

ASX Release: 19th January 2021

HUB24 achieves record quarterly net inflows and progresses strategic transactions

December Quarter FY21 Highlights

- Custodial Platform Funds Under Administration (FUA) of \$22 billion as at 31 December 2020 (up 38.7% on pcp) with total FUA of \$31 billion (including \$9.3 billion of non-custodial FUA)
- Record platform quarterly net inflows of \$1.7 billion (an increase of 36.7% on pcp) up \$360 million from the September quarter
- Completed Ord Minnett Portfolio Administration Reporting Service (PARS) acquisition in November
- Proposed Xplore Wealth acquisition progressing well with first court hearing completed in December
- Executed transaction implementation deed, technology partnership agreement, and Paragem Share Sale Agreement for Easton transactions in December
- Completed \$50 million fully underwritten institutional placement and \$20 million Share Purchase Plan
- Announced agreement with IOOF to develop a range of product solutions

Net Inflows and Growth in FUA

HUB24 has delivered a strong first half for FY21 with record platform quarterly net inflows for the December quarter of \$1.7 billion. Average monthly net inflows to date of \$514 million are up from \$412 million for FY20 (+25%). Custodial Platform FUA for the quarter increased by \$3 billion to \$22 billion, up 16% including positive market movement of \$1.2 billion.

The continued industry trend towards specialist platforms and HUB24's position as a market leader in managed portfolios, reputation for innovative product solutions, and customer service excellence has once again delivered strong net inflows for the quarter. The company's distribution capability and focus on customer service excellence has resulted in strong net inflows across all client segments including large national accounts and the broker segment, as well from boutiques and self-licensed advisers. The distribution team continues to focus on supporting existing advisers as well as actively seeking new adviser relationships.

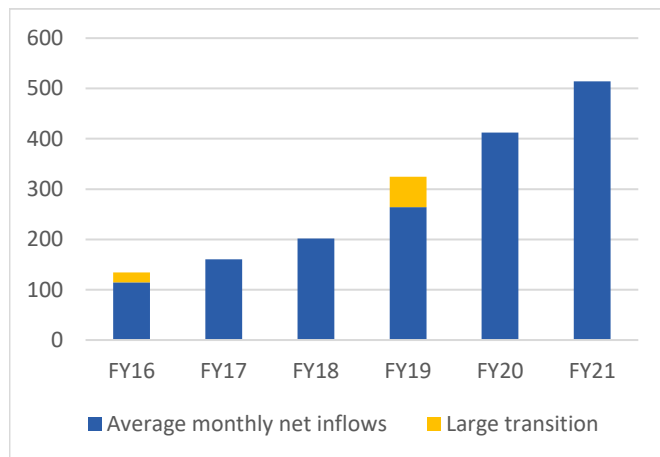
HUB24's new business pipeline continues to grow with 24 new licensee agreements signed during the December quarter, with both large boutique licensees and self-licensed practices. Additionally, following the announcement in December, HUB24 has entered into a binding heads of agreement with IOOF to develop a range of solutions, including an investment and superannuation wrap platform utilising HUB24's custody, administration and technology capabilities, and a suite of managed portfolios.

As well as continued focus on growing the current platform business and supporting our customers, the company is leveraging opportunities for further growth and diversifying into non-custody administration in line with our HUBconnect strategy. With the completion of the acquisition of the Ord Minnett PARS business, non-custodial FUA of \$9.3 billion for this quarter will now be included in the company reporting.

According to the latest available Strategic Insights data for the Australian platform market HUB24's market share has increased to 2.3% from 1.6% at September 2019, HUB24 has maintained 2nd place ranking for annual net inflows.²

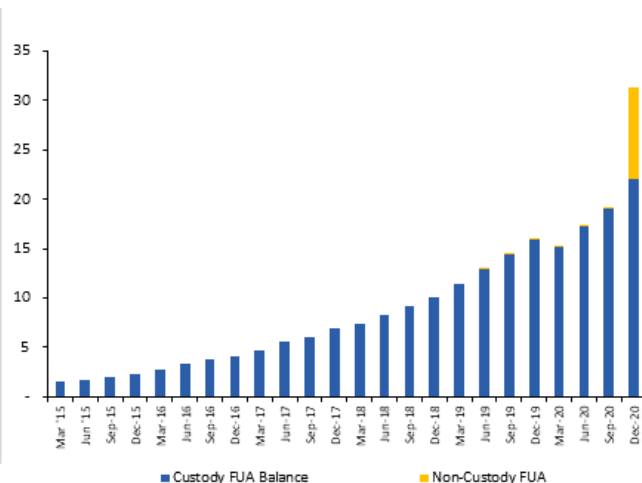
Custodial Platform Average Monthly Net Inflows

\$ millions



FUA

\$ Billions



Platform Statistics	DEC'19	Mar'20	Jun'20	SEP'20	DEC'20	Growth on pcp
Custody FUA	\$15,837m	\$15,104m	\$17,217m	\$19,015m	\$21,966m	38.7%
Non-Custody FUA	\$195m	\$156m	\$162m	\$162m	\$9,322m	large
Total FUA	\$16,032m	\$15,260m	\$17,379m	\$19,177m	\$31,288m	95.2%
Platform Flows*						
Custody Net Inflows	\$1,259m	\$1,363m	\$1,089m	\$1,362m	\$1,722m	36.7%
Custody Gross Inflows	\$1,668m	\$1,826m	\$1,583m	\$1,927m	\$2,225m	33.4%
Non Custody large transition					\$9,008m	N/A
Platform Advisers						
Number of Advisers	1,841	1,956	2,066	2,167	2,280	23.8%

*Statistics are for each quarter, have been rounded and are not audited. Inflows exclude market movements. The non-custodial large transition relates to Ord Minnett PARS acquisition which completed on 28 November 2020.

Update on strategic transactions

At the end of October, HUB24 announced three strategic transactions which together will strengthen our position as the leading provider of integrated platforms, data and technology services for financial advisers, stockbrokers, private banks, licensees, accountants and their clients.

There is growing demand from licensees and advisers for solutions to administer non-custodial client assets. The acquisition of Ord Minnett's PARS was completed at the end of November, resulting in \$9.3 billion in non-custodial FUA and facilitating HUB24's entry to the non-custodial administration segment. The PARS team have transitioned across to join HUB24.

The proposed acquisition of investment platform provider Xplore Wealth Limited (Xplore) by way of scheme of arrangement, continues to progress with Xplore shareholders and optionholders scheduled to meet to consider and vote on the proposal on 12 February 2021. If completed, this transaction adds considerable scale with an additional \$15 billion in FUA (\$9 billion Custodial Platform FUA and \$6 billion Non-custodial FUA) as well as providing significant High Net Worth product capabilities, synergies and new client relationships.³

HUB24 and Easton Investments Limited (Easton) entered into a transaction implementation deed in December 2020 and, on 6 January 2021, HUB24 lodged a bidder's statement in respect of a proportional takeover offer for 1 in every 3 fully paid ordinary shares in Easton. Additionally, an agreement has been executed for a subsidiary of Easton to acquire Paragem Pty Limited, which is expected to complete on 1 February 2021. If all Easton shareholders accept the offer and including our current relevant interest of 17.93%, HUB24 will hold approximately 39.24% of the total fully paid ordinary shares in Easton. A Technology Partnership and Distribution Agreement has also been signed, under which HUB24 will collaborate with Easton to deliver innovative solutions that address key challenges for the delivery of cost-effective advice.

To fund these transactions HUB24 completed a \$50 million fully underwritten placement to institutional and sophisticated investors, which attracted strong demand from existing and new investors. A \$20 million Share Purchase Plan for eligible retail shareholders was also completed this quarter. To provide further capital management flexibility, the company obtained a \$12.5 million 3 year committed loan facility (undrawn as at 31 December 2020).

Business Update

In line with HUB24's commitment to continually enhance our customer experience and create efficiencies for advisers and their clients, this quarter we launched a new digital onboarding experience. Advisers can choose this new digital experience or the traditional paper-based version depending on their preference. This initiative provides additional operational scalability to support our growth. Additionally, our new 'co-browse' functionality will enable our customer service representatives to train advisers on the new functionality and provide faster resolution of queries.

During the quarter, HUB24 completed the project to streamline managed portfolios by moving current IDPS and Super portfolios into a non-unitised managed investment scheme. This will provide additional client benefits and lay the foundations for future innovation. As the market leader in managed portfolios, we are committed to continually enhancing the investment options available for advisers and their clients. During the quarter, 18 new diversified managed portfolios were added to

the menu, including three new sustainable managed portfolios to cater for increasing client demand for ethical investment options, as well as 12 new international ETFs.

Another deliverable for the ClearView Wealth Limited program was completed during the quarter with the transition of the ClearView LifeSolutions insurance product to the HUB24 Super Fund completed on 31st October 2020. The bulk transition of the existing ClearView WealthSolutions platform FUA (approximately \$1 billion) to the HUB24 platform remains on track for completion during FY21.

As per the recent announcement, HUB24 and IOOF are now working together to progress product development initiatives, with the private label investment and superannuation offer expected to be launched by the end of FY21, subject to the negotiation of final agreements, trustee and board approvals, regulatory approvals (if required) and completion of due diligence.

As well as building the foundations for future growth, the team has remained focused on delivering our strategic initiatives. Preparation for the rollout of the bionic advice solution and HUB24 Access, our new product, in collaboration with Aberdeen Standard Investments is nearing completion. Clients who through an adviser access the digitally led advice process can choose from 10 new managed portfolios providing them with a range of investment options to meet their goals. The pilot is being rolled out in stages during the remainder of FY21 and into FY22.

1 Net Inflows represent gross inflows less outflows and do not include market movement.

2 Strategic Insights Master Funds Platforms and Wraps September 2020

3 Xplore FUA as at September 2020

For further information please contact:

Kitrina Shanahan

Chief Financial Officer
HUB24 Limited
0478474590

Fiona Harris

Media & Public Relations
HUB24 Limited
0466012434

About HUB24

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform and HUBconnect business. The HUB24 platform offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients. HUBconnect focuses on leveraging data and technology to provide solutions to common challenges for licensees and advisers and enable the delivery of professional advice to more Australians.

This release is not financial product advice. Past performance is not indicative of future performance and any forward-looking statements in this release are not representations or guarantees as to future performance.

This announcement was authorised for release to the market by the Managing Director.

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