancing our whole of wealth offering, including building scale in our non-custodial administration services.

- Continue making great progress in the next 12 months in four key areas that are important to our stakeholders: enhance our core business, ensure ethical and transparent dealings, foster diversity, talent, and wellbeing, and establish partnerships with financial support organizations that create lasting positive social and environmental impacts through our People and Corporate Sustainability Committee.

Risk Management of Material Business Risks

An investment in Netwealth shares is subject to risk factors, some of which are specific to Netwealth’s business activities and others that are of a more general nature. Any single risk, or a combination of these risks, may have a material adverse impact on Netwealth’s business, financial performance or operations. This section represents the potential material risks investors should consider.

This section does not purport to list risks that may be associated with an investment in a Netwealth product (please refer to the product disclosure document(s) for risks associated with a Netwealth product).

While Netwealth seeks to manage risks to prevent adverse outcomes, many of these risks are not wholly in the control of Netwealth.

Risk type	Description	Managing the risk
Cyber, data & privacy risk	The risk that measures taken by Netwealth to prevent loss, misuse, theft, corruption, or destruction of data are inadequate which could result in a privacy breach, financial loss or business continuity event.	<ul style="list-style-type: none"> • Dedicated infrastructure, security, and data governance functions manage Netwealth’s technology and security requirements. • Cross team security and threat meetings across business and the Executive including the use of external service providers. • Regular upskilling of employees, the Executive, and Board on cyber and data risks including reporting. • External audit and assessment of security frameworks and application of process and policy to identify and mitigate emerging cyber risks. • Data Governance Policy to identify, classify, and understand data sensitivity and ownership, including supplier assessments.
	The risk that systems that support data are compromised.	
Development & technology risk	The risk that system design issues or coding errors lead to system outages, financial loss or breach of legislation.	<ul style="list-style-type: none"> • Training, frameworks, and processes which reduce likelihood of risk. • Iterative and incremental agile risk management framework for managing software development. • Business continuity and disaster recovery policies and programs detailing Netwealth’s plans for responding to various disruption scenarios. • Insurance to protect the financial interests of Netwealth.

Risk type	Description	Managing the risk
Environmental, social & governance (ESG) risk	The risk that we are unable to deliver sustainable long-term outcomes for our clients, investors, employees, and the community leading to reputation damage or financial loss.	<ul style="list-style-type: none"> Regular monitoring and oversight of the Corporate Sustainability Framework by the People & Corporate Sustainability Committee and the Board. Publish our annual corporate sustainability plan and quarterly updates of our progress to clients, investors, and the community on the Netwealth public website. Questionnaires and workshops with clients, investors, and the community as applicable to seek feedback. Monitoring developments with responsible investment and environmental, social and governance matters including implementation of appropriate governance framework for relevant products offered by Netwealth.
Governance risk	The risk that the Board fails to consider all risks, including management of conflicts in executing its duties. This includes the risk that the interests of stakeholders may differ.	<ul style="list-style-type: none"> Promoting open and transparent communication between Netwealth and shareholders, through direct contact and ASX announcements, Netwealth's Corporate Sustainability channel, 'Contact Us' form on the website and an online form for whistleblowing disclosures. Appropriate policies, delegations and controls in place to manage governance risk, including conflicts management. Ensuring the Board has the appropriate set of skills and experience to discharge its duties. Annual General Meetings which enable shareholders to raise questions and express concerns directly to the Board.
Compliance and legal risk	<p>The risk of financial loss and/or non-compliance with legislation, regulation, policies, and standards.</p> <p>The risk that should an action be brought against Netwealth, Netwealth is unable to defend the action, resulting in financial loss</p>	<ul style="list-style-type: none"> Oversight of compliance and regulatory matters by the Group Risk and Compliance function and the Office of the Trustee for Netwealth's superannuation business. Monitoring regulatory change and implementing appropriate controls. Oversight of regulatory and compliance matters to Board Committees. Internal and external legal advisors available if required.
Liquidity risk	The risk that Netwealth is unable to meet its financial obligations resulting from insufficient liquid assets.	<ul style="list-style-type: none"> The Finance team regularly monitors and projects cash flow requirements. The Board reviews these projections at each Board meeting and approves the 18 months cash flow quarterly. Netwealth holds an allocation of capital as appropriate to enable flexibility to deal with unanticipated business conditions.

Risk type	Description	Managing the risk
Market performance risk	The risk that the operating and financial performance of Netwealth is influenced by a variety of general domestic and international economic and business conditions, including financial markets performance, geopolitical events, interest rates or foreign exchange rates and Government policies.	<ul style="list-style-type: none"> Regular monitoring by the CEO, the Executive Director, the Executive and the Board of possible outcomes, the likely timeframe and the likelihood of the outcome occurring. Diversification of revenue streams which act in different ways with market performance. For example, fees on funds under administration may decrease in a depressed market, however trading and holdings in cash may increase, generating fees for these services.
Operational risk	<p>The risk that inadequate or failed internal processes, people, systems or external events may give rise to failure or disruptions (e.g.: fraud).</p> <p>The risk that Netwealth is impacted as a result of an error, which may occur as a result of human error, supplier error, or system design error which gives rise to financial losses.</p>	<ul style="list-style-type: none"> Regular monitoring of systems and controls as part of the risk management framework. Business continuity policies and controls in place, including regular testing of continuity with management, oversight of results by the Board and independent audit of capability. Clear training, policies, controls, and approval processes in place for all high-risk functions. Reconciliations, peer review, and testing performed to identify potential errors. Policies and controls, such as identity access management, segregation of duties, alerts, audits, and reconciliations to reduce risk of fraud. Whistleblowing Policy encourages staff and eligible whistleblowers to raise concerns to Netwealth.
People & culture risk	The risk that Netwealth suffers from a loss of key personnel, sustained underperformance by key personnel and/or fail to attract people that share Netwealth's cultural values.	<ul style="list-style-type: none"> Oversight of policies and processes by the People and Culture team which outline Netwealth's employee guidelines and benefits, particularly around the succession planning and remuneration / incentive management for key employees, along with employee policies on employment process, induction, performance and behaviour.
Reputation & brand risk	<p>The risk that certain issues or events may adversely affect Netwealth's reputation, including through:</p> <ul style="list-style-type: none"> Negative publicity; Disputes; and Negative client experiences. 	<ul style="list-style-type: none"> Application of a Code of Conduct which all Netwealth employees, and directors are expected to abide by. Regular monitoring of media to understand external perceptions of Netwealth's reputation / brand. Regular monitoring of operational risks to understand and mitigate impact of any control failure (if applicable). Existence of a Complaints Policy and a Whistleblowing Policy to ensure open and transparent interactions with clients and employees. Application of a Code of Conduct for suppliers.

Risk type	Description	Managing the risk
Strategic risk	<p>The risk that Netwealth fails to continue to be a leader in technology and service, resulting in a loss of our competitive position.</p> <p>The risk that Netwealth fails to achieve profitability objectives, including through pricing / margin pressure, uncontrolled expenses, or third party actions (including competitors).</p>	<ul style="list-style-type: none"> • Netwealth’s Executive and Board regularly discuss strategic direction at each Board meeting to remain abreast of competitive market dynamics. • Strategic planning process considers multiple factors including competitors, external opportunities, technology opportunities, new products and services, profitability, pricing and adviser / client demand. • Regular monitoring and reporting of progress against budget, revenue and expenses.

Corporate Sustainability

Over the past year a significant amount of work has been undertaken to continue to shape Netwealth's approach to corporate sustainability and our overarching corporate sustainability framework. Netwealth's annual Corporate Sustainability Report outlines the initiatives that have been undertaken over the year to achieve the goals that were committed to in FY2023 as well as to provide guidance on future goals.

Netwealth continued to focus on four key areas that are important to both the Group and stakeholders: enhancing our core business; being genuine and transparent; fostering diversity, talent, and wellbeing; and creating a positive social and environmental impact.

Reflecting on FY2023, these are some of the highlights in each of the four key areas:

1. Enhance our core business

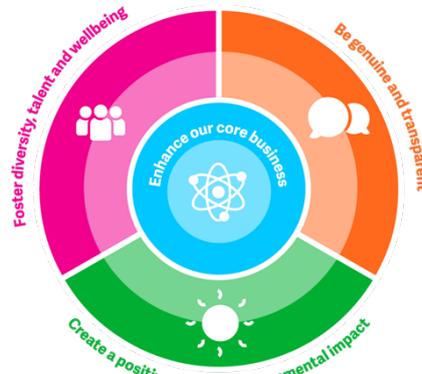
We continued to enhance our platform capability and offerings to meet the current and future needs of our clients, we also invest into the platform infrastructure, scalability and cybersecurity. Safeguarding the data of our stakeholders is of paramount importance to us. To ensure the utmost security, we combine our in-house dedicated expertise with external consultants and advanced applications to detect and monitor activities across our systems. In line with our 'Defence in Depth' strategy, we implemented multi-factor authentication across our platform, bolstering our defence against potential threats and continue to enhance our data governance processes to manage, monitor and protect our data assets effectively.

2. Be genuine and transparent

We maintain the highest standards of safeguarding the interests of our stakeholders and clients'. Strong foundations have been established to manage risk and compliance, but we recognise the need for continuous improvement to meet current industry practices and regulatory expectations.

We maintain a strong focus of the quality and transparency of our investment options. To provide clarity to our clients and investors about the environmental, social and governance (ESG) strategies of the managed funds available on our investment menu, Netwealth has partnered with Morningstar Australia's Sustainability Ratings. These ratings assists investors in assessing the relative risks of their investment choices based on ESG factors. Netwealth's investment menus now offer 217 funds that have been rated by Sustainalytics. We are fully aware of the greenwashing issues in the marketing of managed funds that claim to offer ESG strategies which is why we chose to partner with a specialist research house that has a dedicated investment team focused on sustainability ratings.

This year we began the journey of understanding our carbon footprint. We have estimated our base Scope 1 & 2 emissions and are in the process of creating a carbon reduction plan to enable us to take a proactive approach on our environmental impact. We expect to finalise this plan in the first half of FY2024. Our commitment to transparency and genuineness drives us to share our progress openly with stakeholders in the coming years.



3. Foster diversity, talent, and wellbeing

Our people are our most valuable asset. We foster a culture where our people embrace our core values of collaboration, courage, and optimism. Our focus remains on enhancing the overall employee experience, promoting well-being, and providing ample development opportunities.

This year, we achieved certification with Work180 and were ranked sixth in the Top 10 Workplaces for Women. We were also certified a Family Friendly Workplace and Great Place to Work. As part of our ongoing commitment to wellbeing, we prioritised proactively addressing psychosocial risks by carefully measuring work-related factors, including workload, timeframe for tasks, and work/life balance. To further enhance employee mental health, we have implemented a comprehensive framework aimed at better understanding and preventing any adverse impact on mental wellbeing caused by workplace factors.

In the annual employee survey completed, Netwealth continued to achieve high satisfaction from employees with 80% participation rate and an overall 77% favourable score. This is amongst the top quartile of comparable businesses.

To address pay equity Netwealth has a robust remuneration framework that uses industry data to job match and benchmark every role within the organisation. On an annual basis we conduct a thorough gender pay equality analysis in accordance with Workplace Gender Equality Agency (WGEA) methodologies. We remain committed to working towards our targets for gender balance. Gender diversity indicators for the year to 31 March 2023:

	Gender diversity %		
	FY2022 Actual	FY2023 Actual	FY2023 Target
Board	33%	33%	30%
Senior Executive (excluding Executive Directors)	29%	25%	30%
Managers	36%	40%	40%
All Employees (excluding Non-Executive Directors)	43%	42%	45%

4. Create a positive social and environmental impact

Netwealth has continued to partner with Australian Communities Foundation (ACF) to provide guidance and oversight over Netwealth’s Impact Fund. This year, Netwealth’s Impact Partners comprised of Live4Life, People & Parks Foundation, and Food for Change. As part of our employee benefits package, all full-time employees are granted one day of volunteer leave per calendar year to participate in workplace volunteering activities. This year, our dedicated employees contributed a total of 575.25 hours to such endeavours.

Additionally, we have extended support to our community partners, including Banqer Primary, The Centre for Women’s Economic Safety (CWES), and Go Girl Go for IT. Our participation at the Go Girl event involved providing live, in-person interactive seminars with Netwealth technology specialists. Since 2017, we have financially supported Banqer Primary to deliver their program to over 100,000 Australian primary students.

To understand our corporate sustainability efforts and achievements in FY2023, please explore the full Netwealth Corporate Sustainability Report on our Corporate Shareholder website at:

<https://www.netwealth.com.au/web/about-netwealth/corporate-sustainability/>

The report offers detailed insights into our initiatives and performance indicators, reflecting our commitment to creating a positive impact.

We value your feedback and look forward to sharing our growth and progress in coming years.

Please share your feedback with us through CSR@netwealth.com.au

Corporate Governance

Netwealth operates in the highly regulated superannuation and investment sectors of the financial services industry. The Netwealth Board believes that sound governance is fundamental to the ongoing success and growth of Netwealth. Accordingly, the Board has created a framework of governance, culture, and accountability for managing Netwealth, including adopting relevant internal controls, risk management processes and corporate governance policies and practices. These policies and processes are designed to meet the ASX Listing Rules, ASX Corporate Governance Principles and Recommendations as well as the Group's trustee, IDPS operator and responsible entity obligations to the users of its financial products and services and to achieve high level of corporate governance for the benefit of its shareholders and other stakeholders.

Shareholders can access information about Netwealth's governance framework from Netwealth's public website. Information including the ASX announcements, shareholder meeting details, corporate sustainability, and Netwealth's governance policies can be located at <https://www.netwealth.com.au/web/about-netwealth/shareholders/>. Shareholders can access this information and communicate with Netwealth through the shareholder contact link. Netwealth encourages electronic communication with shareholders, however we will provide hard copy information on request.

Board of Directors

A high performing, effective Board is essential for the proper governance of Netwealth. The Board has the following responsibilities:

- Represent and serve the interests of shareholders by overseeing and appraising Netwealth's strategies, values, policies, and performance.
- Define Netwealth's purpose and develop and approve Netwealth's corporate strategy, including to establish performance objectives, operating budgets, and corporate sustainability targets.
- Select, appoint, and evaluate the performance of the CEO, the Executive Director, the Executive, their direct reports and other key employees.
- Approve the Remuneration Policy, in accordance with Netwealth's purpose, values, strategic objectives and risk appetite.
- Determine the remuneration of the CEO, the Executive Director, the Executive, their direct reports and other key employees.
- Approve the risk management framework, including Netwealth's appetite for risk and the implementation of appropriate systems to manage those risks.
- Review, ratify, and monitor the systems of risk management, internal control, and compliance.
- Develop and review Netwealth's values, code of conduct and corporate governance policies.
- Approve and oversee major capital expenditure, acquisitions, divestitures and capital management.
- Monitor and review management processes aimed at ensuring the integrity and accuracy of financial and other reporting.
- Approve financial reports, forward looking statements, and other reports required by law.
- Satisfy itself that appropriate frameworks exist for relevant information to be reported to the Board and where required, challenge the recommendations of the Executive.
- Communicate to shareholders, stakeholders and the market generally on Netwealth's performance and other material matters, as required.

The responsibilities of the Board are detailed in Netwealth’s Board Charter, including setting out the role and responsibility of the Chair. The Board Charter can be located at <https://www.netwealth.com.au/web/about-netwealth/shareholders/>.

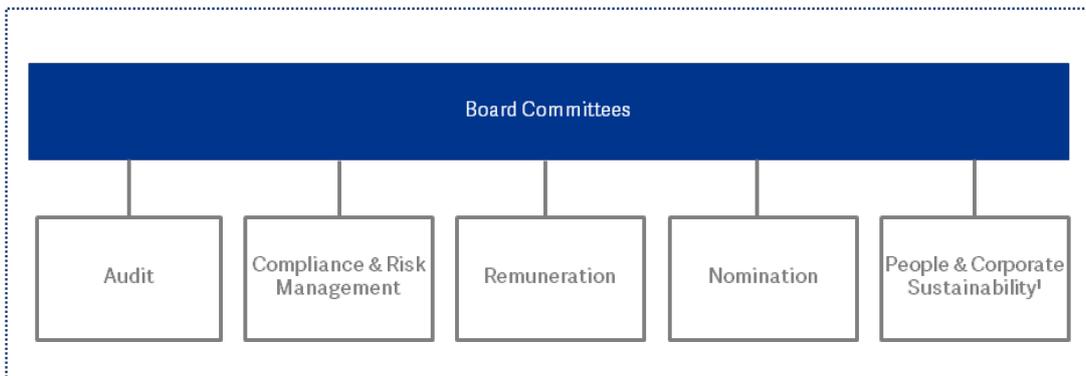
Directors are expected to attend all board meetings where possible, either in person or via teleconference link. Details of Director attendance at Board meetings up to 30 June 2023 are included on page 40.

Board committees

The Board has established committees to assist the Board in discharging its duties. The Board has five committees: the Audit Committee, the Compliance and Risk Management Committee (CRMC), the Remuneration Committee, the Nomination Committee, and the People and Corporate Sustainability Committee¹.

All Directors have access to agendas and papers of all committee meetings through Netwealth’s board portal. All Directors, who are not members of a committee have an open invitation to attend the meeting. The signed minutes of each committee are also tabled at a subsequent board meeting. The Chair of each committee is invited by the Chair to report any relevant matters to the Board at each scheduled board meeting. If required, matters can be escalated to the Board at any time, and Board meetings can be called if required to consider a matter that requires consideration before the next scheduled Board meeting.

Netwealth Group Limited Board



Refer to the Group’s Corporate Governance Statement located on the Netwealth website for detailed information on the responsibilities of each board committee.

¹ The Corporate Sustainability Committee was updated on 16 August 2023 to rename the committee to the People and Corporate Sustainability Committee.

Director nomination and appointment

The Board is currently comprised of six Directors, comprising of an Independent Chair, the CEO, one Executive Director and three Non-Executive Directors (all of whom are independent). Netwealth's Board Renewal and Performance Evaluation Policy requires that the Chair of the Board will at all times be an independent Non-Executive Director. The majority of Netwealth's Board are Independent.

When considering an appointment to the Board, the Board will consider the candidate's skill, judgement, diversity, and experience. The Board uses a skills matrix to assist an independent assessment of the current Board and to identify any gaps in the collective skills of the Board

Each year the Board considers the Board skills matrix (see below) to ensure the skills and experience on the Board will provide the judgement, experience and diversity that will best enable Netwealth to achieve its strategic objectives.

The Board has authorised the Nomination Committee to assess a candidate's independence having regard to current and any previous employment and personal interests of the candidate. The Nomination Committee must put this assessment to the Board for approval along with comprehensive checks for new Directors on education, employment, character, criminal history and bankruptcy, alongside, an assessment of independence and the ability for the candidate to have sufficient time to meet their responsibilities to Netwealth. New Directors are required to make statements that they are not a disqualified person and that they are fit and proper for the position. All Directors make an annual declaration to this effect.

Non-Executive Directors are generally appointed for a term of three years and will stand for election at the Annual General Meeting (AGM) which occurs three years after their last appointment date. For each Director that is put forward for election, Netwealth will ensure that information about the Director is made available to shareholders so that they can make an informed decision.

Board Director performance and training

Directors are required to comprehensively prepare for, attend and participate in Board meetings. Every year each Director is requested to assess the Board's performance. The Chair of the Board (or a third party appointed by the Chair), collates the results of these assessments. A summary of this performance review is provided to the Board for discussion. In addition to the Board discussion, where appropriate, the Chair meets one-on-one with each Director to specifically address performance and effectiveness of the Board as a whole and of the Director.

The performance of the Chair of the Board is reviewed by the Board, CEO and the Executive Director within the annual Board Performance Review survey. The Board keeps up to date with relevant market and industry developments through a range of training and briefings. In FY2023, each Director was required to complete at least 20 hours of continuous professional development (CPD), and all have met this requirement. The Company Secretary collects Directors' training registers annually and retains this information. The Company Secretary annually assesses the fit and proper requirements of the Board in reference to key criteria listed in the Netwealth Fit & Proper Policy. This includes reviewing the skills, expertise and knowledge of the Board, as well as CPD requirements and any disclosed conflicts of interest. The Board are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest, and each Director is required to disclose any conflicts to the Company Secretary at each Board meeting.

Board skills matrix

Category	Explanation	Timothy Antonie	Michael Heine	Matthew Heine	Davyd Lewis	Sally Freeman	Kate Temby
Strategy	<ul style="list-style-type: none"> Ability to contribute to and challenge the strategic direction of Netwealth, including assessing and debating the strategic business plans, and contributing to achieving Netwealth's strategic objectives. 	●	●	●	●	●	●
Product	<ul style="list-style-type: none"> Understanding of Netwealth's products and clients, including product basics of Superannuation, IDPS and other financial products. 	◐	◐	●	●	◐	◐
Financial acumen	<ul style="list-style-type: none"> Understanding of key administration and accounting controls, financial records, statements and presentations. Strong financial literacy and analytical thinking skills. 	●	●	◐	◐	●	●
People and change management	<ul style="list-style-type: none"> Understanding of people management, Service agreements – terms, conditions and monitoring. Knowledge of remuneration plans, including Fixed, STI and LTI. 	●	●	●	●	●	●
Legal, regulatory and governance	<ul style="list-style-type: none"> Knowledge of a Director's legal requirements and understanding of Board responsibilities, composition and the Director appointment and removal process. Understanding of applicable legal requirements and regulation, including basic principles of Corporation and Trust law and governing documentation such as the Constitution. Ability to understand and contribute to debate on law as applicable to Netwealth's products and services. Understanding of the requirements applicable to an ASX listed company. Ability to participate in debate as to the content of Netwealth's Board policies and to the delegation of duties to Netwealth's CEO, the Executive Director and Executive. 	◐	◐	◐	●	◐	◐
Risk management and audit	<ul style="list-style-type: none"> Understanding of Netwealth's Risk Management Framework. Ability to understand and contribute to debate on the Netwealth's risk and control framework. Understanding of investment risk management and monitoring. Understanding of the role of Netwealth's internal and external auditors. Awareness of fraud, corruption issues. 	●	●	◐	●	●	◐
Investments	<ul style="list-style-type: none"> Ability to debate management proposals, issues and policies relating to investments Understanding of and ability to debate investment issues and recommendations 	◐	◐	●	◐	◐	●
Cyber Security and technology	<ul style="list-style-type: none"> Ability to contribute to debate on the strategic direction of Netwealth's information technology. Understanding of cyber protection, cyber risk management and principles of business continuity. High level knowledge of IT infrastructures, systems, processes and growth requirement. Understanding of principles of business continuity. 	◐	◐	◐	◐	●	◐
Corporate Sustainability	<ul style="list-style-type: none"> Understanding of how Netwealth can provide sustainable solutions to its products and services. Understanding of social, environmental and governance implication in decision making. 	●	◐	●	◐	◐	●
Other	<ul style="list-style-type: none"> Competent in dealing with media. Commitment to Netwealth's company values. Meets the Netwealth Investments Limited's Fit and Proper Person requirements. 	●	●	●	●	●	●

Skills Ratings:

- Expert level of skill and can lead a debate on the subject
- ◐ Experienced level of skill and is comfortable in making decisions

Financial reporting

The Audit Committee assists the Board in reviewing and monitoring the accuracy and integrity of Netwealth's financial reports and statements. The Audit Committee reviews the financial reports and statements with the Chief Financial Officer (CFO), the CEO, the Executive Director, and Netwealth's external auditor to ensure their accuracy, compliance with accounting standards and compliance with other policies and laws.

Netwealth's external auditor, Deloitte, appointed since April 2017, is invited regularly to Netwealth's Audit Committee meetings and at least annually presents to the Audit Committee without members of the Executive present. The Audit Committee conducts a formal annual performance assessment of the external auditor, oversees regular rotation of the external audit partner and may consider whether to commence an external tender for the audit.

Ms Lani Cockrem, the lead audit engagement partner was appointed in the 2022 financial year to comply with Corporations Act 2001 requirements and promote independence through auditor rotation.

After considering relevant factors including tenure, audit quality, capability, experience and independence, the Audit Committee recommended to the Board, which resolved to reappoint Deloitte for the 30 June 2023 financial year audit.

Deloitte will attend Netwealth's AGM in November 2023.

Director shareholding requirements

To align with shareholder's interests, it is a condition of employment that Non-Executive Directors of the NWL Group Board are expected to directly or indirectly own shares in Netwealth with a total value equal to at least one year's remuneration. It is expected that a Non-Executive Director will own the shares within 3 years of their appointment. Non-Executive Directors must abide by Netwealth's Trading Policy and seek approval and disclose any trading in Netwealth shares.

Directors' Information and Experience

The Directors bring to the Board a breadth of expertise and skills, including industry and business knowledge, financial management skills and corporate governance experience.

Name and title	Profile
 <p>Timothy Antonie Independent Non-Executive Director Chair</p>	<ul style="list-style-type: none"> • Timothy has been a Director of Netwealth since November 2015 and was appointed as the independent Chair of Netwealth (and its related entities, excluding Netwealth Superannuation Services Pty Ltd (NSS)) from 17 February 2021. • Timothy commenced his career at Price Waterhouse (now PwC) and qualified as a chartered accountant. He subsequently worked at several investment banks, including at UBS Investment Bank as a Managing Director, where he advised major Australian companies in large scale mergers, acquisitions, sales and restructures and equity transactions, as well as day-to-day equity market facing matters. Timothy is a principal of Stratford Advisory Group providing independent financial advice to Australian and international corporations. • Timothy holds a Bachelor of Economics (majoring in Accounting) from Monash University. • Timothy is currently the chair of Breville Group Ltd and the lead independent Director of Premier Investments Ltd. • Timothy is a member of the Group Remuneration Committee, and the Netwealth Investments Limited (NIL) Investment Committee and the chair of the Group Nomination Committee.
 <p>Matthew Heine CEO & Managing Director (CEO)</p>	<ul style="list-style-type: none"> • Matthew joined Netwealth in July 2001 and was appointed a Director in March 2004. He was appointed Joint Managing Director in January 2015, became Managing Director in Oct 2022 then promoted to CEO & Managing Director from June 2023. • Matthew has been instrumental in the development of the Netwealth platform and products as well as the distribution, branding and marketing of the Group. Matthew's role and experience in the sales, marketing and strategy field brings a firsthand understanding of the industry and client base. • Matthew holds a Diploma of Financial Services and an Advanced Diploma of Management. • Matthew is a member of the People and Corporate Sustainability Committee.
 <p>Michael Heine Executive Director (ED)</p>	<ul style="list-style-type: none"> • Michael has been a Director of Netwealth since its establishment in 1999. • Michael was instrumental in the establishment of Netwealth in 1999. Michael acted as sole Managing Director from 1999 to 2014 and acted as Joint Managing Director together with his son Matthew from January 2015 until October 2022. Michael remains part of Executive Team as an Executive Director. • Michael has experience in Australian and European financial markets, including commodity trading, international financing, mortgage lending and property development. Michael was instrumental in the establishment of the Heine Brothers funds management business in 1982 and was its Managing Director from 1982 to 1999 when the company was acquired by ING (then Mercantile Mutual). • Michael is a member of NIL Investment Committee, NSS Audit Risk and Compliance Committee and NSS Superannuation Investment Committee.

Name and title

Profile



Davyd Lewis
Independent
Non-Executive
Director

- Davyd has been a Director of Netwealth since July 2009.
- Davyd was a partner of Mallesons Stephen Jaques for 20 years until his retirement in 2008. Davyd’s role included Partner in Charge of the Melbourne centre, Managing Partner Practice of Mergers & Acquisitions, Property and Construction, Dispute Resolution and Intellectual Property, National Practice Team Leader of the Mergers & Acquisitions Group and was responsible for supervising the relationship with 50 of the firm’s biggest clients.
- Davyd holds a Bachelor of Economics, a Bachelor of Laws and a Master of Laws (majoring in securities markets and takeovers).
- Davyd is a member of the Audit Committee and Nomination Committee. Davyd is the Chair of the CRMC, the Remuneration Committee and the NSS Audit Risk and Compliance Committee.



Sally Freeman
Independent
Non-Executive
Director

- Sally joined Netwealth as a Director in October 2019.
- Sally’s executive career comprised over 30 years’ experience in the accounting and consultancy industries culminating in a number of leadership roles with KPMG: Global Executive— Risk Consulting Services, Australia Managing Partner Risk Consulting, Partner in Charge Board Advisory and Managing Partner Internal Audit.
- Sally holds a Bachelor of Commerce, is a graduate of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand and a member of Chief Executive Women.
- Sally is currently a Director of Regional Investment Corporation, Eastern Health, Melbourne Football Club and Regis Aged Care, Suburban Rail Link Authority and Aioi Nissay Dowa Insurance Company Australia.
- Sally is a member of the CRMC, Remuneration Committee, Nomination Committee, NSS Audit Risk and Compliance Committee and NSS Superannuation Investment Committee. Sally is the Chair of the Audit Committee.



Kate Temby
Independent
Non-Executive
Director

- Kate joined Netwealth as a Director in February 2021.
- Kate is a Managing Director with Metlife Investment Management. Kate is a member of the Investment Committee for Conscious Investment Management (a private equity impact fund), Melbourne Grammar School and was a Board member of Melbourne Girls Grammar and Chair of the Marketing Committee from January 2016 to September 2020.
- Kate holds a Bachelor of Commerce, is a member of the Australian Institute of Company Directors and the Chartered Accountants Australia and New Zealand.
- Kate was formerly a partner with Affirmative Investment Management, a Managing Director at Goldman Sachs and Co-Head of Asia Pacific Ex-Japan Asset Management Institutional Sales. Prior to this, Kate was a Consultant in Financial Risk Management at Price Waterhouse (now PwC).
- Kate is currently a Director at Affirmative Investment Management Aust. Pty Ltd and Jakol Investments Pty Ltd.
- Kate is a member of the Audit Committee, Compliance and Risk Management Committee, Remuneration Committee and the Nomination Committee. Kate is the Chair of the People & Corporate Sustainability Committee and NIL Investment Committee.

Executive Leadership Information and Experience

Profiles of Netwealth's senior management team are set out below.

Name and title	Profile
 <p>Matthew Heine CEO & Managing Director</p>	<ul style="list-style-type: none"> Refer to Board of Directors section
 <p>Michael Heine Executive Director</p>	<ul style="list-style-type: none"> Refer to Board of Directors section
 <p>Grant Boyle Chief Financial Officer and Joint Company Secretary</p>	<ul style="list-style-type: none"> Grant joined Netwealth in May 2017. Grant has more than 30 years' experience in financial services and the accounting profession. Most recently the Chief Financial Officer of EMR Capital, Grant has held several Chief Financial Officer and Chief Operating Officer roles within financial services, including at BlackRock, Powerwrap and Phillip Capital. Prior to entering the funds/Platform space, Grant was a finance manager with ANZ Group Finance and a manager in the Corporate Recovery and Insolvency division of Ernst & Young. Grant holds a Bachelor of Business (Accounting) from Latrobe University and a member of Chartered Accountants Australia & New Zealand.
 <p>John Hanrahan Chief Information Officer</p>	<ul style="list-style-type: none"> John joined Netwealth in May 2012. John has responsibility for application development, technology infrastructure, business analysis, project management and technology vendor management. John has more than 30 years of experience in financial services technology. Prior to joining Netwealth, John led the Australian technology team for BlackRock. John holds a Bachelor of Business (Banking and Finance) from Monash University.

Name and title	Profile
 <p>Jodie Henson Chief Risk Officer</p>	<ul style="list-style-type: none"> Jodie joined Netwealth in February 2023. Jodie is responsible for managing Netwealth’s Legal, Risk and Compliance team. Jodie has over 20 years’ experience across the financial services industry in compliance, risk management, corporate governance, legal advice, and regulatory change. Prior to joining Netwealth, Jodie held roles with Westpac, Morningstar, ANZ and Standard & Poor’s. Jodie holds a Bachelor of Law/Arts from Deakin University, a Masters of Law from Monash University and is a graduate of the Corporate Governance Institute and the Australian Institute of Company Directors.
 <p>Shanyn Payne Chief People Officer</p>	<ul style="list-style-type: none"> Shanyn joined Netwealth in July 2023. Shanyn has more than 20 years’ Human Resources experience across several industries, including financial services, tech and retail. Most recently Shanyn was the Chief People Officer of Finder, and she has held several HR Executive roles including at Afterpay and Online Education Services. Shanyn holds a Bachelor of Behavioural Science from LaTrobe University, a Graduate Diploma in Human Resources from Deakin University an MBA from Deakin University and is a certified member of the Australian Human Resources Institute.
 <p>Alistair Densley General Manager, Transformation and Special Projects</p>	<ul style="list-style-type: none"> Alistair joined Netwealth in May 2002. Having previously held a leadership role within Netwealth’s IT Development Team and as General Manager for Operations, Alistair is currently responsible for key strategic projects within Netwealth. Alistair has over 20 years’ experience in the financial services industry and has played an important role in establishing and achieving scalability for many administrative processes across Netwealth’s Platform. Alistair holds a Bachelor of Commerce.
 <p>Amanda Atkinson General Manager, Service, Administration and Support</p>	<ul style="list-style-type: none"> Amanda joined Netwealth in February 2004. Amanda is the General Manager for Service, Administration & Support. Her department is responsible for administering Netwealth’s Superannuation and Multi Asset Portfolio Services and is the primary point of contact for financial advisers, members and investors. Amanda’s role is to lead a customer focussed administration, improvement and service team committed to the provision of a best practice service. Amanda has just under 20 years’ experience in the financial services industry. Amanda holds a diploma of Financial Planning and Management.

Name and title	Profile
 <p>Damian Holland General Manager, Sales & Distributions</p>	<ul style="list-style-type: none"> • Damian joined Netwealth in October 2019 and is responsible for managing Netwealth’s National Sales & Distribution Team. • He brings more than 25 years of financial services experience working with major global and Australian wealth management firms in range of executive leadership roles. • Damian holds a Bachelor of Finance from the University of Illinois and an MBA from Bond University.
 <p>Matt West General Manager, Product and Strategy</p>	<ul style="list-style-type: none"> • Matt joined Netwealth in August 2020. • Matt has responsibility for Product Management, Investment Governance & Research, and strategy implementation. • He has over 20 years’ experience in wealth management and financial services industry. • Matt holds a Bachelor of Commerce and MBA.
 <p>David Sutherland General Manager, Investment Operations and Managed Accounts</p>	<ul style="list-style-type: none"> • David joined Netwealth in July 2013. • During his time at Netwealth, David has managed multiple teams across the Investment Operations division including Corporate Actions & Managed Accounts. • David holds a Bachelor of Commerce (Finance & Marketing) and a diploma of Financial Planning.
 <p>Stephen Masterman Head of Legal and Joint Company Secretary</p>	<ul style="list-style-type: none"> • Stephen joined Netwealth in May 2017 and was appointed Head of Legal in February 2020. • He was also appointed as Joint Company Secretary in December 2022. • He has 15 years’ experience in legal practice, primarily in financial services. Prior to joining Netwealth, Stephen spent 10 years at one of Australia’s leading law firms. • Stephen has a Bachelor of Commerce and a Bachelor of Laws from the Australian National University.

Netwealth's values

At Netwealth the Board, Executive and employees pride ourselves on living our shared values, which impact the way we work and communicate.

Netwealth's values were formulated by Netwealth Board, Executive and employees and captures the unique point of difference that we bring to the market. The values were approved by the Board and form part of the Group Annual Strategic Plan. We believe the values strongly represent why Netwealth was successful in the past and encourage our team to embrace these values as we believe they will ensure Netwealth's continued success.

During induction, new employees are introduced to the values and employees are recognised across the business where they demonstrate exceptional alignment to one or more values as part of Netwealth's value awards presented periodically at Town Hall meetings. The performance review process is aligned to providing our team continual feedback and measurement of overall performance against our values. Netwealth's values are:



We are curious and look to challenge assumptions, explore new possibilities, and enthusiastically learn.



We are optimistic and look to be positive, drive for solutions and demonstrate passion and pride.



We are courageous and look to act, overcome barriers, and stand up for the right outcomes.



We are collaborative and look to consider other's priorities, share knowledge, help others, and communicate effectively and respectfully.



We are agile and look to adapt to change, focus on agreed priorities, and execute quickly and efficiently.



We are genuine and look to be open, honest, and transparent, act with integrity, ensure compliance with regulations, and demonstrate professionalism consistently.

Directors' Report

The Directors present their report on Netwealth Group Limited "the Company" and its controlled entities for the year ended 30 June 2023 (FY2023). The consolidated entity is referred to as "the Group or Netwealth". In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The Directors (unless stated otherwise) in office since the start of the financial year to the date of this report are:

Non-Executive Directors:

- Timothy Antonie (Chair)
- Davyd Lewis
- Sally Freeman
- Kate Temby

Executive Directors:

- Matthew Heine
- Michael Heine

Details of the qualifications, experience and special responsibilities of the Directors and qualifications and experience of the Company Secretaries at the date of this report are set out on pages 33 to 37 of this Annual Report.

Principal Activities

The principal activities of the Group are to provide Financial Intermediaries and clients with wealth administration and management services including managed funds, investor directed portfolio services, a superannuation master fund, managed accounts service, self-managed superannuation and non-custodial administration services. There were no significant changes to the principal activities of the Group during the financial year that are not otherwise disclosed in this Annual Report.

State of affairs

There were no other significant changes in the state of affairs during the year that are not otherwise disclosed in this Annual Report.

Dividends

On 24 August 2022, the Company declared a final dividend and paid on 29 September 2022 a fully franked dividend of 10.0 cents per share, representing a total dividend of \$24,831,369.

On 15 February 2023, the Company declared an interim dividend and paid on 24 March 2023 a fully franked dividend of 11.0 cents per share, representing a total dividend of \$26,827,372.

The Company does not have a Dividend Reinvestment Plan.

Operating and Financial Review

Information on the operating and financial performance of the Group, its strategic and sustainability initiatives, risks and outlook are set out on pages 12 to 24 of this Annual Report.

External outlook

Despite the challenging economic environment, Netwealth remains in an excellent financial position to manage the resulting future risks and opportunities. It is highly profitable with significant recurring revenues, exceptional cash generation, has low capital expenditure and has no external borrowings. The Directors actively monitor global economic conditions and exercise prudent risk management to continuously manage their impact on the Group's operations.

Subsequent Events to Reporting Date

In the opinion of the Board, there are no other matters or circumstances which have arisen between 30 June 2023 and the date of this Report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs for the Group in subsequent financial periods.

Directors' meetings

During the financial year, 21 Board of Directors' meetings were held. Attendances by each Director during the year of Board meetings and Committee meeting where the Director is a member were as follows:

	Board of Directors' meetings		Audit Committee		Remuneration Committee		Nomination Committee		Compliance & Risk Committee		People and Corporate Sustainability Committee	
	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)	(A)	(B)
Directors												
Timothy Antonie	21	21	-	-	12	12	3	3	-	-	-	-
Davyd Lewis	21	21	13	13	12	12	3	2	10	10	-	-
Sally Freeman	21	21	13	13	12	12	3	3	10	10	-	-
Kate Temby	21	19	13	13	12	10	3	3	10	8	4	4
Michael Heine	21	19	-	-	-	-	-	-	-	-	-	-
Matthew Heine	21	21	-	-	-	-	-	-	-	-	4	4

(A) Number of meetings held during the time the director held office and was eligible to attend as a member

(B) Number of meetings attended as a member

Indemnification of Directors, Officers and Auditors

It is the Group's policy that its employees should be protected from any liability they incur as a result of acting in the course of their employment in their respective capacities, subject to appropriate conditions.

During the financial year, the Company has paid premiums for insurance for the benefit of the Directors and Executive team. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the company against a liability incurred as such by auditor.

Key Management Personnel (KMPs) and Employee Share and Option Plans

Information about the remuneration of KMPs is set out in the remuneration report section of this Directors' report.

During the year, eligible employees who had served 3 or more years were offered ordinary shares valued at \$1,000 as a gift for no consideration resulting in 13,950 new ordinary shares issued at \$13.22 (FY2022: 11,033 employee gift shares)

A number of employees were granted performance rights as part of the Group's long-term incentive plan during the year. This resulted in the Group issuing 72,050 performance rights at an exercise price of \$nil during the year (FY2022: 60,913 performance rights). There was no new issue of options in FY2023 (FY2022: 2,270,000 options).

Shares, options and performance rights granted to Directors and KMPs during the year:

Issuing entity	Type	Number	Class of shares
Executive Director			
Matthew Heine	Rights	27,231	Ordinary
Senior Executive			
Grant Boyle	Shares	75	Ordinary
	Rights	6,893	Ordinary

Details of unvested options or rights as at the date of this report are:

Issuing entity	Type	Number	Class of shares	Exercise price of the equity	Vesting date
Netwealth Group Limited	Options	1,935,000	Ordinary	\$15.74	30 Jun 24
Netwealth Group Limited	Rights	50,748	Ordinary	nil	30 Jun 24
Netwealth Group Limited	Rights	72,050	Ordinary	nil	30 Jun 25

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Details of vested options but not yet exercised as at the date of this report are:

Issuing entity	Type	Number	Class of shares	Exercise price of the equity	Expiry date of equity
Netwealth Group Limited	Options	512,139	Ordinary	\$7.5544	30 Jun 37

Environmental Regulations

The Group does not believe that its operations are currently subject to any other particular and significant environmental regulation under a law of the Commonwealth of Australia or of an Australian State or Territory. To the best of the Directors' knowledge, the Group has not incurred any material environmental liability during the year.

The Group is aware that the International Sustainability Standards Board (ISSB) in June 2023, published its first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The standards are effective for annual reporting periods beginning on or after 1 January 2024. Based on the second design consultation paper released by Treasury, the mandatory climate-related financial disclosures are expected to phase in over a 4-year period with the Group anticipating it will be categorised under group 2 with its first financial year of reporting in FY2026 as the Group has more than 250 employees and consolidated revenue of \$200 million or more.

The Group is closely monitoring the progress of these standards and upcoming legislative requirements and will continue to assess their potential impacts on the Group's reporting processes, governance practices, assurance requirements and stakeholder engagement.

The Group is committed to meeting the growing expectations of its stakeholders, including customers, shareholders, its people and the community to address environmental impact responsibly. Transparency and accountability are at the core of our corporate sustainability approach and the Group has in place a comprehensive corporate sustainability framework which reflects our core values of being genuine, agile, collaborative, curious, courageous and optimistic.

A summary of our corporate sustainability initiatives is set out in pages 25 to 27 of this report. The full annual Corporate Sustainability, quarterly progress report and latest initiatives are available on the Company's website at

<https://www.netwealth.com.au/web/about-netwealth/corporate-sustainability/>

Corporate governance

Netwealth is committed to being ethical, transparent and accountable. We believe this is essential for the long-term performance and sustainability of our Company and supports the interests of our shareholders, clients and other stakeholders.

A summary of the corporate governance statement is set out in pages 28 to 32 For the full corporate governance statement and disclosure policies, please visit our website below.

<https://www.netwealth.com.au/web/about-netwealth/shareholders/>

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a part for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Non-audit services

During the year, Deloitte Touche Tohmatsu, the Group’s auditor has performed internal controls assurance services in addition to its statutory duties. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out in Note 28 to the financial statements.

The Directors, in accordance with advice received from the Audit Committee, are satisfied that the provision of those non-audit services during the year did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been approved in accordance with the Company’s non-audit services policy to ensure that they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor’s own work, acting in a management or a decision making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

Rounding of amounts

The Group is of a kind referred to in the Australian Securities and Investments Commissions Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191 and therefore the amounts contained in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under s307C of the Corporations Act 2001 is set out on page 64.

Signed in accordance with a resolution of the Board of Directors:



Timothy Antonie

Chair

16 August 2023

Remuneration Report (audited)

Letter from the Remuneration Committee Chair

On behalf of the Board, I am pleased to present Netwealth's FY2023 Remuneration Report.

Netwealth's performance in FY2023

Netwealth's robust risk management framework and resilient culture have positioned the Group to effectively respond and adapt to both short and long-term disruptions. Despite facing challenges from uncertain economic conditions in a higher interest rate environment, Netwealth navigated FY2023 without major disruptions and achieved remarkable growth, with record total income increasing by 21.6% to \$214.7 million and record NPAT increasing by 20.9% to \$67.2 million. This exceptional performance was primarily driven by a 26.3% increase in Funds Under Administration (FUA) to \$70.3 billion at the end of the financial year.

Review of the Remuneration framework and policy

The Remuneration Committee recognises the importance of maintaining an appropriate remuneration structure that embeds values aligned behaviour, aligns with our strategic objectives, is attractive to our employees, is compliant and transparent and meets the expectations of our shareholders, employees, clients and the communities in which we operate.

During the year, we have reviewed our remuneration structure. We have had regard to the feedback from our stakeholders and we have looked at the remuneration structures of other Australian-based ASX-listed companies of comparable size. As a result of that review, the Board has revised the remuneration mix of our senior executives to increase slightly the proportion of performance-based remuneration. This remuneration framework will apply from FY2024 onwards. We have also adopted a more structured bonus pool system that rewards other employees at all levels based on the success of the Group and their personal performance. Strict behavioural, governance and performance gateways measured against our values will continue to apply to all our performance-based remuneration. Our values are embedded into our performance framework and holds all employees to account for behaviours that are in the best interests of the company, our people, our community and our shareholders.

For senior executives, 65% of Short Term Incentives (STIs) will be based on a Net Profit After Tax (NPAT) metric and 25% will be based on their contribution to the effective execution of the Board's FY2024 business plan. Our business plans are detailed and comprehensive and have a wide range of very specific strategic initiatives. The Board ensures that the objectives of the business plan are set aggressively. Our senior executives are individually responsible for the delivery of these initiatives and the Board makes a quantitative assessment of the delivery of each initiative each year and attributes this level of delivery to the senior executives. The remaining 10% of the STI will be based on individual values-based performance ratings.

Our Long Term Incentives (LTIs) for FY2024 will be based on three metrics: EPS growth (35%), comparative Total Shareholder Return (TSR) (35%) and contribution to the effective execution of the Board's business plans over the vesting period (30%). The Remuneration Report provides further information in relation to our revised performance-based remuneration framework.

From 1 January 2024, Netwealth will become subject to the Australian Prudential Regulation Authority (APRA) revised *Prudential Standard, CPS 511 Remuneration (CPS 511)* and it is currently expected that the Federal Government's *Financial Accountability Regime (FAR)* will apply to companies operating



Davyd Lewis
Independent
Non-Executive
Chair of
Remuneration
Committee

the superannuation sector, such as Netwealth, from early 2025. CPS 511 and FAR will both affect our remuneration arrangements, and we will be revising our remuneration framework accordingly in the coming months. Corporate sustainability is already central to our company strategy, and we will continue to invest in and progress towards the measurement of these initiatives and give consideration to how our performance-based remuneration can assist in promoting these objectives.

FY2023 STIs

In assessing executive team performance, the Board determined that, overall, the executive team had performed strongly, and this was reflected in Netwealth's excellent results for the year. Even so, due to the aggressive nature of our strategic targets, while substantial progress was made, the targets were not fully met. This was due in part to the difficulty of recruiting in a tight labour market.

For CEO Matt Heine, the maximum STI was equal to 50% of fixed remuneration. For the other members of the executive team, including CFO Grant Boyle, the maximum STI was equal to 25% of fixed remuneration. The STIs had personal behavioural and performance gateways and a corporate performance gateway that required the Group to achieve at least 95% of budget NPAT. These gateways were all achieved. The STIs also had three personal and corporate performance conditions that determined the proportion of the STI that was payable. The first condition had a 50% weighting on NPAT compared to budget NPAT. Under this condition, 42% of the STI was achieved and payable. The second condition had a 25% weighting and was based on individual values and performance ratings. The full 25% was payable to the CEO and CFO under this condition. The third condition had a 25% weighting and was based on the CEO's and CFO's contribution to strategic initiatives. Under this condition, 19% of the STI was achieved and payable.

Cash bonuses for other non-sales and distribution employees were based on a bonus pool arrangement where the size of the pool was determined from the financial performance of Netwealth combined with the individual employee's performance and behavioural ratings. Sales and distribution employees earned a cash-based bonus based on their sales targets and upon meeting expected behavioural standards.

FY2023 LTIs

During the year, rights were granted to Matt Heine, the other members of the executive team and a number of key employees. In the case of Matt Heine, this grant was approved by shareholders at the 2022 Annual General Meeting. The rights are subject to personal behavioural, performance gateways, and corporate performance conditions based on TSR and EPS growth over a three-year vesting period ending on 30 June 2025. Shareholders will be asked to approve another LTI award at this year's annual general meeting.

The Board believes this Remuneration Report will assist our shareholders and other stakeholders to understand our remuneration policy, objectives and practices. We are committed to engaging with you and welcome your feedback.

Yours faithfully



Davyd Lewis
Chair of the Remuneration Committee
16 August 2023

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A. Introduction

This FY2023 Remuneration Report for Netwealth is prepared in accordance with the requirements of the Corporations Act 2001 and its regulations. The report outlines the remuneration arrangements in place for the Key Management Personnel (KMP) of Netwealth. KMP are the individuals who have authority and responsibility for planning, directing and controlling the activities of Netwealth, as defined under *AASB 124 Related Party Disclosure*. The following table lists Netwealth's KMP for FY2023:

Name	Position
Non-Executive Directors	
Timothy Antonie	Independent Non-Executive Chair
Davyd Lewis	Independent Non-Executive Director
Sally Freeman	Independent Non-Executive Director
Kate Temby	Independent Non-Executive Director
Executive Directors	
Matthew Heine	Chief Executive Officer & Managing Director (CEO)
Michael Heine	Executive Director
Senior Executive	
Grant Boyle	Chief Financial Officer (CFO) & Joint Company Secretary

All KMP held office for the full year.

B. Remuneration Objectives

The Board is committed to a remuneration framework targeted on driving excellent client service and solutions, integrity and a performance culture. Netwealth's objectives for remuneration of all employees include the following:

- to promote achievement of the Netwealth's strategic objective of building short, medium and long-term shareholder and enterprise value;
- while remuneration arrangements are designed to promote and reward performance, they must also promote conduct consistent with the Board's risk appetite and protection of the interests of Netwealth's stakeholders;
- the structure for remuneration must be consistent with and promote adherence to Netwealth's ethics, values, policies and procedures;
- employees are to be fairly remunerated for work undertaken, having regard to the remuneration of employees in comparable positions in comparable organisations;
- remuneration levels should attract and retain high-quality employees;
- total remuneration of executives and other senior employees should be appropriately balanced between fixed remuneration and at risk/variable remuneration based on corporate and individual performance;
- there must be no gender bias in remuneration; and
- when setting the levels of remuneration, Netwealth's long term financial soundness and its prospective financial position and performance are to be considered.

Netwealth's objectives for remuneration of Non-Executive Directors include:

- remuneration must be enough to attract and retain high quality Non-Executive Directors;
- remuneration for Non-Executive Directors must not create a conflict with their obligation to bring an independent judgement to matters before the Board;
- remuneration for each Non-Executive Director should be appropriate based on their role and responsibilities, including the time commitment involved; and
- there must be no gender bias in remuneration.

C. Remuneration Governance

The Board is responsible for establishing Netwealth's remuneration policy (the Remuneration Policy) and determining Non-Executive Director remuneration, Senior Executive remuneration and Netwealth's incentive structures. The Board is assisted by the Remuneration Committee (the Committee). The Committee is comprised of Netwealth's four independent Non-Executive Directors. The Committee's responsibilities include:

- reviewing and making recommendations to the Board on the Remuneration Policy;
- annually reviewing the performance of the CEO and the other Executive Director (ED);
- determining whether the CEO has met the conditions for payment of STIs and LTIs under the terms of his contract and/or under the terms of relevant STI and LTI schemes;
- annually reviewing and recommending remuneration arrangements for the CEO, the ED, the CEO's direct reports, other persons determined by APRA to be 'responsible persons' and the Non-Executive Directors;
- approving remuneration packages over a threshold amount;
- approving major changes in remuneration-related policies;
- reviewing and recommending changes and developments in relation to the STI and LTI schemes;
- overseeing the operation of the LTI schemes and recommending whether offers are to be made under the schemes;

- reviewing and recommending bonuses, including bonuses for other employees, bonuses for sales and distribution staff and STIs for senior executives;
- reviewing and making recommendations on remuneration by gender and addressing any pay gap;
- reviewing and recommending changes to board remuneration;
- reviewing and recommending the Remuneration Report;
- ensuring remuneration for Non-Executive Directors does not create a conflict with their obligations; and
- where applicable, approving the appointment of remuneration advisers for the purposes of the Corporations Act.

D. Remuneration Framework

The Board reviews the structure and the effectiveness of Netwealth’s remuneration arrangements annually to ensure the alignment with business performance values and strategy. The Board monitors changing market conditions as well as any regulatory and corporate governance developments and alters remuneration arrangements if appropriate to respond to changing conditions. The remuneration framework is structured to use fixed remuneration, a cash bonus pool, STIs and LTIs to promote Netwealth’s values and financial performance.

Purpose of each remuneration component in promoting Netwealth’s performance

Fixed remuneration	STIs and bonus pool (at risk)	LTIs (at risk)
<ul style="list-style-type: none"> • Attract and retain high-quality employees, who will enable Netwealth to achieve its strategic objectives, by providing market competitive base remuneration commensurate with the employee’s individual skills, complexity of role and experience. 	<ul style="list-style-type: none"> • STIs reward senior executives for their role in the effective execution of Netwealth’s business plan and achievement of financial targets, consistent with the promotion of Netwealth’s ethics, values and controls. • STIs reward sales and distribution staff for net sales performance. • A bonus pool, the size of which is based on Netwealth’s financial performance, is allocated to staff at all levels as a reward for personal performance that has contributed to Netwealth’s success. 	<ul style="list-style-type: none"> • Motivate and reward senior executives for their role in achieving earnings growth and contributing to the effective execution of Netwealth’s business plan consistent with the Board’s risk appetite, the protection of the interests of all of Netwealth’s stakeholders and the promotion of Netwealth’s ethics, values and controls. • Motivate and reward employees for their role in achieving earnings growth while promoting Netwealth’s ethics, values and controls.

The table below summarises the elements of Netwealth’s remuneration framework in FY2023.

Fixed remuneration			
Fixed	<ul style="list-style-type: none"> Each employee’s fixed remuneration is set having regard to their individual responsibilities, skills and experience and with consideration to the remuneration paid to employees of comparable companies, particularly companies within the financial services industry. To be market competitive, roles are benchmarked at least annually with reference to peer companies within the industry. Remuneration reviews normally occur annually and apply from 1 July. 		
Performance-based remuneration			
STIs	Purpose & Execution	FY2023 Outcomes	
STIs for CEO (At risk)	Maximum target amount <ul style="list-style-type: none"> 50% of fixed remuneration Form and time of payment <ul style="list-style-type: none"> Cash bonus – STI earned is paid over 2 years: <ul style="list-style-type: none"> 50% within 30 days after the release of the FY2023 annual report; and 50% within 30 days after the release of the FY2024 annual report, subject to continuously being employed until after the release of the FY2024 annual report and subject to a malus clawback condition. 	<ul style="list-style-type: none"> 86% of maximum target amount was achieved. 	
	Performance metrics	Weighting	% Outcomes
	NPAT metric <ul style="list-style-type: none"> Based on Netwealth’s FY2023 NPAT relative to budget NPAT. Between 95% and 105% of budget, a proportionate amount is paid. NPAT is determined net of the bonus expense. 	50%	42%
	Individual values rating metric <ul style="list-style-type: none"> Based on individual values ratings in FY2023. 	25%	25%
	Contribution to effective execution of business plan metric <ul style="list-style-type: none"> Based on individual contribution to effective execution of Board approved annual strategic initiatives in FY2023 which are assessed by the Board on a quarterly basis. 	25%	19%

STIs for CFO and other members of the Executive Leadership Team who report to the CEO (Executive) (At risk)	Maximum target amount <ul style="list-style-type: none"> 25% of fixed remuneration Form and time of payment <ul style="list-style-type: none"> Cash bonus – STI earned is paid over 2 years: <ul style="list-style-type: none"> 50% within 30 days after the release of the FY2023 annual report; and 50% within 30 days after the release of the FY2024 annual report, subject to continuously being employed until after the release of the FY2024 annual report, and subject to a malus clawback condition. This does not apply to the GM Sales & Distribution who instead receives a sales target based STI – see below. 	<ul style="list-style-type: none"> For the CFO, 86% of maximum target amount was achieved. 	
	Performance metrics	Weighting	% Outcomes
	NPAT metric <ul style="list-style-type: none"> Based on Netwealth’s FY2023 NPAT relative to budget NPAT. Between 95% and 105% of budget, a proportionate amount is paid. NPAT is determined net of the bonus expense. <p>For the Chief Risk Officer (CRO), the NPAT metric does not apply and is replaced by a metric based on the Board’s assessment of the CRO’s contribution to the effective management of Netwealth’s legal, risk and compliance functions in FY2023 which are assessed by the Board on a quarterly basis.</p>	50%	42%
	Individual values rating metric <ul style="list-style-type: none"> Based on individual values ratings in FY2023. 	25%	For the CFO, 25%.
	Contribution to effective execution of business plan metric <ul style="list-style-type: none"> Based on individual contribution to effective execution of board approved annual strategic initiatives in FY2023 which are assessed by the Board on a quarterly basis. 	25%	For the CFO, 19%
STIs for Sales and Distribution staff (At risk)	<ul style="list-style-type: none"> For sales and distribution staff, STIs are cash bonuses based on pre-agreed performance targets. Part of each individual’s STI is payable based on the first 6 months’ performance and the balance is payable after the end of the financial year. The performance targets are based mainly on fee-earning FUA and FUM. 		
Bonus cash pool bonus for other employees	<ul style="list-style-type: none"> In FY2023, Netwealth adopted a bonus pool arrangement. The size of the pool was based on Netwealth’s financial performance in FY2023. From the bonus pool, individual bonuses were based on the employee’s performance rating. The employee must be currently employed (or on approved leave) at the time of the payment. 		

LTIs	Purpose & Execution	FY2023 position
Options (At risk)	<p>Offers of options</p> <ul style="list-style-type: none"> The Netwealth Employee Incentive Plan (NEIP), under which all LTIs are offered, provides that incentive securities may be in the form of options. To date there have been two offers of options under NEIP, referred to here as the 'FY2020 Options' and the 'FY2022 Options'. <p>Vesting Period</p> <ul style="list-style-type: none"> The vesting conditions are tested over a 3 financial year vesting period. Upon exercise, the options convert to ordinary shares on a one for one basis. <p>Gateway conditions</p> <ul style="list-style-type: none"> The holder must be either continuously employed or hold office with Netwealth until the vesting date. The options are subject to a 'gateway' condition based on personal behaviour and performance measured against our values. If the employee does not meet the personal and behavioural gateway condition, all their options lapse, unless the Board determines otherwise. <p>Conditions</p> <ul style="list-style-type: none"> Options must be exercised within 15 years of date of grant. Options do not confer the right to attend and vote at meetings, and do not confer the right to participate in dividends. Should a liquidity event or change of control event occur, the Board has a discretion to automatically exercise all vested and unvested options. Options held by senior executives and the CEO have corporate performance metrics – see below. Options held by others are not subject to the corporate performance metrics. 	<p>FY2020 Options</p> <ul style="list-style-type: none"> An offer of options was made under the NEIP to select senior and key employees in FY2020. The exercise price of the FY2020 Options is \$7.5544. The FY2020 Options vested on 30 June 2022. 57,558 FY2020 Options were exercised during FY2023, leaving a remainder of 518,033 FY2020 Options vested and outstanding at 30 June 2023. <p>FY2022 Options</p> <ul style="list-style-type: none"> An offer of options was made under the NEIP to select senior and key employees in FY2022. The exercise price of the FY2022 Options is \$15.74. 1,935,000 FY2022 Options remain on issue at 30 June 2023. The FY2022 Options will potentially vest on 30 June 2024. <p>Current Year</p> <ul style="list-style-type: none"> There were no new options issued during FY2023.
	Corporate performance metrics	Weighting
	<p>TSR Metric</p> <ul style="list-style-type: none"> a financial metric which is based on Netwealth's TSR Rank in the relevant comparator group (S&P/ASX 300 Diversified Financials Index) over the Vesting Period. 	50%
	<p>EPS Metric</p> <ul style="list-style-type: none"> financial metric which is based on Netwealth's average annual growth of EPS over the Vesting Period. 	50%

LTIs	Purpose & Execution	FY2023 position
Rights (At risk)	<p>Offers of rights</p> <ul style="list-style-type: none"> The NEIP also provides that incentive securities may be in the form of rights (zero exercise price options). To date there have been two offers of rights under the NEIP, referred to here as the 'FY2022 Rights' and the 'FY2023 Rights'; A further offer of rights will be made in FY2024 under revised terms – see below. <p>Maximum target amount</p> <ul style="list-style-type: none"> CEO - 50% of fixed remuneration. Senior executives – 25% of fixed remuneration. Target amount is based on value of shares at the time of issue of the rights. <p>Vesting Period</p> <ul style="list-style-type: none"> The vesting conditions are tested over 3 financial years. Upon exercise, the rights convert to ordinary shares on a one for one basis. <p>Gateway conditions</p> <ul style="list-style-type: none"> The holder must be either continuously employed or hold office with Netwealth until vesting date. The Rights are subject to a 'gateway' condition based on personal behaviour and performance measured against our values. If the employee does not meet the personal and behavioural gateway condition, all their rights lapse, unless the Board determines otherwise. 	<p>FY2022 Rights</p> <ul style="list-style-type: none"> Performance rights issued under the NEIP to CEO Matthew Heine and members of the Executive in FY2022 Rights that will probably vest on 30 June 2024. <p>FY2023 Rights</p> <ul style="list-style-type: none"> Performance rights issued under the NEIP to CEO Matthew Heine and members of the Executive in FY2023 Rights that will probably vest on 30 June 2025.
	Performance metrics	Weighting
	EPS metric	50%
	<ul style="list-style-type: none"> Based on Netwealth's EPS growth over the Vesting Period. 	
	Individual value rating metric	25%
	<ul style="list-style-type: none"> Based on individual ratings over the vesting period. 	
	Contribution to effective execution of business plan metric	25%
	<ul style="list-style-type: none"> Based on individual contribution to effective execution of the Board approved business plans over the vesting period. 	
Reduction of benefits	<ul style="list-style-type: none"> Under the NEIP, the Board may reduce benefits in a range of circumstances such as where an employee participant has acted fraudulently or dishonestly or engaged in gross misconduct, has brought Netwealth into disrepute, has breached their duties or obligations to Netwealth or is convicted of an offence in connection with the affairs of Netwealth. The reduction of benefits may be implemented through various means, including the forfeiture of unvested or vested rights, options, or shares. Additionally, participants may be required to repay or treat as a debt any dividends received on, or proceeds from the sale of, performance securities granted under the NEIP. 	

Effective from 1 July 2023 the Board has revised the STI and LTI framework. The table below summarises these changes.

Performance-based remuneration		
STIs	Purpose & Execution	
STIs for CEO for FY2024 (At risk)	<p>Maximum target amount</p> <ul style="list-style-type: none"> 75% of fixed remuneration <p>Form and time of payment</p> <ul style="list-style-type: none"> Cash bonus – STI earned is paid over 2 years: <ul style="list-style-type: none"> 50% within 30 days after the release of the FY2024 annual report; and 50% within 30 days after the release of the FY2025 annual report, subject to continuously being employed and subject to a malus clawback condition. 	
	<p>Performance metrics</p>	Weighting
	<p>NPAT metric</p> <ul style="list-style-type: none"> Based on Netwealth’s FY2024 NPAT relative to budget NPAT. Between 95% and 105% of budget, a proportionate amount is paid. NPAT is determined net of the bonus expense. 	65%
	<p>Contribution to effective execution of business plan metric</p> <ul style="list-style-type: none"> Based on individual contribution to effective execution of the Board approved strategic initiatives in FY2024 which are assessed by the Board on a quarterly basis. 	25%
	<p>Individual value rating metric</p> <ul style="list-style-type: none"> Based on individual ratings in FY2024. 	10%
STIs for the CFO and other members of the Executive for FY2024 (At risk)	<p>Maximum target amount</p> <ul style="list-style-type: none"> 35% of fixed remuneration <p>Form and time of payment</p> <ul style="list-style-type: none"> Cash bonus – STI earned is paid over 2 years: <ul style="list-style-type: none"> 50% within 30 days after the release of the FY2024 annual report; and 50% within 30 days after the release of the FY2025 annual report, subject to continuously being employed and subject to a malus clawback condition. 	
	<p>Head of Distribution</p> <ul style="list-style-type: none"> The Head of Distribution is entitled to participate in sales bonuses (see above), but is not entitled to an STI under this framework. 	
	<p>Chief Risk Officer (CRO)</p> <ul style="list-style-type: none"> For the CRO, the NPAT metric does not apply and is replaced by a metric based on the Board’s assessment of the CRO’s contribution to the effective management of Netwealth’s legal, risk and compliance functions in FY2024 which are assessed by the Board on a quarterly basis. 	

	Performance metrics	Weighting
	NPAT metric <ul style="list-style-type: none"> Based on Netwealth's FY2024 NPAT relative to budget NPAT. Between 95% and 105% of budget, a proportionate amount is paid. NPAT is determined net of the bonus expense. 	65%
	Contribution to effective execution of business plan metric <ul style="list-style-type: none"> Based on individual contribution to effective execution of the Netwealth business plan for FY2024 which are assessed by the Board on a quarterly basis. 	25%
	Individual value rating metric <ul style="list-style-type: none"> Based on individual performance ratings in FY2024. 	10%
LTI	Purpose & Execution	
Rights from FY2024 (At risk)	Maximum target amount <ul style="list-style-type: none"> CEO: 75% of fixed remuneration CFO and other members of the executive: 35% of fixed remuneration Form of payment <ul style="list-style-type: none"> Performance rights (zero exercise price options) valued based on the market value of shares at the time of offer. Vesting Period <ul style="list-style-type: none"> The vesting conditions are tested over 3 financial years, FY2024, FY2025 and FY2026; Gateway conditions <ul style="list-style-type: none"> The holder must be either continuously employed or hold office with Netwealth until vesting date. The Rights are subject to a 'gateway' condition based on personal behaviour and performance measured against our values. If the employee does not meet the personal and behavioural gateway condition, all their rights lapse, unless the Board determines otherwise. 	
	Performance metrics	Weighting
	EPS metric <ul style="list-style-type: none"> Based on Netwealth's EPS compound annual growth rate (CAGR) over the Vesting Period. Between 12.5% CAGR in EPS and 15% CAGR in EPS, a proportionate amount of rights vest. 	35%
	TSR metric <ul style="list-style-type: none"> Based on Netwealth's TSR Rank in the relevant comparator group (S&P/ASX 300 Diversified Financials Index) over the Vesting Period. Between 50th percentile and 75th percentile, a proportionate amount of rights vest. TSR must be positive for rights to vest under this metric. 	35%
	Contribution to effective execution of business plan metric <ul style="list-style-type: none"> Based on individual contribution to effective execution of the Board approved business plan over the vesting period which is assessed by the Board quarterly. 	30%

Upcoming changes to the FY2024 Remuneration Framework

The Australian Prudential Regulation Authority (APRA) has released an updated *Prudential Standard 511 Remuneration* (CPS 511) the objective of which is to ensure that remuneration arrangements appropriately incentivise individuals to manage the risks they are responsible for and that there are appropriate consequences for poor risk outcomes. Revised CPS 511 will apply to Netwealth from 1 January 2024. Also, it is currently expected that the Federal Government’s *Financial Accountability Regime* (FAR) will apply to companies operating the superannuation sector, such as Netwealth, from early 2025. As result of CPS 511 and FAR, the Board is reviewing Netwealth’s remuneration framework and further changes will be made in coming months.

E. Remuneration Mix of KMPs

Remuneration mix refers to the proportion of total KMP remuneration that is made up of each remuneration component.

The ‘Fixed’ component is base salary plus superannuation. The ‘At Risk’ component is the amount of the maximum STI payable to the KMP and the value of options and rights issued to the KMP expensed for the year. The LTIS were part of the FY2023 Rights offer described above.



The remuneration mix for Michael Heine is 100% fixed as he has elected not to participate in the STI or LTI, due to his substantial shareholding in Netwealth.

F. Overview of the Group Performance

The following table sets out Netwealth's NPAT, dividend payments, EPS and share price over five years:

Financial period ended 30 June	2023	2022	2021	2020	2019
NPAT (\$ million)	67,153	55,552	54,103	43,661	34,295
Ordinary dividends (cents per share)	24.0	20.0	18.6	14.7	12.1
Special dividends (cents per share)	-	-	-	-	-
EPS (cents)	27.5	22.8	22.6	18.4	14.4
Netwealth share price*	\$13.84	\$12.16	\$17.15	\$8.97	\$8.00

*Closing price for the last trading day in the financial year. Dividends (cents per share) and EPS (cents) rounded to 1 decimal place.

Netwealth delivered solid FY2023 earnings with NPAT and EPS having increased by 20.9% and 20.6% respectively compared to the prior year. Netwealth increased its full year dividend by 20.0% to 24.0 cents per share. The compound annual growth rate on EPS since FY2019 was 17.8% reflecting the continued success in executing Netwealth's long-term strategy in delivering sustainable returns to its shareholders.

G. Executive Remuneration

The table below sets out details of the remuneration of the CEO, ED and the CFO (the three KMP who are employee executives) for FY2023 and FY2022.

	CEO & Managing Director		Executive Director		CFO		Total	
	Matthew Heine		Michael Heine		Grant Boyle			
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Short term benefits								
Cash salary ¹	772,500	722,500	44,207	62,047	422,500	372,500	1,239,207	1,157,047
STI ²	344,900	220,313	-	-	97,003	58,750	441,903	279,063
Employee share gift ³	-	-	-	-	992	1,082	992	1,082
Other	-	-	-	-	-	-	-	-
Long term benefits								
Leave ⁴	29,377	79,401	770	(2,870)	11,342	8,808	41,489	85,339
Post-employment benefits								
Superannuation ⁵	27,500	27,500	4,642	6,205	27,500	27,500	59,642	61,205
Share-based payments								
FY2020 Options	-	99,548	-	-	-	54,796	-	154,344
FY2022 Options ⁶	112,925	112,616	-	-	69,463	69,272	182,388	181,888
FY2022 Rights ⁶	129,579	129,224	-	-	29,103	29,023	158,682	158,247
FY2023 Rights ⁶	118,521	-	-	-	28,340	-	146,861	-
Termination benefits								
Termination payments	-	-	-	-	-	-	-	-
Total	1,535,302	1,391,102	49,619	65,382	686,243	621,731	2,271,164	2,078,215
% Performance related	46%	40%	0%	0%	33%	34%	41%	37%

- Following the Remuneration Committee's review, the Board approved increases in Matthew Heine's and Grant Boyle's cash salaries to align with comparable companies within the industry for an equivalent role.
- Matthew Heine's maximum STI and LTI entitlements are each 50% of his fixed remuneration (refer section E). Michael Heine waived his STI payments for FY2022 and FY2023. Grant Boyle's maximum STI and LTI entitlements are each 25% of his fixed remuneration (refer section E).
- Under its Employee Gift Plan, Netwealth made an offer to grant \$1,000 worth of ordinary shares to all eligible employees including Grant Boyle.
- Long term benefits related to long service leave entitlements accrued for the year, net of leave taken.
- Superannuation payments are made in accordance with the relevant statutory requirements.
- Options or Rights on ordinary shares issued during FY2022 and FY2023 are subject to vesting conditions (refer section D).

Service agreements

The remuneration and other terms of employment for the executive KMPs are formalised in employment contracts, which are reviewed annually. The CEO, ED and CFO are entitled to receive pay in lieu of notice of resignation, in addition to any leave entitlements upon cessation of employment. All services agreements are for unlimited duration but may be terminated immediately in the event of serious misconduct, in which case the executive is not entitled to any payment in lieu of notice. The following table outlines the key contractual arrangement for the CEO, ED and CFO.

Position	Contractual term	Employer Notice period	Employee Notice period	Post-employment restraints
CEO	Ongoing	Six months	Six months	Six-month non-competition period
ED	Ongoing	Six months	Six months	Six-month non-competition period
CFO	Ongoing	Six months	Six months	Six-month non-competition period
How unvested equity is treated on leaving Netwealth	<p>Executive KMPs who resign or are terminated will forfeit all their unvested equity, unless the Board determines otherwise.</p> <p>If the executive KMP is terminated due to redundancy or they are classified as a 'good leaver', unvested equity will not be forfeited unless the Board determines otherwise.</p> <p>On an executive KMP's death or total and permanent disability, their unvested equity will vest unless the Board determines otherwise.</p>			

H. Non-Executive Directors Remuneration

The table below sets out details of the annual fees and the remuneration of the Non-Executive Directors for FY2023.

Board Fees	
Board - Chair	\$250,000
- Members	\$125,000
Netwealth Superannuation Services (NSS) Board – Members	\$20,000 ¹
Audit Committee - Chair	\$20,000
Remuneration Committee - Chair	\$15,000
Compliance and Risk Management Committee - Chair	\$20,000
People and Corporate Sustainability Committee – Chair	\$10,000
Nomination Committee - Chair	-
NIL Investment Committee - Chair	\$15,000
NSS Audit Risk & Compliance Committee – Chair	\$15,000
Superannuation	The fees set out above include superannuation payment in accordance with the relevant statutory requirements. Superannuation is paid up to the relevant concessional contributions cap, with the remainder paid in cash.

Other benefits Non-Executive Directors are entitled to reimbursement for business-related expenses, including travel expenses and all receive the benefit of coverage under a Director and Officers insurance policy. Netwealth has paid premiums to insure each Director and officer under a Directors and Officers Insurance policy. Further disclosure of information relating to this policy is not permitted under the contract of insurance.

¹ NSS is the trustee of the Netwealth Superannuation Master Fund. The two Non-Executive Directors, Sally Freeman and Davyd Lewis who are also Directors of NSS received an additional fee of \$20,000.

The table below sets out the total Non-Executive Director benefits paid for FY2023 and FY2022.

		Fees and allowances	Post-employment benefits	Total
		Board and Committee fees	Superannuation	
		\$	\$	\$
Timothy Antonie	2023	226,244	23,756	250,000
	2022	227,273	22,727	250,000
Davyd Lewis	2023*	191,538	20,112	211,650
	2022	179,545	17,955	197,500
Sally Freeman	2023	149,321	15,679	165,000
	2022	150,000	15,000	165,000
Kate Temby	2023	135,747	14,253	150,000
	2022	131,818	13,182	145,000

*Davyd Lewis was paid an additional \$16,650 (including super) for his temporary appointment to the Due Diligence Committee during FY2023. This amount is included in the total above.

The Non-Executive Directors are not eligible to participate in the NEIP.

The total remuneration paid to all Non-Executive Directors must not exceed the maximum aggregate amount approved by shareholders. The shareholder approved limit is \$1,000,000, which was last approved at the FY2021 AGM.

I. Other information

KMP share movements

The table below sets out the holdings and changes of holdings of ordinary shares for each KMP in FY2023.

	Ordinary shares				Balance at end of financial period
	Balance at beginning of financial period	Purchase of shares	Sale of shares	Other changes during the year	
FY2023	Number	Number	Number	Number	Number
Non-Executive Directors					
Timothy Antonie	105,000	-	-	-	105,000
Davyd Lewis	159,161	-	-	-	159,161
Sally Freeman	9,500	-	-	-	9,500
Kate Temby	-	3,000	-	-	3,000
Executive Directors					
Michael Heine	112,544,990	-	(5,600,000)	-	106,944,990
Matthew Heine	3,736,405	-	-	-	3,736,405
Senior executive					
Grant Boyle ¹	65,089	-	-	75	65,164

¹ During the financial year, the Group, under its Employee Gift Plan made an offer to all eligible employees including Grant Boyle to grant \$1,000 worth of ordinary shares.

KMP option and rights holdings

The table below sets out the holdings of options and rights issued under the NEIP to each KMP.

	Type of equity	Equity Granted	Exercise Price	Equity fair value at grant date (for FY2023 grants only)	Grant date	First date exercisable	Date of expiry	Vested	Lapsed/Forfeited	Exercised/Sold	Vested as at 30 June 2023	Non-exercisable as at 30 June 2023
FY2023		Number						Number	Number	Number	Number	Number
Executive Directors												
Michael Heine	Options	-	-	-	-	-	-	-	-	-	-	-
Matthew Heine	FY2020 Options	132,373	\$7.5544	-	12/11/19	30/06/22	30/06/34	78,232	-	-	-	-
	FY2022 Options	75,000	\$15.740	-	27/10/21	30/06/24	19/11/36	-	-	-	-	75,000
	FY2022 Rights	23,825	-	-	27/10/2021	30/06/24	27/10/36	-	-	-	-	23,825
	FY2023 Rights	30,257	-	\$13.09	23/11/2022	30/06/25	27/10/37	-	-	-	-	30,257
Senior executive												
Grant Boyle	FY2020 Options	66,667	\$7.5544	-	17/10/19	30/06/22	30/06/34	39,400	-	-	-	-
	FY2022 Options	75,000	\$15.740	-	27/09/21	30/06/24	27/09/36	-	-	-	-	75,000
	FY2022 Rights	6,353	-	-	27/09/21	30/06/24	27/09/36	-	-	-	-	6,353
	FY2023 Rights	8,510	-	\$12.36	11/10/22	30/06/25	27/09/37	-	-	-	-	8,510

Non-Executive Directors are not entitled to options and rights under the NEIP.

Employee Share Gift Plan

Under the Group's Employee Gift Plan, all eligible permanent and part time employees of the Group may be offered the opportunity to receive, for no consideration, up to \$1,000 in shares at market value. Employees who receive employee gift shares are restricted from dealing in those shares until the earlier of three years from grant date or the date the employees ceases employment. The operation of this plan is assessed annually by the Board.

During FY2023, the Group made offers under its Employee Gift Plan to grant \$1,000 worth of shares to all eligible permanent and part time employees that have been employed by the Group for a continuous period of 3 years as at 1 July 2022, resulting in 13,950 new ordinary shares being issued at \$13.22 on 14 September 2022 (FY2022: 11,033 ordinary shares).

Overview of unvested equity awards

All awards are subjected to the employee's continued employment, individual values ratings and malus and clawback provisions.

Equity plan	Grant Date	Vesting Period		Vesting Conditions
		Start Date	End Date	
FY2022 Options	27 Sep 2021	01 Jul 2021	30 Jun 2024	<ul style="list-style-type: none"> Personal and behavioural performance gateway which must be met. Proportions vesting: <ul style="list-style-type: none"> – 50% based on Netwealth's TSR Rank in the relevant comparator group during the vesting period; and – 50% based on Netwealth's average annual growth of EPS over the vesting period.
FY2022 Options – CEO	19 Nov 2021	01 Jul 2021	30 Jun 2024	<ul style="list-style-type: none"> Personal and behavioural performance gateway which must be met. Proportions vesting: <ul style="list-style-type: none"> – 50% based on Netwealth's TSR Rank in the relevant comparator group during the vesting period; and – 50% based on Netwealth's average annual growth of EPS over the vesting period.
FY2022 Rights	27 Sep 2021	01 Jul 2021	30 Jun 2024	<ul style="list-style-type: none"> Personal and behavioural performance gateway which must be met. Proportions vesting: <ul style="list-style-type: none"> – 50% based on Netwealth's EPS growth over the vesting period. – 25% based on individual values ratings. – 25% based on individual contribution to delivery of their strategic initiatives.
FY2022 Rights	19 Nov 2021	01 Jul 2021	30 Jun 2024	Same as above FY2022 Rights
FY2022 Rights – CEO	27 Oct 2021	01 Jul 2021	30 Jun 2024	Same as above FY2022 Rights
FY2023 Rights	11 Oct 2022	01 Jul 2022	30 Jun 2025	Same as above FY2022 Rights
FY2023 Rights - CEO	23 Nov 2022	01 Jul 2022	30 Jun 2025	Same as above FY2022 Rights

J. Previous comments or resolutions in relation to Remuneration Report

At the 23 November 2022 annual general meeting, no comments were made or questions asked in relation to the FY2022 Remuneration Report and the Remuneration Report was adopted by a vote of 99% in favour.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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www.deloitte.com.au

16 August 2023

The Board
Netwealth Group Limited
Level 6, 180 Flinders Street
Melbourne VIC, 3000

Dear Directors,

Auditor's Independence Declaration to Netwealth Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Netwealth Group Limited.

As lead audit partner for the audit of the financial report of Netwealth Group Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Lani Cockrem
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023.

	Note	Consolidated Group for Year Ended	
		30 June 2023 \$'000	Restated 30 June 2022 \$'000
Income			
Revenue ¹	4	207,008	172,864
Other income	4	7,741	3,767
Total income		214,749	176,631
Expenses			
Employee benefits expenses	5	(77,886)	(63,840)
Share-based payment expense		(2,381)	(3,053)
Brokerage, investment & custody ¹		(4,567)	(4,666)
Technology and communication expenses		(13,689)	(8,284)
Client transactions & communication		(1,419)	(1,304)
Professional fees		(3,158)	(2,594)
Insurance		(3,028)	(2,408)
Advertising & Marketing		(2,835)	(1,557)
Depreciation		(2,637)	(2,618)
Amortisation		(642)	(366)
Interest expense	13	(451)	(497)
Other operating expenses	5	(4,665)	(3,941)
Share of associate and joint venture NPAT		(377)	(393)
Total expenses		(117,735)	(95,521)
Profit before income tax		97,014	81,110
Income tax expense	6	(29,861)	(25,558)
Profit for the period		67,153	55,552
Total comprehensive income for the period		67,153	55,552
Total comprehensive income attributable to:			
Members of the parent entity		67,153	55,552
Earnings per share			
Basic (cents per share)	9	27.5	22.8
Diluted (cents per share)	9	27.5	22.8

¹During the year, the Group has revised the classification and disclosure of brokerage expenses. \$3.2 million brokerage expenses, previously included net of the Group's revenue in Platform revenue, have been reclassified as expenses under Brokerage, investment & custody (FY2022 \$3.3M). Comparative figures have been reclassified to be consistent with current period disclosure. Refer to Note 2 Significant Accounting Policies.

[The accompanying notes form part of these financial statements](#)

Consolidated Statement of Financial Position

As at 30 June 2023.

		Consolidated Group as at	
	Note	30 June 2023	30 June 2022
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		109,482	88,376
Trade and other receivables	10	17,837	14,727
Other current assets	11	8,569	10,024
Financial assets at FVTPL*	12	491	1,086
Total current assets		136,379	114,213
Non-current assets			
Property, plant and equipment	15	1,445	1,560
Intangible assets	16	6,506	2,215
Lease assets	13	12,830	14,643
Financial Assets at FVTPL*	12	917	-
Investment in associates & joint venture	14	1,614	1,991
Deferred tax assets	6	2,194	1,582
Total non-current assets		25,506	21,991
Total assets		161,885	136,204
Current liabilities			
Trade and other payables	17	11,804	8,635
Provisions	18	7,439	6,417
Current tax liabilities		4,978	1,090
Lease liability	13	1,437	1,501
Other current liabilities		83	-
Total current liabilities		25,741	17,643
Non-current liabilities			
Lease liability	13	12,149	13,586
Provisions	18	946	732
Total non-current liabilities		13,095	14,318
Total liabilities		38,836	31,961
Net assets		123,049	104,243
Equity			
Issued capital	19	27,228	26,563
Reserves	20	6,772	4,576
Retained earnings		89,049	73,104
Total equity		123,049	104,243

*Fair value through Profit & Loss

The accompanying notes form part of these financial statements

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2023.

Consolidated Group	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2021		26,398	1,688	65,095	93,181
Shares issued and fully paid during the period		165	-	-	165
Total comprehensive income for the period		-	-	55,552	55,552
Amounts recognised on issue of employee shares		-	2,888	-	2,888
Dividends paid or provided for		-	-	(47,543)	(47,543)
Balance at 30 June 2022		26,563	4,576	73,104	104,243
Balance at 1 July 2022		26,563	4,576	73,104	104,243
Shares issued and fully paid during the period		665	-	-	665
Total comprehensive income for the period		-	-	67,153	67,153
Amounts recognised on issue of employee shares		-	2,196	-	2,196
Dividends paid or provided for	8	-	-	(51,208)	(51,208)
Balance at 30 June 2023		27,228	6,772	89,049	123,049

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2023.

	Consolidated Group for Year Ended		
	Note	30 June 2023 \$'000	30 June 2022 \$'000
Cash flows from operating activities			
Receipts from customers		223,412	186,387
Payments to suppliers and employees		(120,302)	(96,415)
Dividends received		29	7
Interest received		3,123	313
Interest paid on lease		(451)	(498)
Income tax paid		(26,585)	(30,189)
Net cash generated by operating activities	25	79,226	59,605
Cash flows from investing activities			
Purchase of property, plant and equipment		(709)	(1,136)
Proceeds from sale of Investments		1,177	361
Purchase of Investments		(526)	(1,064)
Purchase of intangibles		(4,932)	(1,856)
Net cash used in investing activities		(4,990)	(3,695)
Cash flows from financing activities			
Proceeds from issue of shares		479	-
Payment of lease liabilities	13	(1,501)	(1,412)
Loan to joint venture		(900)	-
Dividends paid		(51,208)	(47,543)
Net cash used in financing activities		(53,130)	(48,955)
Net increase in cash held		21,106	6,955
Cash and cash equivalents at beginning of year		88,376	81,421
Cash and cash equivalents at end of year		109,482	88,376

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 General Information

The Financial Report of Netwealth Group Limited which covers 'the Company' as an individual entity (disclosed in Note 26) and its controlled entities (together referred to as 'the Group') for the year ended 30 June 2023 as required by the Corporations Act 2001 was authorised for issue in accordance with a resolution of the Directors on 16 August 2023. The Company is limited by shares and incorporated and domiciled in Australia.

Registered office of the company and principal place of business:

Netwealth Group Limited
Level 6, 180 Flinders Street
MELBOURNE VIC 3000

The principal activities of the Group are to provide Financial Intermediaries and clients with financial services including managed funds, investor directed portfolio services, a superannuation master fund, separately managed accounts, self-managed superannuation administration services and non-custodial administration service.

2 Significant Accounting Policies

Basis of preparation

This consolidated financial report for the year ended 30 June 2023

- is for the consolidated entity consisting of Netwealth Group Limited and its controlled entities (trading on the ASX under the symbol 'NWL');
- is presented in Australian dollars, with all values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investment Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- has been prepared on a going concern basis using historical costs except for financial instruments required to be measured at fair value through profit or loss (FVTPL), in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board, and the Corporations Act 2001;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- has accounting policies and methods of computation which are consistent for all periods presented, unless stated.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The financial statements of all the entities are prepared for the same reporting period as the parent entity with consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Critical accounting estimates and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are evaluated on an ongoing basis and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated Financial Report such as:

- Judgement and estimates have been used to determine the inputs to measure the fair value of the loan, call and put options in relation to the investment in Xeppo (Note 14)
- Choice of inputs, estimates and assumptions used in the measurement of expected credit loss including the probability for loss (Note 10).
- Determination of significant influence over associates or joint control over arrangements, including the assessment of whether certain rights are protective or substantive in nature and whether the level of involvement in an investee's relevant activities is sufficient to significantly affect the returns generated (Note 14).
- Determination whether the investment in associates and joint venture are impaired by assessing its going concern and future profitability (Note 14).
- Determination on the expected life of tangible assets with the exception for leasehold assets by using available historical data (Note 15).
- Determination on the expected life of intangible assets such as software by assessing historical usage data of similar software (Note 16).
- Customisation and configuration costs undertaken in implementing Software as a Service (SaaS) arrangements may result in the development of new software code that enhances, modifies, or

creates additional capability to existing on-premises software enabling it to connect with the cloud-based software applications (referred to as bridging modules or APIs). Judgement was applied in determining whether the additional code meets the definition of and recognition criteria as an intangible asset under AASB 138 Intangible Assets following the latest guidance issued by IFRS Interpretation Committee in March 2021 (Note 16).

- Judgement was used to estimate the number of equity instruments granted under the Employee Incentive Plan that are likely to vest at the end of the vesting period by assessing market, company performance, strategic initiatives likely to be achieved and service conditions expected to be achieved during the vesting period (Note 23).

Change in Disclosures

During the year, the Group revised the classification and disclosure of brokerage expenses. Brokerage expenses were previously netted against the Group's revenue. However, to provide a more accurate representation of the economic substance of the transactions, brokerage expenses have now been reclassified as an expense under Brokerage, Investment, and Custody expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Moreover, certain other operating expenses have also been reclassified in the prior period to enhance the relevance and accuracy of financial information. These revised classifications ensure that the financial statements present a more meaningful and transparent view of the Group's operating performance. To ensure consistency and comparability, comparative figures have been reclassified to align with the current period disclosure.

	FY2022 Financial Report	Reallocation in FY2023	Post-Reallocation
	30 June 2022		30 June 2022
	\$'000		\$'000
Income			
Revenue	169,538	3,326	172,864
Other Income	3,767	-	3,767
Total income	173,305	3,326	176,631
Expenses			
Brokerage, investment & custody	-	(4,666)	(4,666)
Other expenses	(92,195)	1,340	(90,855)
Total expenses	(92,195)	(3,326)	(95,521)
Profit before income tax	81,110	-	81,110
Profit for the period after tax	55,552	-	55,552

Investment in Associates & Joint Ventures

During the year, the Group and Xeppo entered into a new shareholders agreement, resulting in a \$2.5 million convertible loan facility provided to Xeppo (Note 14). Following this revised agreement, the Group conducted a reassessment of its investment in Xeppo, leading to its reclassification from an investment in an associate to a joint venture.

This reclassification was based on the joint control exercised by both Netwealth and non-Netwealth shareholders over the rights to the net assets of the arrangement. Key strategic and operational decisions related to the joint arrangement now necessitate unanimous consent from all parties involved, both Netwealth and non-Netwealth shareholders collectively controlling the joint venture.

The accounting treatment for investments in joint ventures adheres to the equity method as outlined in IAS 28 Investments in Associates and Joint Ventures for the group's financial statements. Initially, investments in associates or joint ventures are recognized at cost in the Consolidated Statement of Financial Position. Subsequently, the carrying amount of the investment is adjusted to reflect the Group's share of the profit or loss after the date of acquisition. The Group's share of the profit or loss is recognised in the statement of profit or loss.

Foreign currency translation

The functional currency in the Group is determined as the currency of the primary economic environment in which Netwealth operates in. The Group's financial statements are presented in Australian dollars (the presentation currency), which is also the Group's functional currency.

At initial recognition, a foreign currency transaction is translated into the Group's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Where a foreign currency transaction is over a period of time, an average exchange rate can be used unless the exchange rate fluctuates significantly during the period.

At the end of each reporting period, the foreign currency monetary assets and liabilities are translated using the closing spot exchange rate.

Foreign exchange gains and losses arising from the settlement or translation is measured at fair value and recognised as part of income or loss.

All subsidiaries and joint ventures use the same functional currency as the Group.

3 Segment Information

The operating segment has been determined based on the separate internal financial reports that are reviewed and used regularly by the Board of Directors and the Executive Management Team, identified as the Chief Operating Decision Makers (CODM), to assess performance and in determining the allocation of resources to the operating segment. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group reassessed its operating segments and determined that the 'Data and Advice Tech Solutions segment,' previously identified as an operating segment following the Group's investment in Xeppo, does not yet meet the definition of an operating segment prescribed by the Accounting Standard AASB 8 Operating Segments. Therefore, the Group continues to operate and disclose one reportable segment, 'Platform Operations segment.'

The Group's operations are solely based in Australia.

Key Accounting Policies

An Operating segment is a component of an entity:

- which engages in multiple business activities from which it may earn revenue and incur expenses
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

4 Revenue

Revenue and other income

	Consolidated Group	
	30 June 2023 \$'000	Restated 30 June 2022 \$'000
Platform Revenue		
Administration fees	97,942	85,530
Ancillary fees	74,330	50,337
Transaction fees	22,559	25,883
Management fees	12,177	11,114
Total Revenue from Contracts with Customers	207,008	172,864
Other income		
Cost of capital recovery	4,482	3,395
Net loss on disposal of investments	(109)	(7)
Unrealised investment gain/(loss)	193	(145)
Dividends and distributions received	34	38
Interest received	3,123	313
Other Income	18	173
Total other income	7,741	3,767
Total income	214,749	176,631

Netwealth does not have an individual customer who makes up more than 10% of Netwealth's Platform revenue. Ancillary fees include revenues earned on the cash transaction account.

Key Accounting Policies

Revenue is measured by reviewing each revenue contract and its respective services to client to determine its performance obligation while allocating the transaction price to each performance obligation either over time or at a point in time. The performance obligations identified are:

Platform revenue

- Administration fee is recognised over time as the client receives and obtain the benefits of accessing the platform. The amount is calculated based on the daily value of the client account balances and are received monthly in arrears direct from customer accounts on the platform.

Key Accounting Policies continued

- Ancillary fee is recognised either over time or once the service has been provided to and received by the client. The amount is based on the agreed contractual rate and is received monthly, in arrears.
- Transaction fees are recognised once the transaction has been completed and the client received confirmation of the transaction. The amount is based on an agreed contractual rate and is collected monthly in arrears.
- Management fees are recognised over time as the client receives and obtains the benefit of having the client's funds being managed based off a contractual percentage of the value of the client account balance being managed.

Other income

- Gain from disposal/loss of investments is recognised when the asset has been disposed.
- Unrealised gains from investments is recognised when the fair value of the underlying asset has increased/decreased but not been disposed.
- Dividend revenue is recognised when the right to receive a dividend has been established.
- Cost of capital recovery is recognised over time for the capital received and reserved by trustee of the Netwealth Superannuation Master Fund to meet its Operational Risk Financial Requirement (ORFR) capital requirements.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective

5 Expenses**5.1 Employee benefits expenses**

	Consolidated Group	
	30 June 2023	Restated 30 June 2022
	\$'000	\$'000
Salaries and wages (including payroll tax)	66,552	55,462
Contributed superannuation	5,865	4,770
Other employee benefits expenses	5,469	3,608
Total employee benefits expenses	77,886	63,840

5.2 Other operating expenses

	Consolidated Group	
		Restated
	30 June 2023	30 June 2022
	\$'000	\$'000
Admin and other overhead expenses	2,593	2,636
Travel and entertainment expenses	1,126	399
Product expenses	946	405
Acquisition related consulting expenses	-	501
Total other operating expenses	4,665	3,941

Key Accounting Policies

Short-term employee benefits

Current liabilities for wages and salaries (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period for the employees' services rendered. They are measured at the amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Long service leave are long-term employee benefits, where they are not expected to be settled wholly within 12 months after the end of the annual reporting period for the employees' services rendered. It is measured at the present value of the probability on expected future payments to be made to employees and are discounted at rates determined by reference to Group of 100 (G100) discount rate.

They are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Retirement benefit obligations

All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice in accordance with relevant statutory requirements.

Other operating expenses

- Admin and other overhead expenses are incidental operational costs such as cleaning, postage & courier. These are recorded at the amounts at which the obligation will be settled.
- Merger and acquisition consulting expense are direct costs which are not capitalised when the related project does not proceed.

6 Income Taxes

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
a) The components of tax expense/(income) comprise:		
Current tax	29,258	26,951
Deferred tax	612	(1,350)
Over provision from prior years	(9)	(43)
	29,861	25,558
b) The prima facie tax on profit before income tax is reconciled to income tax as follows:		
Prima facie tax before income tax at 30%	29,102	24,331
Other non-allowable items	759	1,227
Income tax expense attributable to entity	29,861	25,558

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
c) The components of deferred tax assets comprise:		
Expenditure deductible over 5 years	90	157
Lease liability	4,076	4,526
Provisions	2,492	2,122
Other temporary differences	541	318
	7,199	7,123
d) The components of deferred tax liabilities comprise:		
Property, equipment and intangible assets	1,016	999
Right-of-use assets	3,849	4,393
Other temporary differences	140	149
	5,005	5,541

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Effective tax rate

	30 June 2023	30 June 2022
Consolidated Group	30.8%	31.5%

The effective tax rate for the year ended 30 June 2023 is 30.8%.

	Opening Balance 30 Jun 2021	Charged to Income	Charged Directly to Equity	Transferred to Assets Held for Sale	Closing Balance 30 Jun 2022
	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets/liabilities					
Expenditure deductible over 5 years	845	(688)	-	-	157
Provisions	1,958	164	-	-	2,122
Property, plant & equipment and intangible assets	(283)	(734)	-	-	(1,017)
Leases	13	120	-	-	133
Tax losses	272	(272)	-	-	-
Other temporary difference	127	60	-	-	187
	2,932	(1,350)	-	-	1,582

	Opening Balance 30 Jun 2022	Charged to Income	Charged Directly to Equity	Transferred to Assets Held for Sale	Closing Balance 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets/liabilities					
Expenditure deductible over 5 years	157	(67)	-	-	90
Provisions	2,122	370	-	-	2,492
Property, plant & equipment and intangible assets	(1,017)	1	-	-	(1,016)
Leases	133	94	-	-	227
Other temporary differences	187	214	-	-	401
	1,582	612	-	-	2,194

Key Accounting Policies

The income tax expense/(income) for the year comprises current income tax payable/receivable and deferred tax expense/(income).

Current tax

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Offsetting within tax consolidated group

Netwealth and its wholly owned subsidiaries have applied the tax consolidation legislation which result in these entities being taxed as a single entity. The deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Key Accounting Policies

Netwealth Group Limited and its wholly-owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation legislation with effect from 30 June 2018. Netwealth Group Limited is the head entity of the Group.

The tax consolidated group has entered a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The amounts payable or receivable under the tax-funding arrangement between the company head entity and the entities in the tax consolidated group are determined using the 'standalone taxpayer method' approach for allocation of the tax contributions payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where the transaction occurred and does not affect transactions that do not have tax consequences to the group.

Each entity in the Group recognises its own current and deferred tax assets and liabilities. Current tax liabilities/(assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity as under Australian taxation law, the head entity has the legal obligation (or right) to these amounts.

7 Key Management Personnel Compensation

	Consolidated Group	
	30 June 2023	30 June 2022
	\$	\$
Short term employee benefits	2,384,952	2,125,828
Post-employment benefits	174,931	215,409
Share based payments	487,930	494,478
Key management personnel compensation	3,047,813	2,835,715

The remuneration paid to KMP of the Group during the year, was paid by Netwealth Group Services Pty Ltd, a subsidiary of the Company. The remuneration disclosures are provided in the 'Remuneration Report' on pages 44 to 63 of the Annual Report.

8 Dividends

Dividends paid or declared by the Company in the year ended 30 June 2023 were:

	Cents Per Share	Total Amount \$'000	% Franked	Date of Payment
2023				
Interim 2023 ordinary	11.00	26,827	100%	24 Mar 2023
Total dividend	11.00	26,827		
2022				
Final 2022 ordinary	10.00	24,381	100%	29 Sep 2022
Total dividend	10.00	24,381		

During the year, the Company declared on 15 February 2023 and paid on 24 March 2023 a fully franked dividend of 11.00 cents per share representing a total dividend of \$26,827,000. There is no dividend reinvestment plan.

Franking credits

Franking credits available as at 30 June 2023 to shareholders of the Company amount to \$38,922,005 (2022: \$35,474,890) at the 30 percent corporate tax rate.

Subsequent events

Since the end of the financial year, the Company declared the following dividend on 16 August 2023. The dividend has not been provided for as at 30 June 2023 and there are no tax consequences.

	Cents Per Share	Total Amount \$'000	% Franked	Date of Payment
Final 2023 ordinary	13.0	31,706	100%	21 Sep 2023
Total dividend	13.0	31,706		

9 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted EPS is determined by adjusting the profit/(loss) attributable to owners of the Company and the weighted average number of ordinary shares on issue for the effects of all dilutive ordinary shares. The basic and diluted EPS are summarised below. The basic and diluted earnings per share are similar as total dilutive options were less than 0.2% of total ordinary shares on issue as at 30 June 2023.

	Consolidated Group	
	30 June 2023 Cents per Share	30 June 2022 Cents per Share
Basic earnings per share	27.5	22.8
Diluted earnings per share	27.5	22.8

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Profit for the year attributable to owners of the Company	67,153	55,552
Profit for the year attributable to owners of the Company	67,153	55,552

	30 June 2023 Number	30 June 2022 Number
	Weighted average number of issued ordinary shares	243,867,831
Add: Weighted average number of dilutive ordinary shares:		
FY2020 Options Vested deemed to be issued at no consideration	221,206	-
Weighted average number of ordinary shares and potential ordinary shares used in calculation of diluted earnings per share	244,089,037	243,810,451

10 Trade and Other Receivables

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Products account receivables	17,704	14,630
Trade and sundry receivables	133	97
Total current receivables	17,837	14,727
Total trade and other receivables	17,837	14,727
Trade and other receivables classified as financial assets*	17,837	14,727

* Refer to Note 22 for further information about Financial Assets

The table below presents the provision matrix by referencing to past provision rates and considerations for future outlooks.

	Not past due \$'000	1-30 days \$'000	31-60 days \$'000	61-90 days \$'000	Over 90 days \$'000	Total \$'000
Products accounts receivable	17,367	19	20	277	21	17,704
Expected Credit Loss (ECL) Probability	0.10%	0.50%	0.75%	1.00%	3.00%	
ECL Allowance	17	-	-	3	-	20

The table below presents the gross exposure and related expected credit losses allowance for assets, subject to impairment requirements of AASB 9.

	2023		2022	
	Gross Exposure \$'000	ECL Allowance \$'000	Gross Exposure \$'000	ECL Allowance \$'000
Trade receivables	17,704	20	14,630	15
Total	17,704	20	14,630	15

Key Accounting Policies

Measurement of Trade and Other Receivables

Product accounts receivable and trade and sundry receivable are measured at amortised cost. The above receivable only arises when the Group has provided the services to clients where the consideration for the service remains unpaid at the end of the financial year.

Expected credit losses (ECL)

Trade receivables reviewed on an ongoing basis where individual debts that are known to be uncollectible are written off when identified. A simplified approach expected credit loss model is used to calculate the expected losses on trade receivable using a provision matrix which is based of historical provision rate and future outlooks.

Trade and Other receivables are assessed for ECL on a collective basis. A simple credit loss model is applied using probability of default, exposure at default and forward looking information. Management has annually reviewed and determined the Expected Loss Probability for each of the following aging category as:

Debtors Aging Category	ECL Probability
Not past due	0.10%
1-30 days	0.50%
31-60 days	0.75%
61-90 days	1.00%
Over 90 days	3.00%

11 Other Current Assets

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Accrued income	4,604	4,223
Prepayments	3,878	5,115
Other receivables	87	686
Total other current assets	8,569	10,024

12 Financial Assets

	Consolidated Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
FVTPL* financial assets	1,408	1,086
Total financial assets	1,408	1,086

	Consolidated Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
FVTPL* financial assets comprise at fair value:		
Netwealth managed funds	-	20
Netwealth wrap and super accounts	491	1,003
Convertible Loan and Call Option held at FVTPL	917	-
Other investments	-	63
Total FVTPL financial assets	1,408	1,086

* Fair Value through Profit or Loss (FVTPL)

Refer to Note 22 for further information about Financial Assets.

13 Leases

	Property \$'000	Office Equipment \$' 000	Total \$' 000
Right-of-use assets			
Balance as at 30 June 2021	16,382	-	16,382
Initial recognition of new lease	-	73	73
Depreciation	(1,798)	(14)	(1,812)
Balance as at 30 June 2022	14,584	59	14,643
Depreciation	(1,798)	(15)	(1,813)
Total right-of-use assets as at 30 June 2023	12,786	44	12,830
	Property \$'000	Office Equipment \$' 000	Total \$' 000
Lease liability			
Balance as at 30 June 2021	16,426	-	16,426
Initial recognition of new lease	-	73	73
Payment of lease liabilities	(1,894)	(15)	(1,909)
Interest on leases	496	1	497
Balance as at 30 June 2022	15,028	59	15,087
Payment of lease liabilities	(1,937)	(15)	(1,952)
Interest on leases	450	1	451
Total lease liability as at 30 June 2023	13,541	45	13,586
Current	1,422	15	1,437
Non-current	12,119	30	12,149
Total lease liability as at 30 June 2023	13,541	45	13,586

Amounts recognised in Statement of Comprehensive Income

	30 June 2023	30 June 2022
	\$'000	\$'000
Depreciation charge of right-of-use assets	1,813	1,812
Interest expense on lease liabilities	451	497

Amounts recognised in Statement of Cash Flows

	30 June 2023	30 June 2022
	\$'000	\$'000
Total cash outflows for leases	(1,501)	(1,412)

	Property \$'000	Office Equipment \$' 000	Total \$' 000
Undiscounted lease payments to be paid			
Year 1	1,825	15	1,840
Year 2	1,777	15	1,792
Year 3	1,825	16	1,841
Year 4	1,876	-	1,876
Year 5	1,931	-	1,931
> 5 years	6,150	-	6,150
Total	15,384	46	15,430

Short-term leases

Payments associated with short-term leases are directly expensed within 'Other operating expenses' in the consolidated income statement. Short-term leases are leases with a contractual term of 12 months or less. For the year ended 30 June 2023, \$0.1 million of short-term lease payments has been recognised in the income statement.

Key Accounting Policies

At the lease commencement date, the Group recognises the "Right of Use assets" (ROU) with the equivalent lease liability measured at cost less incentives received at commencement date. The ROU depreciates in a straight line over the lease term. The lease liability is measured at the present value of the lease's future lease payments from commencement date, discounted using the Group's incremental borrowing rate.

Lease liability is subsequently remeasured when there is a change in future lease payments arising from a change in lease term, an index or rate, change in amount payable under a residual value guarantee, lease term or termination penalties. When it is remeasured, a corresponding adjustment is made to the carrying value of the ROU asset.

Lease which are less than 12 months are treated as short term leases and expensed to the profit and loss statement.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Such option is only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if an event of significant change in circumstances occurs which affects this assessment that is within the control of the Group.

14 Investment in Associates & Joint Venture**(i) Share in Associate & Joint Venture**

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Equity investments with no provisions for impairment	2,567	2,567
Share of Associate and Joint Venture NPAT	(953)	(576)
Total Investment in Associates & Joint Venture	1,614	1,991

The Group's associates & joint venture at the balance date are:

Associates & Joint Venture	Ownership Interest	Nature of activities	Financial Reporting Date	Carrying Value 30 June 2023 \$'000
Xepo Pty Limited	25%	Fintech Data Solutions Provider	30 June	1,614

Xeppo Pty Ltd

The Group has a 25% interest in an unlisted entity, Xeppo, an Australian specialist Fintech data solutions provider based in Adelaide.

In August 2022, the Group and Xeppo entered into a revised shareholder agreement. As part of this agreement, the Group provided Xeppo with a \$2.5 million convertible loan facility, carrying an annual interest rate of 5% and a maturity date of 30 June 2026. The primary objective of this loan was to support Xeppo's strategic initiatives.

Under the terms of the agreement, at the earlier of the loan maturity or the Group exercising its option, the outstanding loan will be converted into shares at a fixed price of \$3 per share, to be issued by Xeppo. Additionally, the revised agreement granted the Group a "First call option," allowing the Group to acquire shares in Xeppo up to 50% of its ordinary shares on a fully diluted basis.

Furthermore, the agreement introduced a final put-call option for shareholders. The Group received a call option, which provides the right to acquire any remaining shares from non-Netwealth shareholders. Conversely, non-Netwealth shareholders received a put option, granting them the right to sell any remaining shares in Xeppo after 30 June 2026 at the higher of \$3 per share or three times its net profit after tax.

These strategic financial arrangements were established to strengthen the partnership between the Group and Xeppo and support for Xeppo's growth initiatives.

Following the revised agreement, the Group conducted a reassessment of its investment in Xeppo. The assessment revealed that the Group does not currently exercise control over Xeppo, as Xeppo retains its Managing Director as the chief operating decision maker with the authority to direct both strategy and resource allocations. Consequently, the Group reclassified its investment in Xeppo from an associate to a joint venture status, as significant decisions still necessitate unanimous consent from both Netwealth and non-Netwealth shareholders. This reclassification had no material impact on the accounting treatment.

The carrying value of the associate and joint venture represents the cost of the shares of the associate and joint venture at the date of investment, adjusted for the Group's share of the profit or loss since the date of acquisition (refer Note 2 for the accounting policy).

As at 30 June 2023, Xeppo has drawn \$0.9 million under the loan facility and no options have been exercised.

(ii) Financial Assets at Fair Value through Profit and Loss

Netwealth has recognised the convertible loan and first call option to Xeppo, on aggregated basis as a Financial Asset held at FVTPL in accordance with AASB 9.

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Loan and call option held at FVTPL	917	-
Total Financial Assets at Fair Value through P&L	917	-

Key Accounting Policies

If an entity holds, directly or indirectly, 20 percent or more of the voting power of the investee, it is presumed that the entity has significant influence.

Significant influence

It is where the acquirer has the power to of significant influence over the investee, but this does not equate to control over the investee, which relates to the ability to direct.

Joint venture

It is where there is an agreed sharing of control of an arrangement, where decision about relevant activities requires the unanimous consent of the parties sharing control and all parties have rights to the net assets of the arrangement.

Investments in associates or joint venture – Equity Method

Investments in associates and joint ventures are recognised initially in the consolidated statement of financial position at cost and if the cost of investment is greater than the net assets of the investee, goodwill is included as part of the cost of the investment in associate.

Recognition of Share of Profit or Loss from investment in associate or joint venture

After the initial recognition, the Group's share of the investee's profit or loss is to be recognised in its profit or loss, which will either increase or decrease the carrying amount of the investment in associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The requirements of AASB 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AAASB 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

Valuation Methodology

The fair value of the convertible loan and first call option was determined using a discounted cash flow (DCF) model, relying on management's forecast of the loan schedule. The model then incorporated an implied risk premium above the risk-free rate that results in a net present value (NPV) across the instruments.

15 Property and Equipment

	Consolidated Group		
		30 June 2023	30 June 2022
Carrying amount of:		\$'000	\$'000
Leasehold improvements		315	374
Equipment		1,130	1,186
Total property and equipment		1,445	1,560
	Leasehold Improvements	Equipment	Total
	\$'000	\$'000	\$'000
Cost			
Balance at 30 June 2021	495	3,015	3,510
Additions	366	770	1,136
Disposals	-	(137)	(137)
Balance at 30 June 2022	861	3,648	4,509
Additions	-	709	709
Disposals	-	(186)	(186)
Balance at 30 June 2023	861	4,171	5,032
Accumulated depreciation			
Balance at 30 June 2021	(431)	(1,841)	(2,272)
Depreciation expense	(56)	(749)	(805)
Disposals	-	128	128
Balance at 30 June 2022	(487)	(2,462)	(2,949)
Depreciation expense	(59)	(765)	(824)
Disposals	-	186	186
Balance at 30 June 2023	(546)	(3,041)	(3,587)

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	Leasehold Improvements \$'000	Equipment \$'000	Total \$'000
Net carrying amount			
At 30 June 2022	374	1,186	1,560
At 30 June 2023	315	1,130	1,445

Key Accounting Policies

Each class of property and equipment is carried at cost less, any accumulated depreciation and impairment losses.

Leasehold improvements

Leasehold improvements are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

Repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate in use
Leasehold improvements	Over the duration of the lease
Equipment	
Office equipment	20%
Computer equipment	25% to 33%
Laptop computers and hardware	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss in the period in which they arise.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

16 Intangible Assets

		Consolidated Group		
		30 June 2023	30 June 2022	
Carrying amount of:		\$'000	\$'000	
Non-contractual customer relationships		-	60	
Software and website developments costs		2,070	2,155	
Software – Work in Progress (WIP)		4,436	-	
Total intangibles		6,506	2,215	
	Customer relationship	Software and website	Software - Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
Balance at 30 June 2021	300	383	458	1,141
Additions	-	1,570	286	1,856
Disposals	-	(73)	-	(73)
Transfer	-	744	(744)	-
Balance at 30 June 2022	300	2,624	-	2,924
Additions	-	497	4,436	4,933
Disposals	-	-	-	-
Balance at 30 June 2023	300	3,121	4,436	7,857
	Customer relationship	Software and website	Software - Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Accumulated amortisation and impairment				
Balance at 30 June 2021	(180)	(236)	-	(416)
Amortisation	(60)	(306)	-	(366)
Disposals	-	73	-	73
Balance at 30 June 2022	(240)	(469)	-	(709)
Amortisation	(60)	(582)	-	(642)
Disposals	-	-	-	-
Balance at 30 June 2023	(300)	(1,051)	-	(1,351)

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Key Accounting Policies

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Customisation and Configuration costs in Software as a Service (SaaS) arrangements

Customisation and configuration costs in SaaS arrangements are capitalised when the software upgrade results in new codes written that are separately identifiable, have measurable costs, and meets the condition for having obtained control of the intellectual property from the upgrade. The development on the existing SaaS code enhances and creates new additional capabilities and it is probable that future economic benefits will be obtained. Judgement was applied in determining whether the additional code meets the definition of and recognition criteria as an intangible asset under AASB 138 Intangible Assets following the latest guidance issued by IFRS Interpretation Committee in March 2021.

Intangibles - Work In Progress (WIP)

Intangibles – WIP is recognised when it can be demonstrated that there is an intention to complete the work in progress and it is feasible that the intangible assets will be ready for use or sale and the amount can be reliably measured.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Intangible assets with either indefinite useful lives or not yet available for use are tested for impairment at least annually. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Key Accounting Policies cont...**Amortisation**

The amortisation amount of all intangibles is amortised on a straight-line basis over the intangible's estimated useful life to the Group commencing from the time the asset is held ready for use. Amortisation is recognised in profit or loss.

The amortisation rates used for each class of amortisable assets are:

Class of Intangibles	Amortisation rate (currently in use)
Customer relationships	20%
Existing software and website	20%

17 Trade and Other Payables

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Measured at amortised cost:		
Trade payables	10,685	7,794
GST payables	1,119	841
Total trade and other payables measured at amortised cost	11,804	8,635
Financial liabilities at amortised costs classified as trade and other payables		
Total trade and other payables at amortised cost	11,804	8,635
Less:		
GST payable	1,119	841
Total financial liabilities as trade and other payables	10,685	7,794

Key Accounting Policies**Measurement of Trade and Other Payables**

Trade creditors and other payables are initially measured at amortised cost. The above liabilities only arises when the goods and services the Group have been received in full, remain unpaid at the end of the financial year and remains the Group's present obligation to make payments to the supplier.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivables or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of trade and other payables in the statement of financial position.

Key Accounting Policies cont...

Cash flows are presented on a gross basis. The GST component of operating cash flows is included in receipts from customers or payments to suppliers.

18 Provisions

	Consolidated Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
Employee benefits	8,294	7,061
Other provisions	91	88
Total provisions	8,385	7,149
Current	7,439	6,417
Non-current	946	732
Total provisions	8,385	7,149

	Employee Benefits	Other Provisions [^]	Total Provisions
	\$'000	\$'000	\$'000
Analysis of provisions consolidated Group			
Balance at 30 June 2022	7,061	88	7,149
Additional amounts raised during the year	4,766	3	4,769
Amount used or reversed during the year	(3,533)	-	(3,533)
Balance at 30 June 2023	8,294	91	8,385

[^]A provision recognised for the cost to make good premises that the Group has an obligation under existing lease commitments.

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18.1 Provision for employee benefits

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Current		
Annual leave	4,491	3,850
Long service leave	2,857	2,478
Total current employee provisions	7,348	6,328
Non-current		
Long service leave	946	733
Total non-current employee provisions	946	733
Total employee provisions	8,294	7,061

Key Accounting Policies

Provisions

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave is a pro-rata amount accrued based on the current years of service, adjusted for an assumed rate of salary increase and discounted to allow for when the leave is expected to be taken.

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is discounted using the current pre-tax rate that reflects the risks specific to the liability.

19 Issued Capital

Issued capital comprised:

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
243,891,092 Fully Paid Ordinary shares (June 2022: 243,813,690)	883,267	882,604
Total share capital	883,267	882,604
Reorganisation reserve	(856,039)	(856,041)
Issued capital	27,228	26,563

The Company recognised in FY2018 a Reorganisation Reserve of \$856 million to reflect the market value of \$3.70 per Fully Paid Ordinary share from the restructure of equity at listing.

	Consolidated group	
	30 June 2023 Number	30 June 2022 Number
Fully Paid Ordinary shares		
At the beginning of the reporting period	243,813,690	243,802,657
Vested Options converted to Fully Paid Ordinary shares	63,452	-
Shares issued during the year	13,950	11,033
At the end of the reporting period	243,891,092	243,813,690
Shares with value	243,891,092	243,813,690

On 14 September 2022, 13,950 (\$184,419) Fully Paid Ordinary shares were issued at no cost to eligible employees as part of the Employee Gift Offer.

On 12 October 2022, 57,558 (\$434,816) Options which vested at 30 June 2022 were exercised and converted to Fully Paid Ordinary shares.

On 2 March 2023, 5,894 (\$44,523) Options which vested at 30 June 2022 were exercised and converted to Fully Paid Ordinary shares.

The Company has issued share capital amounting to 243,891,092 Fully Paid Ordinary shares (2022: 243,813,690 shares) of no par value.

At shareholders' meetings each Ordinary share is entitled to one vote when a poll is called, otherwise each Ordinary shareholder has one vote on a show of hands.

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20 Reserves

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Share reserve	6,772	4,576

The Share reserve records the fair value of shares granted via Share-based payment transactions.

Key Accounting Policies

The grants under the Employee Share Plan result in the recognition of employment expenses with a corresponding increase in share reserve. The transition costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transactions that otherwise would of been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

21 Controlled Entities

	Note	Country of Incorporation	Percentage Owned	
			30 June 2023 %	30 June 2022 %
Subsidiaries of Netwealth Group Limited				
Netwealth Holdings Limited	(a)	Australia	100	100
Wealthtech Pty Ltd		Australia	100	100
Subsidiaries of Netwealth Holdings Limited				
Netwealth Investment Limited		Australia	100	100
Netwealth Group Services Pty Ltd	(a)	Australia	100	100
Netwealth Fiduciary Services Pty Ltd	(a)	Australia	100	100
Netwealth Superannuation Services Pty Ltd		Australia	100	100

(a) Parties to a Deed of Cross Guarantee with Netwealth Group Limited as detailed in Note 27. Wealthtech is not operational as of 30 June 2023.

22 Financial Instruments

The carrying amount for each category of financial instruments, measured in accordance with *AASB 9 Financial Instruments*, as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	30 June 2023 \$'000	30 June 2022 \$'000
Financial assets		
Cash and cash equivalents	109,482	88,376
Trade and other receivables	17,837	14,727
Financial assets at FVTPL	491	1,086
Loan and call option held at FVPTL	917	-
Total financial assets	128,727	104,189
Financial liabilities		
Trade and other payables	10,685	7,794
Total financial liabilities	10,685	7,794

Key Accounting Policies

Initial recognition and measurement

Financial Instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations in the specified in the contract expire, discharge or cancelled.

Financial instruments are initially measured at fair value. Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in an open, actively traded in, market transaction at the measurement date. If the market for the financial instrument is unlisted or no market quotes are available, fair values is obtained using discounted cash flow analysis or other valuation techniques, using inputs based on market condition prevailing at the measurement date.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than those classified at fair value) are adjusted against the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Classification of Financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking;
- It is a derivative.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL/ Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is either held for trading nor a contingent consideration arising from a business combinations as at FVTOCI on initial recognition.
- Debt instrument that do not meet the amortised cost criteria of the FVTOCI criteria are classified as at FVTPL. In addition, debt instrument that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designated eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FCTPL.

Key Accounting Policies cont...**Cash & cash equivalent**

Cash and cash equivalents with no fixed maturity are short-term instruments in nature or are payable on demand whose carrying value is equivalent to fair value.

FVTPL financial assets

FVTPL financial assets includes trading assets including financial investments classified as FVTPL or FVTOCI are measured at fair value quoted at the bid price at the end of the period on active markets where available (e.g.: listed securities). If quoted prices on active markets are not available, then fair values are estimated on the basis of other recognised valuation techniques.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial instruments consist of deposits with banks, local money markets investments, short term investments, loan to joint venture and accounts receivable and payable. For the year ended 30 June 2023, the Group did not utilise derivatives, does not have any external borrowings and has not traded in financial instruments including derivatives other than listed and unlisted securities. The financial instruments the Group has exposes it to the following risks:

- Capital management
- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

In relation to the exposure of the above risks, their objectives, policies, and process and measuring and the management of capital are outlined in the disclosures below.

22.1 Capital management

The Board controls the capital of the Group to ensure that the Group can fund its operations and continue as a going concern while maintaining an appropriate debt to equity ratio.

The Group's capital and debt includes share capital, retained earnings, and financial liabilities, supported by financial assets. The Group's financial liabilities are Trade and Other Payables.

The Board manages the Group's capital by assessing the Group's financial risks and commitments and adjusting its capital structure in response to these risks and the market.

Under the Registrable Superannuation Entity (RSE) licence granted by APRA, the licensed entity is required to maintain sufficient level of capital known as Operational Risk Financial Requirements (ORFR) to cover operational risk. At 30 June 2023, NSS as the licensed entity and trustee for Netwealth Superannuation Master Fund held cash of \$58.5 million to meet this requirement.

Under ASIC's RG166 capital requirements for Australian Financial Services Licensees, NIL as the licensed entity was also required to maintain an additional \$17.1 million in net tangible assets as at 30 June 2023.

Both licensed entities satisfied these requirements at all times during the year.

There were no changes in the strategy adopted by the Group to manage its capital during the financial year.

22.2 Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The Group's objective in managing credit risk is to minimise the credit losses incurred, mainly on trade and other receivables. There is no significant credit risk exposure on fair value through profit and loss (FVTPL) financial assets.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the date of invoice.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value of those financial assets as presented in the statement of financial position.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties and the exposure to credit risks are as below:

	Credit rating and expected credit loss approach	Note	Gross Carrying Value \$'000	Loss \$'000	Carrying Value \$'000
2023					
Cash and cash equivalents	Lifetime ECL	(i)	109,482	-	109,482
Trade and other receivables	Lifetime ECL	(ii)	17,837	-	17,837
Loan and call option held at FVPTL	N/A	(iv)	917	-	917

- (i) Cash and cash equivalents, directly or indirectly through the Netwealth Wrap Service are held with large reputable financial institutions within Australia where the credit risk is considered low.
- (ii) The Group determines the expected credit losses on these items based on historical credit loss using probability of default, exposure at default and forward-looking expectations.
- (iii) Loan and call option held at FVTPL relates to the convertible loan and first option with Xeppo.

The Group has not experienced material credit losses on these financial assets. As such, no provision for expected credit loss has been made in this financial statement.

22.3 Liquidity risk management

Liquidity risk arises from the possibility that the Group might not be able to meet its financial obligations as they fall due. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Trade & other payables	10,685	-	-	-	-	-	10,685
Total expected outflows	10,685	-	-	-	-	-	10,685
Cash and cash equivalents	109,482	-	-	-	-	-	109,482
Trade and other receivables	17,837	-	-	-	-	-	17,837
Financial assets at FVTPL	491	-	-	-	-	-	491
Loan and call option held at FVPTL	-	-	917	-	-	-	917
Total anticipated inflows	127,810	-	917	-	-	-	128,727
Net inflow of financial instruments	117,125	-	917	-	-	-	118,042
	Year 1	Year 2	Year 3	Year 4	Year 5	More than 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
Trade & other payables	7,794	-	-	-	-	-	7,794
Total expected outflows	7,794	-	-	-	-	-	7,794
Cash and cash equivalents	88,376	-	-	-	-	-	88,376
Trade and other receivables	14,727	-	-	-	-	-	14,727
Financial assets at FVTPL	1,086	-	-	-	-	-	1,086
Total anticipated inflows	104,189	-	-	-	-	-	104,189
Net inflow of financial instruments	96,395	-	-	-	-	-	96,395

22.4 Market risk

Market risk is the risk of adverse changes in the value of the Group's trading position because of changes on market prices largely due to demand and supply factors (other than those arising from interest rate risk) for securities. The Group's exposure to securities price risk arises mainly from FVTPL financial assets.

The Group balance sheet is not materially exposed to movements in market prices. The fair value of financial assets and liabilities approximates their carrying value and the methods calculating fair value is consistent with how financial instruments are measured at fair value.

22.5 Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates, such as the cash rate set by the Reserve Bank of Australia (RBA) and will affect future cash flows and the Group's income.

The Group also manages interest rate risk by ensuring that, whenever possible, payables are paid within pre-agreed credit terms.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a variable is independent of other variables.

	Consolidated Group	
	Profit (Before Tax) \$'000	Profit (After Tax) \$'000
Year ended 30 June 2023		
+/- 0.5% cash rate	+486/-486	+341/-341
Year ended 30 June 2022		
+/- 0.5% cash rate	+18,887/-18,887	+13,221/-13,221

The Group earns interest on cash and cash equivalents held at approximately 1.35% p.a on the balances from the client's cash transaction account. Further increases in the RBA cash rate have limited impact on the margins earned in the cash transaction account as the benefit of any increases in interest earned from the rate changes are passed on to clients. With the RBA interest rate at 4.10% as at 30 June 2023, there is significant downside protection to 0.65% before rate decreases have an impact on the Group's revenues.

The Group holds foreign currency in United States Dollars (USD) which is exposed to foreign exchange risk. As the Group does not hold substantial amounts of cash in USD, the impact on profit from foreign exchange risk is not material.

Key Accounting Policies

Initial recognition and measurement on foreign currency

At initial recognition, a foreign currency transaction is translated into the Group's function currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Where a foreign currency transaction is over a period of time, an average exchange rate can be used unless the exchange rate fluctuate significantly during the period.

Subsequent measurement on foreign currency

At the end of each reporting period, the foreign currency monetary assets and liabilities are translated using the closing spot exchange rate.

Foreign exchange gains and losses arising from the settlement or translation is measured at fair value and recognised as part of income or loss.

Foreign exchange risk

As the Group is holding cash in a foreign currency, it is exposed to foreign currency translation movements which is captured as part of income or loss.

22.6 Fair value of financial instruments

The fair values of financial assets and financial liabilities that are measured at amortised cost are presented in the following table:

	Net Carrying Value	
	30 Jun 2023	30 Jun 2022
	\$'000	\$'000
Financial assets		
Cash & cash equivalent	109,482	88,376
Trade & other receivables	17,837	14,727
Total financial assets	127,319	103,103
Financial liabilities		
Trade & other payables	10,685	7,794
Total financial liabilities	10,685	7,494

For all in the above table, the carrying value approximates their fair value

Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Unadjusted quoted prices in active markets for identical assets or liabilities (Level 1). The listed and unlisted investments are valued by reference to the quoted prices in active markets and are deemed to be Level 1 instruments in accordance with AASB 13 fair value hierarchy of measurement. In this regard, there is no subjectivity in relation to their value.
- In valuing investments that maybe included in Level 2 of the hierarchy, valuation techniques, such as comparison to similar investments for which market observable prices are available, are adopted to determine the fair value of these investments.
- Fair value for investments that maybe included in Level 3 are determined using valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
2023				
Financial assets				
FVTPL financial assets:				
Listed investments	5	-	-	5
Loan and Call Option at FVTPL	-	-	917	917
Other	-	486	-	486
Total FVTPL financial assets	5	486	917	1,408
2022				
Financial assets				
FVTPL financial assets:				
Listed investments	12	-	-	12
Other	-	1,074	-	1,074
Total FVTPL financial assets	12	1,074	-	1,086

The listed investments are valued by reference to the quoted prices in active markets for identical securities and are deemed to be Level 1 securities in accordance with AASB 13 fair value hierarchy of measurement. In this regard, there is no subjectivity in relation to their value as listed investments.

In valuing investments that maybe included in Level 2 of the hierarchy, valuation techniques, such as comparison to similar investments for which market observable prices are available, are adopted to determine the fair value of these investments.

Level 3 inputs are unobservable inputs for the asset or liability with the reconciliation shown in the table below:

Reconciliation of Level 3 fair value measurements

	Loan to Joint Venture
	\$'000
30 June 2023	
Opening balance	-
Loan and Call Option at FVTPL	917
Closing balance	917

In August 2022, the Group and Xeppo entered into a revised shareholder agreement (refer to Notes 2 and 14). As part of this agreement, the Group provided Xeppo with a \$2.5 million convertible loan facility, carrying an annual interest rate of 5% and a maturity date of 30 June 2026. As at 30 June 2023, the principal amount plus interest accrued was \$0.9 million.

Under the terms of the agreement, at the earlier of the loan maturity or the Group exercising its option, the outstanding loan will be converted to shares at a fixed price of \$3 per share, to be issued by Xeppo. Additionally, the revised agreement granted the Group a "First call option," allowing the Group to acquire shares in Xeppo up to 50% of its ordinary shares on a fully diluted basis at anytime until its maturity at 30 June 2026.

The fair value of the loan and call option, recognised as financial instruments, was determined using a discounted cash flow (DCF) approach applied to the forecasted loan schedule, in conjunction with a Black Scholes model applied to the call option. This valuation is categorised as Level 3 due to the unlisted nature of the loan and call option, which lacks observable arm's length transactions.

As at 30 June 2023, the fair value of the loan and call option was \$0.9 million.

23 Share Based Payments

Netwealth Equity Incentive Plan (NEIP)

The Group operates an equity-settled share-based compensation plan for which the Board, under the NEIP may make offers of 'incentive securities' in the form of rights, options, restricted shares or a combination of these to selected employees in exchange for their services. The value of the employee services rendered for the grant of these incentive securities is recognised as an expense over the vesting period, with the amount determined by the fair value of these incentive securities granted. The NEIP does not apply to Non-Executive Directors.

As at 30 June 2023, the Group had the following share-based payment arrangements:

Options Granted

During the year, the Company did not issue any ordinary share options to employees under the NEIP (2022: 2,270,000).

The following unvested options remain outstanding at the end of the reporting period:

Series	Grant date	Number	Plan	Vesting Date	Exercise Price	Fair Value at Grant Date
Series 16	23 September 2021	1,485,000	Options - LTI	30 June 2024	\$15.74	\$3.14
Series 17	23 September 2021	375,000	Options - LTI	30 June 2024	\$15.74	\$2.78
Series 18	27 October 2021	75,000	Options - LTI	30 June 2024	\$15.74	\$4.52

The following vesting conditions apply to all the LTI Scheme Options:

- The holder must be either continuously employed by or hold office continually until the end of the vesting period;
- In each of the three financial years ending from the year the options are issued, the holder must achieve performance ratings of 'achieving' and achieve all minimum KPIs as detailed in the performance plan applicable for the relevant year.

In relation to Series 17 and 18 options, there are additional vesting conditions which only applies to those participants in the LTI Scheme Options:

- 50% of Options are subject to achieving a Total Shareholder Return relative to the Group's ranking in the Comparator Group (being the ASX 300 Diversified Financial Index);
- 50% of Options are subject to the Group achieving the target EPS growth rate over the vesting period.

Rights Granted

During the year, the Company granted and issued 72,050 performance rights under the NEIP.

The following performance rights remains outstanding at the end of the reporting period:

Series	Grant date	Number	Plan	Vesting Date	Weighted Average Fair Value at Grant Date
Series 19	23 September 2021	22,237	Rights - LTI	30 June 2024	\$14.66
Series 20	27 October 2021	23,825	Rights - LTI	30 June 2024	\$17.40
Series 21	19 November 2021	4,686	Rights - LTI	30 June 2024	\$16.27
Series 22	12 September 2022	34,512	Rights - LTI	30 June 2025	\$12.37
Series 23	11 October 2022	5,059	Rights - LTI	30 June 2025	\$11.15
Series 24	23 November 2022	30,257	Rights - LTI	30 June 2025	\$13.09
Series 25	27 June 2023	2,222	Rights - LTI	30 June 2025	\$12.37

The following vesting conditions apply to the FY2023 LTI Scheme Rights:

- The holder must be either continuously employed by or hold office continually until 30 June 2025;
- In each of the three financial years ending with the FY2025, the holder must achieve performance ratings of 'achieving' and achieve all minimum KPIs as detailed in the performance plan applicable for the relevant year;
- 25% of the Rights are based on the company values ratings over the vesting period;
- 25% of the Rights are based on the individual contribution to delivery of strategic initiatives over the vesting period; and
- 50% of Rights are subject to the Group achieving the target EPS growth rate over the vesting period.

Vested options

On 12 October 2022, 57,558 (\$434,816) Options which vested at 30 June 2022 were exercised and converted to Fully Paid Ordinary shares.

On 2 March 2023, 5,894 (\$44,523) Options which vested at 30 June 2022 were exercised and converted to Fully Paid Ordinary shares.

In total 63,452 Options were exercised and converted to Fully Paid Ordinary shares during the year (2022: nil).

The following vested options that remain outstanding at the end of the reporting period:

Series	Grant date	Number	Plan	Expiry Date	Exercise Price	Fair Value at Grant Date
Series 14	17 October 2019	433,907	Options - LTI	30 June 2034	\$7.5544	\$2.73
Series 15	12 November 2019	78,232	Options - LTI	30 June 2034	\$7.5544	\$3.00

Key Accounting Policies

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will vest, with a corresponding increase in equity. At the end of each reporting period, the Group reviews the market, performance and service conditions to revise its estimate of the number of equity instruments expected to vest at the end of the vesting period. The impact of the revision to the original estimates is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

24 Related Party Transactions

The Group's main related parties are as follows:

24.1 Entities exercising control over the Group

The parent entity, which exercises control over the Group is Netwealth Group Limited.

24.2 Key management personnel

For details of disclosures relating to key management personnel, refer to the Remuneration Report on pages 44 to 63 and Note 7.

24.3 Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidations and are not disclosed in this note.

Related parties

Netwealth Investments Limited is the Responsible Entity and receives management and ancillary fee revenues for managing the operations of Netwealth Managed Investment Schemes (Netwealth Global Specialist Series) and Netcash.

	Consolidated Group	
	30 June 2023	30 June 2022
	\$	\$
Management and ancillary fees:		
Management and ancillary fee revenues	14,033,055	12,946,952
Distributions:		
Distribution income	-	654

In FY2023, Netwealth Investments Ltd divested its holdings in the Netwealth Managed Investment Schemes

Netwealth Investments Limited holds investments in Netwealth products as follows:

	Consolidated Group	
	30 June 2023	30 June 2022
	\$	\$
Financial assets at FVTPL		
Netwealth Managed Investment Schemes	-	19,658
Netwealth Wrap and Super Accounts	760,356	1,003,654

Related parties with Associate and Joint Venture

Netwealth Investments Limited has a distribution agreement with Xeppo where it pays for the usage of Xeppo API and licenses. The Group has provided a convertible loan facility to Xeppo on an annual interest rate of 5%.

	Consolidated Group	
	30 June 2023	30 June 2022
	\$	\$
Loan held at FVTPL		
Interest earned on Loan	17	-
Active License Fees:		
Technology and communication expenses	111,000	84,000

25 Cash Flow Note

Reconciliation of cash flow from operations with profit after income tax

	Consolidated Group				
	30 June 2023 \$'000	30 June 2022 \$'000			
Profit for the year	67,153	55,552			
Income tax expense recognised in profit or loss	29,861	25,558			
Depreciation & amortisation	3,279	2,984			
Share based payment expense	2,381	3,053			
Unrealised (gain)/loss on investments	(165)	144			
Adjustments on make good provision	3	(21)			
Interest on Loan	(17)	-			
Loss on disposal of assets	-	9			
Gain on disposal of investments	109	8			
Share of Associate's & Joint Venture NPAT	377	393			
	102,981	87,680			
Movements in working capital					
Increase in trade & other receivables	(3,170)	(332)			
Decrease in other assets	1,455	1,173			
Increase in trade & other payables	3,312	627			
Increase in provisions	1,233	646			
Cash generated from operations	105,811	89,794			
Income tax paid	(26,585)	(30,189)			
Net cash generated by operating activities	79,226	59,605			
Reconciliation of liabilities arising from financing activities					
	30 June 2022 \$'000	Cash Flows	Non-Cash Changes		30 June 2023 \$'000
			Acquisitions	New Leases	
Lease liabilities	15,087	(1,501)	-	-	13,586
Total liabilities from financing activities	15,087	(1,501)	-	-	13,586

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Key Accounting Policies

Cash and cash equivalents includes:

- cash on hand
- deposits held at-call with banks; and
- other short-term highly liquid investments with original maturities of three months or less, (including products managed via the Netwealth platform).

26 Parent Entity Disclosures

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

Statement of Financial Position	Parent Entity	
	30 June 2023 \$'000	30 June 2022 \$'000
Assets		
Cash and cash equivalents	367	335
Current assets	5,397	4,864
Investment in subsidiaries	52,257	49,876
Total assets	58,021	55,075
Liabilities		
Current liabilities	14,119	14,095
Total liabilities	14,119	14,095
Net assets	43,902	40,980
Equity		
Issued capital	883,267	882,603
Reserves	(829,580)	(831,777)
Retained earnings	(9,785)	(9,846)
Total equity	43,902	40,980
Statement of profit or loss and comprehensive income		
Total Profit for the year	51,270	47,212
Total Comprehensive Profit for the year	51,270	47,212

Contractual commitments: At 30 June 2023, the parent entity had not entered into any contractual commitments for the acquisition of property and equipment or any operating leases (2022: nil).

Contingent liabilities: At 30 June 2023, the parent entity does not have contingent liabilities (2022: nil).

27 Deeds of Cross Guarantee (DOCG)

The wholly owned Australian subsidiaries identified in Note 21 have a deed of cross guarantee with NGL in accordance with ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 and are relieved from the Corporations Act 2001 requirement to prepare and lodge an audited financial report and directors' report. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. The following wholly-owned subsidiaries became a party to the Deed of Cross Guarantee since April 2019 and remained during the year ended 30 June 2023.

- Netwealth Holdings Limited
- Netwealth Group Services Pty Ltd
- Netwealth Fiduciary Services Pty Ltd

In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 applies to, will as a group, be able to meet any liabilities to which they are, or may become, subject to because of the deed of cross guarantee.

Set out below is the statement of profit or loss and other comprehensive income, statement of financial position and summary of movements in retained earnings of the entities party to a Deed of Cross Guarantee.

Statement of profit or loss and other comprehensive income

	Consolidated Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
Revenue	120,476	96,270
Other income	53,703	51,255
Expense	(113,927)	(91,407)
Profit before income tax	60,252	56,118
Income tax expense ¹	(2,917)	(2,684)
Profit for the period	57,335	53,434
Total comprehensive income for the period	57,335	53,434

Statement of financial position

	Consolidated Group as at	
	30 June 2023	30 June 2022
	\$'000	\$'000
Assets		
Current assets		
Cash and cash equivalents	13,341	10,749
Trade and other receivables	3,459	3,685
Other current assets	3,924	5,760
Financial assets at FVTPL	117	972
Total current assets	20,841	21,166
Non-current assets		
Property, plant and equipment	1,445	1,560
Intangible assets	6,506	2,155
Lease assets	12,830	14,643
Investment in subsidiaries	76,179	65,179
Financial Assets at FVTPL	917	-
Investment in associates & joint venture	1,614	1,991
Deferred tax assets	2,188	1,566
Total non-current assets	101,679	87,094
Total assets	122,520	108,260
Current liabilities		
Trade and other payables	9,320	7,753
Provisions	7,439	6,417
Current tax liabilities	4,978	1,090
Lease liability	1,437	1,501
Other current liabilities	83	-
Total current liabilities	23,257	16,761
Non-current liabilities		
Lease liability	12,149	13,586
Provisions	946	732
Total non-current liabilities	13,095	14,318
Total liabilities	36,352	31,079
Net assets	86,168	77,181
Equity		
Issued capital	27,228	26,563
Reserves	6,545	4,349
Retained earnings	52,395	46,269
Total equity	86,168	77,181

Summary of movements in retained earnings

	Consolidated Group	
	30 June 2023	30 June 2022
	\$'000	\$'000
Retained Earnings at beginning of financial year	46,269	40,378
Profit for the year	57,335	53,434
Dividends paid	(51,209)	(47,543)
Retained earnings at end of financial year	52,395	46,269

¹Dividends of \$53.1m included in Other income as shown in the "Statement of profit or loss and other comprehensive income" relate to dividends from NIL to the DOCG group. As a result, these dividends have been treated as non-assessable income in arriving at the tax expense for the DOCG group.

28 Auditor's Remuneration

	Consolidated Group	
	30 June 2023	30 June 2022
	\$	\$
Fees payable for audit and review of financial reports		
<i>Auditor of the Group - Deloitte</i>		
Consolidated Group	143,359	114,489
Subsidiaries	89,883	84,795
Total audit and review of financial reports	233,242	199,284
Assurance services		
<i>Auditor of the Group - Deloitte</i>		
Statutory assurance services	32,592	30,747
Other services		
<i>Auditor of the Group - Deloitte</i>		
Audit and review of the Funds	271,730	309,151
Audit on Internal Controls – GS007	152,465	107,514
Audit of IDPS and Investor Statements	31,702	29,907
Total fees paid to group auditor	721,731	676,603

29 Events Occurring after Reporting Date

In the opinion of the Board, there are no other matters or circumstances which have arisen between 30 June 2023 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs for the Group in subsequent financial periods.

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Directors' Declaration

The Directors declare that:

- a. the attached financial statements and notes in accordance with the Corporations Act 2001, comply with Accounting Standards, Corporation Regulations 2001 and other mandatory professional reporting requirements;
- b. the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity; and
- c. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Timothy Antonie

Chair

16 August 2023

Independent Auditor's Report



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Independent Auditor's Report to the Members of Netwealth Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Netwealth Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the

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financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Revenue Recognition – Platform revenue</p> <p>As at 30 June 2023, \$207 million of Platform revenue has been recognised as disclosed in Note 4 of the financial statements.</p> <p>Netwealth’s platform business utilises a number of interdependent IT systems to process and record a high volume of transactions. The accounting system uses a number of different data feeds within this highly automated system to capture and record revenue.</p> <p>Platform revenue is calculated on a number of factors such as daily portfolio balance, fee rate based on the Product Disclosure Statement (PDS) and the number of days in a period.</p> <p>Platform revenue is a key audit matter due to the dependency on the accuracy and completeness of a large volume of data feeds in this highly automated environment.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - Updating our understanding of the systems, procedures and controls in place for the accurate and complete recording of data feeds in the system; - Testing the design and implementation, and the operating effectiveness of the relevant controls that support data feeds for the Platform revenue; and - Performing general IT controls testing over the systems that support data feeds for the Platform revenue. <p>We have also assessed the appropriateness of the disclosures in Note 4 to the financial statements</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 62 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Netwealth Group Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lani Cockrem

Lani Cockrem
Partner
Chartered Accountants
Melbourne, 16 August 2023

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Five Years Financial Information Summary

We prepare our Consolidated Financial Report in accordance with Australian Accounting Standards Board (AASB) and in AU dollars. The information in this section has been presented on underlying basis to exclude non-recurring expenses. The Directors consider it appropriate to include these non-International Financial Reporting Standard (IFRS) financial information as they assist users of this financial report to understand key financial metrics relevant to the operations of the Group.

	2023	2022	2021	2020	2019 ¹
	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement					
Total income ²	214,749	176,631	148,298	126,750	100,481
Total expenses ²	(117,735)	(95,521)	(71,067)	(64,005)	(50,398)
Income tax expense	(29,861)	(25,558)	(23,128)	(19,084)	(14,882)
NPAT	67,153	55,552	54,103	43,661	35,201
Statement of Financial Position					
Total assets	161,885	136,204	131,117	111,892	81,425
Net assets	123,049	104,243	93,181	76,029	63,847
Cash Flow Information					
Underlying Operating Net Cash Flows Before Tax	106,262	83,712	78,100	64,462	49,499
Capital Expenditure	(5,642)	(2,992)	(1,088)	(919)	(741)
Shareholder Value					
Market Capitalisation ³	3,375,131	2,964,735	4,155,211	2,132,084	1,901,439
Dividend (cents) – fully franked	24.0	20.0	18.6	14.7	12.1
Dividend payout ratio	87%	88%	84%	80%	80%
Net tangible assets per ordinary share	47.8	41.8	37.9	31.9	26.7
Basic earnings per share	27.5	22.8	22.6	18.4	14.8
Other Information					
No. of Employees (full time equivalent) ²	485	455	364	317	271
Underlying EBITDA	100,744	85,092	79,349	66,153	51,963
Underlying NPAT	67,153	55,903	54,103	43,661	35,986
Underlying EBITDA Margin %	46.9%	48.2%	53.5%	52.2%	51.7%
Underlying NPAT Margin %	31.3%	31.6%	36.5%	34.4%	35.8%

¹ FY2019 was based on continuing operations and leases has not been restated to reflect the changes of AASB 16 Leases from into effect from FY2020 onwards.

² During the year, the Group has revised the classification and disclosure of brokerage expenses. \$3.2 million brokerage expenses, previously included net of the Group's revenue in Platform revenue, have been reclassified as expenses under Brokerage, investment & custody. All comparative figures have been reclassified to be consistent with current period disclosure.

³ Information presented as at end of period.

Shareholder Information

Ordinary Shares (ASX Listed)

The shareholder information set out below was applicable at 27 July 2023.

Distribution of shareholdings

Range	Ordinary Shares	Number of shareholders
1-1,000	1,692,576	4,679
1,001-5,000	4,735,011	2,134
5,001-10,000	2,061,116	292
10,001-100,000	3,736,158	167
100,001 and over	231,666,232	36

There were no holder of less than a marketable parcel of ordinary shares.

Top 20 Holders

Rank	Name	Ordinary shares	% of Issued Capital
1	Heine Brothers Pty Ltd	106,904,990	43.83%
2	HSBC Custody Nominees (Australia) Limited	33,276,786	13.64%
3	J P Morgan Nominees Australia Pty Limited	17,908,827	7.34%
4	Leslie Max Heine Pty Ltd <ATF The LMH Trust>	17,309,465	7.10%
5	Citicorp Nominees Pty Limited	16,049,532	6.58%
6	Netwealth Investments Limited <Wrap Services A/C>	12,673,881	5.20%
7	BNP Paribas Noms Pty Ltd <DRP>	6,444,547	2.64%
8	National Nominees Limited	5,208,183	2.14%
9	Australian Foundation Investment Company Limited	3,489,034	1.43%
10	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	1,804,892	0.74%
11	Netwealth Investments Limited <Super Services A/C>	1,714,427	0.70%
12	HSBC Custody Nominees (Australia) Limited	1,528,052	0.63%
13	Mirrabooka Investments Ltd	939,500	0.39%
14	Sandhurst Trustees Ltd <Harper Bernays Ltd A/C>	843,855	0.35%
15	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	806,331	0.33%
16	AMCIL Limited	524,000	0.21%
17	Asset Plus Pty Limited <ATF The Headline Investments Trust>	467,670	0.19%
18	Djerriwarrh Investments Limited	384,000	0.16%
19	BNP Paribas Nominees (NZ) Ltd	350,933	0.14%
20	Truebell Capital Pty Ltd <Truebell Investment Fund>	290,000	0.12%
	Total	228,918,905	93.86%
	Balance of register	14,972,187	6.14%
	Grand total	243,891,092	100.00%

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Substantial holders (as at 27 July 2023)

Substantial Holder	Number of Ordinary shares in which the holder together with their associates have a relevant interest
Matthew Heine	127,990,860
Nicholas Heine	124,301,205
Michael Heine	124,254,455
Heine Brothers Pty Ltd	124,254,455
Leslie Max Heine Pty Ltd <ATF The LMH Trust>	17,309,465

Ordinary shares voting rights

At a general meeting of the Company, every shareholder present in person or by proxy has one vote on a show of hands. Upon a poll, each share has one vote.

On-market buy-back

Currently the Company does not have an on-market buy back scheme in operation.

Company Information

Netwealth Group Limited

ABN 84 620 145 404

Registered Office

Level 6, 180 Flinders Street

Melbourne, Victoria, 3000

Phone: 1800 888 223

Email: contact@netwealth.com.au

Shareholder Enquiries

Email: shareholder@netwealth.com.au

Website: <https://www.netwealth.com.au/web/about-netwealth/shareholders/>

Auditor

Deloitte Touche Tohmatsu

477 Collins Street

Melbourne, Victoria, 3000

Phone: +61 3 9671 7000

Fax: +61 3 9671 7001

Stock Exchange

Netwealth's shares are listed on the ASX with the code 'NWL'

Share Registry

Netwealth's register of shares is maintained by Link Market.

Link Market Services Limited

Level 13, Tower 4

727 Collins Street

Docklands VIC 3008

Locked BagA14

Sydney South NSW 1235

+61 1300 554 474

registrars@linkmarketservices.com.au

www.linkmarketservices.com.au

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