

HUB24 Shareholder Update

3 October 2013

Disclaimer



Summary information

The material that follows is a presentation of general background information about HUB24 Limited's ('HUB') activities current at the date of the presentation, 3 October 2013. It is information given in summary form and does not purport to be complete.

Not investment advice

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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This presentation contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of HUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place reliance on forward-looking statements and neither HUB nor any of its directors, employees, consultants, contractors, advisers or agents assume any obligation to update such information.

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Company Profile



Who are we

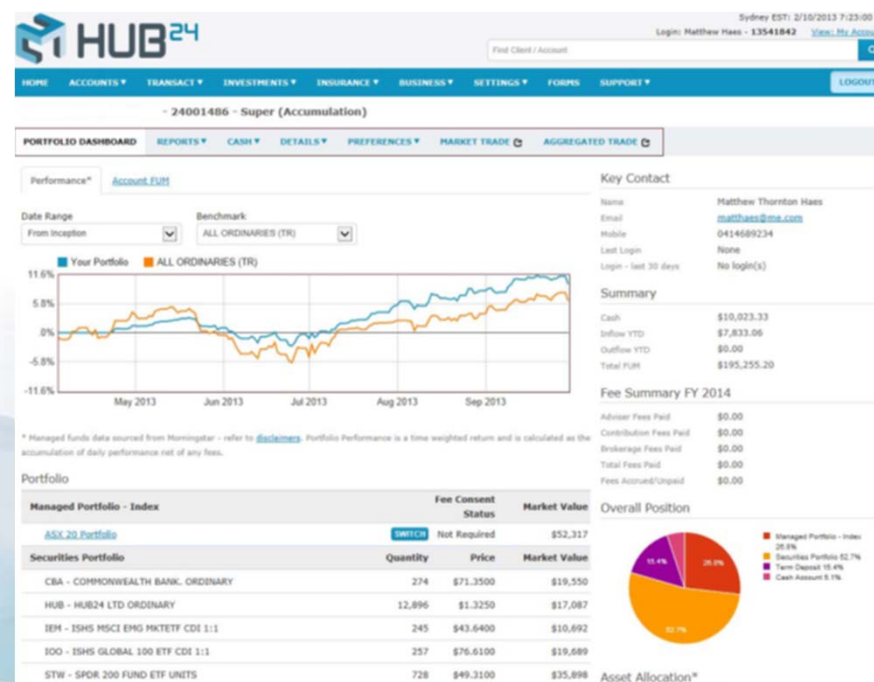


- HUB24 is a full featured Wrap Platform incorporating Investor Directed Portfolio Service (IDPS) and Super/Pension services.
- Market leading Managed Portfolio functionality.
- Very wide investment choice including Managed Portfolios, listed securities, managed funds, term deposits and cash.
- We build the platform in-house and own the IP.
- Highly experienced team in commercialising wrap platforms. Members of our team helped found successful financial planning and wrap platforms including Visiplan (now IRESS), COIN (Macquarie), Navigator (MLC) and Avanteos (Colonial FirstWrap).



What we do

1. We develop, distribute and operate the HUB24 Investment and Superannuation platform.
2. Our customers are financial advisers, accountants, stockbrokers and institutions.
3. We allow our larger corporate customers to white label the platform under their own brand.
4. We are independently owned and not aligned to a fund manager or bank.



The Opportunity



Industry Growth

- Assets held on investment platforms are expected to almost double by 2026*. There is currently over \$500bn of funds on platforms in Australia.
- Wrap platforms, including separately managed accounts (SMA) and model portfolio products will be the fastest growing segment of the personal investment market.*
- Progressive rise in employer superannuation (SG) to 12% will further fuel net flows to platforms such as HUB24 that are well positioned to capture this growth.

Institutions & Independent dealer groups

- We directly compete with full featured platforms including Colonial First State, MLC, BT, AMP, Macquarie
 - Many are hampered by legacy systems and products.
 - Many have less flexible product offerings.
- We provide an independent alternative for independent dealer groups, stockbrokers and accountants.

Regulatory Reform

- FOFA - HUB24 is attracting customers looking for solutions in order to meet client best interests duties and avoid remuneration conflicts.
- Regulatory capital requirements – potential opportunity for HUB24 as small providers will find it difficult to meet the increasing regulatory capital requirements imposed by ASIC effective 1 July 2014.

* Rice Warner – Personal Investments Market Projections Report 2012

Our Advantage



ASX listed

- Maximum transparency of the performance of our operation for shareholders and customers.
- Proven shareholder support and capital raising ability places the company in a strong position relative to its peers to compete for capital in this restricted regulatory environment.

Market leading managed portfolio capability

- Enables dealer groups to offer advisers and their clients fully implemented SMA's and model portfolios made up of a range of asset types and classes.
- Dealers can earn ongoing portfolio management fees and provide a more efficient implementation model for their advisers.
- Dealer groups can white label disclosure documents, online portal, reports and branded iphone app.

Independence

- Independently owned, not reliant upon in-house products and offering choice of service providers.

Technology

- Proven internal technology development team that has taken prior projects through to successful commercialisation.
- HUB24 owns the IP.

Highlights



- **59% growth** in HUB24 Funds Under Administration in last 6 months to \$527m.
- **100% focus** upon development and commercialisation of the investment platform.
- **Funds flow pipeline building** with existing clients including Ord Minnett, Matrix, Sentry, Beresfords and new clients Interprac, Wilsons with other prospects pending.
- **Established** stable executive, management team and Board.
- **Award winning, independent alternative** to bank owned platforms.
 - HUB24 awarded 1st Most New Developments in December 2012 Investment Trends platform report. Also achieved 3rd in Product category outscoring BT, MLC, Asgard.
 - \$1.1m R&D incentive received from AusIndustry.



Results from Investment Trends 2012 Platform Report, based on a face to face research and audit methodology

Key Statistics

FUA = \$527m

59% increase in six months.

Dealer Groups actively using platform: 25.

Major customers: Ord Minnett, Matrix, Sentry, Beresford's.

Advisers actively using platform: more than 235.

No. of Managed Portfolios = 170 ... and growing.

Net monthly average inflows of \$34m (\$47m inclusive of market movement) for first quarter FY14 (FY13 average of \$20m).

FUA HUB24 PLATFORM - TREND OF MONTHLY FUNDS UNDER ADMINISTRATION



Key Data



Capital Structure	
Shares on Issue	38.9m
Share price – 5 day VWAP to 2/10/2013	\$1.35
Market Capitalisation	\$52.5m
Cash @ 31/08/2013 (unaudited)	\$9.95m

Balance sheet at 30 June 2013

Balance Sheet	
Current Assets	
Cash & cash equivalents	9.54m
Other current assets	1.73m
Total Current Assets	11.27m
Non-Current Assets	
Intangible assets	7.40m
Other non-current assets	0.52m
Total Non-Current Assets	7.92m
Total Assets	19.19m
Current Liabilities	
Trade and other payables	0.74m
Provisions	1.07m
Total Current Liabilities	1.81m
Non-Current Liabilities	
Provisions	0.06m
Total Non-Current Liabilities	0.06m
Total Liabilities	1.87m
Net Assets	17.32m
Equity	
Issued capital & retained earnings	17.32m
Total Equity	17.32m

Simplified balance sheet reflecting exit of discontinued stockbroking operation

Financial summary

	FY12	FY13
FUA	121.7	383.7
Revenue	226,261	1,228,366
platform Direct costs	1,992,298	2,206,481
Margin	(1,766,037)	(978,115)
Operating expenses	3,692,475	3,503,171
EBITDA (before investment resources)	(5,458,512)	(4,481,286)
Investment in growth*	2,548,281	2,966,569
EBITDA (after investment resources)	(8,006,793)	(7,447,855)

FY14

- Investment in the Exec team has been made in FY14 to accelerate growth in FUA over the short to medium term.
- This decision will impact operating results in FY14 to target enhanced growth in FY15,16.

* FTE resources dedicated to growth in FUA. Platform Development, sales, transition, marketing.

The Future



1. We aspire to be the leading independent platform delivering superior outcomes for financial advisers and their clients.
2. Deliver accelerated FUA to the platform.
 - Leverage existing adviser and dealer relationships.
 - Continue business development including white labels for dealer groups, stockbrokers and accountants.
 - Promote our unique managed portfolio capability as a FOFA compliant solution for advisers.
3. Deliver earnings and capital growth to our shareholders as we grow the business.
4. Harness our IT development capability to extend our leadership as a full featured investment and superannuation platform.
5. Extend our innovative offering to support client objectives.