HUB24

'19

ANNUAL REPORT YEAR ENDED 30 JUNE 2019

CONTENTS

CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, HUB24 Limited and its Controlled entities ('the Group') have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014, effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2019 is dated as at 30 June 2019 and was approved by the Board on 26 August 2019. The Corporate Governance Statement is available on HUB24 Limited's website at www.hub24.com.au/corporate-governance-statement.

HUB24 is leading the change in the Australian financial services industry through innovative wealth management solutions that create growth and value.

APPENDIX 4E – YEAR ENDED 30 JUNE 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Year ended 30 June 2019 $'000	Year ended 30 June 2018 $'000		% change
Revenue from ordinary activities	98,668	86,995	Up	13.4%
Net profit after tax (from ordinary activities) for the period attributable to members	7,164	7,379	Down	(2.9)%
Basic earnings per share (cents)	11.54	12.27	Down	(6.0)%
Diluted earnings per share (cents)	11.30	11.91	Down	(5.1)%

DIVIDENDS

	Amount per security	Franked amount per security at 30%
Interim dividend	2.00	-
Final dividend	2.60	-

Subsequent to year end the directors have declared a final dividend of 2.6 cents per share (3.5 cents per share inaugural annual dividend was paid following the year ended June 2018).

Dates for the dividend are as follows:

Ex-date	16 September 2019
Record date	17 September 2019
Dividend payment date	18 October 2019

EXPLANATION OF RESULTS

Refer to the attached Directors' Report and review of operations for further explanation.

	30 June 2019	30 June 2018
Net tangible asset (per fully paid ordinary share)	$0.44	$0.42

CHANGES IN CONTROLLED ENTITIES

HUB24 Limited has not gained or lost control over any entity during the reporting period.

AUDIT

The report is based on accounts that have been audited by the Group's auditors, Deloitte Touche Tohmatsu.

FINANCIAL HIGHLIGHTS FY19

NETFLOWS FOR THE YEAR

$3.9b ↑61% ON FY18

FUA OF $12.9b

↑54% ON 30 JUNE 2018

PLATFORM SEGMENT REVENUE	PLATFORM SEGMENT UNDERLYING EBITDA	GROUP UNDERLYING EBITDA	GROUP UNDERLYING NPAT
$54.1m	$18.0m	$14.8m	$6.8m
↑ 36% ON FY18	↑ 52% ON FY18	↑ 30% ON FY18	↑ 27% ON FY18

PLATFORM MARGINS (AS A PERCENTAGE OF REVENUE)

Gross profit

75% ↑FROM 72% FY18

Underlying EBITDA

33% ↑FROM 30% FY18 (2HFY19 35%)

CHAIRMAN AND MANAGING DIRECTOR'S REPORT

FY19 Platform Revenue of $54.1 million up 36% on FY18

FY19 Platform Underlying EBITDA of $18.0m up 52% on FY18

FY19 Underlying NPAT of $6.8 million up 27% on FY18

Funds Under Administration (FUA) grew by 54% to $12.9 billion from $8.3 billion

1. INTRODUCTION

Dear Shareholders,

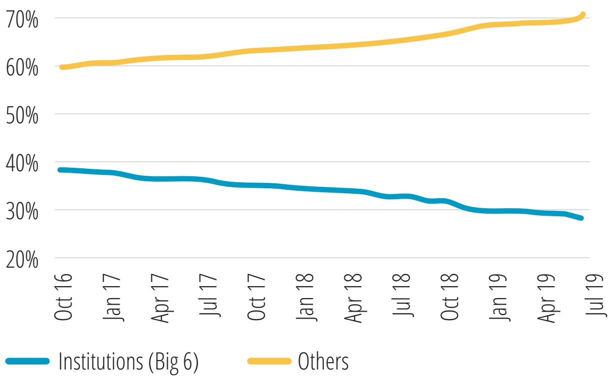
On behalf of the directors we are pleased to present you the FY19 Annual Report for HUB24.

HUB24 is leading change in the Australian financial services industry through innovative wealth management solutions for financial advisers, advice practices and stockbroking firms to create growth opportunities and value for our shareholders.

The 2019 financial year has been another successful year for our company. Our performance has remained strong across key financial metrics, our strategy is clear, and we are benefiting from industry-wide structural reform.

The wealth management industry is undergoing significant change in the wake of the Financial Services Royal Commission and as a result we are seeing increasing demand from customers for the value and choice that HUB24 offers. Institutions that have been under pressure and reshaping their wealth strategy are now, in some cases, exiting financial advice and this is driving dislocation in the licensee segment. Mid-tier licensees are on the rise and new advice models are emerging, for example the aggregators, who are forming communities of advisers to access technology and advice solutions. Additionally, platform Funds Under Administration (FUA) are in transition away from traditional platforms as advisers migrate from institutions, grandfathering of commissions is phased out and advisers look for more value, flexibility and choice.

ADVISER MARKET SHARE COMPOSITION*

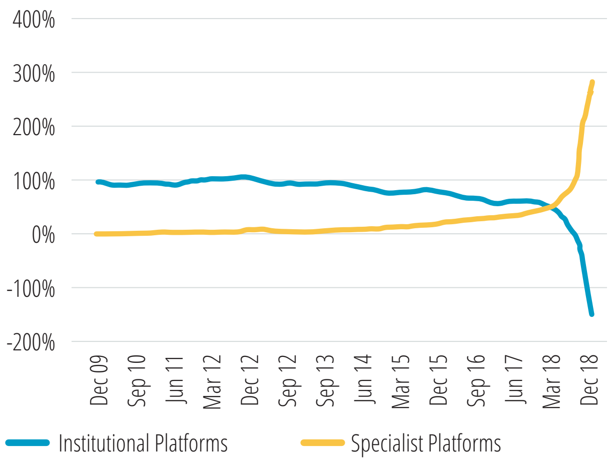


*Bell Potter Data: 2019 Australian Super and Adviser Landscape Reports.

HUB24 is well-positioned in this environment. Advisers are recognising that our innovative functionality and investment solutions enable them to deliver superior outcomes to their clients and their practice. This financial year has seen us capitalise on these opportunities while continuing our commitment to constant innovation, growing our team and delivering outstanding customer service.

The trend towards advisers and clients choosing specialist platforms accelerated during FY19 with data from the March 2019 Strategic Insights platform flows report showing specialist platforms like HUB24 continue to gain market share from the major institutional platforms[1].

ANNUAL NET FLOWS*



*Strategic Insights Analysis of Wrap, Platform & MasterTrust Managed Funds at March 2019

During the year, HUB24 achieved the following financial results:

- FY19 Platform Revenue of $54.1 million up 36% on FY18
- FY19 Platform Underlying EBITDA of $18.0m up 52% on FY18
- Funds Under Administration (FUA) grew by 54% to $12.9 billion from $8.3 billion, with record net inflows of $3.9 billion

Along with strong financial growth during the financial year, we have achieved some significant milestones:

- Maintained our position as the fastest growing platform provider relative to our size in percentage terms[1]
- Moved into 2nd place in terms of annual netflows[1] having achieved 1st place for quarterly net flows in the December quarter[2]
- Maintained our first-place position for Managed Accounts functionality[3]

Our customers continue to be our advocates. In the most recent Investment Trends Planner Technology report[3], HUB24 maintained its 1st place ranking for adviser primary platform advocacy and increased its overall adviser satisfaction ranking to 2nd place. Additionally, HUB24 was ranked in the top two places for 23 out of 32 categories and ranked in first place for its range of investments, client portal, portfolio management tools and for helping advisers demonstrate value to their clients.

We maintained our position as market-leader in the managed accounts segment. This segment of the industry continues to grow as advisers recognise the tangible benefits managed accounts provide in terms of client outcomes and business efficiencies and is forecast to reach $115 billion by 2020[4]. HUB24 continues to innovate in this area and we recently launched foreign currency capability in our managed portfolios. This is a significant enhancement as investment managers can now choose to settle international securities transactions and have international income paid in either foreign currency or Australian dollars, minimising currency conversions and potentially providing enhanced outcomes for clients.

At 30 June 2019 Managed Portfolios represented $5.6 billion of our FUA having contributed $2 billion of FUA growth during the year.

Advisers and clients are increasingly seeking more choice when it comes to investment options, this year we added

129 new managed portfolios to our menus and increased the number of international ETFs available to over 50.

Change is continuing in the traditional stockbroking segment where brokers are looking to broaden their value proposition and are transitioning to advice led wealth management. Our market-leading platform and managed portfolio functionality together with Agility Applications has led to us being successful in securing several new stockbroking clients throughout the year.

HUB24 is committed to extending our leadership in the financial advice, investment management and stockbroking segments to enable sustainable and enduring wealth management businesses in the context of profound industry change where innovation creates value.

2. FINANCIAL PERFORMANCE

Group revenue over the full year was up 15% while group direct costs increased by only 2%. Platform revenue was up 36% while platform direct costs increased by 26%.

The Group's preferred measure of profitability, which is Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA), increased 30% to $14.8 million for FY19 ($11.4 million in FY18), with Underlying Net Profit After Tax (Underlying NPAT) up 27% to $6.8 million for FY19 ($5.4 million for FY18).

The key items driving the Group Underlying EBITDA performance for FY19 were:

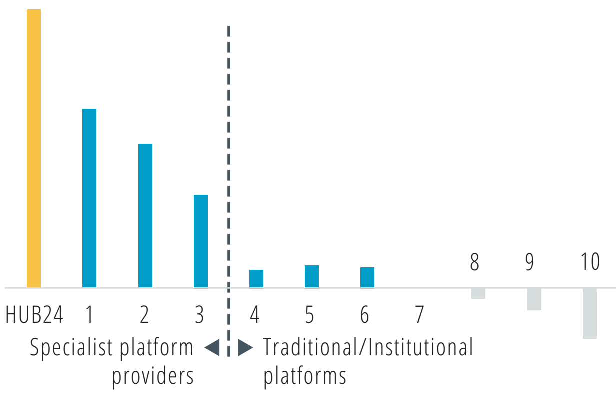
- FUA growth in the Platform segment from $8.3 billion at 30 June 2018 to $12.9 billion at 30 June 2019, an increase of 54%. Record net inflows of $3.9 billion were achieved during FY19 highlighting HUB24's strength and value proposition in the context of structural change and distraction across the industry. Our focus and capability to assist advisers with bulk FUA transitions has supplemented organic adviser flows to increase growth during this period.
- Platform revenue increased by 36% to $54.1 million for FY19 ($39.7 million for FY18) while platform expenses (direct, operating and growth expenses) increased by 30% to $36.0 million ($27.8 million for FY18). Revenue softened as a result of our growth focus on assisted FUA transition, which involves the in-specie transfer of assets, and as a consequence reduces transaction fees for new accounts. Scale based pricing for large growth opportunities as well as cyclically subdued trading markets and lower than average cash balances on the platform have also impacted revenue in FY19.
- As previously announced, the Group continued to invest in the business in order to support the acceleration of FUA growth. Our operating expenses increased by 28% in the first half and we are pleased to report that this growth slowed to 5% in the second half of the year reflecting overall cost growth in line with expectations.
- Our operating expense base increase included senior appointments in finance, operations, risk and compliance and the associated recruitment costs. Operating expenses also included growth investment expenses, predominantly headcount resources dedicated to distribution, platform development and business strategy to drive future growth. In 1HFY19 two senior distribution executives were recruited to deliver further growth, and strengthen our pipeline and key client relationships. Our investment in operating expenses ensures our business is positioned to reliably take on new FUA and will be leveraged over a growing FUA base in future periods.

A statutory Net Profit after Tax (NPAT) of $7.2 million was recorded for FY19 ($7.4 million for FY18 which included a material non-cash fair value gain).

3. GROWTH

HUB24 has maintained our position as the fastest growing platform in the market in percentage terms[1] and has achieved a compound annual growth rate ("CAGR") in FUA over the past five years of 72%.

NET FLOW SHARE TO UNDERLYING MARKET SHARE RATIO

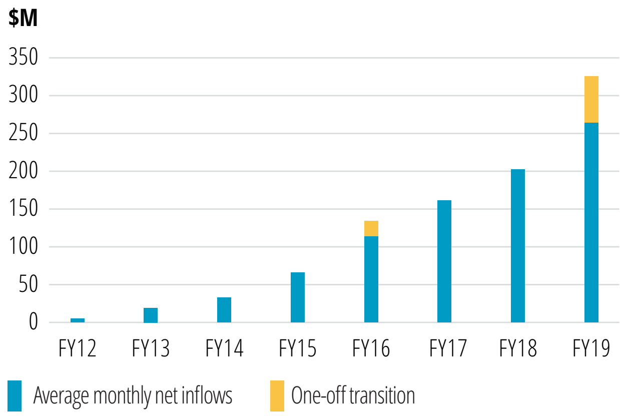


According to the latest available market share data HUB24 has moved into 2nd place in terms of annual net flows across the industry. Institutional platforms are now collectively in net outflow which reflects the acceleration of the trend away from the incumbents towards market-leading solutions which provide greater choice for advisers and clients. HUB24's market share of the platform industry has grown from 0.9% to 1.3% in the 12 months to 31 March 2019 and we have the highest growth ratio in terms of net inflow market share compared to underlying market share[1].

The company's growth in FUA continues to be driven by organic opportunities from both existing and new adviser relationships as well as transition opportunities from other platforms. During FY19 the number of active licensees on the platform grew by 84 taking the total number of active licensees to 253. The number of advisers using the platform also increased by 32% with 398 new advisers joining throughout the year.

FUA across our Investor Directed Portfolio Service (IDPS) and Super product remains similar with 54.1% in IDPS and 45.9% in Super. The retail version of the platform now accounts for 71% of FUA, whilst fully customer branded white labels consist of 29%. There has been a trend throughout the year of licensees opting to use the HUB24 retail offer with flexible pricing options rather than create their own white label version of the platform.

MONTHLY AVERAGE NET FLOWS



Market conditions for HUB24's products and services present unprecedented opportunity for growth and we will continue to invest in distribution, product and technology capabilities to enable us to take advantage of this unique opportunity.

Platform statistics	Jun '18	Sept '18	Dec '18	Mar '19	Jun '19	Growth on pcp
FUA ($m)	8,341	9,140	10,046	11,475	12,870	54.3%
Flows*						
Net inflows ($m)	739	638	1,480**	793	979	32.4%
Gross inflows ($m)	1,019	935	1,760**	1,156	1,475	44.7%
Advisers						
Number of advisers (#)	1,227	1,319	1,456	1,534	1,625	32.4%

Statistics are for each quarter, have been rounded and are not audited.

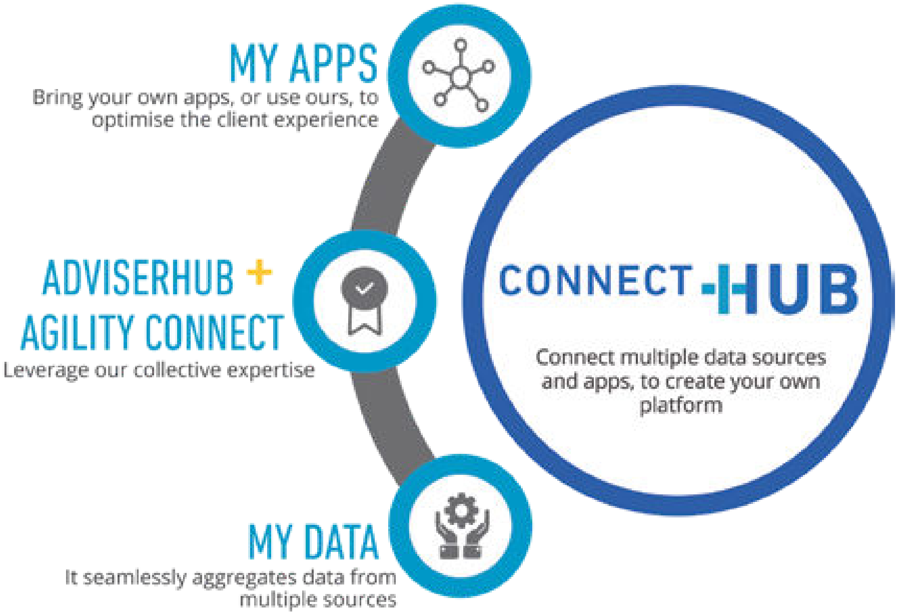
*Inflows exclude market movements.
**Includes one-off transition of ~$725 million.

4. OPERATIONS

FY19 has been characterised by consistent product and investment innovation, using technology as a driver to deliver greater choice and provide more opportunities for advisers to build business efficiencies while creating value for their clients.

The addition of Challenger annuities to the platform was completed leveraging our ConnectHUB investment which provides seamless integration of data from external providers. ConnectHUB has also delivered new historical performance reporting functionality which aims to remove a significant barrier to changing platforms for advisers and their clients. We are continuing to build our ConnectHUB solution with plans for further product launches during FY20.

Market conditions for HUB24's products and services present unprecedented opportunity for growth and we will continue to invest in distribution, product and technology capabilities to enable us to take advantage of this unique opportunity.



To provide further flexibility for our managed portfolio offer, licensees and investment managers can now choose to work with a range of third-party Responsible Entities to offer Managed Investment Scheme (MIS) portfolios to their clients via the platform. We also offer a solution for Managed Discretionary Account (MDA) providers that choose HUB24. The new functionality has proved popular with our clients and investment managers and there are now 69 MIS portfolios available on the platform.

HUB24's commitment to provide investment solutions to all segments of the market has resulted in the launch of the Sargon Small APRA Fund Service which utilises HUB24's platform technology. This innovation provides an alternative solution for self-managed superannuation fund (SMSF) clients seeking the flexibility of their own fund whilst utilising the services of a professional trustee.

In December our operations team successfully completed our largest transition to date bringing across the Fitzpatricks Private Wealth inhouse MDA ahead of schedule providing evidence of both our technology capability and our expertise in managing large and complex transitions whilst maintaining growth momentum across the business.

During the year, Agility Applications extended their product capability and developed several new products to support their client needs. In June, we announced an agreement with Cashwerkz to integrate their term deposit and cash management platform into Agility's functionality and successfully implemented the Open Markets application and infrastructure solution. Agility also moved into pilot phase with their Machine Learning/ Artificial Intelligence offer with one of our stockbroking clients.

Paragem continues to be successful in recruiting new advice practices as part of the increasing migration of advisers away from institutional licensees. Nathan Jacobsen commenced as Managing Director in September and was joined by Sonya Choi La Rosa as General Manager in January this year, providing additional strength to support the growth of the Paragem adviser network.

5. CORPORATE GOVERNANCE

In the midst of significant regulatory change, and in the interests of customers and shareholders, it is important to reiterate HUB24's strong focus on corporate governance. Both the Board of Directors and Management recognise our duties and obligations to maintain a robust system of corporate governance and are committed to ongoing review and improvement of these aspects of the business to ensure they continue to reflect industry best practice.

We are committed to ensuring our Board of Directors collectively have the requisite skills, experience and diversity to both support HUB24's growth and safeguard shareholders and customers. We commenced the recruitment process for a new non-executive director in May and expect this addition to the Board will be announced in the coming months.

During FY19 we enhanced the strength of our risk and compliance teams, reviewed and refreshed the company's risk management framework and undertook a Board led organisational culture review. Having a strong risk management culture is core to our governance approach and is fundamental for building long-term shareholder value.

6. OUTLOOK

The future Australian Wealth Management industry is now taking shape and HUB24 is continuing to move forward with positive tailwinds and unprecedented opportunity for growth.

In the 2019 financial year, HUB24 maintained market-leading growth levels whilst other industry participants were impacted by structural change and distraction. As industry level organic flows from financial advisers to platforms were traditionally softer, we successfully secured a number of new client relationships and now have a strong pipeline of contracted opportunities as well as a growing list of prospective opportunities.

HUB24 continues to benefit from financial advisers transitioning their clients from competitor platforms to utilise our market-leading functionality. We expect our focussed provision of transition assistance for licensees, advisers and their clients will facilitate ongoing growth momentum for the company.

As more financial advisers move away from institutional alignment and the demand for choice, value and market-leading platforms increases, the contestable market for HUB24 is expanding. The opportunity for growth is now significantly larger and in FY20 we will be making further strategic investments to leverage our position and capture this growth. We intend to grow our distribution footprint nationally and extend our leadership in managed portfolios with technology enabled innovation that will deliver enhanced accessibility and outcomes for clients.

These investments are expected to increase net flows to the platform and create a step change in our FUA growth. As a result, we are now targeting a FUA range of \$22–\$26 billion by 30 June 2021[5]. This is an uplift on our stated target last year when we anticipated FUA levels between \$19–23 billion by the end of FY21.

We are confident we can continue our profitable FUA growth trajectory based on the broad appeal of our platform and managed accounts solution, and our ability to innovate solutions for customers, financial advisers, stockbrokers and investment managers.

We look forward to meeting shareholders at the Annual General Meeting and on behalf of the Directors, wish to thank our team and business partners for their contribution during FY19 which was once again a successful year for HUB24. We also thank our customers for their ongoing support.

Yours sincerely

Bruce Higgins
Chairman

Andrew Alcock
Managing Director

1 Strategic Insights Analysis of Wrap, Platform & MasterTrust Managed Funds at March 2019

2 Strategic Insights Analysis of Wrap, Platform & MasterTrust Managed Funds at December 2018

3 Investment Trends Platform Competitive Analysis and Benchmarking Report February 2019

4 IMAP & Milliman Managed Accounts FUM census as at 30 June 2018

5 Assumes consistent and stable investment markets throughout the period

HUB24 is leading change in the Australian financial services industry, providing solutions to drive ongoing transformation and also creating growth opportunities for our customers and value for our shareholders.

DIRECTORS' REPORT

Your Directors present their report on the Group consisting of HUB24 Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019.

DIRECTORS AND COMPANY SECRETARY

The following persons were Directors of HUB24 Limited during the whole of the financial year and up to the date of this report:
Mr Bruce Higgins
Mr Andrew Alcock
Mr Ian Litster
Mr Anthony McDonald
Mr Paul Rogan

BRUCE HIGGINS

B Eng CP Eng, MBA, FAICD

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Bruce has over 20 years' experience as a senior executive or CEO, with companies such as Honeywell, Raytheon and listed technology companies. He is a specialist in rapid growth entrepreneurial companies, financial and software services companies, M&A and corporate governance and has also served on ASX boards as a Non-Executive Director or Chairman for over 13 years.

Bruce also currently serves as Chairman and Non-Executive Director of Legend Corporation. Bruce was awarded the Ernst & Young Entrepreneur of the Year award in Southern California in 2005 and has a Bachelor Degree in Electronic Engineering and an MBA in Technology Management. He is a Chartered Professional Engineer and Fellow of the Australian Institute of Company Directors.

Bruce was appointed as Chairman of the Board on 19 October 2012.

Other listed company directorships held in the last three years:

- Legend Corporation Limited
- Novita Healthcare Limited (resigned 10 May 2018).

ANDREW ALCOCK

B Bus, GAICD

MANAGING DIRECTOR

Andrew has over 24 years experience across wealth management encompassing advice, platforms, industry superannuation, insurance and information technology. Andrew was formerly Chief Operating Officer of Genesys Wealth Advisers overseeing the authorisation of over 300 financial planners and Head of the Genesys Equity Program, where he was a director of over 20 financial planning practices across Australia.

Prior to this Andrew was CEO of Australian Administration Services, a subsidiary of Link Market Services, providing superannuation administration for some of Australia's largest superannuation funds. He was also previously General Manager for Asteron's wealth management business.

Andrew's extensive financial services experience solidly underpins his role as Managing Director of HUB24 Limited.

Andrew was appointed to the Group's Board on 29 August 2014 as Managing Director.

Other listed company directorships held in the last three years:

- Nil.

IAN LITSTER

B Sc (Hons)

NON-EXECUTIVE DIRECTOR

Ian Litster has over 12 years experience in designing and developing software for the financial services industry, particularly in the area of financial planning. He has been the founder of the companies behind the VisiPlan and COIN software packages, two of the leading financial planning systems in Australia. His main areas of expertise are the management of information technology organisations and software development. Ian has a Bachelor Degree in Science (Honours in Mathematics).

Ian was appointed to the Board on 25 September 2012 and is a member of the Remuneration and Nomination Committee and the Audit, Risk and Compliance Committee.

Other listed company directorships held in the last three years:

- Nil.

ANTHONY MCDONALD

B Comm, LLB

NON-EXECUTIVE DIRECTOR

Anthony McDonald co-founded financial planning firm Snowball Group Limited in 2000, which merged with Shadforth in 2011 to become ASX-listed SFG Australia Limited.

Anthony is also a former director of The Investment Funds Association of Australia (now Financial Services Council) and currently Chairman of a leading not-for-profit organisation. He is currently non-executive director of 8IP Emerging Companies Limited and was appointed as non-executive director of URB Investments Limited on 13 October 2016.

As a financial services executive Anthony worked in a variety of senior roles with the Snowball Group, SFG, Jardine Fleming Holdings Limited (Hong Kong), and Pacific Mutual Australia Limited. Prior to entering the financial services industry, Anthony worked as a solicitor with two global law firms. He holds a Bachelor of Laws (LLB) and a Bachelor of Commerce (Marketing) from the University of NSW.

Anthony was appointed to the HUB24 board on 1 September 2015 and is the Chair of the Remuneration and Nomination Committee.

Other listed company directorships held in the last three years:

- 8IP Emerging Companies Limited (appointed 24 September 2015)
- URB Investments Limited (appointed 13 October 2016).

PAUL ROGAN

B Bus, GAICD, CPA

NON-EXECUTIVE DIRECTOR

Paul is a senior financial services professional with a background in Accounting and Finance with a proven track record for delivering results in different regions and markets. In his executive career he successfully drove businesses through rapid growth phases including with Challenger, NAB, MLC, and Lend Lease.

Paul has more than 25 years experience serving on entity boards and industry groups including 13 years in the not for profit sector. Paul was appointed to the HUB24 Limited board on 20 December 2017 and appointed as Chair of the Audit, Risk and Compliance Committee on 1 March 2018.

Other listed company directorships held in the last three years:

- Nil.

COMPANY SECRETARIES

The names and details of the Company Secretaries in office during the 2019 financial year and at the date of this report are as follows:

MARK GOODRICK

B Acc, M App Fin, CA

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mark has over 15 years of experience in funds management as well as managing global finance teams in complex and fast-growing listed companies.

Mark was previously CFO at Atlas Arteria, formerly known as Macquarie Atlas Roads, a global developer and operator of private toll roads, which during his tenure as CFO grew market capitalisation significantly and is now part of the ASX Top 100 companies. Additionally, Mark held the role of CFO of Macquarie Infrastructure and Real Assets (MIRA) Australia which operates a range of infrastructure funds globally and manages approximately $13 billion in equity under management.

Listed company directorships held in the last three years:

- Nil.

Mark was appointed Company Secretary on 31 December 2018.

PAUL HOWARD

B Comm LLB, GAICD

COMPANY SECRETARY

Paul is a senior executive and lawyer with over 20 years of experience in private practice and in-house roles.

Paul was previously General Counsel & Company Secretary at Rest, one of Australia's largest superannuation funds, responsible for the legal and company secretariat functions. Paul was also a member of the Executive Team and a trusted advisor to the Board. Prior to joining Rest, Paul was a senior lawyer at Challenger Limited, an ASX listed diversified financial services business, holding various legal roles during his time there. Before moving in house with Challenger, Paul was in private practice as a senior corporate lawyer in Sydney, Hong Kong & New Zealand.

Listed company directorships held in the last three years:

- Nil

Paul was appointed Company Secretary on 31 July 2019.

WENDY MCINTYRE

BA LLB

(PREVIOUS COMPANY SECRETARY) GENERAL COUNSEL, COMPLIANCE & RISK

Wendy is a specialist financial services lawyer, risk and compliance professional and has over 20 years' experience across the financial services industry.

Wendy's experience includes: wealth management, platforms (IDPS and super wraps), managed investment schemes, financial product advice, superannuation, life insurance and distribution arrangements. Wendy has worked at top tier law firms, including MinterEllison, with other financial services providers, such as Challenger Limited, and with ASIC.

Listed company directorships held in the last three years:

- Nil

Wendy was appointed Company Secretary on 31 December 2018, and resigned on 31 July 2019.

MATTHEW HAES

B Ec (Syd), ACA, AGIA ACIS, GAICD

PREVIOUS COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Matthew's financial services experience spans over 23 years in senior finance roles, covering wealth management, securitisation, capital markets, stockbroking and funds management. He spent eight years as Finance Manager and Company Secretary at Centric Wealth Limited (now part of Findex Group Limited) where he developed the finance function and integrated businesses resulting from the company's merger and acquisition activities. Matthew was a Director of the HUB24 Group's subsidiary companies, a Responsible Manager of HUB24 Custodial Services Limited, a member of the executive committee and served the committees of the Board.

Matthew has a Bachelor of Economics, is a Chartered Accountant, Chartered Company Secretary and graduate of the Australian Institute of Company Directors.

Matthew was appointed Company Secretary on 10 September 2012 and resigned on 31 December 2018.

GROUP OVERVIEW

HUB24 Limited operates the HUB24 investment and superannuation platform, provides financial advice to clients through financial advisers authorised by Paragem Pty Limited and provides application and technology products through Agility Applications Pty Limited.

The HUB24 investment and superannuation platform is a leading portfolio administration service that provides financial advisers with the capability to offer their clients access to a wide range of investments including market leading managed portfolio functionality, efficient and cost effective trading, insurance and comprehensive reporting for all types of investors - individuals, companies, trusts or self-managed super funds.

Paragem provides licensee services and is a wholly owned subsidiary and boutique dealer group. It comprises a network of 32 financial advice businesses which deliver high quality, goals-based advice. It provides compliance, software, education and support to the practices enabling advisers to provide clients with financial advice across a range of products.

Agility provides application and technology products to the financial services industry, currently servicing approximately 45% of Australia's stockbroking market. It earns software license and consulting fees from data, software and infrastructure.

REVIEW AND RESULTS OF OPERATIONS

The Group recorded a 13.4% increase in revenue from ordinary activities to $98.7 million for FY19 (revenue of $87.0 million for FY18).

The Group's preferred measure of profitability is Underlying Earnings before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA), which is up 29.7% to $14.8 million for FY19 (Underlying EBITDA of $11.4 million in FY18).

The key items driving the Group Underlying EBITDA performance for FY19 were:

- FUA Growth in the Platform segment from $8.3 billion at 30 June 2018 to $12.9 billion at 30 June 2019, an increase of 54.3%. Record net inflows of $3.9 billion were achieved during FY19 in the context of structural change and distraction across the industry. Our capability to assist advisers with bulk FUA transitions has supplemented organic adviser flows to maintain growth in these conditions.
- Platform revenue increased by 36.3% to $54.1 million for FY19 ($39.7 million for FY18). Revenue was impacted by higher levels of assisted FUA transition, which involve the in-specie transfer of assets, and as a consequence reduced trading margin revenue for new accounts. We also saw the impact of subdued markets, as well as lower cash balances on platform. Platform expenses (direct, operating and growth expenses) increased by 29.7% to $36.1 million ($27.8 million for FY18).

A statutory Net Profit After Tax (NPAT) of $7.2 million was recorded for FY19 ($7.4 million for FY18, which included a material non-cash fair value gain).

In addition to the information disclosed in this Annual Report, readers are referred to the Group's disclosures to the ASX on 27 August 2019 for further detail and analysis of the Group's performance and financial position.

PRINCIPAL ACTIVITIES

The principal activities during the year were the provision of investment and superannuation portfolio administration services, the provision of licensee services to financial advisers and software license and IT consulting services.

CORPORATE

The following options, performance rights and shares were issued in accordance with schemes approved by shareholders. These schemes contain ambitious targets, including FUA targets of up to $26 billion, in order to incentivise and align key staff towards HUB24 achieving its growth objectives:

- 389,898 share options were issued to staff and executives in the financial year ended 30 June 2019 (465,565 in FY18)
- 570,941 performance award rights were issued to staff, executives and non-executive directors in the financial year ended 30 June 2019 (143,223 in FY18)
- 709,080 shares were issued for options exercised by staff and executives in the financial year ended 30 June 2019 (2,351,000 in FY18)
- 31,669 shares were issued for part payment of consideration in the purchase of Agility Applications in the financial year ended 30 June 2019 (nil in FY18)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the nature or state of affairs of the Group.

DIVIDENDS

Subsequent to the end of the year, the directors have declared a final unfranked dividend of 2.6 cents per share to be paid on 18 October 2019. This will result in full year unfranked dividends of 4.6 cents per share (3.5 cents per share inaugural annual dividend was paid following the year ended June 2018).

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Other than the declaration of a final dividend noted above, no other matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

With the continued growth in FUA onto the HUB24 investment and superannuation platform and continuing success of its supporting businesses, the Group expects its financial results to continue improving with scale.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to significant environmental regulations under Australian legislation in relation to the conduct of its operations.

DIRECTORS' INDEMNITY

During FY19 the Group paid a premium in respect of insuring all directors and officers against liability, except wilful breach of duty, of a nature that is required to be disclosed under section 300(8) of the *Corporations Act 2001*. In accordance with commercial practice, the amount of the premium has not been disclosed.

The Group has indemnified officers and directors to the extent permitted by law against any liability that arises as a result of actions as an officer or director and has not otherwise, during or since the end of FY19, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

MEETINGS OF DIRECTORS

The numbers of meetings of the Group's board of Directors and of each board committee held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were as per the table below:

	Board meetings		Audit, risk & compliance committee meetings		Remuneration & nomination committee meetings	
Director	Attended	Held*	Attended	Held*	Attended	Held*
Bruce Higgins	10	10	4	4	2	2
Andrew Alcock	10	10	4	4	-	-
Ian Litster	10	10	4	4	2	2
Anthony McDonald	10	10	-	-	2	2
Paul Rogan	10	10	4	4	-	-

*Number of meetings held during the time the director held office or was a member of the committee.

This report is made in accordance with a resolution of Directors.

Bruce Higgins
Director

Sydney, 26 August 2019

INTRODUCTION TO THE REMUNERATION REPORT (UNAUDITED)

Dear Shareholders,

On behalf of the Board and its Remuneration and Nomination Committee, I am pleased to present HUB24's 2019 Remuneration Report, for which we will seek your support at our Annual General Meeting this November.

CHANGES FOR FY19

First and foremost, in FY19 we have endeavoured to improve the Remuneration Report with the inaugural inclusion of a specific letter from the Chairman of the Remuneration and Nomination Committee and by setting out key information, including pictorial representations of various aspects of the Remuneration Report. We trust this assists Shareholders with more readily interpreting the Group's remuneration philosophy, structure, implementation and alignment. We will continue to look for further improvements in the Remuneration Report over time.

In FY19, we built on the remuneration insights and best practice gleaned from our engagement with a specialist remuneration consultancy in FY16 and FY18. We have also kept abreast of best practice guidelines such as relevant elements of the Banking Executive Accountability Regime introduced by APRA in 2018, all with the aim of better aligning each of remuneration measures, incentives and retention mechanisms to Shareholder value and to HUB24's strategy.

PERFORMANCE ALIGNMENT

A key priority for the Board is to ensure a high degree of alignment in outcomes between Shareholders, staff and Management.

Based on the independent advice and market developments, the Board and its Remuneration and Nomination Committee approved revised incentive arrangements for Mr Alcock and other Management with a view to strengthening alignment. This review included ensuring the design and operation of the Group's Short Term and Long Term Incentives are in line with Shareholder and market expectations. The Board and the Remuneration and Nomination Committee also strive to ensure that the arrangements for all staff in the organisation are considered appropriate and staff are meaningfully incentivised.

A summary of the revised arrangements for certain Management (for FY19) is set out in the following table.

Key Remuneration Component	Revised Arrangement	Purpose and Alignment
Fixed Remuneration	Forgoing increases in Fixed Remuneration until 1 September 2020 in return for an issuance of Special LTI	Alignment with cash flow and profitability objectives of HUB24
Short Term Incentive (STI)	• STI deferral provisions • STI claw-back provisions • Structured scorecards	• 33.3% of the STI is payable upon approval by the Board as recommended by the Remuneration and Nomination Committee, whilst payment of the remaining amount is deferred with 33.3% payable in a further six months and the remaining 33.3% in a further 12 months from the original approval date • Claw-back in instances of fraud or malfeasance • Structured scorecard KPIs including: - Growth and profitability - Business and operational performance including risk and compliance - Building the future foundations of the business - Product and service innovation - Leadership and culture
Long Term Incentive (LTI)	Issuance of Special LTI in addition to usual LTI scheme in return for forgoing increases in Fixed Remuneration until 1 September 2020	Alignment with cash flow, profitability and Shareholder return objectives

These changes are more fully described in section 4 of the Remuneration Report.

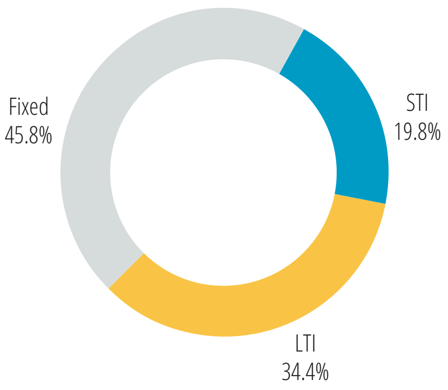
REMUNERATION OUTCOMES

The Board views it was another successful year for HUB24 and is satisfied that key FY19 performance indicators were met. HUB24 has achieved strong growth in Funds Under Administration (FUA) (up 54%), Platform Revenue (up 36%) and Platform Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA) (up 52%). As a result of these strong results, incentives were awarded to the Managing Director, Mr Alcock, and to various Management under the FY19 Short Term and Long Term Incentive plans (STIs and LTIs). The main FY19 remuneration outcomes for the Managing Director are summarised below. The Board believes that these outcomes appropriately align HUB24's performance, Shareholder value and market expectations with Management incentivisation and retention.

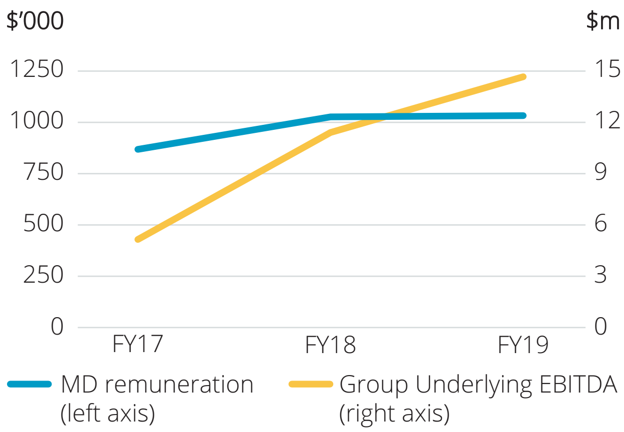
ANDREW ALCOCK, MANAGING DIRECTOR TOTAL REMUNERATION SNAPSHOT

	FIXED		STI		LTI		TOTAL	
	FY19	FY18	FY19	FY18	FY19	FY18	FY19	FY18
$	470,695	474,683	203,312	265,000	353,927	282,340	1,027,934	1,022,023
% STI eligibility achieved	N/A		60.0%	79.1%	N/A		60.0%	79.1%

Managing Director Remuneration Breakdown 2019



Managing Director Total Remuneration Relative to Group Underlying EBITDA



CULTURE AND ORGANISATIONAL HEALTH

The Board and Management believe that culture and performance are inextricably linked, and that the culture of an organisation must be tested from time to time and fully understood in order to ensure that behaviours and incentives are aligned to the desired culture and ultimately conducive to creating sustainable Shareholder value.

Accordingly, in FY19 the Board initiated a company-wide culture and organisational health survey, commissioning an independent specialist research organisation to assist with format, content and implementation. The survey canvassed a number of quantitative and qualitative (open) questions, intended to test, ascertain and verify organisational culture and health.

The survey was completed shortly after the close of the 2019 financial year and the results are being carefully analysed with the assistance of the independent specialist, noting that initial indicators show a close correlation between overall results and the culture expected by the Board. The final analysis will be used to synthesise areas of continuous improvement across the organisation including risk management and the alignment of remuneration to culture, organisational health, desired behaviours and sustainable Shareholder value.

REMUNERATION FOR 2020

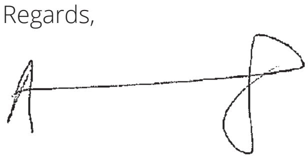
There are no material changes to the overall remuneration strategy proposed for 2020, and we will continue to monitor it to ensure it is meeting both best practice and our strategic objectives.

THE 2019 REMUNERATION REPORT

The Board believes HUB24's approach to Board and Management remuneration remains balanced, fair and equitable and motivates, retains and rewards a successful and experienced team to deliver ongoing business growth and manage the risks of the business, with Shareholder alignment over the short, medium and longer term.

As mentioned at the outset, the changes to the FY19 Remuneration Report are intended to assist Shareholders to more readily review our remuneration philosophy, structures and alignment and we trust this is the case. We remain committed to continuous improvement and to open communication with Shareholders and other stakeholders, particularly around our remuneration practices and disclosures. As such, I welcome any feedback that you may have.

Regards,



Anthony (Tony) McDonald
Chairman, Remuneration and Nomination Committee

REMUNERATION REPORT – AUDITED

1. INTRODUCTION

The Directors present the Remuneration Report for HUB24 and its consolidated entities (the Group) for the year ended 30 June 2019 (FY19), prepared in accordance with the Corporations Act 2001. The Remuneration Report forms part of the Directors' Report and provides Shareholders with an understanding of the remuneration principles in place for Key Management Personnel (KMP).

This Remuneration Report explains the FY19 Remuneration Framework and outcomes for the KMP. The KMP comprise:

- The Managing Director, certain Group Executives with operational and/or financial responsibility (together referred to in this Remuneration Report as 'Executives'); and
- The Non-Executive Directors.

KMP

Name	Role in FY19	Commencement date in role
Bruce Higgins	Non-Executive Director, Chairman	19 October 2012
Ian Litster	Non-Executive Director	25 September 2012
Anthony McDonald	Non-Executive Director	1 September 2015
Paul Rogan	Non-Executive Director	20 December 2017
Andrew Alcock	Managing Director	29 July 2013
Jason Entwistle	Director, Strategic Development	1 August 2013
Matthew Haes*	Chief Financial Officer and Company Secretary	26 June 2012
Mark Goodrick	Chief Financial Officer and Joint Company Secretary	3 December 2018
Craig Lawrenson	Chief Operating Officer	21 August 2017

*Resigned effective 31 December 2018.

2. REMUNERATION STRATEGY

The overall objective of the Board's Remuneration Strategy is to support and drive the strategic agenda of the Group, and to align remuneration with the creation of sustainable Shareholder value. The performance of the Group depends upon the quality of its KMP.

To deliver the Group strategy and Shareholder value the Group must attract, motivate and retain highly skilled KMP and ensure reward for performance is competitive and appropriate for the results achieved. To this end, the Group embodies the following principles in its Remuneration Framework:

Remuneration Principles

- Attract, motivate and retain qualified staff (at all levels) to manage the profitable growth of HUB24
- Focus on sustained growth in Shareholder value
- Provide competitive & reasonable rewards to attract, motivate & retain high calibre individuals
- Focus the KMP on key drivers of Shareholder value including capital management
- Simplicity and transparency

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee is responsible for making recommendations to the Board on the remuneration arrangements for KMP. The Remuneration and Nomination Committee assesses the appropriateness of the structure and amount of remuneration on a periodic basis by reference to relevant employment market conditions, with the overall objective of delivering sustainable growth in Shareholder value from the recruitment, motivation and retention of high performing KMP.

The current members of the Remuneration and Nomination Committee are Anthony McDonald (Chair), Bruce Higgins and Ian Litster. Their qualifications and experience are set out in the Directors' Report.

In reviewing KMP performance, the Remuneration and Nomination Committee conduct an evaluation based on specific criteria, including the Group's business performance, whether strategic objectives are being achieved, and the development and performance of KMP.

3. REMUNERATION FRAMEWORK

HUB24's overall Remuneration Framework places emphasis on rewarding Executives for achieving the Group's strategy and creating Shareholder value as follows:

- Fixed Remuneration that attracts and retains Executives with the skills and experience needed to respond to the complex challenges facing the Group and the industry;
- Short Term Incentives that drive alignment with the Group's current operational strategies including profitability, product and service innovation, risk management, change management and laying the foundations for further growth; and
- Long Term Incentives that align KMP outcomes over time with the delivery of sustainable Shareholder value.

HUB24 strives to create a Remuneration Framework that drives a performance culture, ensuring there is a strong link between Executive pay and the achievement of the Group's performance and sustainable Shareholder value.

The Board reviews the Remuneration Framework regularly to ensure it continues to be fit-for-purpose and drives performance outcomes that deliver on the Group's strategy and value creation. These regular reviews are also considered good governance by the Board.

As highlighted in last year's Remuneration Report, the Board undertook a review of the Remuneration Framework in FY16 and FY18, assisted by an Independent Expert. The reviews included an evaluation of remuneration practices and frameworks, as well as remuneration levels for each of Fixed Remuneration, STIs and LTIs against comparator benchmarks. The Board has also given consideration to relevant elements of APRA's Banking Executives Accountability Regime (BEAR). The purpose of this evaluation was to determine whether the Group's remuneration policies and practices remain market competitive and best practice. The outcomes of these reviews have been incorporated into the Group's Remuneration Framework. HUB24 will continue to engage proactively with stakeholders and our advisers to ensure that any further market practices and relevant developments in remuneration are fully understood, that stakeholder concerns are addressed at the earliest opportunity and that HUB24's Remuneration Framework and implementation remain consistent with its strategy and Shareholder alignment.

At the 19 November 2018 AGM, 99.04% of votes received supported the adoption of the Remuneration Report for the year ended 30 June 2018. The Group proactively engages with Proxy Advisers and did not receive any specific feedback at the AGM regarding its remuneration practices.

4. FY19 EXECUTIVE REMUNERATION

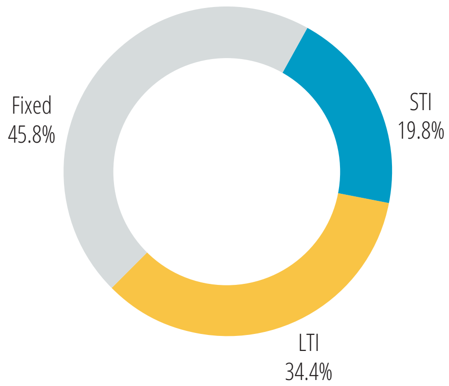
The Remuneration Framework is designed to reward the achievement of both short and longer term objectives which in turn, align Executive and Shareholder outcomes. The following diagram provides an overview of the remuneration for Executives for FY19.

Fixed Remuneration	Short Term Incentive (STI)	Long Term Incentive (LTI)
Objectives		
To attract and retain Executives with the right capability and experience	To reward Executives for delivering financial returns and progress relative to the Group's current strategy	To reward KMP for long term performance, encourage shareholding and deliver long term value creation and retention for Shareholders

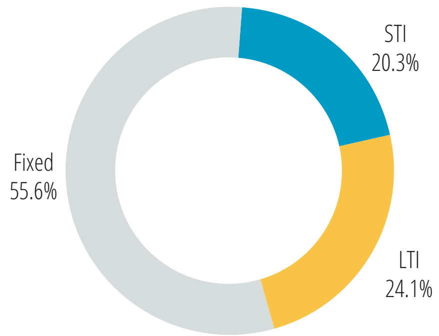
EXECUTIVE REMUNERATION MIX

The remuneration mix is structured to attract, motivate and retain Executives (and staff overall) appropriately. The FY19 remuneration mix for Executives is summarised below:

Managing Director Remuneration Breakdown 2019



Other Executives Remuneration Breakdown 2019 (average)



FIXED REMUNERATION

The level of Fixed Remuneration is set in order to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market.

Fixed salaries are reviewed annually by the Board and the process consists of a review of company-wide business unit and individual performances, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies, practices and market comparisons. Fixed Remuneration is received in cash.

STI

The objective of STIs is to reward Executives in a manner that focusses them on achieving individual and business goals which contribute to the creation and growth of sustained Shareholder value.

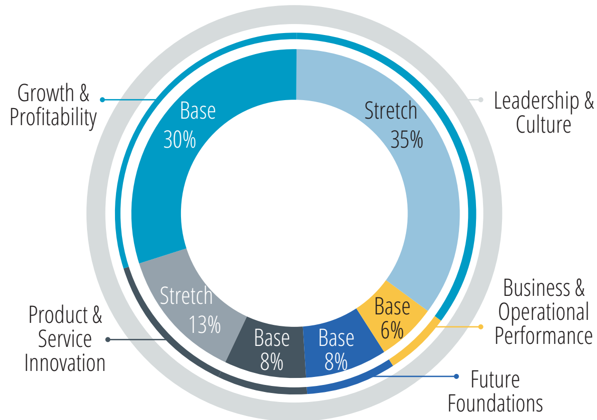
STI payments are granted to Executives based upon structured qualitative and quantitative scorecard measures being achieved as determined by the Board. The scorecard measures include “base case” and “stretch” targets. The allocated weighting between base case and stretch may vary between Executives.

STI are currently assessed against performance using the following categories:

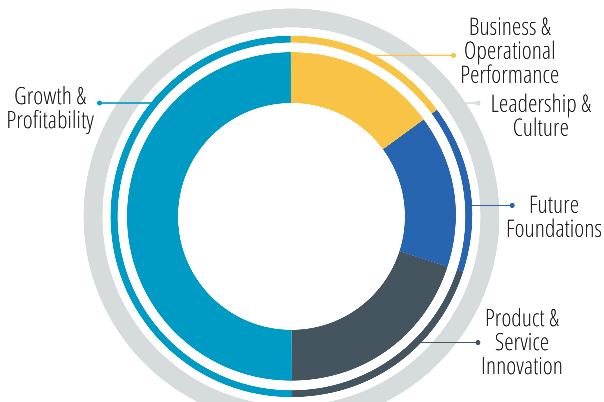
- Growth and profitability
- Business and operational performance including risk and compliance
- Building future foundations of the business
- Product and service innovation
- Leadership and culture

The relative splits are shown in the diagrams below:

Managing Director STI Targets



Other Executive STI Targets



Note: Weightings vary between each Executive

Other STI Conditions
33.3% payable upon approval by the Board as recommended by the Remuneration and Nomination Committee
Balance deferred with half payable in a further six months and the other half in a further twelve months from the original approval date
"Claw-back" mechanism for certain events such as fraud and governance failures by the relevant Executive
Ability to convert 50% of STIs achieved and payable in cash to shares in the Group, with the Board having a discretion to allow higher levels of conversion

Details of the STIs earned for each relevant Executive are set out in section 5 of this Remuneration Report.

LTI

KMP may be eligible to participate in the LTI Plans for the purpose of receiving Options and/or Performance Award Rights (PARs) over ordinary shares. Additionally, the Board may, at their discretion and with the approval of Shareholders (as required), elect to remunerate KMP through the issue of Options or PARs outside of these plans.

The objective of the LTI Plans is to provide KMP with the incentive to deliver sustained growth in Shareholder value and to provide the Group with the ability to attract, motivate and retain appropriate personnel.

LTIs issued under the LTI Plans currently have two performance hurdles:

- 50% of the Options and 50% of the PARs - the Compound Annual Growth Rate ("CAGR") in Funds Under Administration ("FUA") over the three years from grant of the LTI; and
- 50% of the Options and 50% of the PARs - the Absolute Total Shareholder Return ("ATSR") performance over a three-year period.

The Remuneration and Nomination Committee from time to time assesses the appropriateness of these hurdles, including in light of independent advice (including comments from proxy advisors). For example, with the assistance of an independent adviser, the Remuneration and Nomination Committee and the Board have considered alternative hurdles such as relative Shareholder return compared to comparators in the market. At this time it was determined that such a hurdle was not in the best interests of Shareholders given the very narrow, true listed comparator set, and that HUB24 is one of the fastest growing companies in its peer group. This will be monitored.

The current hurdles incentivise KMP to build scale with appropriate margins in order to deliver business growth and profitability (as currently measured by the CAGR in FUA) as well as the success in implementing the Group's long term strategic objectives (as currently measured by the CAGR in ATSR).

Other LTI Conditions
Restrictions on share sales resulting from the exercise of Options or PARs – twelve months from the date of exercise except for the purpose of funding the exercise price of Options or to meet the tax obligations arising from the exercise of Options or PARs or from the sale of shares. The sale of shares in such circumstances is undertaken in accordance with a process overseen by the Board.
Options and PARs will expire upon resignation or termination of KMP employment unless KMP are determined by the Board to be a "Good Leaver" based upon special circumstances such as death, disablement or such other circumstances as the Board determines.
LTI awards may be forfeited in particular circumstances, or other circumstances the Board determines, such as a material misstatement or omission in the financial statements of the Group and actions by KMP that seriously damage the Group's reputation or put the Group at significant risk.
Upon a change of control event, the LTI awards vest on a pro rata period of time basis. The Board has discretion to vest the full grant of Options and PARs upon a change of control event in appropriate circumstances.

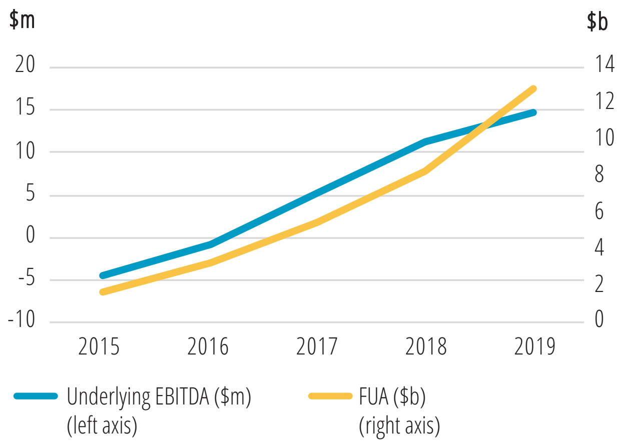
OTHER SHARE BASED INCENTIVES

The objective of other share based remuneration is to reward KMP (and staff where applicable) in a manner that aligns this element of remuneration with the creation and growth of sustained Shareholder value. As such, ordinary share and Option/PAR grants may be made to KMP who are able to influence Shareholder value and thus have an impact on the Group's performance.

Share based KMP remuneration may be delivered in the form of shares, partly paid shares, PARs or grants under the Employee Share Plan or as share Option grants, as the Board recommends in its discretion, on a case by case basis. Recipients of share based remuneration may be required to meet vesting or exercise conditions, including business performance, length-of-service, and market and non-market performance based criteria, including sustained share price targets.

SUPPORTING INFORMATION

In considering the Group's performance the Board has regard to the following with respect to the current year and previous financial years:



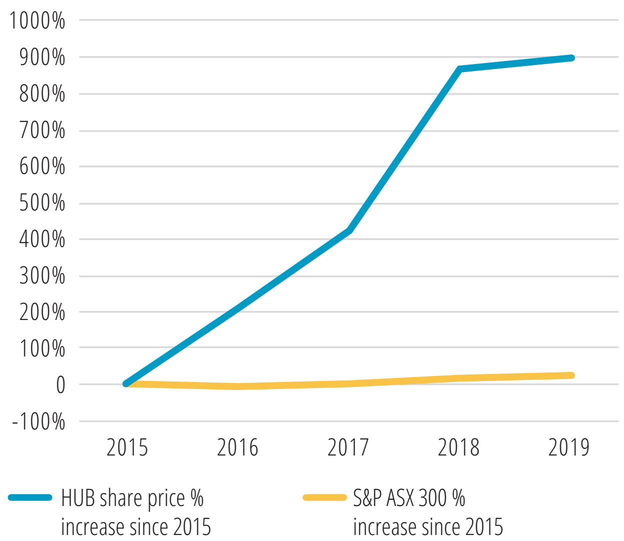
The structural changes occurring in wealth management and the growing expectation from consumers and financial advisers for modern, flexible and value enhancing platforms are providing favourable conditions for HUB24 to grow

The factors that are considered to affect Shareholder value are summarised in the table and chart below:

	2015	2016	2017	2018	2019
Share price at financial year end ($)	1.2	3.68	6.24	11.55	11.88
S&P ASX 300 (#)*	5,400.50	5,195.50	5,668.80	6,152.30	6,568.40
HUB share price % increase since 2015	N/A	207%	420%	863%	890%
S&P ASX 300 % increase since 2015	N/A	-4%	5%	14%	22%

*HUB24 entered the ASX 200 in the March 2019 rebalancing

HUB24 share price vs ASX 300*



*HUB24 dividends not included

5. REMUNERATION FOR KMP

The table below sets out the percentage of the maximum available STI for each Executive that was awarded in relation to FY19 and the percentage that was forfeited because the Group and individual performance criteria did not meet the full stretch level of performance.

Current Year (FY19) STI entitlement			
Name	Entitlement	Awarded	Forfeited
A. Alcock	75%	60%	40%
J. Entwistle	75%	60%	40%
C. Lawrenson	70%	60%	40%
M. Goodrick*	50%	60%	40%
M. Haes**	50%	50%	50%

*appointed 3 December 2018
**resigned 31 December 2018

2019	Short term benefits		Post employment benefits	Long term benefits	Share based payments			Current Period Performance Related
	Salary and Fees[1] $	Bonus $	Superannuation $	Long Service Leave $	Shares $	Options & PARs $	Total $	%
Non-Executive Directors								
B. Higgins	180,525	-	-	-	-	-	180,525	0%
I. Litster	90,263	-	-	-	-	-	90,263	0%
A. McDonald	87,000	-	-	-	-	40,318	127,318	0%
P. Rogan	90,263	-	-	-	-	-	90,263	0%
Sub-total Non-Executive Directors	**448,051**	**-**	**-**	**-**	**-**	**40,318**	**488,369**	
Executives								
A. Alcock	427,524	203,312	20,451	22,720	-	353,927	1,027,934	20%
J. Entwistle	351,153	166,500	20,451	18,383	1,000	260,778	818,265	20%
C. Lawrenson	342,439	155,129	20,451	10,158	1,000	164,927	694,104	22%
M. Goodrick[2]	221,207	63,548	11,977	3,348	-	27,745	327,825	19%
M. Haes[3]	138,480	35,000	10,185	-	1,000	44,019	228,684	15%
Sub-total Executives	**1,480,803**	**623,489**	**83,515**	**54,609**	**3,000**	**851,396**	**3,096,812**	
Total	**1,928,854**	**623,489**	**83,515**	**54,609**	**3,000**	**891,714**	**3,585,181**	

1. KMP salary and fees includes Fixed Remuneration and movement in annual leave entitlement.
2. Appointed 3 December 2018
3. Resigned 31 December 2018

2018	Short term benefits		Post employment benefits	Long term benefits	Share based payments			Prior Period Performance Related
	Salary and Fees[1] $	Bonus $	Superannuation $	Long Service Leave $	Shares $	Options & PARs $	Total $	%
Non-Executive Directors								
B. Higgins	167,317	–	–	–	–	–	167,317	0%
I. Litster	83,658	–	–	–	–	–	83,658	0%
A. McDonald	85,032	–	–	–	–	–	85,032	0%
V. Webber[2]	56,032	–	–	–	–	–	56,032	0%
P. Rogan[3]	44,596	–	–	–	–	–	44,596	0%
Sub-total Non-Executive Directors	**436,635**	**–**	**–**	**–**	**–**	**–**	**436,635**	
Executives								
A. Alcock	446,548	265,000	19,941	8,194	–	282,340	1,022,023	26%
J. Entwistle	332,220	225,000	19,941	6,687	1,000	199,930	784,778	29%
M. Haes	279,557	100,000	19,941	5,665	1,000	85,914	492,077	20%
C. Lawrenson[4]	318,233	180,000	16,707	587	1,000	60,008	576,535	31%
Sub-total Executives	**1,376,558**	**770,000**	**76,530**	**21,133**	**3,000**	**628,192**	**2,875,413**	
Total	**1,813,193**	**770,000**	**76,530**	**21,133**	**3,000**	**628,192**	**3,312,048**	

1. KMP salary and fess includes fixed remuneration and movement in annual leave entitlement.
2. Resigned 28 February 2018.
3. Appointed 20 December 2017.
4. Appointed 21 August 2017.

6. SERVICE AGREEMENTS

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation relevant to the office of Director.

Remuneration and other terms of employment for Executives are formalised in employment agreements.

All Executives have ongoing employment agreements. The Group may generally terminate the employment agreement by providing between three and six months written notice depending on the agreement or providing payment in lieu of the notice period (based on the fixed component of the relevant Executive remuneration).

The major provisions of the agreements relating to remuneration are set out below. Salaries set out below are for FY19 and are subject to review by the Remuneration and Nomination Committee.

Name	Base Salary (including superannuation)	STI	LTI	Term of agreement	Notice period – either party
A. Alcock[1] Managing Director	451,805	Up to 75% of Base Salary	51,186 Options, 104,072 PARs[2]	Ongoing – commenced 29 July 2013	6 months
J. Entwistle Director, Strategic Development	370,000	Up to 75% of Base Salary	40,000 Options, 101,000 PARs[3]	Ongoing – commenced 1 August 2013	6 months
C. Lawrenson Chief Operating Officer	369,570	Up to 70% of Base Salary	15,352 Options, 39,221 PARs[3]	Ongoing – commenced 21 August 2017	6 months
M. Goodrick Chief Financial Officer	370,000	Up to 50% of Base Salary	24,667 Options, 26,981 PARs[4]	Ongoing – commenced 3 December 2018	3 months
M. Haes Chief Financial Officer, resigned 31 December 2018	300,000	Up to 50% of Base Salary	N/A	Ceased – resigned 31 December 2018	Not applicable

1. For Andrew Alcock 52% of STI payable upon achieving base case objectives set by the Board. A further 48% payable upon the achievement of stretch case objectives. For other KMP the allocated weighting between base case objectives and stretch case objectives may vary.
2. Options and PARs for Andrew Alcock have a one-year sale restriction after issue of shares. Special PARs were issued during the year in return for forgoing increases in Base/Fixed Remuneration until 1 September 2020. See section seven for vesting conditions.
3. Options and PARs for Jason Entwistle and Craig Lawrenson have a one-year sale restriction after issue of shares. Special PARs were issued during the year in return for forgoing increases in Base/Fixed Remuneration until 1 September 2020. See section seven for vesting conditions.
4. Options and PARs for Mark Goodrick have a one-year sale restriction after issue of shares. Special PARs were issued during the year upon commencement to create alignment with other Executives. See section seven for vesting conditions.

Executives have no entitlement to termination payments in the event of removal for misconduct.

7. SHARE BASED COMPENSATION

OPTIONS

The terms and conditions of each grant of Options affecting remuneration of KMP in the current or a future reporting period are as follows:

Grant Date	Expiry Date	Exercise Price ($)	Value per Option at grant date ($)	Performance achieved	% Vested	Balance at start of Year	Issued during year	Exercised during year	Balance at end of year
17 Oct 2014	17 Oct 2019	0.98	0.19	Yes	100%	220,000	Nil	60,000	160,000
2 Dec 2014	17 Oct 2019	0.98	0.20	Yes	100%	200,000	Nil	200,000	Nil
14 Oct 2015	14 Oct 2020	2.46	0.95	Yes	100%	210,000	Nil	90,000	120,000
7 Dec 2015	7 Dec 2020	2.46	1.60	Yes	100%	150,000	Nil	Nil	150,000
29 Nov 2016	29 Nov 2021	4.46	2.33	No	0%	222,046	Nil	Nil	222,046
11 Oct 2017	11 Oct 2022	7.09	3.00	No	0%	110,644	Nil	Nil	110,644
21 Aug 2017	21 Aug 2022	6.25	3.48	No	0%	34,247	Nil	Nil	34,247
11 Dec 2017	11 Dec 2022	7.09	4.06	No	0%	78,077	Nil	Nil	78,077
7 Sep 2018	7 Sep 2023	12.04	3.58	No	0%	Nil	57,271	Nil	57,271
12 Dec 2018	12 Dec 2023	12.04	4.22	No	0%	Nil	51,186	Nil	51,186
12 Dec 2018	12 Dec 2023	13.44	3.79	No	0%	Nil	24,667	Nil	24,667

Options granted carry no dividends or voting rights.

Option vesting conditions are as follows:

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
17 October 2014	Executives	The closing sale price of the shares traded on the Australian Securities Exchange must have increased by at least 60% of the Exercise Price of the Options for each day in any 20 consecutive trading day period starting on or after the 3rd anniversary of the date of issue of the Options. These Options can be exercised, subject to satisfaction of vesting conditions, after the 3rd anniversary of the date of issue.	N/A
2 December 2014	Managing Director	The closing sale price of the shares traded on the Australian Securities Exchange must have increased by at least 60% of the Exercise Price of the Options for each day in any 20 consecutive trading day period starting on or after 36 months after the 17 October 2014. These Options can be exercised, subject to satisfaction of vesting conditions, after the 3rd anniversary of the date of issue.	N/A

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
14 October 2015	Executives	The closing sale price of the shares traded on the Australian Securities Exchange must have increased by at least 52% of the Exercise Price of the Options for each day in any 20 consecutive trading day period starting on or after 36 months after the date of issue of the Options. These Options can be exercised, subject to satisfaction of vesting conditions, after the 3rd anniversary of the date of issue.	N/A
7 December 2015	Managing Director	The closing sale price of the shares traded on the Australian Securities Exchange must have increased by at least 52% of the Exercise Price of the Options for each day in any 20 consecutive trading day period starting on or after 36 months after the date of issue of the Options. These Options can be exercised, subject to satisfaction of vesting conditions, after the 3rd anniversary of the date of issue.	N/A
29 November 2016	Executives	The CAGR in FUA over the three-year period until 30 June 2019 must be at least 28% p.a. Proportional vesting will occur between a CAGR of 28% (0% vesting) to 45% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2019 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
11 October 2017	Executives	The CAGR in FUA over the three-year period until 30 June 2020 must be at least 25.88% p.a. Proportional vesting will occur between a CAGR of 25.88% (0% vesting) to 33.09% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2020 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
21 August 2017	Executives	The CAGR in FUA over the three-year period until 30 June 2019 must be at least 28% p.a. Proportional vesting will occur between a CAGR of 28% (0% vesting) to 45% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2020 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four year period and if they remain unvested after this test will lapse.
11 December 2017	Managing Director	The CAGR in FUA over the three-year period until 30 June 2020 must be at least 25.88% p.a. Proportional vesting will occur between a CAGR of 25.88% (0% vesting) to 33.09% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2020 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
7 September 2018	Executives	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
12 December 2018	Managing Director	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
12 December 2018	Executives	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested Options from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.

KMP hold the following Options:

Name	Financial year of grant	Financial year in which Options may vest	Number of Options granted	Value of Options at grant date ($)	Number of Options vested during the year	Number of Options lapsed/forfeited during the year
A. Alcock	2019	2022	51,186	215,994	Nil	Nil
A. Alcock	2018	2021	78,077	317,133	Nil	Nil
A. Alcock	2017	2020	106,464	198,449	Nil	Nil
A. Alcock	2016	2019	150,000	240,000	150,000	Nil
A. Alcock	2015	2018	200,000	39,700	200,000	Nil
J. Entwistle	2019	2022	40,000	142,880	Nil	Nil
J. Entwistle	2018	2021	63,940	191,580	Nil	Nil
J. Entwistle	2017	2020	87,329	203,477	Nil	Nil
J. Entwistle	2016	2019	120,000	114,000	120,000	Nil
J. Entwistle	2015	2018	160,000	30,960	160,000	Nil
C. Lawrenson	2019	2022	15,352	54,808	Nil	Nil
C. Lawrenson	2018	2021	23,417	70,163	Nil	Nil
C. Lawrenson	2018	2021	34,247	119,126	Nil	Nil
M. Goodrick*	2019	2022	24,667	93,544	Nil	Nil
M. Haes**	2018	2021	23,286	69,770	Nil	23,286
M. Haes**	2017	2020	28,253	52,664	Nil	Nil
M. Haes**	2016	2019	90,000	85,500	90,000	Nil
M. Haes**	2015	2018	120,000	23,220	120,000	Nil

*Appointed 3 December 2018
**Resigned 31 December 2018

The assessed fair value at grant date of the Options granted to individuals is allocated over the period from grant date to expected vesting date and the amount is included in the remuneration tables in section five of this Remuneration Report. Fair values at grant date are determined using Hoadley's 1 Hybrid ESO model that takes into account the exercise price, term of the Option, share price at grant date, probability of service condition being met, expected price volatility of the underlying share price and the risk-free rate for the term of the Option.

350,000 Options were exercised by KMP during FY19.

Options granted carry no dividends or voting rights.

PERFORMANCE AWARD RIGHTS (PARS)

The terms and conditions of each grant of PARs affecting remuneration of KMP in the current or a future reporting period are as follows:

Grant Date	Expiry Date	Value per PAR at grant date ($)	Performance achieved	% Vested	Balance at start of Year	Issued during year	Exercised/ lapsed during year	Balance at end of year
29 Nov 2016	29 Nov 2031	4.07	No	Nil	72,688	Nil	Nil	72,688
11 Oct 2017	11 Oct 2032	5.52	No	Nil	33,864	Nil	7,127	26,737
21 Aug 2017	21 Aug 2032	6.35	No	Nil	11,211	Nil	Nil	11,211
11 Dec 2017	11 Dec 2032	6.95	No	Nil	23,897	Nil	Nil	23,897
7 Sep 2018	7 Sep 2033	10.71	No	Nil	Nil	15,745	Nil	15,745
12 Dec 2018	12 Dec 2033	11.16	No	Nil	Nil	14,072	Nil	14,072
12 Dec 2018	12 Dec 2033	11.16	No	Nil	Nil	6,981	Nil	6,981
12 Dec 2018	12 Dec 2033	11.13	No	Nil	Nil	235,000	Nil	235,000
12 Dec 2018	12 Dec 2033	11.16	No	Nil	Nil	20,000	Nil	20,000

PAR vesting conditions are as follows:

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
29 November 2016	Executives	The CAGR in FUA over the three-year period until 30 June 2019 must be at least 28% p.a. Proportional vesting will occur between a CAGR of 28% (0% vesting) to 45% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2019 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
11 October 2017	Executives	The CAGR in FUA over the three-year period until 30 June 2020 must be at least 25.88% p.a. Proportional vesting will occur between a CAGR of 25.88% (0% vesting) to 33.09% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2020 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
11 October 2017	Executives	The CAGR in FUA over the two period until 30 June 2019 must be at least 28% p.a. Proportional vesting will occur between a CAGR of 28% (0% vesting) to 45% (100% vesting).	The CAGR in the ATSR over the two-year period until approximately 31 August 2019 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
11 December 2017	Managing Director	The CAGR in FUA over the three-year period until 30 June 2020 must be at least 25.88% p.a. Proportional vesting will occur between a CAGR of 25.88% (0% vesting) to 33.09% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2020 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four year period and if they remain unvested after this test will lapse.
7 September 2018	Executives	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
12 December 2018	Managing Director	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.

Grant Date	Granted To	Performance Condition 1	Performance Condition 2
12 December 2018	Executives	The CAGR in FUA over the three-year period until 30 June 2021 must be at least 29.23% p.a. Proportional vesting will occur between a CAGR of 29.23% (0% vesting) to 40.23% (100% vesting).	The CAGR in the ATSR over the three-year period until approximately 31 August 2021 must be at least 12.5% p.a. Proportional vesting will occur between a CAGR of 12.5% (0% vesting) to 17.5% (100% vesting). The ATSR is inclusive of dividends. Any unvested PARs from the three-year vesting date will be retested against the ATSR CAGR hurdles over the cumulative four-year period and if they remain unvested after this test will lapse.
12 December 2018	Executives	For the performance period from 1 July 2018 to 30 June 2022: • Zero vesting will occur if the CAGR in FUA is below a minimum level of 33% per annum; • 100% vesting will occur if the CAGR in FUA reaches 33% per annum; The hurdle will be tested over a cumulative four year period to the test date on 30 June 2022. Any PARs that are unvested as at the end of the Performance Period will lapse.	N/A
12 December 2018	Director	For the performance period from 1 July 2018 to 30 June 2021: • Provide support to the HUB24 Managing Director and KMPs in relation to the securing and maintenance of key accounts; • Directly liaise with key accounts to facilitate growth and customer satisfaction, and to assess the effectiveness of HUB24 corporate culture and client satisfaction and provide feedback to the Board. Measure the improvement in the company's customer satisfaction service levels.	N/A

KMP hold the following PARs:

Name	Financial year of grant	Financial year in which PARs may vest	Number of PARs granted	Value of PARs at grant date ($)	Number of PARs vested during the year	Number of PARs lapsed/forfeited during the year
A. Alcock	2019	2022	90,000	1,001,638	Nil	Nil
A. Alcock	2019	2022	14,072	157,034	Nil	Nil
A. Alcock	2018	2021	23,897	166,129	Nil	Nil
A. Alcock	2017	2020	34,851	113,475	Nil	Nil
J. Entwistle	2019	2022	90,000	1,001,638	Nil	Nil
J. Entwistle	2019	2022	11,000	117,852	Nil	Nil
J. Entwistle	2018	2021	19,570	107,966	Nil	Nil
J. Entwistle	2017	2020	28,587	93,079	Nil	Nil
C. Lawrenson	2019	2022	35,000	389,526	Nil	Nil
C. Lawrenson	2019	2022	4,221	45,219	Nil	Nil
C. Lawrenson	2018	2021	11,211	71,212	Nil	Nil
C. Lawrenson	2018	2021	7,167	39,542	Nil	Nil
M. Goodrick*	2019	2022	20,000	222,586	Nil	Nil
M. Goodrick*	2019	2022	6,981	77,905	Nil	Nil
M. Haes**	2018	2021	7,127	39,320	Nil	7,127
M. Haes**	2017	2020	9,249	30,115	Nil	Nil
A. McDonald	2019	2021	20,000	222,586	Nil	Nil

*Appointed 3 December 2018
**Resigned 31 December 2018

The assessed fair value at grant date of the PARs granted to individuals is allocated over the period from grant date to expected vesting date and the amount is included in the remuneration tables in section five of this Remuneration Report. Fair values at grant date are independently determined using Hoadley's 1 Hybrid ESO model that takes into account the term of the PAR, share price at grant date, probability of service condition being met, expected volatility of the underlying share price and the risk free rate.

No PARs have been exercised by KMP during FY19. PARs granted carry no dividends or voting rights.

8. ADDITIONAL DISCLOSURES RELATING TO KMP

SHARES

The number of Shares in the Group held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

Ordinary Shares	Balance at start of the year	Received due to tax exempt share plan issue	Other changes during the year	Balance at end of the year
A. Alcock	756,883	-	182,800	939,683
J. Entwistle	1,182,408	83	-	1,182,491
C. Lawrenson	160	83	-	243
M. Goodrick*	-	-	-	-
M. Haes**	177,912	83	128,925	306,920
B. Higgins	986,811	-	(190,000)	796,811
I. Litster	3,588,751	-	(308,074)	3,280,677
A. McDonald	5,194	-	4,230	9,424
P. Rogan	25,000	-	-	25,000

*Appointed 3 December 2018
**Resigned 31 December 2018

OPTIONS

The number of Options over ordinary shares in the Group held during FY19 by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

Options over ordinary shares	Balance at start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at end of the year
A. Alcock	534,541	51,186	(200,000)	-	385,727
J. Entwistle	431,269	40,000	-	-	471,269
C. Lawrenson	57,664	15,352	-	-	73,016
M. Goodrick*	-	24,667	-	-	24,667
M. Haes**	201,539	-	(150,000)	(23,286)	28,253

*Appointed 3 December 2018
**Resigned 31 December 2018

PERFORMANCE AWARD RIGHTS (PARS)

The number of PARs over ordinary shares in the Group held during FY19 by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

PARs over ordinary shares	Balance at start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at end of the year
A. Alcock	58,748	104,072	-	-	162,820
J. Entwistle	48,157	101,000	-	-	149,157
C. Lawrenson	18,378	39,221	-	-	57,599
M. Goodrick*	-	26,981	-	-	26,981
M. Haes**	16,376	-	-	(7,127)	9,249
A. McDonald	-	20,000	-	-	20,000

*Appointed 3 December 2018
**Resigned 31 December 2018

9. NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract, motivate and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

The amount of Fixed Remuneration is established for individual Non-Executive Directors by resolution of the full Board, at its discretion. The annual aggregate Non-Executive remuneration may not exceed the amount fixed by the Group in a General Meeting for that purpose (currently fixed at a maximum of $600,000 per annum as approved by Shareholders at the Annual General Meeting held on 29 November 2016).

The following fees, including superannuation, apply for Non-Executive Directors:

Chairman (inclusive of committees):	$182,700 p.a.
A. McDonald:	$75,000 p.a.
Other Non-Executive Directors:	$78,750 p.a.

The Chair of the Audit, Risk & Compliance Committee receives an additional $12,600 per annum and the Chair of the Remuneration and Nomination Committee receives an additional $12,000 per annum. Committee participation other than the role of Chair is set at $6,300 per annum per Non-Executive Director excluding the Chairman of the Board.

The Remuneration and Nomination Committee may from time to time receive advice from independent remuneration consultants or utilise market based comparative data or indices to ensure Non-Executive Directors' fees and payments are appropriate and in line with market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on the comparative roles in the external market.

No additional recurring amounts are paid to each Director other than reimbursements for reasonable travel, accommodation and other expenses incurred as a consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The remuneration of Non-Executive Directors for FY19 and FY18 is detailed in section 5 of this Remuneration Report (including Fixed Remuneration and LTI).

RETIREMENT ALLOWANCES FOR DIRECTORS

There are no retirement schemes or retirement benefits other than statutory benefits for Non-Executive Directors.

10. REMUNERATION GOVERNANCE

RESPONSIBILITY FOR SETTING REMUNERATION

The Remuneration and Nomination Committee is delegated responsibility by the Board for reviewing and making recommendations on remuneration policies for the Group, including policies governing the remuneration of Executives.

Activities of the Remuneration and Nomination Committee are governed by its Charter, which is available on the Company's website at www.HUB24.com. Amongst other responsibilities the Remuneration and Nomination Committee assists the Board in its oversight of:

- Remuneration policy for Executives;
- Level and structure of remuneration for Executives, including Short Term and Long Term Incentive plans;
- The Group's compliance with applicable legal and regulatory requirements in respect of remuneration matters; and
- Approval of the allocation of shares and incentives under HUB24's schemes.

USE OF REMUNERATION ADVISORS DURING THE YEAR

During FY19 the Group did not use the services of a remuneration consultant, having previously engaged a remuneration consultant in prior years (FY16 and FY18).

Historically, the Board sought independent advice on the restructuring of the Group's KMP remuneration for Fixed Remuneration, STIs and LTIs. The Board and its Remuneration and Nomination Committee approved revised incentive arrangements for Mr. Alcock and other KMP with a view to strengthening alignment between KMP and Shareholders. This review included benchmarking Executive remuneration against a core comparator group of companies and ensuring the design and operation of the Group's Short Term and Long Term Incentives are in line with Shareholder and market expectations.

SHARE TRADING POLICY

All staff are required to comply with HUB24's Share Trading Policy at all times and in respect of all HUB24 shares held. Trading is subject to pre-clearance and is not permitted during designated blackout periods unless there are exceptional circumstances.

Our company provides real choice through our functionally rich technology and products that support the delivery of superior investment and administration outcomes for financial advisers and their clients

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
HUB24 Limited
Level 2, 7 Macquarie Place
Sydney NSW 2000

26 August 2019

Dear Board Members

HUB24 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 HUB24 Limited.

As lead audit partner for the audit of the consolidated financial statements of HUB24 Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Declan O'Callaghan

Declan O'Callaghan
Partner
Chartered Accountant

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	Consolidated 2018 $
Revenue from continuing operations			
Revenue	6	96,358,115	83,997,822
Fair value gain on contingent consideration	15	1,145,336	2,383,850
Interest and other income		1,164,132	613,162
		98,667,583	**86,994,834**
Expenses			
Platform and custody fees		(6,122,683)	(5,355,843)
Licensee fees		(33,798,356)	(34,209,969)
Employee benefits expense	6	(32,351,399)	(25,222,020)
Property and occupancy costs		(2,203,212)	(1,810,938)
Depreciation and amortisation expense	6	(2,574,321)	(2,015,909)
Administrative expenses	6	(10,771,870)	(8,570,321)
		87,821,841	**77,185,000**
Profit before income tax		10,845,742	9,809,834
Income tax (expense)/benefit	7	(3,681,787)	(2,431,085)
Profit after income tax for the year		**7,163,955**	**7,378,749**
Other comprehensive income		-	-
Total comprehensive income for the year		**7,163,955**	**7,378,749**
Total comprehensive income for the year attributable to ordinary members of HUB24 Limited		**7,163,955**	**7,378,749**
		Cents	Cents
Earnings per share, attributable to ordinary equity members of HUB24 Limited			
Basic earnings per share	22	11.54	12.27
Diluted earnings per share	22	11.30	11.91

The above *consolidated statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2019

	Notes	Consolidated 2019 $	 2018 $
Assets			
Current assets			
Cash and cash equivalents	18	18,465,847	16,958,996
Trade and other receivables	8	7,565,465	5,088,028
Other current assets		780,997	764,737
Total current assets		**26,812,309**	**22,811,761**
Non-current assets			
Deferred tax assets	7	9,685,343	13,361,288
Office equipment	9	1,955,564	2,214,341
Intangible assets	10	37,068,563	32,023,318
Receivables	11	2,000,000	2,011,220
Total non-current assets		**50,709,470**	**49,610,167**
Total assets		**77,521,779**	**72,421,928**
Liabilities			
Current liabilities			
Trade and other payables	12	3,363,071	5,227,744
Provisions	13	5,053,154	4,080,145
Deferred income		259,419	417,479
Total current liabilities		**8,675,644**	**9,725,368**
Non-current liabilities			
Provisions	14	1,001,090	881,862
Other non-current liabilities	15	2,146,200	2,926,872
Deferred income		775,303	1,022,260
Total non-current liabilities		**3,922,593**	**4,830,994**
Total liabilities		**12,598,237**	**14,556,362**
Net assets		**64,923,542**	**57,865,566**
Equity			
Issued capital	16	98,187,400	96,183,908
Reserves	17	5,256,545	3,942,850
Profit reserve	29	13,014,445	5,088,013
Accumulated losses		(51,534,848)	(47,349,205)
Total equity		**64,923,542**	**57,865,566**

The above *consolidated statement of financial position* should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	Issued capital $	Reserves $	Profit reserve $	Retained earnings $	Total equity $
Opening balance	96,183,908	3,942,850	5,088,013	(47,349,205)	57,865,566
Balance at 1 July 2018	**96,183,908**	**3,942,850**	**5,088,013**	**(47,349,205)**	**57,865,566**
Total comprehensive income for the year	-	-	-	7,163,955	7,163,955
Transfer to Profit reserve	-	-	11,349,598	(11,349,598)	-
Total comprehensive income for the year	**-**	**-**	**11,349,598**	**(4,185,643)**	**7,163,955**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	-	-	(3,423,166)	-	(3,423,166)
Capital raising costs	(13,630)	-	-	-	(13,630)
Options granted – Employees	-	1,655,461	-	-	1,655,461
Share based payments*	1,846,122	(341,766)	-	-	1,504,356
Issue of treasury shares to employees	171,000	-	-	-	171,000
	2,003,492	**1,313,695**	**(3,423,166)**	**-**	**(105,979)**
Balance at 30 June 2019	**98,187,400**	**5,256,545**	**13,014,445**	**(51,534,848)**	**64,923,542**

*Share based payments includes $1,093,137 received for the exercise of options by employees, $341,766 transferred from the share based payment reserve for the options exercised, refer to Note 17 for further details. 411,219 Agility FPO consideration payment, refer to Note 12 for further details.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Consolidated	Issued capital $	Reserves $	Profit reserve $	Retained earnings $	Total equity $
Opening balance	89,148,977	4,106,404	-	(49,639,941)	43,615,440
Balance at 1 July 2017	**89,148,977**	**4,106,404**	**-**	**(49,639,941)**	**43,615,440**
Total comprehensive income for the year	-	-	-	7,378,749	7,378,749
Transfer to profit reserves	-	-	5,088,013	(5,088,013)	-
Total comprehensive income for the period	**-**	**-**	**5,088,013**	**2,290,736**	**7,378,749**
Transactions with owners in their capacity as owners:					
Shares issued for acquisition	3,936,440	(718,300)	-	-	3,218,140
Capital raising costs	(36,282)	-	-	-	(36,282)
Share based payments*	2,983,773	(658,994)	-	-	2,324,779
Share based payments – Paragem Option holders	-	(83,062)	-	-	(83,062)
Options granted – Employees	-	1,296,802	-	-	1,296,802
Issue of treasury shares to employees	151,000	-	-	-	151,000
	7,034,931	**(163,554)**	**-**	**-**	**6,871,377**
Balance at 30 June 2018	**96,183,908**	**3,942,850**	**5,088,013**	**(47,349,205)**	**57,865,566**

*Share based payments includes $2,324,780 received for the exercise of options by employees and $658,994 transferred from the share based payment reserve for the options exercised. Refer to Note 17 for further details.

The above *consolidated statement of changes in equity* should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	Consolidated 2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		102,183,621	93,222,547
Payments to suppliers and employees (inclusive of GST)		(91,197,982)	(81,481,922)
Interest received		645,014	509,966
Net cash inflow from operating activities	**18**	**11,630,653**	**12,250,591**
Cash flows from investing activities			
Payments for acquisitions (net of cash acquired)	12	(411,250)	(2,000,000)
Payments for office equipment		(458,350)	(2,012,169)
Payments for intangible assets		(6,904,702)	(4,389,022)
Net cash (outflow) from investing activities		**(7,774,302)**	**(8,401,191)**
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		1,093,137	2,324,780
Dividends paid		(3,423,166)	-
Payments for capital raising costs		(19,471)	(51,830)
Net cash (outflow)/inflow from financing activities		**2,349,500**	**2,272,950**
Net increase in cash and cash equivalents		**1,506,851**	**6,122,350**
Cash and cash equivalents at the beginning of the financial year		16,958,996	10,836,646
Cash and cash equivalents at end of year	**18**	**18,465,847**	**16,958,996**

The above *consolidated statement of cash flows* should be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Annual Report of HUB24 Limited and its controlled entities ('the Group or HUB24') for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 26 August 2019 and covers the company as an individual entity as well as the Group consisting of the company and its subsidiaries as required by the *Corporations Act 2001*.

HUB24 is limited by shares and incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:HUB).

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for profit oriented entities. The financial statements have also been prepared under the historical cost convention, except for, where applicable, the revaluation of certain classes of assets and liabilities. The financial report is presented in Australian dollars.

PARENT ENTITY INFORMATION

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 25.

COMPLIANCE WITH IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. These Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NEW AND AMENDED ACCOUNTING STANDARDS EFFECTIVE FOR THE CURRENT YEAR

The Group's assessment of the impact of new accounting standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* and its consequential amendments

The Group has applied AASB 9 *Financial Instruments* (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 July 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NEW AND AMENDED ACCOUNTING STANDARDS EFFECTIVE FOR THE CURRENT YEAR (CONTINUED)

allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. A provision for doubtful debts is recognised as at 30 June 2019 and our assessment is that the application of AASB9 does not have a material impact on the amount reported and disclosures made in the Group's financial statements.

(ii) AASB 15 *Revenue from Contracts with Customers*

The Group has applied AASB 15 *Revenue from Contracts with Customers* (as amended) which is effective for an annual period that begins on or after 1 January 2018 and supersedes AASB 118. AASB 15 introduced a 5-step approach to revenue recognition. Details of the new requirements as well as their impact on the Group's consolidated financial statements are described below.

The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations (set-up fees), satisfied over time, an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The directors of the Group are satisfied that the application of AASB 15 does not have a material impact on the amounts reported or disclosures made in the Group's financial statements as summarised:

Platform – Control is transferred to the customer as soon as funds are transitioned onto the platform. Platform administration fees are accrued daily, paid monthly in arrears for the ongoing provision of platform services, therefore no time-value of money adjustments are required. Each revenue stream is identified as a separate performance obligation within the platform business. Control for white label set up fees, is passed to the customer upon completion, however a portion of revenue may be recognised prior to completion, the time period typically does not extend beyond 6 months. As currently this white label revenue stream is immaterial, no changes to revenue recognition are proposed;

Licensee – Control is transferred to the customer as soon as the advisors transact under the contracted licensee terms and conditions. The transactional price and corresponding income value is recognised per the advisor's client receipts as per agreed terms outlined per the individual contracts and underlying fee schedules;

IT services – Control is transferred and revenue is recognised with the agreed performance delivery of the following services; provision of data, software and IT infrastructure services via software licensing, this is within a period of 1 - 6 months. Clients have the right to terminate and negotiate fees where variable to agreed service delivery however the time period typically does not extend 1 - 6 month (within the 12-month time period requiring any valuation adjustment).

(iii) AASB 16 *Leases*

AASB 16 *Leases* replaces AASB 117 *Leases* and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NEW AND AMENDED ACCOUNTING STANDARDS EFFECTIVE FOR THE CURRENT YEAR (CONTINUED)

The Group has identified all material leases to the Group and has assessed applicable lease term periods (likelihood of taking option extensions) and the discount rate to be applied. Under the transition options available within the new Standard, lease payments will be discounted using incremental borrowing rates determined at 1 July 2019. Further, on transition, the Group will apply the modified retrospective transition approach, which does not require the restating of comparative periods.

The impact of this new standard upon adoption at 1 July 2019 can be summarised as follows:

- Recognise a $7.0 million right of use asset and a corresponding lease liability of $7.5 million.
- Lease liability provision of $0.5 million previously recognised in respect of the operating leases will be derecognised and the amount factored into the measurement of the right-to-use asset and lease liabilities.
- The impact on future profit or loss is to decrease operating expenses (property & occupancy costs), increase depreciation and to increase interest expense.
- Disclosure in the statement of cash flow from FY20 will be to decrease cash outflows from operating activities and to increase cash used in financing activities by the same amount.

GOING CONCERN

The financial report has been prepared on a going concern basis.

DIVIDENDS

The Board's dividend policy targets a payout ratio between 40% and 60% of the Group's underlying net profit after tax over the medium term subject to prevailing market conditions and alternate uses of capital.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June each year. Refer to Note 24 for a listing of all subsidiaries. There are no interests in associates.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is HUB24 Limited's functional and presentation currency.

COMPARATIVES

Where required by the Accounting Standards and/or for improved presentation purposes, certain comparative figures have been adjusted to conform to changes in presentation for the current year.

3. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables and cash and cash equivalents. The Group does not have debt facilities and does not trade in derivative instruments. The Group is exposed to the following risks from its use of financial instruments:

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

This note presents information about HUB24 and the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees and consultants understand their roles and obligations.

The Group Audit, Risk and Compliance Committee (ARCC) oversees how management monitors compliance with the company's and the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced. The ARCC is assisted by external professional advisors from time to time.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the financial assets of the Group, which comprise cash and cash equivalents and principally, trade and loan receivables.

Exposure at reporting date is addressed at each particular note. The Group does not hold any credit derivatives to offset its credit exposure.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit worthiness, financial position, past experience and industry reputation.

In addition, credit risk exposures and receivable balances are monitored on an ongoing basis with the intended result that the Group's exposure to bad debts is not significant. Management has assessed the expected credit losses on trade receivables and have used a provision matrix to assess the Group's potential impairment losses.

The Group also has credit risk in respect of its debtors. In the case of most transactions, revenue is generally earned over a period of several months due to the complexity and size of the work involved. The Group manages this risk by entering into contractual agreements with its counterparties, obtaining external legal advice where necessary, at the start of each transaction.

The Group policy is to provide financial guarantees only to wholly-owned subsidiaries.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always maintain banking/credit facilities and typically ensures that it has sufficient cash on demand to meet operational expenses for a period of 90 days, excluding the potential impact of extreme circumstances that cannot be reasonably predicted. The Group had no debt facilities or credit lines.

Group forecasts and actual cash flows at balance date are continuously monitored, matching the maturity of assets and liabilities, to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation (Refer Note 27).

MARKET RISK

Market risk is the risk that changes in market prices will affect the Group's income and include price risk.

Refer to Note 27: Financial Instruments for a market risk analysis of the Group's financial assets and liabilities.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

CAPITAL MANAGEMENT

The Board's policy is to maintain a sufficient capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is noted that the Group, through its subsidiary HUB24 Custodial Services Limited, fully complied with the minimum capital requirements for IDPS Operators and providers of custodial services for the year ended 30 June 2019 so as to ensure ongoing capital adequacy.

There were no changes in the Group's approach to capital management during the year.

INTEREST RATE RISK

Interest rate risk is the risk that the cash rate set by the Reserve Bank of Australia (RBA) changes and will affect the Group's income and includes price risk.

Refer to Note 27: Financial Instruments for an interest rate risk analysis of the Group's financial assets and liabilities.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Deferred tax assets (Note 7)
- Investment platform estimate of useful life (Note 10)
- Goodwill and other indefinite life intangible assets (Note 10)
- Agility contingent consideration (Note 15)

5. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE SEGMENTS

These operating segments are based on the internal reports that are reviewed and used by the executive management team (identified as the Chief Operating Decision Makers hereafter CODM), in assessing performance and in determining the allocation of resources.

The CODM reviews segment profits (Underlying EBITDA) on a monthly basis.

KEY ACCOUNTING POLICIES

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

All of the Group's operations are based in Australia. The principal products and services for each of the operating segments are as follows:

Platform

Development and provision of investment and superannuation platform services to financial advisers, stockbrokers, accountants and their clients.

5. OPERATING SEGMENTS

KEY ACCOUNTING POLICIES (CONTINUED)

Licensee

Provision of financial advice to clients through financial advisers authorised by Paragem Pty Limited. The Licensee provides compliance, software, education and business support to adviser practices enabling advisers to provide clients with financial advice over a range of products.

IT Services

Provision of application and technology products for the financial services sector. Fees are generated from license and consulting services relating to data management, software and infrastructure.

Corporate

The provision of corporate services supports these three operating segments and includes an allocation of overhead headcount costs.

Consolidated – year ended 30 June 2019	Platform $	Licensee $	IT Services $	Corporate S	Total $
Revenue					
Sales to external customers	54,051,037	35,236,008	6,977,074	-	96,264,119
Expenses	(36,046,427)	(35,477,622)	(7,520,906)	(2,440,170)	(81,485,125)
Underlying EBITDA	**18,004,610**	**(241,614)**	**(543,832)**	**(2,440,170)**	**14,778,994**
Other non-operating items					
Interest revenue	4,982	35,764	4,610	599,658	645,014
Non-recurring revenue	93,997	-	-	-	93,997
Fair value gain – contingent consideration	-	-	-	1,145,336	1,145,336
Share based payments – Employee (Including payroll tax)	-	-	-	(2,122,792)	(2,122,792)
Discount on contingent consideration	-	-	-	(351,756)	(351,756)
Non-recurring costs*	(762,735)	-	(2,317)	(3,678)	(768,730)
Depreciation and amortisation	(2,320,818)	(8,298)	(245,205)	-	(2,574,321)
Profit before income tax	**15,020,036**	**(214,148)**	**(786,744)**	**(3,173,402)**	**10,845,742**
Income tax (expense)/benefit	-	-	-	(3,681,787)	(3,681,787)
Profit after income tax	**15,020,036**	**(214,148)**	**(786,744)**	**(6,855,189)**	**7,163,955**
Reconciliation to revenue from ordinary activities					
Sales to external customers					96,264,118
Interest revenue					645,014
Non-recurring revenue					93,997
Fair value gain – contingent consideration					1,145,336
Sub-lease income					202,996
Waived service fees*					316,122
Revenue from ordinary activities					**98,667,583**

*Waived Service fees are included within non-recurring costs for segment allocation purposes.

5. OPERATING SEGMENTS

KEY ACCOUNTING POLICIES (CONTINUED)

Consolidated – year ended 30 June 2018	Platform $	Licensee $	IT Services $	Corporate S	Total $
Revenue					
Sales to external customers	39,670,243	35,769,463	8,460,153	-	83,899,859
Expenses	(27,800,854)	(35,581,529)	(8,455,922)	(667,789)	(72,506,094)
Underlying EBITDA	**11,869,389**	**187,934**	**4,231**	**(667,789)**	**11,393,765**
Other non-operating items					
Interest revenue	180,512	27,659	5,154	296,641	509,966
Non-recurring revenue	98,065	-	-	-	98,065
Fair value gain – contingent consideration	-	-	-	2,383,850	2,383,850
Share based payments – Employee (Including payroll tax)	-	-	-	(1,594,798)	(1,594,798)
Share based payments – Paragem Option holders	-	-	-	83,062	83,062
Discount on contingent consideration	-	-	-	(601,891)	(601,891)
Depreciation and amortisation	(1,280,908)	(5,134)	(271,571)	(458,296)	(2,015,909)
Non-recurring costs	387	-	4,687	(451,350)	(446,276)
Profit before income tax	**10,867,445**	**210,459**	**(257,499)**	**(1,010,571)**	**9,809,834**
Income tax (expense)/benefit	-	-	-	(2,431,085)	(2,431,085)
Profit after income tax	**10,867,445**	**210,459**	**(257,499)**	**(3,441,656)**	**7,378,749**
Reconciliation to revenue from ordinary activities					
Sales to external customers					83,899,859
Interest revenue					509,966
Non-recurring revenue					98,065
Fair value gain – contingent consideration					2,383,850
Waived service fees					52,687
Sub-lease income					50,407
Revenue from ordinary activities					**86,994,834**

MAJOR CLIENTS

During the year ended 30 June 2019, HUB24's largest client by gross revenue accounted for approximately 11% or $11.0 million in revenue to the consolidated group. The client is a financial advice business and is serviced by the Licensee segment. (During the year ended 30 June 2018, HUB24's largest client accounted for approximately 13% or $10.7 million in revenue to the consolidated group. The client is a financial advice business and is serviced by the Licensee segment).

Platform segment: no client contributed 10% in external revenue to the segment during the year ended 30 June 2019 or 30 June 2018.

Licensee segment: during the year ended 30 June 2019 one client contributed more than 10% or more to the segment, with a contribution of 32% or $11.0 million in external revenue. (During the year ended 30 June 2018: one client contributed more than 10% to the segment, with a contribution of 30% or $10.7 million in external revenue.)

5. OPERATING SEGMENTS

MAJOR CLIENTS (CONTINUED)

IT Services: during the year ended 30 June 2019 two clients each contributed more than 10% to the segment, with a 49% or $3.6 million and 21% or $1.6 million external revenue contribution. (During the year ended 30 June 2018 two clients each contributed more than 10% to the segment, with a 66% or $5.6 million and 15% or $1.3 million external revenue contribution.)

6. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

KEY ACCOUNTING POLICIES

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the activities.

Revenue is recognised for the major business activities as follows:

Platform fees

- FUA fee revenue is recognised and measured at the fair value of the consideration received or receivable on the value of client account balances.
- Transaction fee revenue is recognised and measured at the fair value of the consideration received or receivable on the date of execution of the transaction.
- Platform fees are accrued daily, paid monthly in arrears for the ongoing provision for agreed services and transactions.

Licensee fees

- Licensee fee revenue is measured at the fair value of the consideration received or receivable on advice provided to clients and payments from product providers.
- Licensee fee revenue is recognised per the advisers' client receipts as per agreed terms outlined per the individual contracts and underlying fee schedules.

IT Service fees

- Licence fee revenue is measured at the fair value of the contracted consideration received or receivable on licensed software services provided to clients. This revenue is recognised in accordance with the performance delivery of agreed services, within a period of 1–6 months.
- Consulting IT Services fee revenue is measured at the fair value of the consideration received or receivable on advice provided to clients on a time and materials basis. Revenue is recognised on a monthly basis and is dependent upon time and material usage.

Interest income

- Interest income comprises interest on cash and short term deposits. Interest income is recognised as it accrues in profit using the effective interest method.

6. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

KEY ACCOUNTING POLICIES (CONTINUED)

		Consolidated
	2019 $	2018 $
(a) Revenue*		
Platform fees	54,145,033	39,768,206
Licensee fees	35,236,008	35,769,463
IT Services fees	6,977,074	8,460,153
	96,358,115	**83,997,822**
Expenses		
(b) Employee benefits expenses*		
Wages and salaries (Incl. super and payroll tax)	24,749,013	19,943,823
Share based payments expense – Employees	1,826,461	1,447,802
Other employee benefits expenses	5,775,925	3,830,395
	32,351,399	**25,222,020**
(c) Depreciation and amortisation		
Depreciation of office equipment	714,864	576,097
Amortisation of intangible assets	1,859,457	1,439,812
	2,574,321	**2,015,909**
(d) Administrative expenses*		
Corporate fees	990,556	478,544
Professional and consultancy fees	1,634,064	1,457,977
Information services and communication	2,948,623	2,304,771
Travel and entertainment	1,248,159	1,122,447
Transaction costs	733,604	435,340
Discount on consideration	353,093	601,891
Superfund administrative fees	1,364,798	1,578,701
Other administrative expenses	1,498,973	590,650
	10,771,870	**8,570,321**

*Prior comparatives have been reclassified for presentation purposes and consistency with the current year.

7. INCOME TAX

KEY ACCOUNTING POLICIES

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

7. INCOME TAX

KEY ACCOUNTING POLICIES (CONTINUED)

- When the temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

OTHER TAXES

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables and payables, which are stated with the amount of GST included (UIG 1031.8). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position; and
- Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

KEY ESTIMATES AND JUDGEMENTS

Recovery of deferred tax assets

Deferred tax assets are recognised for prior periods income tax losses, research and development tax offsets and deductible temporary differences to the extent that Directors consider that it is probable that future taxable profits will be available to offset these amounts.

7. INCOME TAX

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

The deferred tax asset continues to be recognised as at 30 June 2019 based on the following management judgements:

- The Group continues to be profitable with consistent growth, margins and profit line trends over the last 5 financial years;
- For the year ended 30 June 2019, the Group has increased profit performance and is expected to remain profitable.

According to management estimates, full tax loss recoupment is probable in the medium term. As a sensitivity measure, at 60% of these estimates for taxable income, full tax loss recoupment is still estimated to occur in the medium term.

The Group assumes and will continue to monitor that there will be ongoing compliance with relevant tax legislations.

Research and development expenditure

The income tax calculation for the year ended 30 June 2019, included in the financial statements is based upon a number of estimates. A material estimate of this calculation relates to Research and Development (R & D) expenditure. Remuneration expenses of the development team are the largest component of the R & D expenditure, which for the year ended 30 June 2019, comprise 90% of the total estimated R & D claim. This percentage allocation is consistent with the actual R & D claim for the year ended 30 June 2018.

		Consolidated
	2019 $	2018 $
(a) Income tax expense/(benefit)		
Deferred tax expense/(benefit)	3,334,833	2,558,403
Prior period deferred tax under/(over) provision	346,954	(127,318)
Income tax expense/(benefit)	**3,681,787**	**2,431,085**
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	3,375,570	2,588,504
Prior period deferred tax under/(over) provision	346,954	(127,318)
(Decrease)/increase in deferred tax liabilities	(46,579)	(45,650)
Deferred tax – debited/(credited) directly to equity	5,842	15,549
	3,681,787	**2,431,085**

		Consolidated
	2019 $	2018 $
(b) Reconciliation of income tax expense/(benefit) to pre-tax accounting profit/(loss)		
Profit from continuing operations before income tax expense	10,845,742	9,809,831
	10,845,742	**9,809,831**
Prima facie income tax at 30%	3,253,723	2,942,949
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment – non-deductible	33,044	31,548
Other expenses – non-deductible	203,367	(5,073)
Employee share plan costs – non-deductible	496,638	434,341
Other income – non-assessable	(465,106)	(741,972)
	3,521,666	**2,661,793**

7. INCOME TAX

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

	2019 $	Consolidated 2018 $
Prior period deferred tax under/(over) provision	346,954	(127,318)
Temporary differences – research and development	(186,833)	(103,390)
	160,121	**(230,708)**
Income tax expense/(benefit)	**3,681,787**	**2,431,085**
Other disclosure items		
Deferred tax – debited/(credited) directly to equity	(5,842)	(15,549)

	2019 $	Consolidated 2018 $
(c) Deferred Tax Asset		
Deferred tax asset comprises temporary differences attributable to:		
Intangibles – other	1,051,116	1,120,469
Accrued expenses	79,181	104,817
Provisions	1,822,074	1,492,015
Carry forward tax losses	2,631,859	6,722,820
Non-refundable carry forward tax offsets	4,485,951	4,327,016
Sundry DTA	38,284	63,852
	10,108,465	**13,830,989**
Movements:		
Opening balance	13,830,989	16,292,173
Prior period deferred tax under/(over) provision	(346,954)	127,318
Intangibles – other	(488,081)	(539,733)
Accrued expenses	(25,636)	(34,772)
Provisions	330,059	191,740
Carry forward tax losses	(4,012,583)	(3,113,369)
Non-refundable carry forward tax offsets	846,239	933,662
Sundry DTA	(25,568)	(26,030)
Closing balance	**10,108,465**	**13,830,989**

	2019 $	Consolidated 2018 $
(d) Deferred Tax Liability		
Deferred tax liability comprises temporary differences attributable to:		
DTL on intangibles	423,122	469,701
	423,122	**469,701**
Movements:		
Opening balance	469,701	515,351
Other Intangibles	(46,579)	(45,650)
Closing balance	**423,122**	**469,701**

7. INCOME TAX

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

	2019 $	Consolidated 2018 $
(e) Other disclosure items		
Capital raising costs in Equity	(5,842)	(15,549)
	(5,842)	**(15,549)**

TAX CONSOLIDATION

Members of the tax consolidated entity and the tax sharing arrangement

The Group and its 100% owned Australian resident subsidiaries have formed a tax consolidated entity. HUB24 Limited is the head entity of the tax consolidated entity. Members of the Group have entered into a tax sharing agreement.

Tax effect accounting by members of the tax consolidated Group

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts as per UIG 1052 Tax Consolidation Accounting. The consolidated group has applied the consolidated group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets and liabilities arising from unused tax losses and unused tax credits (if any) assumed from controlled entities in the tax consolidated group.

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

KEY ACCOUNTING POLICIES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision under the 'simplified' approach is used to recognise short term trade receivables 'lifetime expected credit losses' from the first reporting period. These are the credit losses expected over the term of the receivable.

The Group's impairment model calculates expected credit losses on trade receivables using a provision matrix. Under the model, historic provision rates with current and forward looking estimates are used.

KEY ESTIMATES AND JUDGEMENTS

Estimation of bad debts and provisioning

Receivables are assessed by management for recoverability based on days past due or pending legal actions and other counter party information.

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

	2019 $	Consolidated 2018 $
Trade receivables	7,604,412	5,080,228
Provision for doubtful debts	(19,339)	(11,372)
Net other receivables	(19,608)	19,172
	7,565,465	**5,088,028**

IMPAIRMENT AND RECOVERABILITY

Balances within trade and other receivables do not contain impaired assets. It is expected that these balances will be received as and when they fall due. Refer to Note 27 for the maturity analysis.

FAIR VALUE

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

9. NON-CURRENT ASSETS – OFFICE EQUIPMENT

KEY ACCOUNTING POLICIES

Office equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the office equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Office furniture and fittings – over 2.5 to 5 years
- Computer equipment – 3 years

Consolidated Year ended 30 June 2019	Computer equipment $	Office furniture and fittings $	Total $
Cost or fair value	2,053,399	1,935,641	3,989,040
Accumulated depreciation	(1,439,364)	(594,112)	(2,033,476)
Net book amount	**614,035**	**1,341,529**	**1,955,564**
Reconciliations of the carrying amounts at the beginning and end of the financial year:			
Opening net book amount	739,308	1,475,033	2,214,341
Additions	262,076	196,274	458,350
Disposals	(2,264)	-	(2,264)
Depreciation charge	(385,085)	(329,778)	(714,863)
Closing net book amount	**614,035**	**1,341,529**	**1,955,564**

9. NON-CURRENT ASSETS – OFFICE EQUIPMENT

KEY ACCOUNTING POLICIES (CONTINUED)

Consolidated Year ended 30 June 2018	Computer equipment $	Office furniture and fittings $	Total $
Cost or fair value	1,832,488	1,752,009	3,584,497
Accumulated depreciation	(1,093,180)	(276,976)	(1,370,156)
Net book amount	**739,308**	**1,475,033**	**2,214,341**
Reconciliations of the carrying amounts at the beginning and end of the financial year:			
Opening net book amount	572,212	206,056	778,268
Additions	520,418	1,509,040	2,029,458
Disposals	(1,003)	(16,285)	(17,288)
Depreciation charge	(352,319)	(223,778)	(576,097)
Closing net book amount	**739,308**	**1,475,033**	**2,214,341**

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ACCOUNTING POLICIES

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Impairment losses recognised for goodwill are not subsequently reversed.

Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ACCOUNTING POLICIES (CONTINUED)

assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Refer to note below, Investment Platform estimate of useful life, for detailed information.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above, such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

KEY ESTIMATES AND JUDGEMENTS

Investment Platform estimate of useful life

Management have assessed the remaining useful life of the investment platform based upon the useful life of its separate platform components.

The three components with different useful lives are:

- Core database with a useful life of 20 years;
- Applications with a useful life of 10 years;
- User Interface with a useful life of 5 years.

The assessment of useful life is a key management judgement and the useful lives adopted could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The carrying value of intangible assets (including goodwill) is assessed annually for indications that the asset has been impaired in accordance with the accounting policy under the heading Goodwill and Intangibles. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Details of these assumptions and the potential impact of changes to these assumptions can be found later in this note.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Capitalisation of development costs

The Group capitalises project development costs eligible for capitalisation in relation to the investment platform and Agility development projects. The capitalised costs are all directly attributable costs necessary to create, produce, and prepare assets to be capable of operating in the manner intended. Capitalised project costs are amortised over the project's useful life.

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Consolidated	Investment Platform $	Goodwill $	Agility connect software $	Agility customer relationship $	Other* $	Total $
Year ended 30 June 2019						
At cost	25,924,832	16,325,588	2,540,970	1,284,000	1,580,278	47,655,668
Accumulated amortisation and impairment	(9,005,850)	-	(778,263)	(200,352)	(602,640)	(10,587,105)
Net carrying amount	**16,918,982**	**16,325,588**	**1,762,707**	**1,083,648**	**977,638**	**37,068,563**
Reconciliations of the carrying amount at the beginning and end of the financial year:						
Opening carrying amount	11,842,102	16,325,588	2,083,199	1,163,918	608,511	32,023,318
Other additions	6,326,781	-	-	-	577,921	6,904,702
Amortisation charge	(1,249,901)	-	(320,492)	(80,270)	(208,794)	(1,859,457)
Closing carrying amount	**16,918,982**	**16,325,588**	**1,762,707**	**1,083,648**	**977,638**	**37,068,563**

*Other is comprised of the Dealer network, Managed fund client list and Software intangibles.

Consolidated	Investment Platform $	Goodwill* $	Agility connect software $	Agility customer relationship $	Other** $	Total $
Year ended 30 June 2018						
At cost	19,598,051	16,325,588	2,540,970	1,284,000	1,008,592	40,757,201
Accumulated amortisation and impairment	(7,755,949)	-	(457,771)	(120,082)	(400,081)	(8,733,883)
Net carrying amount	**11,842,102**	**16,325,588**	**2,083,199**	**1,163,918**	**608,511**	**32,023,318**
Reconciliations of the carrying amount at the beginning and end of the financial year:						
Opening carrying amount	8,540,719	15,336,909	2,365,220	1,241,094	601,488	28,085,430
Other additions	4,239,673	-	-	-	149,349	4,389,022
Acquisitions through business combinations	-	988,679	-	-	-	988,679
Amortisation charge	(938,290)	-	(282,021)	(77,176)	(142,326)	(1,439,813)
Closing carrying amount	**11,842,102**	**16,325,588**	**2,083,199**	**1,163,918**	**608,511**	**32,023,318**

*Goodwill has arisen from the business combination with DIY Administration Pty Limited, refer to Note 28 for further details

**Other is comprised of the Dealer network, Managed fund client list and Software intangibles.

Intangible assets are allocated to the Group's cash-generating units (CGUs) as required by AASB 136.

Intangibles are associated with a CGU as listed below:

Investment Platform CGU	Licensee CGU	IT Services CGU
Investment Platform	Dealer network	Agility connect software
Managed fund client list	Software	Agility customer relationship
Software		Software
Goodwill on acquisition of Paragem, Agility and DIY		

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Investment platform (Included within Investment Platform CGU)

The recoverable amount of the Investment Platform is determined based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by directors. Cash flows beyond the 5 year period are extrapolated using a terminal value.

Goodwill – Paragem (Included within Investment platform CGU)

Goodwill recognised as part of the Paragem acquisition was allocated to the Investment Platform CGU, while the Dealer Network intangible was identified as part of the Licensee CGU with a finite life.

The recoverable amount of the goodwill generated has been determined based on a value-in-use calculation using a discounted cash flow over a 5 year projection period. Cash flows beyond the 5 year period are extrapolated using a terminal value.

Goodwill – Agility (Included within Investment platform CGU)

Goodwill recognised as part of the Agility acquisition has been allocated to the Investment Platform CGU, while the Agility customer relationship and Agility connect software intangible have been identified as part of the IT Services CGU with a finite life.

The recoverable amount of the goodwill generated has been determined based on a value-in-use calculation using a discounted cash flow over a 5 year projection period. Cash flows beyond the 5 year period are extrapolated using a terminal value.

Agility connect software (Included within IT services CGU)

The fair market value of the Agility connect software intangible has been determined based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by directors covering a 5 year period. Cash flows beyond the 5 year period are extrapolated using a terminal value.

The recoverable amount of the Agility connect software intangible has been assessed for indicators of impairment as at 30 June 2019. Based upon this assessment the carrying value of the intangible is not considered to be impaired.

Agility customer relationships (Included within IT services CGU)

The fair market value of the Agility customer relationships intangible has been determined based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by directors covering a 5 year period. Cash flows beyond the 5 year period are extrapolated using a terminal value.

The recoverable amount of the Agility customer relationships intangible has been assessed for indicators of impairment as at 30 June 2019. Based upon this assessment the carrying value of the intangible is not considered to be impaired.

Key assumptions used for value-in-use calculations – Investment platform CGU

The cash generated by the Investment Platform CGU has been segregated between the cash generated by the Paragem dealer group, the cash generated by the acquisition of Agility and the cash generated by all other dealer groups on the platform, in order to assess the recoverable amount associated with each intangible.

The Investment Platform has been assessed based on the cash generated by all dealer groups excluding the Paragem dealer group.

The goodwill recognised as a result of the Paragem Pty Limited acquisition has been assessed based on the cash generated from future funds transferred to the platform.

The goodwill recognised as a result of the Agility Applications Pty Limited acquisition has been assessed based on future funds transferred to the platform from Agility stockbroking clients.

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Key assumptions used for value-in-use calculations – Investment platform intangible

1. Growth in funds under administration on the platform – Growth in the number of client accounts and hence funds under administration on the platform is a key assumption used in calculating future cashflows. Management have estimated future funds under administration on the platform at a 5 year compound annual growth rate of 26% with reference to current client transition rates, industry data and pipeline monitoring.
2. Pre-tax discount rate – The pre-tax discount rate used for the Group's value-in-use calculations is 14% (2018:15.0%) which equates to the weighted average cost of capital over the reporting period.
3. Terminal growth rate – The terminal growth rate used for the Group's value-in-use calculations is 2.5% (2018:2.5%).
4. Period over which cashflows have been discounted – Management have used a period of 5 years to discount projected cashflows for its value-in-use calculations. This period is considered reasonable given the stage of platform development and the remaining useful life of the core database (11 years and 5 months from 30 June 2019).

There were no other key assumptions used in the value in use calculation impacting the investment platform intangible, the goodwill Paragem intangible, the Agility goodwill intangible. Based on the above, there was no impairment applied to any of the intangibles.

Impact of possible changes in key assumptions – Investment platform intangible

If the projected earnings on client account balances used in the value-in-use calculation for the investment platform CGU are 3% lower than management estimates over the period of the value-in-use calculation, there would be no impairment of the intangible asset.

If the pre-tax discount rate for this intangible was 2% higher than management estimates (16% instead of 14%) , there would be no impairment of the intangible asset.

Key assumptions used for value-in-use calculations – Agility customer relationship and Agility connect software

1. Growth in Connect licenses, consulting income and IT infrastructure support are key assumptions used in calculating future cash flows. Management have estimated revenue growth of the IT Services CGU as a 5 year CAGR of 8% with reference to current client license rates, industry data and pipeline monitoring.
2. An EBITDA 5 year average margin of 12% is estimated and is also considered a key assumption used in calculating future cashflows. The rate is considered by management to be reasonable based upon the actual and anticipated performance of the asset.
3. Pre-tax discount rate – The pre-tax discount rate used for the company's value-in-use calculations is 16% (2018: 16%). This has been determined based on the weighted average cost of capital for the IT Services CGU.
4. Period over which cashflows have been discounted – Management have used a period of 5 years to discount projected cashflows for its value-in-use calculations.
5. Terminal growth rate – The terminal growth rate used for the company's value-in-use calculations is 1.5%. (2018:1.5%).

There were no other key assumptions used in the value in use calculation impacting the Customer relationships and Connect software intangibles. Based on the above there would be no impairment of the intangible asset.

10. NON-CURRENT ASSETS – INTANGIBLE ASSETS

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Impact of possible changes in key assumptions – Customer relationship and Connect software

If the business EBITDA margin was 2% lower than management estimates over the period of the value-in-use calculation, there would be no impairment of intangible assets.

If the pre-tax discount rate for this CGU had been 2% higher than management estimates (18% instead of 16%) there would be no impairment of intangible assets.

Based on the above the value-in-use of the Customer relationship and Connect software intangibles exceed the carrying value and are not considered impaired.

11. NON-CURRENT ASSETS – RECEIVABLES

		Consolidated
	2019 $	2018 $
ORFR loan facility	2,000,000	2,000,000
Rental bond	-	11,220
	2,000,000	**2,011,220**

ORFR LOAN FACILITY

HUB24 has advanced a loan of $2 million to Diversa Limited, the parent entity of The Trust Company (Superannuation) Limited as Trustee for the HUB24 Super Fund ("The Fund"), under a $5 million Loan Agreement entered into on 10 June 2016 on an arms length basis and on commercial terms at an interest rate of 17% pa.

Diversa Limited has applied the advance for the purpose of subscribing for capital in The Trust Company (Superannuation) Limited ("The Trustee") whereby the capital received by the Trustee will be reserved for the purpose of meeting the Operational Risk Financial Requirement (ORFR) for the Fund in accordance with APRA Prudential Standard SPS114.

The facility has been extended to 31 December 2020 under the same commercial terms.

12. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

KEY ACCOUNTING POLICIES

Trade, Deferred consideration and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

		Consolidated
	2019 $	2018 $
Trade creditors	168,648	1,023,236
Deferred contingent consideration – Agility	525,000	1,360,377
Key contract consideration – Agility	300,000	300,000
Sundry creditors	2,369,423	2,544,131
Total trade and other payables	**3,363,071**	**5,227,744**

12. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES (CONTINUED)

DEFERRED CONTINGENT CONSIDERATION – AGILITY

On 3 January 2017 HUB24 Limited acquired 100% of the issued shares in Agility Pty Limited, a specialist provider of application, data exchange and technology products and services to the financial services industry, for consideration of up to $15 million in cash and shares, (fair value $14,188,209).

The following payments were made for deferred consideration and were subject to performance conditions and warranty claims being met:

- $200,000 paid on 14 July 2017
- $1,500,000 paid on 5 January 2018
- $822,469 paid on 2 April 2019 comprised of $411,250 in cash and 31,669 ordinary shares valued at $12.98 per share.

In the circumstances where 10% of performance criteria were not to be met, the following impact would result:

Deferred contingent consideration	Decrease by $87,500
Fair value gain	Increase by $87,500

13. CURRENT LIABILITIES – PROVISIONS

KEY ACCOUNTING POLICIES

Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee benefits

- Short-term benefits: Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.
- Long-term benefits: Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.
- Superannuation and other post employment benefits: All Australian employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans provide accumulated benefits. Employees contribute to the plans at various percentages of their wages and salaries.

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease term.

13. CURRENT LIABILITIES – PROVISIONS

KEY ACCOUNTING POLICIES (CONTINUED)

	2019 $	Consolidated 2018 $
Employee benefits – Annual leave	1,613,540	1,289,635
Employee benefits – Short term incentive	3,053,086	2,505,366
Lease make good	24,882	45,988
Rental lease liability	361,646	239,156
	5,053,154	**4,080,145**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated	Broking claims $	Lease liability $	Lease make good $	Other sundry $
2019				
Carrying amount at the start of the year	-	239,156	45,988	-
Additional provisions recognised/(released)	-	122,490	(21,106)	-
Amounts paid during the year	-	-	-	-
Carrying amount at the end of the year	**-**	**361,646**	**24,882**	**-**

Consolidated	Broking claims $	Rental lease liability $	Lease make good $	Other sundry $
2018				
Carrying amount at the start of the year	420,150	38,193	122,892	197,021
Additional provisions recognised/(released)	(420,150)	200,963	-	-
Amounts paid during the year	-	-	(76,904)	(197,021)
Carrying amount at the end of the year	**-**	**239,156**	**45,988**	**-**

14. NON-CURRENT LIABILITIES – PROVISIONS

	2019 $	Consolidated 2018 $
Employee benefits – long service leave	775,492	693,936
Lease make good provision	115,551	70,185
Rental lease liability	110,047	117,741
	1,001,090	**881,862**

LEASE MAKE GOOD

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease term.

14. NON-CURRENT LIABILITIES – PROVISIONS (CONTINUED)

MOVEMENTS IN PROVISIONS

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated	Lease make good $	Rental lease liability $
2019		
Carrying amount at start of year	70,185	117,741
Additional provisions recognised/(released)	45,366	(7,694)
Carrying amount at end of period	**115,551**	**110,047**

Consolidated	Lease make good $	Rental lease liability $
2018		
Carrying amount at start of year	48,066	111,575
Additional provisions recognised/(released)	22,119	6,166
Carrying amount at end of period	**70,185**	**117,741**

15. OTHER – NON-CURRENT LIABILITIES

DEFERRED CONTINGENT CONSIDERATION – AGILITY

Management's estimate of the performance over the earnout period until 31 December 2020 against set criteria requires significant judgement. As at 30 June 2019 management estimate that 53% of the revised performance criteria will be met over the period until 31 December 2020, resulting in fair value deferred contingent consideration of $2.7 million (30 June 2018, estimated to be $4.3 million in total purchase consideration based on management's judgement that 66% of the performance criteria would be met). Refer Note 12 for current deferred contingent consideration $0.5 million.

The impacts upon the financial statements for the period ended 30 June 2019 of the change to management's estimate are as follows:

Deferred contingent consideration – Agility	Decrease by $1,145,336
Fair value gain on deferred contingent consideration – Agility	Increase by $1,145,336

In the circumstances where 10% of performance criteria were not to be met, the following impact would result:

Deferred contingent consideration	Decrease by $511,779
Fair value gain	Increase by $511,779

Consolidated	Contingent consideration $
2019	
Carrying amount at start of year	2,926,872
Amounts reclassified/released during the year	(525,000)
Unwinding of discount	211,423
Fair value gain on contingent consideration (profit and loss)	(467,095)
Carrying amount at end of period	**2,146,200**

15. OTHER – NON-CURRENT LIABILITIES

DEFERRED CONTINGENT CONSIDERATION – AGILITY (CONTINUED)

Consolidated	Contingent consideration $
2018	
Carrying amount at start of year	5,972,607
Amounts reclassified/released during the year	(1,360,377)
Unwinding of discount	523,224
Fair value gain on contingent consideration (profit and loss)	(2,208,582)
Carrying amount at end of period	**2,926,872**

16. ISSUED CAPITAL

KEY ACCOUNTING POLICIES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new equity instruments are shown in equity as a deduction, net of GST from the proceeds.

Consolidated	2019 Number	2018 Number	2019 $	2018 $
Issued and paid up capital				
Ordinary shares, fully paid	62,329,415	61,588,666	98,225,656	96,231,758
Other equity securities				
Treasury shares	(56,596)	(70,789)	(38,256)	(47,850)
Total capital	**62,272,819**	**61,517,877**	**98,187,400**	**96,183,908**
Movements in issued and paid up capital				
Beginning of the financial year	61,588,666	54,980,675	96,231,758	89,213,158
Shares issued	740,749	6,607,991	1,504,356	5,542,919
Transfer from share based payment reserve	-	-	341,766	1,377,294
Additional paid up capital	-	-	161,406	134,669
Total shares	**62,329,415**	**61,588,666**	**98,239,286**	**96,268,040**
Capital raising costs	-	-	(13,630)	(36,282)
End of the financial year	**62,329,415**	**61,588,666**	**98,225,656**	**96,231,758**
Movement in other equity securities – treasury shares				
Beginning of the financial year	70,789	94,949	47,850	64,181
Employee share issue	(14,193)	(24,160)	(9,594)	(16,331)
End of the period	**56,596**	**70,789**	**38,256**	**47,850**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

ORDINARY SHARES – FOR THE YEAR ENDED 30 JUNE 2019

On 22 August 2018, the Group issued 160,000 ordinary shares for options exercised by employees of the Group for consideration of $156,800.

On 31 August 2018, the Group issued 200,000 ordinary shares for options exercised by employees of the Group for consideration of $196,000.

On 8 October 2018, the Group issued 80,000 ordinary shares for options exercised by employees of the Group for consideration of $78,400.

16. ISSUED CAPITAL

ORDINARY SHARES – FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

On 12 November 2018, the Group issued 60,000 ordinary shares for options exercised by employees of the Group for consideration of $147,600.

On 28 November 2018, the Group issued 75,000 ordinary shares for options exercised by employees of the Group for consideration of $184,500.

On 10 December 2018, the Group issued 15,000 ordinary shares for options exercised by employees of the Group for consideration of $36,900.

On 31 December 2018, the Group issued 10,000 ordinary shares for options exercised by employees of the Group for consideration of $24,600.

On 4 January 2019, the Group issued 19,080 ordinary shares for options exercised by employees of the Group for consideration of $46,937.

On 6 February 2019, the Group issued 90,000 ordinary shares for options exercised by employees of the Group for consideration of $221,400.

On 26 April 2019, the Group issued 31,669 ordinary shares for consideration of $411,219 for the purchase of Agility Applications.

ORDINARY SHARES – FOR THE YEAR ENDED 30 JUNE 2018

On 14 July 2017, the Group issued 310,000 ordinary shares for options exercised by employees of the Group for consideration of $261,424.

On 1 August 2017, the Group issued 680,000 ordinary shares for options exercised by employees of the Group for consideration of $573,784.

On 6 September 2017, the Group issued 462,333 ordinary shares for options exercised by employees of the Group for consideration of $514,073.

On 10 October 2017, the Group issued 4,256,991 ordinary shares for final settlement of the Paragem acquisition earnout consideration of $3,936,440.

On 1 December 2017, the Group issued 240,000 ordinary shares for options exercised by employees of the Group for consideration of $235,200.

On 11 December 2017, the Group issued 120,000 ordinary shares for options exercised by employees of the Group for consideration of $117,600.

On 25 January 2018, the Group issued 538,667 ordinary shares for options exercised by employees of the Group for consideration of $622,699.

TREASURY SHARES

Treasury shares are shares in HUB24 Limited that are held by HUB24 Employee Share Ownership Trust (ESOT) for the purpose of issuing shares under HUB24 Employee Share Ownership Plan.

On 7 September 2018, the Group transferred 14,193 shares to eligible employees under the HUB24 Employee Share Ownership Plan.

On 1 September 2017, the Group transferred 24,160 shares to eligible employees under the HUB24 Employee Share Ownership Plan.

17. RESERVES

GENERAL RESERVES

	2019 $	Consolidated 2018 $
Share based payments share reserve	5,256,545	3,942,850
Movements in share based payments share reserves:		
Opening balance	3,942,850	4,106,404
Reserve reclassified to share capital through options issued	(341,766)	(1,377,294)
Employee share based payment expense	1,826,461	1,447,802
Share based payment to Paragem option holders	-	(83,062)
Shares issued through HUB24 Share Ownership Trust	(171,000)	(151,000)
Closing balance	**5,256,545**	**3,942,850**

18. RECONCILIATION OF CASH FLOWS

KEY ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(a) Reconciliation of the net profit/(loss) after tax to cash flow from operations

	2019 $	Consolidated 2018 $
Net profit/(loss) after tax for the year	7,163,955	7,378,749
Non-cash items:		
Depreciation and amortisation	2,574,321	2,015,909
Share based payment expense – Employee	1,826,461	1,447,802
Share based payment expense – Paragem Option holders	-	(83,062)
Fair value gain on contingent consideration	(1,145,336)	(2,383,850)
Deferred revenue	(405,017)	(138,424)
Loss on disposal of office equipment	2,264	-
Changes in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(2,477,437)	1,786,598
(Increase)/decrease in deferred tax assets	3,681,787	2,431,085
(Increase)/decrease in other assets	(5,040)	(2,015,720)
Increase/(decrease) in trade and other payables	(1,029,297)	163,195
Increase/(decrease) in provisions	1,443,992	1,648,309
Net cash flow from operating activities	**11,630,653**	**12,250,591**

18. RECONCILIATION OF CASH FLOWS

KEY ACCOUNTING POLICIES (CONTINUED)

(b) Reconciliation of cash and cash equivalents

	2019 $	Consolidated 2018 $
Cash and cash equivalents comprises:		
Cash on hand and at bank	18,465,847	16,958,996
	18,465,847	**16,958,996**

(c) Terms and conditions

For the purposes of the Statement of cash flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

19. COMMITMENTS AND CONTINGENCIES

COMMITMENTS

	2019 $	Consolidated 2018 $
Future minimum rentals payable under non-cancellable operating leases:		
Within 1 year	1,772,607	1,596,200
After 1 year and less than 5 years	5,916,039	5,657,060
More than 5 years	418,451	1,486,155
Total minimum lease payments	**8,107,097**	**8,739,415**

The above relates to lease commitments for seven premises with lease terms between 1 and 5 years.

Lease payments recognised as an expense in the current year amount to $1,916,546 (2018: $1,636,570).

Security deposits and guarantees for six leased properties amount to $11,649 in rental bonds (2018: $11,649), which will be repaid at the end of each tenancy provided that no money is owed and the property is restored in accordance with the lease agreement.

CONTINGENCIES

Nil contingencies. (2018: Nil)

	2019 $	Consolidated 2018 $
Total contingent assets and liabilities	-	-

20. SHARE BASED PAYMENTS PLAN

KEY ACCOUNTING POLICIES

Equity settled transactions

The Group provides benefits to employees (including Directors) in the form of share-based payments, whereby services are rendered in exchange for shares or rights over shares (equity settled transactions).

There are currently three plans in place to provide these benefits:

- The Employee Share Option Plan (ESOP);
- The Performance Rights (PARs); and
- The Employee Share Plan (ESP).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the active market for the shares which trade on the Australian Securities Exchange, at grant date.

In valuing equity settled transactions, no account is taken of any vesting conditions, other than (if applicable):

- Non-vesting conditions that do not determine whether the Group receives services that entitle the employee to receive payment in equity or cash;
- Conditions that are linked to the price of the shares of HUB24.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become entitled to the award (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the entity's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period is recorded in Employee Benefits Expense and represents the movement in cumulative expense recognised as at the beginning and end of that period.

At each subsequent reporting date until vesting, the cumulative charge to the statement of profit or loss and other comprehensive income is the product of:

- The grant date fair value of the award;
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
- The expired portion of the vesting period.

The charge to the consolidated statement of profit or loss and other comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Equity settled awards granted by the Group to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by the Group in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition or non-vesting condition is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

20. SHARE BASED PAYMENTS PLAN

KEY ACCOUNTING POLICIES (CONTINUED)

If a non-vesting condition is within the control of the Group or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of the Group or employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designed as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

KEY ESTIMATES AND JUDGEMENTS

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. The fair value is determined using a Monte Carlo simulation method. The accounting estimates and assumptions relating to the equity-settled share-based payments would have no impact on the carrying amounts of assets or liabilities within the next annual reporting period but may impact expenses and equity.

Recognised share-based payment expenses

The expense recognised from equity-settled share-based payment transactions during the year is $1,826,461 (2018: $1,447,802*).

*The 2018 expense relating to employee option plans was offset by a $83,062 credit relating to the Paragem Option holders.

Types of share-based payment plans

1. Share based payment plans issued during the year ended 30 June 2019.

Tax Exempt Share Plan – Employees	
Number of Shares Issued	14,193
Issue Date	7 September 2018
Issue Price	$12.04
Vesting Conditions for All Shares	Interests held in the shares are not at risk of forfeiture. There is no condition or requirement that needs to be satisfied in order to acquire the shares.
Voting	Shareholders are entitled to vote.
Dividends	The shares provide entitlement to dividends or other distributions paid to ordinary shareholders.
Specific Terms	The shares must not be sold, transferred or otherwise disposed of, or mortgaged, charged or otherwise encumbered, on or before the 3rd anniversary of the date employees acquired the Shares or the date they cease to be employed, whichever occurs first.

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees						
	Share Ownership Plan	PARs (Rights)	Share Ownership Plan	PARs (Rights)	Share Ownership Plan	PARs (Rights)
Issue Date	7 Sep 2018	7 Sep 2018	7 Sep 2018	7 Sep 2018	7 Sep 2018	7 Sep 2018
Number Issued	257,852	70,888	12,000	4,000	30,000	10,000
Expiry Date	7 Sep 2023	7 Sep 2033	7 Sep 2023	7 Sep 2033	7 Sep 2023	7 Sep 2033
Expected Vesting Period	3 years	3 years	2 years	2 years	2 years	2 years
Exercise Price	$12.04	nil	$12.04	nil	$11.73	nil
Vesting Conditions						
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days).					
II. Market	[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.					
III. FUA	[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 115.8% over three years, proportional vesting between 29.23% and 40.23% p.a. CAGR.		[III] 0% vesting if the CAGR in FUA was below a minimum level of 25.88% p.a (99.5% over three years). 50% vesting will occur if the CAGR in FUA reaches 29.58% p.a (117.6% over three years). 100% vesting will occur if the CAGR in FUA reaches 33.09% p.a (135.7% over three years)		[III] 0% vesting if the CAGR in FUA was below a minimum level of 25.88% p.a (99.5% over three years). 50% vesting will occur if the CAGR in FUA reaches 29.58% p.a (117.6% over three years). 100% vesting will occur if the CAGR in FUA reaches 33.09% p.a (135.7% over three years)	
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.					

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees				
	Share Ownership Plan – MD	PARs (Rights) – MD	Share Ownership Plan – CFO	PARs (Rights) – CFO
Issue Date	12 Dec 2018	12 Dec 2018	12 Dec 2018	12 Dec 2018
Number Issued	51,186	14,072	24,667	6,981
Expiry Date	12 Dec 2023	12 Dec 2033	12 Dec 2023	12 Dec 2033
Expected Vesting Period	3 years	3 years	3 years	3 years
Exercise Price	$12.04	nil	$13.44	nil
Vesting Conditions				
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days).			
II. Market	[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.		[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.	
III. FUA	[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 115.8% over three years, proportional vesting between 29.23% and 40.23% p.a. CAGR.		[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 115.8% over three years, proportional vesting between 29.23% and 40.23% p.a. CAGR.	
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.			

Options and Rights – Employees		
		PARs (Rights) – Director
Issue Date		12 Dec 2018
Number Issued		20,000
Expiry Date		12 Dec 2033
Expected Vesting Period		3 years
Exercise Price		nil
Vesting Conditions		
I. Service	[I] Must be an director from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days)	
II. Market	[II] Performance condition (a) stipulates that the director must provide support to the HUB24 Managing Director and KMPs in relation to the securing and maintenance of key accounts over the period from 1 July 2018 to 30 June 2021.	
III. Growth	[III] Performance condition (b) stipulates that the director must directly liaise with key accounts to facilitate growth and customer satisfaction as measured by the improvement in the company's customer satisfaction service levels over the period from 1 July 2018 to 30 June 2021	

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees	
	PARs (Rights) – Special LTI
Issue Date	12 Dec 2018
Number Issued	445,000
Expiry Date	12 Dec 2033
Expected Vesting Period	3 years
Exercise Price	nil
Vesting Conditions	
I. FUA	[I] Applying to 425,000 performance rights, 100% vesting will occur if the 4 year CAGR in FUA reaches 33% per annum.
II. Leadership	[II] Applying to 20,000 performance rights, vesting will occur based on (a) effective leadership of the development and operation of the Company's risk and compliance framework and policies over the Performance Period; and (b) effective leadership and management of key legal, risk and compliance matters across the Group.
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.

2. Share based payment plans issued prior to 1 July 2018.

Tax Exempt Share Plan – Employees	
Number of Shares Issued	24,160
Issue Date	1 September 2017
Issue Price	$6.25
Vesting Conditions for All Shares	Interests held in the shares are not at risk of forfeiture. There is no condition or requirement that needs to be satisfied in order to acquire the shares.
Voting	Shareholders are entitled to vote.
Dividends	The shares provide entitlement to dividends or other distributions paid to ordinary shareholders.
Specific Terms	The shares must not be sold, transferred or otherwise disposed of, or mortgaged, charged or otherwise encumbered, on or before the 3rd anniversary of the date employees acquired the shares or the date they cease to be employed, whichever occurs first.

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees	Share Ownership Plan	PARs (Rights)	Share Ownership Plan	PARs (Rights)	Share Ownership Plan – MD	PARs (Rights) – MD
Issue Date	11 Oct 2017	11 Oct 2017	21 Aug 2017	21 Aug 2017	11 Dec 2017	11 Dec 2017
Number Issued	401,686	122,942	34,247	11,211	78,077	23,897
Expiry Date	11 Oct 2022	11 Oct 2032	21 Aug 2022	21 Aug 2032	11 Dec 2022	11 Dec 2032
Expected Vesting Period	3 years	3 years	3 years	3 years	3 years	3 years
Exercise Price	$7.09	nil	$6.25	nil	$7.09	nil
Vesting Conditions						
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days).					
II. Market	[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.		[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.		[II] 50% vesting on the achievement of Performance condition 2. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.	
III. FUA	[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 117.6% over three years, proportional vesting between 25.88% and 33.09% p.a. CAGR.		[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 109.7% over three years, proportional vesting between 28% and 45% p.a. CAGR.		[III] 50% vesting on the achievement of Performance condition 1. Growth in Funds Under Administration (FUA) in excess of 117.6% over three years, proportional vesting between 25.88% and 33.09% p.a. CAGR.	
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.					

3. Share based payment plans issued prior to 1 July 2017.

Tax Exempt Share Plan – Employees	
Number of Shares Issued	14,112
Issue Date	1 September 2016
Issue Price	$4.46
Vesting Conditions for All Shares	Interests held in the shares are not at risk of forfeiture. There is no condition or requirement that needs to be satisfied in order to acquire the shares.
Voting	Shareholders are entitled to vote.
Dividends	The shares provide entitlement to dividends or other distributions paid to ordinary shareholders.
Specific Terms	The shares must not be sold, transferred or otherwise disposed of, or mortgaged, charged or otherwise encumbered, on or before the 3rd anniversary of the date employees acquired the shares or the date they cease to be employed, whichever occurs first.

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees			
FY2017	Share Ownership Plan	PARs (Rights)	Share Ownership Plan
Issue Date	29 Nov 2016	29 Nov 2016	29 Nov 2016
Number Issued	418,639	137,043	50,000
Expiry Date	29 Nov 2021	29 Nov 2031	29 Nov 2021
Expected Vesting Period	3 years	3 years	3 years
Exercise Price	$4.46	nil	$5.17
Vesting Conditions			
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days).		
II. Market	[II] 50% vesting on the achievement of Performance condition 1. Absolute Total Shareholder Return (ATSR) CAGR in excess of 17.5% over three years, proportional vesting between 12.5% and 17.5%.		[II] Achieve share price hurdle of 52% greater than exercise price for 20 consecutive days in the period between 36 months from the issue date and expiry of options.
III. FUA	[III] 50% vesting on the achievement of Performance condition 2. Growth in Funds Under Administration (FUA) in excess of 45% over three years, proportional vesting between 28% and 45% CAGR.		N/A
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.		

Options and Rights – Employees			
FY2016	Share Ownership Plan	PARs (Rights) – MD	Share Ownership Plan
Issue Date	14 Oct 2015	7 Dec 2015	30 Mar 2016
Number Issued	620,000	150,000	50,000
Expiry Date	14 Oct 2020	7 Dec 2030	30 Mar 2021
Expected Vesting Period	3 years	3 years	3 years
Exercise Price	$2.46	$2.46	$3.98
Vesting Conditions			
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days)		
II. Market	[II] Achieve share price hurdle of greater than 52% of exercise price for 20 consecutive days in the period between 36 months from the issue date and expiry of options.		
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to fund options exercised for associated tax liabilities.		

20. SHARE BASED PAYMENTS PLAN

KEY ESTIMATES AND JUDGEMENTS (CONTINUED)

Options and Rights – Employees		
FY2015	Share Ownership Plan	Share Ownership Plan – MD
Issue Date	17 Oct 2014	2 Dec 2014
Number Issued	760,000	200,000
Expiry Date	17 Oct 2019	17 Oct 2019
Expected Vesting Period	3 years	3 years
Exercise Price	$0.98	$0.98
Vesting Conditions		
I. Service	[I] Must be an employee from date of issue until options are exercised, unless considered a good leaver (in which case must exercise within 30 days).	
II. Market	[II] Achieve share price hurdle in excess of 60% of the exercise price for 20 consecutive days in the period between 36 months from issue and expiry of options.	[II] Achieve share price hurdle in excess of 60% of the exercise price for 20 consecutive days in the period between 36 months from issue and expiry of options.
III. Performance	As determined by the Board in its sole discretion	
Disposal Restrictions	Restriction on sale of shares for 12 months from exercise, except to discharge tax obligations in relation to the issue.	

SUMMARIES OF OPTIONS GRANTED

The following table illustrates the number, weighted average exercise prices (WAEP) and weighted average share prices (WASP) of, and movements in, share options issued during the year:

	2019			2018		
	Number	WAEP	WASP	Number	WAEP	WASP
Outstanding at the beginning of the year	2,265,045	-	-	4,229,639	-	-
Granted during the year	375,705	$12.11	-	514,010	$7.03	-
Forfeited during the year	(139,326)	-	-	(127,604)	-	-
Exercised during the year	(709,080)	$1.54	$13.40	(2,351,000)	$0.99	$8.00
Expired during the year	-	-	-	-	-	-
Outstanding at end of the year	1,792,344	-	-	2,265,045	-	-
Exercisable at the end of the year	160,000	-	-	600,000	-	-

The outstanding balance as at 30 June 2019 is represented by:

- 160,000 options over ordinary shares with an exercise price of $0.98 each, vested expiring 17 October 2019
- 210,000 options over ordinary shares with an exercise price of $2.46 each, vested expiring 14 October 2020
- 150,000 options over ordinary shares with an exercise price of $2.46 each, vested expiring 7 December 2020
- 50,000 options over ordinary shares with an exercise price of $3.98 each, vested expiring 30 March 2021
- 356,893 options over ordinary shares with an exercise price of $4.46 each, yet to vest expiring 29 November 2021
- 50,000 options over ordinary shares with an exercise price of $5.17 each, yet to vest expiring 30 March 2021
- 34,247 options over ordinary shares with an exercise price of $6.25 each, yet to vest expiring 21 August 2022
- 327,422 options over ordinary shares with an exercise price of $7.09 each, yet to vest expiring 11 October 2022
- 78,077 options over ordinary shares with an exercise price of $7.09 each, yet to vest expiring 11 December 2022
- 257,851 options over ordinary shares with an exercise price of $12.04 each, yet to vest expiring 7 September 2023
- 12,000 options over ordinary shares with an exercise price of $12.04 each, yet to vest expiring 7 September 2023
- 30,000 options over ordinary shares with an exercise price of $11.73 each, yet to vest expiring 7 September 2023
- 51,186 options over ordinary shares with an exercise price of $12.04 each, yet to vest expiring 12 December 2023
- 24,667 options over ordinary shares with an exercise price of $13.44 each, yet to vest expiring 12 December 2023

20. SHARE BASED PAYMENTS PLAN (CONTINUED)

SUMMARY OF PERFORMANCE RIGHTS GRANTED

The outstanding balance as at 30 June 2019 is represented by:

			2019			2018
	Number	WAEP	WASP	Number	WAEP	WASP
Outstanding at the beginning of the year	282,784	-	-	137,043	-	-
Granted during the year	570,941	-	-	158,050	-	-
Forfeited during the year	(30,633)	-	-	(12,309)	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Outstanding at end of the year	823,092	-	-	282,784	-	-
Exercisable at the end of the year	-	-	-	-	-	-

- 116,829 performance rights over ordinary shares, yet to vest expiring 29 November 2031
- 11,211 performance rights over ordinary shares, yet to vest expiring 21 August 2032
- 100,213 performance rights over ordinary shares, yet to vest expiring 11 October 2032
- 23,897 performance rights over ordinary shares, yet to vest expiring 11 December 2032
- 84,889 performance rights over ordinary shares, yet to vest expiring 7 September 2033
- 486,053 performance rights over ordinary shares, yet to vest expiring 12 December 2033

OPTION PRICING MODEL

The fair value of all equity-settled options issued in the year is estimated at the date of grant using the Hoadley's 1 Hybrid ESO model (Monte Carlo simulation method). The following table lists the inputs to the models used:

1. Share based payment plans issued during the year ended 30 June 2019.

	7 Sep 2018 SOP	7 Sep 2018 PARs (Rights)	7 Sep 2018 SOP – Paragem	7 Sep 2018 PARs (Rights) – Paragem	7 Sep 2018 SOP	7 Sep 2018 PARs (Rights)
Dividend Yield (%)	0.54	0.54	0.54	0.54	0.54	0.54
Expected Volatility (%)	41	41	41	41	41	41
Risk-free Interest Rate (%)	2.17	2.17	2.17	2.17	2.17	2.17
Expected Life of Options (Months)	36	36	24	24	24	24
Option Exercise Price ($)	12.04	N/A	12.04	N/A	11.73	N/A
Average Share Price at Measurement Date ($)	12.44	12.44	12.44	12.44	12.44	12.44
Model Used	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes

20. SHARE BASED PAYMENTS PLAN

OPTION PRICING MODEL (CONTINUED)

	12 Dec 2018 SOP – MD	12 Dec 2018 PARs (Rights) – MD	12 Dec 2018 SOP – CFO	12 Dec 2018 PARs (Rights) – CFO	12 Dec 2018 PARs (Rights) – Director	12 Dec 2018 PARs (Rights) – Special LTI
Dividend Yield (%)	0.54	0.54	0.54	0.54	0.54	0.54
Expected Volatility (%)	45	45	45	45	45	45
Risk-free Interest Rate (%)	2.12	2.12	2.12	2.12	2.12	2.12
Expected Life of Options (Months)	36	36	36	36	36	36
Option Exercise Price ($)	12.04	N/A	13.44	N/A	N/A	N/A
Average Share Price at Measurement Date ($)	12.97	12.97	12.97	12.97	12.97	12.97
Model Used	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes

2. Share based payment plans issued prior to 1 July 2018.

	11 Oct 2017 SOP	11 Oct 2017 PARs (Rights)	21 Aug 2017 SOP	21 Aug 2017 PARs (Rights)	11 Dec 2017 SOP	11 Dec 2017 PARs (Rights)
Dividend Yield (%)	-	-	-	-	-	-
Expected Volatility (%)	45	45	45	45	45	45
Risk-free Interest Rate (%)	2.38	2.38	2.37	2.37	2.37	2.37
Expected Life of Options (Months)	36	36	36	36	36	36
Option Exercise Price ($)	7.09	N/A	6.25	N/A	7.09	N/A
Average Share Price at Measurement Date ($)	8.18	8.18	8.18	8.18	9.68	9.68
Model Used	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes	Hoadleys/ Black Scholes

	17 Oct 2014 SOP	4 Dec 2014 SOP CEO	4 Dec 2014 SOP Paragem	14 Oct 2015 SOP	7 Dec 2015 SOP MD	30 Mar 2016 SOP	29 Nov 2016 SOP	29 Nov 2016 SOP	29 Nov 2016 PARs (Rights)
Dividend Yield (%)	-	-	-	-	-	-	-	-	-
Expected Volatility (%)	35	35	33	48	48	50	45	45	45
Risk-free Interest Rate (%)	2.5	2.5	2.5	1.8	1.8	2.09	2.16	2.16	2.16
Expected Life of Options (Months)	36	36	12-36	36	36	36	36	36	36
Option Exercise Price ($)	0.98	0.98	1.156	2.46	2.46	3.98	4.46	5.17	N/A
Average Share Price at Measurement Date ($)	0.89	0.89	0.89	2.69	3.52	4.06	5.79	5.79	5.79
Model used	Black Scholes	Black Scholes	Black Scholes	Hoadleys	Hoadleys	Hoadleys	Hoadleys/ Black Scholes	Hoadleys	Hoadleys/ Black Scholes

21. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Subsequent to year end the Board has declared a dividend (unfranked) of 2.6 cents per share (3.5 cents per share inaugural annual dividend following the year ended June 2018).

No other significant matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

22. EARNINGS PER SHARE

KEY ACCOUNTING POLICIES

Basic EPS is calculated by dividing the result attributable to members of the Group, adjusted for the after-tax effect of preference dividends on preference shares classified as equity, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year. The weighted average number of issued shares outstanding during the financial year does not include shares issued as part of the Employee Share Loan Plan that are treated as in-substance options.

Diluted EPS is calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted earnings per share exclude shares that will be issued in the future relating to the deferred consideration from the Agility acquisition, executive shares with a higher vesting share price and special LTI rights with a 0% probability assessment (2018: Agility acquisition).

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

		Consolidated
	2019 $	2018 $
Earnings per share		
Profit/(Loss) after income tax	7,163,955	7,378,749
Profit/(Loss) after income tax attributable to the owners of HUB24 Limited used in calculating basic and diluted earnings per share	**7,163,955**	**7,378,749**

		Consolidated
	2019 Number	2018 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	62,097,012	60,145,774
Weighted average number of ordinary shares used in calculating diluted earnings per share	**63,398,125**	**61,931,232**

		Consolidated
	2019 Cents	2018 Cents
Basic earnings per share	11.54	12.27
Diluted earnings per share	**11.30**	**11.91**

During the year the following fees were paid or payable for services provided by professional service firms:

23. REMUNERATION OF AUDITORS

	2019 $	Consolidated 2018 $
Audit and review of financial statements provided by Deloitte Touche Tohmatsu	300,000	240,500
Other assurance services	183,230	118,270
Tax and other services	71,946	172,872
Total audit and other fees	**555,776**	**531,642**

24. RELATED PARTY DISCLOSURES

SUBSIDIARIES

The consolidated financial statements include the financial statements of HUB24 Limited and the Australian subsidiaries listed in the following table.

	% Equity Interest as at 30 June 2019	as at 30 June 2018
Operating Entities		
HUB24 Custodial Services Limited (formerly ANZIEX Limited)	100	100
HUB24 Share Ownership Trust	100	100
HUB24 Management Services Pty Limited	100	100
HUB24 Administration Pty Limited	100	100
HUB24 Services Pty Limited	100	100
Firstfunds Limited	100	100
ConnectHUB Pty Limited	100	100
Marketsplus Australia Pty Limited	100	100
Paragem Pty Limited	100	100
Agility Applications Pty Limited	100	100
Non-Operating Entities		
HUB24 International Nominees Pty Limited (formerly ANZIEX Nominees Limited)	100	100
HUB24 Nominees Pty Limited (formerly Kardinia Nominees Pty Limited)	100	100
AT Pty Limited*	100	100
Investorfirst Securities Limited *	100	100
Researchfirst Pty Limited *	100	100
Captain Starlight Nominees Pty Limited *	100	100
Findlay & Co Stockbrokers Limited *	100	100

*These companies are no longer trading and there is no intention that they will resume activities. The process to deregister these entities has commenced.

Balances and transactions between HUB24 Limited and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

ULTIMATE PARENT

HUB24 Limited is the ultimate parent entity of the Group.

SIGNIFICANT ACCOUNTING POLICIES

25. PARENT ENTITY FINANCIAL INFORMATION

The accounting policies of the parent entity are consistent with those of the Group except for investments in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.

SUMMARY FINANCIAL INFORMATION

Set out below is the supplementary information about the parent entity.

	2019 $	2018 $
Statement of profit or loss and other comprehensive income		
Profit/(loss) after income tax	18,641,334	(8,451,962)
Total comprehensive income	18,641,334	(8,451,962)
Statement of financial position		
Total assets	61,398,347	44,577,427
Total liabilities	3,736,072	5,441,018
Net assets	57,662,275	39,136,409
Total equity	57,662,275	39,136,409

CONTINGENT LIABILITIES

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

CAPITAL COMMITMENTS

The parent entity had no capital commitments as at 30 June 2019 or 30 June 2018.

FINANCIAL COMMITMENTS – LOAN RECEIVABLE

The parent entity entered into a loan agreement for $5 million (of which $2 million was outstanding as at 30 June 2019) ($2 million 30 June 2018) with Diversa Limited, the parent entity of The Trust Company (Superannuation) Limited as Trustee for the HUB24 Super Fund ("The Fund"), on 10 June 2016 on an arms length basis and on commercial terms at an interest rate of 17%.

$2 million has been advanced by HUB24 Limited to Diversa Limited. Diversa Limited has received these funds for the purpose of subscribing to capital in The Trust Company (Superannuation) Limited ("The Trustee") whereby the capital received by the Trustee will be reserved for the purpose of meeting the Operational Risk Financial Requirement (ORFR) for the Fund in accordance with APRA Prudential Standard SPS114.

Further advances may be called upon subject to the growth experienced by the Fund for the purpose of meeting the ORFR for the Fund in accordance with APRA Prudential Standard SPS114.

The agreement has been extended under the same terms and conditions to 31 December 2020.

DEFERRED TAX ASSET

In addition to its own current and deferred tax amounts, the parent entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits (if any) assumed from controlled entities in the Group. Refer to Note 7 for further details.

26. KEY MANAGEMENT PERSONNEL

KEY MANAGEMENT PERSONNEL COMPENSATION

	2019 $	Consolidated 2018 $
Short term employment benefits	2,552,344	2,583,193
Post employment benefits	138,124	97,663
Share based payments	894,714	631,192
	3,585,182	**3,312,048**

27. FINANCIAL INSTRUMENTS

KEY ACCOUNTING POLICIES

Held to maturity investments

The Group's principal financial instruments comprise cash, receivables, and payables. For the year ended 30 June 2019, the Group did not utilise derivatives, holds no debt and has not traded in financial instruments including derivatives.

Interest rate risk

The Group's financial instruments are not materially exposed to movements in short-term variable interest rates on cash and cash equivalents. All other financial assets and liabilities are non-interest bearing. The Directors believe a 50 basis point decrease is a reasonable sensitivity given current market conditions. A 50 basis point increase and a 50 basis point decrease in interest rates would increase/decrease profit and loss in the Group by:

	2019 $	Consolidated 2018 $
Cash and cash equivalents at end of period	**18,465,847**	**16,958,996**
50 basis points increase in interest rate	92,329	84,795
50 basis points decrease in interest rate	(92,329)	(84,795)
Net impact on profit after tax		
Profit for the year	7,163,955	7,378,749
50 basis points increase in interest rate	7,256,284	7,463,544
50 basis points decrease in interest rate	7,071,626	7,293,954

Credit risk

The Group currently has a loan receivable of $2 million from Diversa Limited. Diversa Limited has received a loan advance from the Group for the purpose of subscribing for share capital in The Trust Company (Superannuation) Limited ("The Trustee"). The Group has security over the share capital issued to Diversa Limited and therefore considers the credit risk to be low on this receivable.

Liquidity risk

The table below reflects all contractually fixed pay-offs for settlement resulting from recognised financial liabilities. Cash flows are undiscounted. The remaining contractual maturities of the Group's and parent entity's financial liabilities are:

27. FINANCIAL INSTRUMENTS

KEY ACCOUNTING POLICIES (CONTINUED)

	2019 $	Consolidated 2018 $
Not later than one month	2,557,499	3,029,211
Later than 1 month not later than 3 months	280,572	538,157
Later than 3 months not later than 1 year	695,522	980,189
Later than 1 year	2,146,200	1,463,435
	5,679,793	**6,010,992**

MATURITY ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

The risk implied from the values shown in the table below is based on best estimates and reflect a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as office equipment, platform development and investments in working capital e.g. receivables. These assets are considered in the Group's overall liquidity risk.

	0–1 month $	1–3 months $	4–12 months* $	1–5 years** $	Total $
30 June 2019					
Consolidated financial assets:					
Cash and cash equivalents	13,381,689	5,084,158	-	-	18,465,847
Trade and other receivables	6,480,170	950,772	134,524	2,000,000	9,565,466
	19,861,859	**6,034,930**	**134,524**	**2,000,000**	**28,031,313**
Consolidated financial liabilities:					
Trade and other payables	(2,557,499)	(280,572)	(695,522)	(2,146,200)	(5,679,793)
	(2,557,499)	**(280,572)**	**(695,522)**	**(2,146,200)**	**(5,679,793)**
Net Maturity	**17,304,360**	**5,754,358**	**(560,998)**	**(146,200)**	**22,351,520**

*For the 4–12 month period the Agility deferred consideration includes cash components payable 31 December 2019. Refer to Note 12 for further details.
**For the 1–5 year period the Agility deferred consideration includes cash and equity components payable 31 December 2020.

	0–1 month $	1–3 months $	4–12 months* $	1–5 years** $	Total $
30 June 2018					
Consolidated financial assets:					
Cash and cash equivalents	11,928,497	5,030,499	-	-	16,958,996
Trade and other receivables	4,510,435	217,665	359,928	2,011,220	7,099,248
	16,438,932	**5,248,164**	**359,928**	**2,011,220**	**24,058,244**
Consolidated financial liabilities:					
Trade and other payables	(3,029,211)	(538,157)	(980,189)	(1,463,435)	(6,010,992)
	(3,029,211)	**(538,157)**	**(980,189)**	**(1,463,435)**	**(6,010,992)**
Net Maturity	**13,409,721**	**4,710,007**	**(620,261)**	**547,785**	**18,047,252**

*For the 4–12 month period the Agility deferred consideration includes cash and equity components payable.
**For the 1–5 year period the Agility deferred consideration includes cash and equity components payable.

27. FINANCIAL INSTRUMENTS

MATURITY ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The Group monitors rolling forecasts of liquidity reserves on the basis of expected cash flow and aims to maintain a minimum equivalent of 90 days worth of operational expenses in cash reserves.

MARKET RISK

The Group balance sheet is not materially exposed to movements in market prices.

The net fair value of financial assets and liabilities approximates their carrying values and the methods for estimating fair values are outlined in the relevant notes to the financial statements.

FAIR VALUE MEASUREMENT

No other financial instruments for the year ended 30 June 2019 required fair value assessment.

In the financial year ended 30 June 2018 the Group had a number of financial instruments which were not measured at fair value in the statement of financial position. These had the following fair values at 30 June 2018:

Year ended 30 June 2018	Carrying amount $	Consolidated Fair value amount $
Non-Current Assets		
Rental bonds and guarantees	11,220	11,220
	11,220	**11,220**

28. BUSINESS COMBINATION

The Group made no business acquisitions in the financial year ended 30 June 2019.

SUMMARY OF PRIOR YEAR ACQUISITION

The Group acquired DIY Administration Pty Limited on 3 May 2018, that was previously an outsourced arrangement providing superannuation administration services for the HUB24 platform.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	Total $
Purchase consideration	
Cash consideration	300,000
Waived service fees	632,243
Total purchase consideration	**932,243**

	Fair value $
The fair values of the acquisition are as follows:	
Employee entitlements	(56,436)
Net identifiable assets acquired	(56,436)
Goodwill	**988,679**

Acquisition related costs of $198,067 are included in administrative expenses in the profit or loss.

29. PROFIT RESERVES

To the extent possible under the *Corporations Act 2001* and applicable tax laws, the profits reserve is preserved for future dividend payments.

	2019 $	Consolidated 2018 $
Profit reserve	13,014,445	5,088,013
Movement in profit reserves		
Opening balance	5,088,013	-
Transfer to profit reserves	11,349,598	5,088,013
Dividends provided for or paid	(3,423,166)	-
Closing balance	**13,014,445**	**5,088,013**

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

IN THE DIRECTORS' OPINION:

a. the financial statements and notes set out on pages 44 to 93 are 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 2019 and of its performance for the financial year ended on that date, and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

b. the financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 2, and

c. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and

d. this declaration has been made after receiving the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors.

Bruce Higgins
Chairman

Sydney
26 August 2019

INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report to the Shareholders of HUB24 Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of HUB24 Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2019, 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, notes comprising 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 2019 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* (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 financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Intangible Assets

As at 30 June 2019 the carrying value of intangible assets totalling $37.01 million, include the following as disclosed in Note 10:

• Investment platform at $16.92 million;
• Agility customer relationships of $1.08 million;
• Agility CONNECT software of $1.76 million; and
• Goodwill of $16.33 million.

Evaluation of the recoverable amount of intangible assets requires significant judgement due to the estimation of future cash flows, discount and terminal growth rates, and the period over which cash flows have been discounted.</td><td>Our procedures included, but were not limited to:

▪ updating our understanding of the key controls associated with the preparation of the value-in-use models;
▪ evaluating management's methodologies and their documented basis for key assumptions, as outlined in Note 10;
▪ in conjunction with our valuation specialists, we assessed and challenged the:
- reasonableness of long-term growth rates used in the forecast cash flows by comparing them to historical results, economic and industry forecasts; and
- discount rate applied.
▪ testing the mathematical accuracy and integrity of the value-in-use models;
▪ assessing the consistency of forecast cash flow models and Board approved budget;
▪ performing sensitivity analysis around the key drivers of growth rates used in the cash flow forecasts and the discount rate used; and
▪ assessing managements' consideration of the sensitivity to a change in key assumptions that both individually or collectively would be required for assets to be impaired and considered the likelihood of such a movement in those key assumptions.

We also assessed the appropriateness of the disclosure in Note 10 to the financial statements.</td></tr>
<tr><td>Deferred tax asset relating to tax losses

As at 30 June 2019, the Company has recorded a deferred tax asset of $9.68 million, which included prior periods tax losses incurred by the Company as disclosed in Note 7.

Significant judgement is required in determining the recoverability of this deferred tax asset which is dependent on the generation of sufficient future taxable profit to utilise these tax losses.</td><td>Our procedures included, but were not limited to:

▪ updating our understanding of the key controls associated with the preparation and board approval of budgets supporting the recoverability of the deferred tax asset;
▪ challenging the appropriateness of management's assumptions relating to the forecasts of future taxable profits;
▪ evaluating the reasonableness of the assumptions underlying the preparation of these forecasts, including the consistency of the assumptions used with those used to evaluate the recoverable amount of intangible assets; and
▪ reviewing management's deferred tax calculation for mathematical accuracy, in accordance with the relevant accounting standards and Australian tax legislations.

We also assessed the appropriateness of the disclosure in Note 7 to the financial statements.</td></tr>
</table>

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Contingent Consideration	
On 3 January 2017, HUB24 Limited acquired Agility Applications Pty Ltd for consideration of up to $15 million. Consideration comprised $2.8 million cash, $3.8 million shares, $1.9 million deferred consideration and $5.7 million contingent consideration. Consequently, the Company may be required to make further payments to the respective vendors in the event that certain conditions and performance targets are met, as detailed within the revised Share sale deed. Significant judgement is required in determining the fair value of the contingent consideration which is dependent on recent and forecasted trading results of the business and the relative risks of achieving performance targets. As at 30 June 2019, management has determined the fair value of the contingent consideration to be $2.7 million.	Our procedures included, but were not limited to: ▪ obtaining the revised Share sale deed between the Company and Agility Applications; ▪ reviewing management's position paper for: ○ alignment with the revised Share sale deed; ○ Agility Applications' performance against the revised performance hurdles and targets to date; ○ key assumptions relating to the probability of achieving the revised performance hurdles and targets as at 30 June 2019; and ○ the likelihood and magnitude of the payment estimated by management. ▪ inquiring with key executives as to the likelihood of performance targets being met; ▪ evaluating the reasonableness of management's underlying assumptions as outlined within the position paper; and ▪ updating our understanding of the key controls associated with the preparation and Board approval of position paper supporting the fair value of contingent consideration. We also assessed the appropriateness of classification of the liability and the disclosures in Note 12 and 15 to the financial statements.

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 2019, 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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 40 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of the HUB24 Limited, for the year ended 30 June 2019, 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

Declan O'Callaghan

Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 26 August 2019

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. This information is current as at 21 August 2019.

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital 62,589,415 fully paid ordinary shares are held by 4,054 individual security holders.

All issued ordinary shares carry one vote per share without restriction and carry the rights to dividends. The number of security holders, by size of holding, in each class are:

	Holders	Total units	%
Fully paid ordinary shares – holding ranges			
1 to 1,000	2,060	865,669	1.38%
1,001 to 5,000	1,510	3,688,149	5.89%
5,001 to 10,000	257	1,873,486	2.99%
10,001 to 100,000	188	4,998,083	7.99%
100,001 and over	39	51,164,028	81.75%
Total	4,054	62,589,415	100.00%

OPTIONS

1,532,343 options and 823,092 performance rights are held. Options and performance rights do not carry a right to vote.

ASX ADDITIONAL INFORMATION (CONTINUED)

TOP TWENTY SHAREHOLDERS – QUOTED ORDINARY SECURITIES

	Number held	%IC
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,109,675	33.73%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,143,939	8.22%
PACIFIC CUSTODIANS PTY LIMITED	3,148,436	5.03%
CITICORP NOMINEES PTY LIMITED	2,963,258	4.73%
BNP PARIBAS NOMS PTY LTD	2,934,886	4.69%
UBS NOMINEES PTY LTD	1,768,547	2.83%
MR IAN JAMES LITSTER	1,513,744	2.42%
NATIONAL NOMINEES LIMITED	1,415,262	2.26 %
BNP PARIBAS NOMINEES PTY LTD	1,214,784	1.94%
MRS JASMIN ZHENG-MIN ZHAO LITSTER	1,188,545	1.90%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	937,718	1.50%
SKYLYX PTY LTD	699,793	1.12%
CS THIRD NOMINEES PTY LIMITED	710,187	1.13%
LITSTER & ASSOCIATES PTY LTD	578,388	0.92%
JASFORCE PTY LTD	537,904	0.86%
MR BRUCE HIGGINS & MRS RUTH HIGGINS	510,000	0.81%
MATIMO PTY LTD	394,332	0.63%
CITICORP NOMINEES PTY LIMITED	387,823	0.62%
CRAIG APPS & MICHELLE APPS	366,244	0.59%
EGG AU PTY LTD	362,356	0.58%
Total	**47,885,821**	**76.51%**

DETAILS OF SUBSTANTIAL SHAREHOLDERS – QUOTED ORDINARY SECURITIES

	Date of most recent substantial shareholder notice	Number held	%IC
TIGA Trading Pty Ltd	8/04/2019	7,338,132	11.77%
Hyperion Asset Management	8/07/2019	7,172,849	11.51%
The Capital Group Companies, Inc.	23/07/2018	3,839,515	6.23%
ECP Asset Management Pty Ltd	25/07/2019	4,116,398	6.60%
Ian Litster	18/03/2019	3,280,677	5.24%

CORPORATE INFORMATION

HUB24 LIMITED

ACN 124 891 685

DIRECTORS

Bruce Higgins (Chairman)
Andrew Alcock (Managing Director)
Ian Litster
Anthony McDonald
Paul Rogan

SECRETARIES

Mark Goodrick
(appointed 31 December 2018)

Paul Howard
(appointed 31 July 2091)

Wendy McIntyre
(appointed 31 December 2018)
(resigned 31 July 2019)

Matthew Haes
(resigned 31 December 2018)

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 2, 7 Macquarie Place
Sydney NSW 2000
Australia

SHARE REGISTRY

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

HUB24 Limited shares are listed on the Australian Securities Exchange (ASX : HUB)

AUDITOR

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

WEBSITE

www.hub24.com.au