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HUB24 MEDIA RELEASE

HUB24 Limited (HUB24, the company) today released the FY14 Annual Report for the Company. Key achievements noted in the report are:

- Strong growth in Funds under Administration (FUA) from \$384 million at 30 June 2013 to \$991 million as at 28 August 2014.
- Platform revenue growth of 161%. Direct platform expenses increased at 33% and operating expenses increase of 12.5%.
- Gross Profit improvement of 82% and pre-investment EBITDA improvement of 15%. Gross profits achieved in the last quarter.
- Strong balance sheet with \$13.8 million of cash reserves and no debt as at June 30, 2014.
- Announcement of acquisition of the independently owned financial planning licensee Paragem Pty Ltd (Paragem) which licenses 20 financial advisory practices advising on more than \$2.5 billion of client funds.

Directors report a loss after income tax of \$8.4 million. The result is an improvement from the \$9.8 million net loss after income tax for FY2013.

Throughout the year the company continued to invest in developing platform features with HUB24 being ranked highly in the 2014 Investment Trends Report¹. The platform's overall position improved to 5th place ahead of two major institutionally owned providers and achieved 3rd place for Product Offering.

Revenue increased to \$3.2 million an increase of 161%. Key drivers of this growth in FY14 include:

- Average monthly net inflows for the year of \$32.8 million, increasing from \$19.0 million for the prior year (currently tracking at a monthly average of \$47 million since March 2014)
- An increase in FUA of 122% to \$854m during the year to June 30 2014 (currently \$991m)
- Advisers using the platform increasing by 46% during the year to 345;
- Strong growth in the number of superannuation accounts which now surpasses the number of IDPS accounts (HUB24 Super was launched in June 2012);
- Growth of FUA invested in managed portfolios by 170% during FY14.

On 21st August HUB24 announced (subject to conditions precedent) the acquisition of the independently owned financial planning licensee Paragem Pty Ltd (Paragem). Paragem has grown strongly to license 20 high quality financial advisory practices across Australia, which advise on more than \$2.5 billion of client funds. The acquisition is consistent with HUB24's core proposition of providing high value services to licensees and advisers and is expected to result in further enhancement of HUB24's rapid growth, diversification of the company's revenue streams and continued improvement in HUB24's platform

¹ Investment Trends December 2013 Platform Benchmarking Report, based on extensive analysis of 25 platforms across 454 functional points.



functionality. This will benefit the company's core business of providing white labels and platform services to financial planning groups, accountants and stockbrokers.

Andrew Alcock, Managing Director, commenting on the release of the company's results said "our focus on our clients and improvement of platform features has delivered high levels of client satisfaction, validated by our rapid growth, and strengthening financial results as we approach the milestone of \$1 billion in FUA. We have an excellent record in delivering HUB24 platform administration services to our clients, a strong pipeline of new advisers and are experiencing increasing take-up from our existing supporters who continue to select our platform for their clients".

"We are excited about our future outlook and over the coming year the acquisition of Paragem is expected fuel further growth. Importantly, we are committed to enhancing our functionality to underpin new business development, maintain our leadership position and deliver on our core platform business for our existing licensee and adviser base".

Further details are set out in our Annual Report and Accounts filed today.

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About HUB24

HUB24 is a financial services company listed on the Australian Stock Exchange (ASX: HUB). The business is focussed on the delivery of the HUB24 platform, which supports the achievement of superior superannuation and investment outcomes for investors. HUB24 is a next-generation service with state-of-the-art portfolio management, transaction and reporting solutions for licensees, financial advisers, accountants, stockbrokers and institutions. HUB24 is not aligned to any major bank, manager or institution. HUB24 is an independent organisation with award winning technology and a growing number of respected and high profile financial services companies as its customers.

For further information, please visit: www.HUB24.com.au