



1H FY17

RESULTS PRESENTATION

Platform revenue  70%
\$11.8m

Gross profit  73%
\$8.3m

EBITDA  \$1.7m
before other
significant items

Underlying
NPAT  \$0.9m

Operating
Cashflows  \$1.5m

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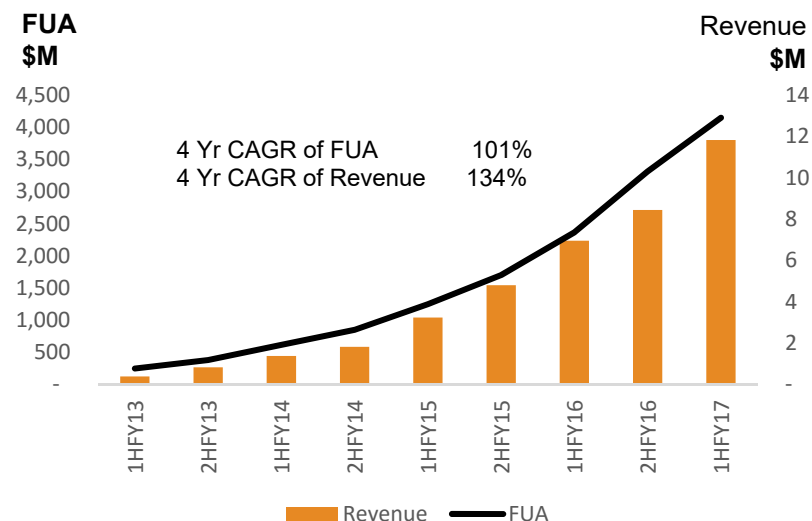
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HUB24 - a leader in wealth management

HUB24 IS A LEADER IN WEALTH MANAGEMENT PLATFORMS UNDERPINNED BY MARKET LEADING TECHNOLOGY

PLATFORM REVENUE AND RETAIL FUA



- ✓ The fastest growing wrap platform¹ capitalising on significant disruption in the wealth management industry
- ✓ Now profitable and Funds Under Administration (FUA) of \$4.4bn (as at 23 February 2017)
- ✓ Margin expansion occurring at increasing scale
- ✓ Includes Paragem (Licensee with a national adviser network) which advises on client funds of over \$3.25 billion
- ✓ Acquisition of Agility Applications (specialist provider of technology and application products to the financial services industry)

Fastest growing platform¹

Best managed accounts platform²



1. Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2016. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 6th fastest in dollar terms of net inflows.
2. Results from Investment Trends December 2016 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 19 platforms across 526 functional points.

1HFY17 highlights



Netflows of
\$694m
FUA Increase of 25% since
30 June 2016, now \$4.4b



Acquisition of
**Agility
Applications**



Launch
of direct investing in
international shares
across 15 exchanges



1st
in categories for Managed
Accounts, User Interface
and Smartphone/Tablet
Access³

First reporting period of profitability



Positive operating
cashflows of
\$1.5m



Increase in
Operating EBITDA of
240%



EBITDA⁴ of
\$1.7m



Underlying NPAT⁵ of
\$0.9m

3. Results from Investment Trends December 2016 Platform Competitive Analysis and Benchmarking Report based on extensive analyst reviews of 19 platforms across 526 functional points.
4. EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items.
5. Represents Net Profit After Tax excluding non-recurring items

1HFY17 financial results

| GROUP FINANCIAL RESULTS | 1HFY17 \$m | 1HFY16 \$m | % CHANGE |
|--|---------------|---------------|-------------|
| Group revenue | 26.6 | 20.0 | 33% |
| Direct costs | (18.4) | (15.2) | 21% |
| Gross profit | 8.3 | 4.8 | 73% |
| Operating expenses | (4.2) | (3.6) | 16% |
| Operating EBITDA | 4.1 | 1.2 | 240% |
| Growth resources expensed ⁶ | (2.4) | (2.1) | 12% |
| EBITDA ⁷ before other significant items | 1.7 | (0.9) | - |
| EBITDA | 1.5 | (1.7) | - |
| NPAT | 1.3 | (1.8) | - |
| Underlying NPAT ⁸ | 0.9 | (1.6) | - |

| PLATFORM FINANCIAL RESULTS | 1HFY17 \$m | 1HFY16 \$m | % CHANGE |
|--|----------------|---------------|-------------|
| Retail FUA (now \$4.4b) | \$4,149 | \$2,368 | 75% |
| Revenue | 11.8 | 6.9 | 70% |
| Direct costs | (4.8) | (3.3) | 48% |
| Gross profit | 7.0 | 3.7 | 89% |
| Operating expenses | (2.8) | (2.4) | 19% |
| Operating EBITDA | 4.2 | 1.3 | 215% |
| Growth resources expensed ⁶ | (2.3) | (2.1) | 12% |
| EBITDA ⁷ before other significant items | 1.9 | (0.7) | - |
| EBITDA | 1.9 | (0.6) | - |
| NPAT | 1.6 | (0.8) | - |



Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and tax expense. (refer Appendix B)

6. Growth resources expensed are costs for platform development, strategic development and to accelerate additional FUA onto the platform

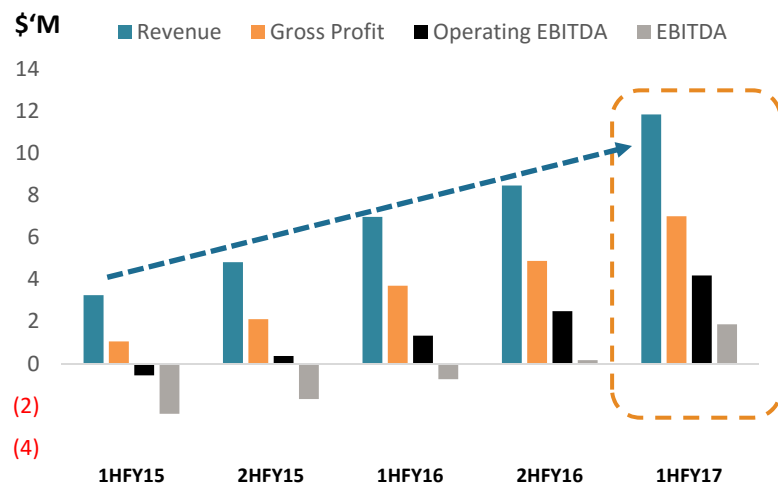
7. EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

8. Represents Net Profit After Tax excluding non-recurring items.

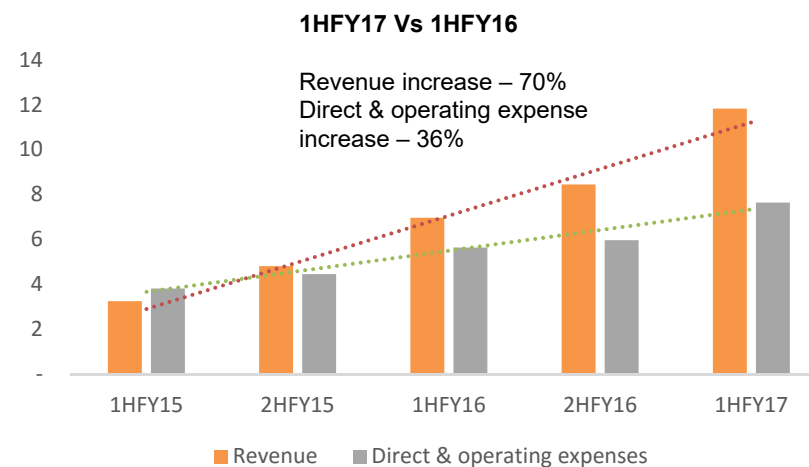
Platform segment results

MARGIN EXPANSION ACROSS ALL PROFIT LINES AT INCREASING SCALE

PLATFORM – REVENUE, GROSS PROFIT, OPERATING EBITDA⁹ AND EBITDA¹⁰ TRENDS



PLATFORM REVENUE AND EXPENSES



| PLATFORM PROFIT LINES | PROFIT MARGINS AS A % OF REVENUE | | | | |
|-----------------------|----------------------------------|---------|---------|--------|--------|
| | 1HFY15 | 2HFY15 | 1HFY16 | 2HFY16 | 1HFY17 |
| Gross profit | 32.3% | 43.8% | 53.1% | 57.7% | 59.2% |
| Operating EBITDA | (17.3%) | 7.5% | 19.1% | 29.4% | 35.4% |
| EBITDA | (73.5%) | (35.0%) | (10.6%) | 1.9% | 15.8% |

HUB24 is well positioned for further growth

INDUSTRY GROWTH FORECASTS

| Sector | Predicting | By Year | CAGR |
|--|------------|---------|-------|
| Superannuation assets | \$9.5 tn | 2035 | 8.1% |
| Deloitte Dynamics of Superannuation Report 2015 | | | |
| Wrap Platforms | \$315 bn | 2030 | 10.4% |
| Rice Warner's Personal Investment Market Projections Report 2015. | | | |
| Managed portfolio (SMAs) | \$60 bn | 2020 | 32% |
| Morgan Stanley Research Asia Insight June 22, 2016. Disruptors: Australia Financials | | | |

MORGAN STANLEY RESEARCH HAS REVEALED THAT:

- Incumbent business models face disruption from managed accounts/SMAs
- Managed portfolios are an innovative solution delivering higher flows and market share to modern industry players.
- Business models are realigning around the customer, managed portfolios are altering the traditional value chain
- Impetus for managed portfolios is from financial planners seeking to grow revenue and the value of their practices and investors seeking greater transparency, professional management and tax efficiency.



Wrap platforms: fourfold increase next 15 years the fastest growing personal investment sector¹¹

Managed portfolios in which HUB24 is a market leader, could account for 75% of platform net inflows¹²

Abundant room for growth HUB24 has 0.5% market share¹³ with fastest FUA growth rate at CAGR of 101% over the past 4 years

Award winning and ranked ahead of all incumbent institutional platforms in terms of platform functionality

11. Rice Warner's Personal Investment Market Projections Report 2015.

12. Morgan Stanley Research Asia Insight June 22, 2016. Disruptors: Australia Financials

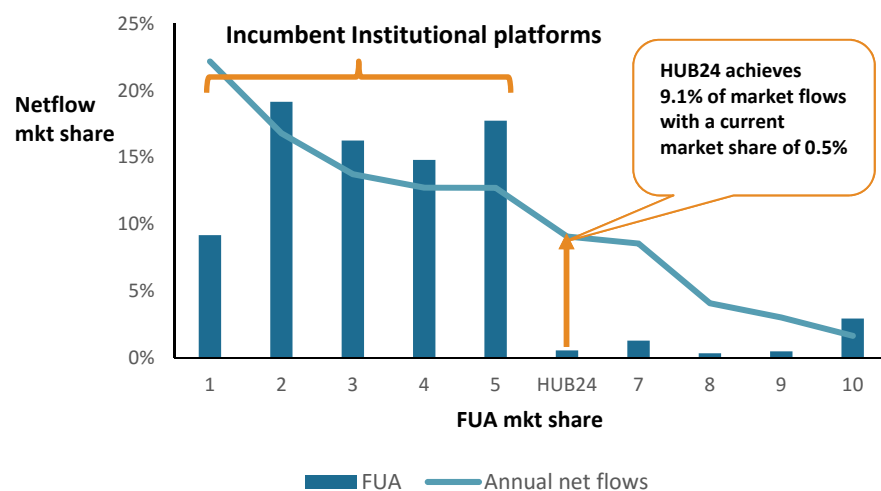
13. Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2016

HUB24 is well positioned for further growth

MARKET SHARE BY NETFLOWS – TOP 10 PLATFORMS¹⁴

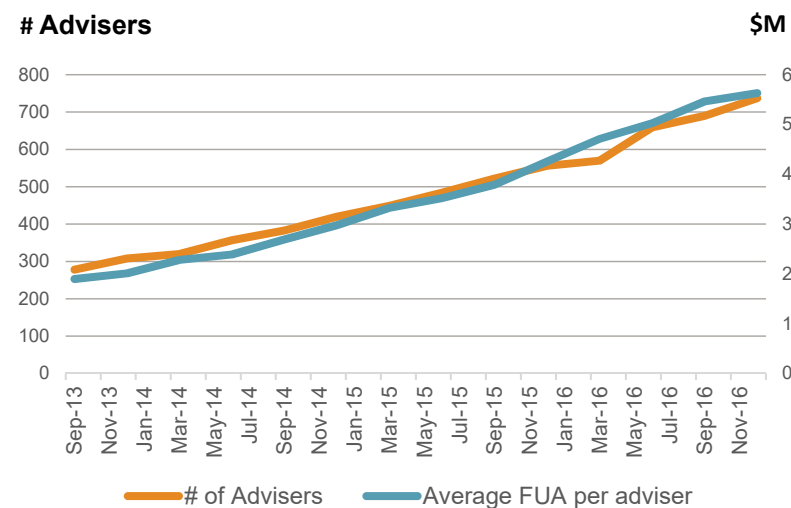
- ✓ HUB24 has 0.5% share of Wrap, Platform & Master Trusts at 30 Sept '16 with 9.1% share of netflows
- ✓ Non-institutional platforms (disruptors) account for 2.2% of FUA and 22% of netflows
- ✓ Highest growth rate in % terms, 6th in \$ terms

Platforms ranked by market share of netflows



FUA AND NUMBER OF ADVISERS

- ✓ 27 new licensees signed in 1HFY17
- ✓ Ongoing growth in adviser numbers
- ✓ Increasing platform usage by advisers
- ✓ Further increases expected given currently low share of the typical adviser's average FUA



14. Source: Plan For Life. Analysis of Wrap, Platform and Master Trust Managed Funds at September 2016. HUB24 is the fastest growing wrap platform relative to its size in percentage terms, 6th fastest in dollar terms of net inflows.

HUB24 continues to win awards

Now 1st place for Managed Accounts Functionality



Maintaining 1st place for user interface and mobile access



Now 2nd place overall (up from 3rd)

For overall platform functionality

Winning more awards than any other platform

Recognised for growth



50 Technology **Fast 50**
2016 AUSTRALIA
Deloitte.
5TH PLACE

SUPER RATINGS FAST MOVER AWARD 2017

Recognised for adviser satisfaction

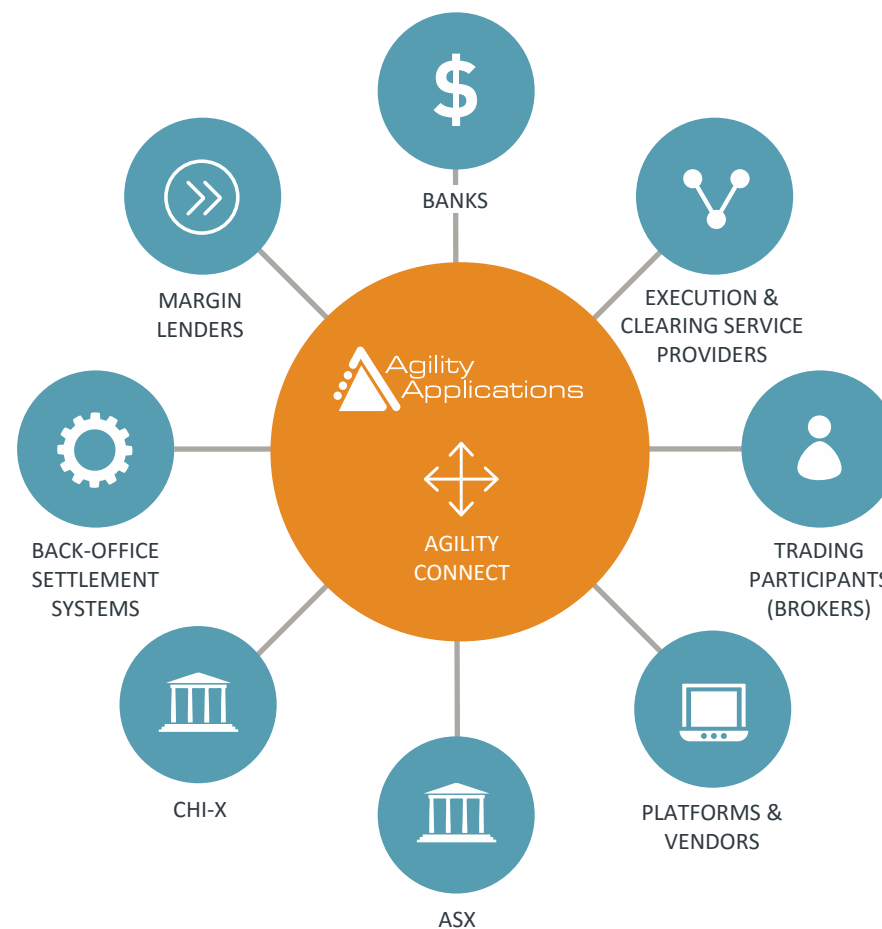


Advisers ranked HUB24 first for:

- ✓ Value for Money,
- ✓ Mobile access,
- ✓ pricing flexibility,
- ✓ tax optimisation tools
- ✓ 2nd overall for adviser satisfaction

Acquisition of Agility Applications

- ✓ Agility Applications ('Agility') is a successful specialist technology services provider to the financial services industry, particularly stock brokers
- ✓ The business is currently earning approx. \$1m EBITDA annually
- ✓ Licensing over 2,300 users from within 165 firms, reporting on over \$200 billion of client assets
- ✓ A strategic acquisition supporting the convergence of traditional stockbroking and financial planning sectors into holistic wealth management providers
- ✓ HUB24 together with Agility aims to be the leading provider of wealth management platform and financial technology services in Australia



Creating real value for our clients....

HUB24 OFFERS THE MOST FUNCTIONAL MANAGED PORTFOLIO TECHNOLOGY WITHIN A FULL SERVICE PLATFORM

KEY FEATURES THAT SET HUB24 APART INCLUDE:

- ✓ Depth of managed portfolio functionality, now including IMAs
- ✓ Tax optimisation features & portfolio construction tools
- ✓ International managed portfolios across 15 major exchanges traded daily
- ✓ Delivery across multiple legal structures – IDPS, Super, MDA, Wholesale, Reporting Services
- ✓ Unique proprietary technology with ongoing innovation
- ✓ Industry leading team with compelling experience

Enabling **licensees**
to innovate, improve
revenues and manage risk

Helping **advisers**
to efficiently improve their
value proposition and
profitability

Making a real difference for
investors by
supporting better financial
outcomes with greater
transparency and flexibility

...with a wealth of opportunities for both our current and new segments

- ✓ Launch of 2 new white labels in Q1 2017
- ✓ A further new white label agreement signed in late February
- ✓ New product enhancements including direct international equities
- ✓ The acquisition of Agility Applications will enable increased engagement with the broker segment through integration of Agility Connect with AdviserHUB
- ✓ With our unique open application interfaces HUB24 can integrate with any technology providing access to 'best of breed' solutions and fitting seamlessly into adviser and licensee business models
- ✓ In the last 6 months we have launched 45 new managed portfolios for 12 licensees allowing them to access new revenue streams, mitigating licensee risk and more importantly providing modern investment solutions delivering real financial advantages for clients

...and now creating value for
**brokers and high
net worth**
advisory businesses through
our comprehensive solutions

For personal use only

FINANCIAL RESULTS

Group financial results

| GROUP FINANCIAL RESULTS | 1HFY17 \$m | 1HFY16 \$m | % CHANGE | |
|---|---------------|---------------|-------------|--|
| Group revenue | 26.6 | 20.0 | 33% | ⇒ Platform (\$11.8m) and Licensee segments (\$14.4m) |
| Direct costs | (18.4) | (15.2) | 21% | ⇒ Trustee, administration and transaction services for Platform and adviser remuneration for Licensee |
| Gross profit | 8.3 | 4.8 | 73% | |
| Operating expenses | (4.2) | (3.6) | 16% | ⇒ Compliance, facilities, marketing, IT infrastructure and professional services |
| Operating EBITDA | 4.1 | 1.2 | 240% | |
| Growth resources expensed ¹⁵ | (2.4) | (2.1) | 12% | ⇒ Costs for platform development, strategic development and other costs to accelerate FUA onto the platform |
| EBITDA ¹⁶ before other significant items | 1.7 | (0.9) | - | |
| EBITDA | 1.5 | (1.7) | - | |
| NPAT | 1.3 | (1.8) | - | ⇒ Due diligence costs for Agility acquisition and fair value adjustment for deferred contingent consideration (Paragem). |
| Underlying NPAT ¹⁷ | 0.9 | (1.6) | - | |

First reporting period where all profit lines are positive – reflecting the benefits of growth and scalability



Other significant items reported in NPAT include interest, share based payments, non-recurring corporate costs, amortisation and tax expense. (refer Appendix B)

15. Growth resources expensed are costs for platform development, strategic development (inclusive of M&A activity) and to accelerate additional FUA onto the platform

16. EBITDA represents earnings before interest, tax, depreciation, amortisation and other significant items

17. Represents Net Profit After Tax excluding non-recurring items.

Platform segment results

| GROUP FINANCIAL RESULTS | 1HFY17 \$m | 1HFY16 \$m | % CHANGE |
|---|----------------|---------------|-------------|
| Retail FUA (now \$4,360m) | \$4,149 | \$2,368 | 75% |
| Revenue | 11.8 | 6.9 | 70% |
| Direct costs | (4.8) | (3.3) | 48% |
| Gross profit | 7.0 | 3.7 | 89% |
| % | 59% | 53% | 11% |
| Operating expenses | (2.8) | (2.4) | 19% |
| Operating EBITDA | 4.2 | 1.3 | 215% |
| % | 35% | 19% | 86% |
| Growth resources expensed ¹⁸ | (2.3) | (2.1) | 12% |
| EBITDA ¹⁹ before other significant items | 1.9 | (0.7) | - |
| % | 16% | (11%) | 249% |
| EBITDA | 1.9 | (0.6) | - |
| NPAT | 1.6 | (0.8) | - |



Revenue growth driven by net inflows from a broadening client base



Gross profit growth driven by improved margins from increased scale.



Investment in fixed cost base to support consistent growth consistent with long term trend between 15% to 20% p.a.



Strong investment continues with an increase in development capex to \$0.96m for the half year



EBITDA margin continues to expand with increasing scale

Continuing robust investment in the platform rewarded with FUA growth, industry recognition and expanding profit margins

| | | | |
|-----------------------------|--------------|-------|-----|
| Direct & operating expenses | (7.6) | (5.7) | 36% |
|-----------------------------|--------------|-------|-----|



Other significant items reported in PBT include interest, share based payments, non-recurring corporate costs, amortisation and tax expense. (refer Appendix B)

18. Growth resources expensed are costs for platform development, strategic development and to accelerate additional FUA onto the platform

19. EBITDA represents earnings before interest, tax, depreciation and amortisation and other significant items

Platform segment results

| | 1HFY17 \$M | INCREASE ON PCP |
|-------------------------|---------------|--------------------|
| Retail FUA (now \$4.4b) | 4,149 | 75% |
| Net inflows | 694 | 4% |
| Gross inflows | 971 | 21% |
| Number of advisers | 737 | 33% |

BROADENING

- distribution base with
- ✓ 92 active licensees
- ✓ 12 white labels
- ✓ 27 new licensees to the platform in FY17
- ✓ 2 New White labels to be launched in Mar '17,
- ✓ one new white label signed in February

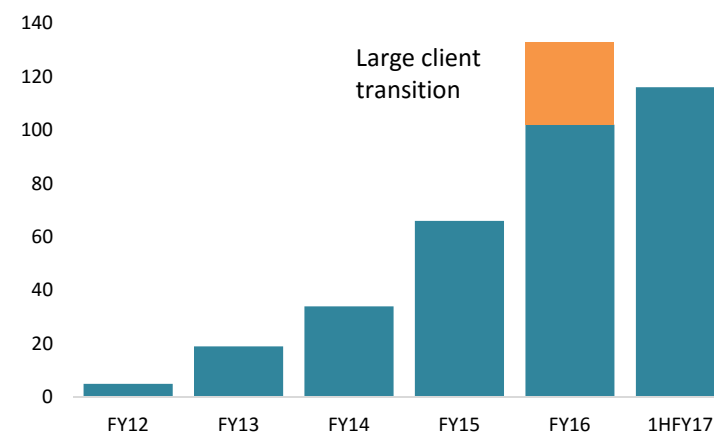
NOW OFFERING

- international direct shares
- ✓ international managed portfolios
- ✓ interfaces for online account opening for any system

DELIVERING

- across multiple legal structures
- ✓ IDPS
- ✓ Super
- ✓ MDA
- ✓ Wholesale
- ✓ Reporting service

AVERAGE MONTHLY NET INFLOWS



Licensee segment results

| LICENSEE FINANCIAL RESULTS | 1HFY17 \$M | 1HFY16 \$M | % CHANGE |
|----------------------------|------------|------------|----------|
| Revenue | 14.8 | 13.1 | 13% |
| Direct costs | (13.5) | (12.0) | 13% |
| Gross profit | 1.3 | 1.1 | 17% |
| Operating expenses | (1.2) | (1.0) | 12% |
| EBITDA | 0.1 | 0.1 | - |
| NPAT | 0.1 | 0.1 | - |

- ✓ Licensee now has approx. \$3.25b in funds under advice
- ✓ Recruitment of several new practices is well progressed
- ✓ Revenue increase of 13% over prior corresponding period
- ✓ Further investment options introduced to the HUB platform for Paragem advisers

Corporate segment results

| CORPORATE SEGMENT RESULTS | 1HFY17 \$M | 1HFY16 \$M | % CHANGE |
|---|---------------|---------------|-------------|
| Operating expenses | (0.19) | (0.17) | 11% |
| Growth resources expensed | (0.06) | (0.06) | 3% |
| EBITDA ²⁰ before other significant items | (0.25) | (0.23) | 9% |
| Fair value gain – contingent consideration | 0.48 | - | 100% |
| Share based payments | (0.34) | (0.68) | (50%) |
| Non-recurring corporate costs | (0.40) | (0.26) | 55% |
| EBITDA ²⁰ | (0.52) | (1.17) | 56% |
| Interest | 0.12 | 0.12 | - |
| PBT | (0.40) | (1.05) | 38% |
| Tax | - | - | n/a |
| NPAT | (0.40) | (1.05) | (43%) |



Corporate overhead expenses allocated to the corporate segment



Fair value gain - Contingent consideration of \$476k due to revised estimate for Paragem earnout



Issue of options during the half year offset by contingent consideration adjustment of \$319k regarding Paragem earnout



Non-recurring corporate advisory, tax, legal and transaction costs, including the evaluation of potential business opportunities



Tax expense for the half offset by previously unused tax losses



Other significant items reported in NPAT include interest, share based payments, transaction costs, amortisation and tax expense. (refer Appendix B)

20. EBITDA represents earnings before interest, tax, depreciation and amortisation and other significant items

Outlook

Continued strong FUA growth expected

Increasing distribution footprint by accessing current adviser relationships and targeting new

Extend industry leadership position through product innovation

Pursue appropriate and value accretive corporate activity & strengthening profitability

Continue to leverage industry dynamics

Integration of Agility acquisition

Growing our investment in:

- Platform innovation
- Agility/HUB24 joint technology initiatives – several projects already underway with joint clients
- Further open architecture interfaces for advisers, licensees, broker and financial product providers
- Shared services infrastructure to support business growth into broader markets

Appendix A – Corporate

CAPITAL STRUCTURE AT 24 FEBRUARY '17

| | |
|-----------------------|----------|
| Shares on issue | 53.9m |
| Share price | \$4.49 |
| Market capitalisation | \$242m |
| Unused tax losses | \$13.40m |

SUBSTANTIAL SHAREHOLDERS

| | |
|--------------------------------|--------|
| Thorney Holdings Ltd | 17.73% |
| Acorn Capital Ltd | 10.52% |
| Commonwealth Bank of Australia | 7.03% |
| Ian Litster | 6.78% |

BALANCE SHEET AS AT 31 DECEMBER '16

| | |
|---------------------------|-----------------|
| Cash and cash equivalents | \$10.45m |
| Other current assets | \$6.00m |
| Non-current assets | \$14.70m |
| Total assets | \$31.15m |
| Current liabilities | \$8.09m |
| Non-current liabilities | \$1.30m |
| Total liabilities | \$9.39m |
| Net assets | \$21.76m |
| Equity | \$21.76m |

2 Year share price history



Appendix B – Results reconciliation

| GROUP FINANCIAL RESULTS | 1HFY17 \$M | 1HFY16 \$M | % CHANGE |
|--|---------------|---------------|-------------|
| EBITDA before other significant items | 1.7 | (0.9) | - |
| Other revenue | 0.1 | 0.2 | 2% |
| Fair value gain – contingent consideration ²¹ | 0.5 | - | - |
| Share based payment expense – employees | (0.4) | (0.4) | (5%) |
| Share based payment expense – option holders ²¹ | - | (0.3) | - |
| Non-recurring corporate costs ²¹ | (0.4) | (0.3) | (55%) |
| EBITDA | 1.5 | (1.7) | - |
| Interest revenue | 0.3 | 0.2 | 42% |
| Depreciation & amortisation | (0.5) | (0.3) | (36%) |
| Profit Before Tax | 1.3 | (1.8) | - |
| Tax | - | - | - |
| NPAT | 1.3 | (1.8) | - |
| Underlying NPAT²¹ | 0.9 | (1.6) | - |



21. Underlying NPAT is a non-IFRS measure used internally by management and by some in the investment community to assess the operating performance of the business. Underlying NPAT is adjusted for a fair value gain on contingent consideration of \$0.477 million, reduction in share based payment expense of \$0.319 million relating to the Paragem acquisition and \$.404 million in due diligence costs associated with the acquisition of Agility Application Pty Ltd.

Appendix C – Segment results

| FINANCIAL PERFORMANCE – SEGMENTS 1HFY17 | PLATFORM \$M | LICENSEE \$M | CORPORATE \$M | 1HFY17 \$M | 1HFY16 \$M | % CHANGE |
|--|--------------|--------------|---------------|------------|------------|----------|
| Recurring revenue | 11.8 | 14.8 | - | 26.7 | 20.0 | 51% |
| Direct costs | (4.8) | (13.5) | - | (18.4) | (15.2) | 36% |
| Gross profit | 7.0 | 1.3 | - | 8.3 | 4.8 | 125% |
| Operating expenses ²² | (2.8) | (1.2) | (0.2) | (4.2) | (3.6) | 16% |
| Operating EBITDA ²³ | 4.2 | 0.1 | (0.2) | 4.1 | 1.2 | 240% |
| Growth resources expensed ²⁴ | (2.3) | - | (0.1) | (2.4) | (2.1) | 12% |
| EBITDA before other significant items | 1.9 | 0.1 | (0.3) | 1.7 | (0.9) | - |
| Other revenue | 0.1 | | | 0.1 | 0.2 | 2% |
| Fair value gain – contingent consideration | | | 0.5 | 0.5 | - | |
| Share based payments - employees | | | (0.3) | (0.3) | (0.4) | 45% |
| Share based payments – option holders | | | - | - | (0.3) | |
| Non-recurring corporate costs | | | (0.4) | (0.4) | (0.2) | (51%) |
| EBITDA | 1.9 | 0.1 | (0.5) | 1.5 | (1.6) | - |
| Interest | 0.2 | | 0.1 | 0.3 | 0.2 | 57% |
| Depreciation & amortisation | (0.5) | | | (0.5) | (0.4) | 36% |
| PBT | 1.6 | 0.1 | (0.4) | 1.3 | (1.8) | - |
| Tax | | | | | - | |
| NPAT | 1.6 | 0.1 | (0.4) | 1.3 | (1.8) | - |
| Underlying NPAT | 1.6 | 0.1 | (0.8) | 0.9 | (1.6) | - |

22. Operating expenses includes all expenses incurred in servicing current FUA for the platform and salaries and administrative expenses for the licensee.

23. Operating EBITDA excludes growth resources expensed and other significant items.

24. Growth resources expensed are costs for platform development, strategic development (inclusive of M&A activity) and to accelerate additional FUA onto the platform.

Disclaimer

SUMMARY INFORMATION

The material herein is a presentation of general background information about HUB24 Limited's ('HUB') activities current as at date of presentation. This information given in summary form does not purport to be complete and should be read in conjunction with previous ASX filings, Half Year Report and the audited Annual Report as applicable.

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