

ASX Release: 18 April 2023

Total FUA increases by \$3.9 billion to \$76.9 billion

March Quarter FY23 Highlights

- Total Funds Under Administration (FUA) of \$76.9 billion as at 31 March 2023, comprising Platform FUA of \$59.4 billion (up 16.5% on pcp) and Portfolio, Administration and Reporting Services (PARS) FUA of \$17.5 billion (up 1.0% on pcp)
- Platform FUA increased by 6.5% for the quarter with platform net inflows of \$1.9 billion (down 28.6% on pcp) and positive market movement of \$1.7 billion
- Ranked 1st place for both quarterly and annual net inflows¹
- Heads of Agreement signed with Equity Trustees Limited to provide custodial platform administration and technology solutions for trustee services clients²
- HUB24 ranked first in all seven categories in the Adviser Ratings Financial Landscape survey, including Best Overall Platform³
- HUB24 ranked Best Platform Overall, Best Reporting and Best Online Business Management functionality in the Investment Trends Platform Competitive Analysis and Benchmarking survey

Platform Net Inflows and FUA

During the quarter, the business has achieved solid results in the context of continued uncertainty in the macro-economic environment and ongoing market volatility affecting adviser and client sentiment, with \$1.9 billion of net inflows as at 31 March 2023 (down 28.6% on pcp). Superannuation net inflows remain strong with the discretionary IDPS net inflows softening in line with market sentiment. Platform FUA was \$59.4 billion as at 31 March 2023, which included positive market movement of \$1.7 billion for the quarter.

HUB24 continues to rank 1st place for quarterly net inflows and is now ranked 1st place for annual net inflows (up from 2nd) in the latest available Plan for Life data. HUB24's market share is now 5.85% as at 31 December 2022 (up from 4.9% as at December 2021) and is ranked in 7th place. HUB24 continues to have the fastest growth rate as a percentage of FUA based on annual net inflows.¹

Our pipeline of opportunities has continued to grow during the quarter in line with our historical trend with 27 new distribution agreements signed and the total number of advisers using the platform increasing to 3,748 (up 9.2% on pcp).

In addition, HUB24 has entered into a Heads of Agreement with Equity Trustees Limited (EQT) to provide custodial platform administration and technology solutions for EQT and AET trustee services clients. The scope of the agreement covers staged large transitions totalling approximately \$4 billion FUA indicatively over the next 18 months. Subject to detailed planning and final agreements being completed, the company will provide further updates. The current Platform FUA target (excluding PARS FUA) guidance of \$80-\$89 billion at FY24 remains unchanged.⁴

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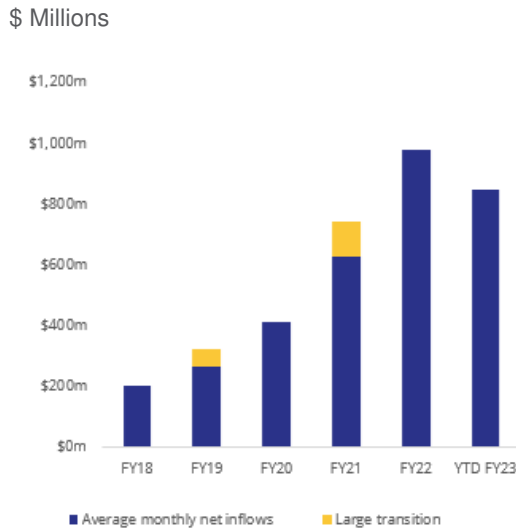
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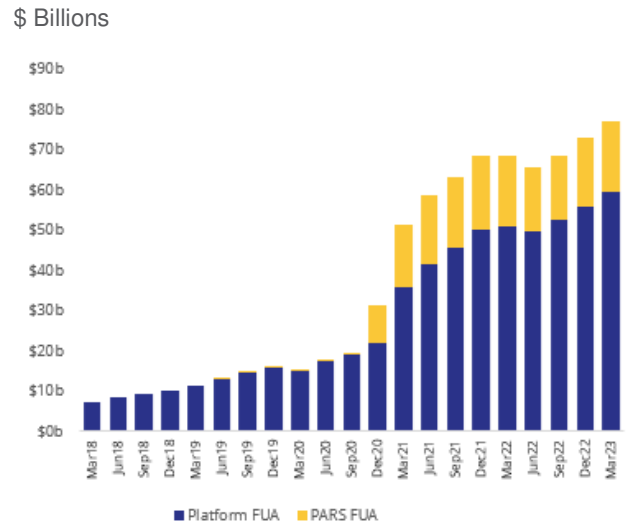
PARS FUA

PARS FUA was \$17.5 billion at 31 March 2023, up from \$17.2 billion as at 31 December 2022 (up 1.0% on pcp). During the quarter the number of PARS accounts increased by 1% to 8,066.

Platform Average Monthly Net Inflows

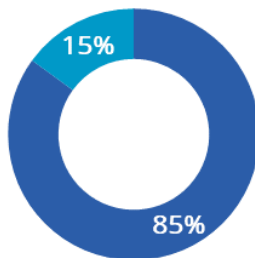


Total FUA

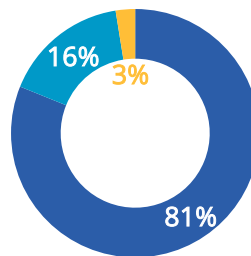


Composition of Platform FUA

FY23 Q3 Platform FUA



FY22 Platform FUA



Legend: Retail (dark blue), Institutional (light blue), Xplore Super Admin (yellow)

¹Rankings and growth rate term are based on internal analysis of Plan for Life Master Trusts, Platforms and Wraps December 2022 for HUB24's continuous business operations, excluding HUB24's planned discontinuation of the Xplore Wealth Super Admin business (\$1.4 billion FUA of \$1.0 billion outflow via Successor Fund Transfer and \$0.4 million migrated to the HUB24 platform in Q2 FY23)

² Further information provided under Platform Net inflows & FUA section below

³ Adviser Ratings Financial Advice Landscape Report 2022, Investment Trends Platform Competitive Analysis and Benchmarking Report 2022

⁴ The company expects strong growth and increasing profitability subject to consistent and stable investment markets over the longer term and HUB24 terms of business that may affect platform FUA and revenue

| Platform Statistics* | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Growth on pcp |
|--|------------------|------------------|------------------|------------------|------------------|---------------|
| Platform FUA | \$51,028m | \$49,703m | \$52,362m | \$55,822m | \$59,438m | 16.5% |
| PARS FUA | \$17,307m | \$15,871m | \$15,992m | \$17,172m | \$17,481m | 1.0% |
| Total FUA | \$68,335m | \$65,574m | \$68,354m | \$72,994m | \$76,919m | 12.6% |
| Platform Flows | | | | | | |
| Platform Net Inflows** | \$2,618m | \$2,454m | \$2,985m | \$2,774m | \$1,870m | (28.6%) |
| Platform Gross Inflows | \$3,878m | \$4,219m | \$4,970m | \$4,372m | \$3,626m | (6.5%) |
| Xplore Super Admin - discontinued operations *** | | | | (\$944m) | | N/A |
| Platform Advisers | | | | | | |
| Number of Advisers | 3,432 | 3,486 | 3,639 | 3,692 | 3,748 | 9.2% |

*Statistics are for each quarter, have been rounded and are not audited. Platform FUA refers to custodial administration services and PARS FUA refers to non-custodial administration services.

** Platform net inflows of \$2.8 million from continuing business operations during Dec 22 quarter (excluding the Xplore Super Admin discontinued operations).

*** Successor Fund Transfer (SFT) from Xplore Super Admin discontinued operations of \$944 million during Dec 22 quarter. One further transition of approximately \$10 million scheduled to occur in Q4 FY23.

Class Statistics

The number of accounts across Class Super, Class Portfolio and Class Trust products increased to 200,247 during the quarter (up 2.0% on pcp). Market sentiment continues to impact corporate establishments with NowInfinity rolling 12-month document orders decreasing to 170,929 for the quarter, however document orders are up 4.1% on pcp. The number of companies using Corporate Messenger increased to 636,996 during the quarter up 12.2% on pcp.

| Metrics ^{1, 2, 3} | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Growth on pcp |
|----------------------------------|---------|---------|---------|---------|---------|---------------|
| No. of accounts | 196,298 | 198,397 | 198,843 | 198,619 | 200,247 | 2.0% |
| Document Orders | 164,212 | 171,309 | 177,196 | 173,142 | 170,929 | 4.1% |
| Companies on Corporate Messenger | 567,518 | 597,989 | 622,324 | 621,478 | 636,996 | 12.2% |

¹ Number of Class accounts at the end of each quarter consists of Class Super, Class Portfolio and Class Trust licenses

² Documents paid for by PAYG and subscription customers during the last 12 months

³ Number of active companies at the end of each quarter

Business Update

HUB24

During the quarter HUB24 has achieved significant recognition in two major industry surveys. In the latest Adviser Ratings Financial Advice Landscape survey, which asks advisers to rate their experience across several categories including adviser and client experience, product offer, service and support, HUB24 ranked first in all seven categories including Overall Best Platform, Best Adviser Experience, Best Client Experience and Best Overall Functionality. In addition, HUB24 was awarded Best Platform Overall, Best Reporting and Best Online Business Management functionality in the Investment Trends Platform Competitive Analysis and Benchmarking survey during the quarter.³

HUB24 is committed to continued investment in enhancing our platform offer to deliver outcomes for advisers and their clients. During Q3 FY23 new tax optimisation alert functionality was added, which enables advisers to make informed decisions in line with their clients' tax preferences when performing switches on managed portfolios. HUB24's market-leading reporting feature, HUB24 Present, was also enhanced allowing advisers to incorporate a client's off-platform assets into portfolio dashboards and client reports.

Following the completion of the pilot, HUB24 SMSF Access, the first joint product development initiative leveraging the combined capability of HUB24, Class and NowInfinity, was launched to market in February. The new SMSF product solution is designed to meet the needs of clients who are keen to access the benefits of a cost-effective SMSF solution has been well-received by advisers.

During the quarter Mr Craig Apps was appointed Chief Product and Innovation Officer, reporting to the CEO, Andrew Alcock. In this role, Mr Apps will lead the Company's product development and innovation teams, leveraging the Group's combined capabilities to deliver market leading solutions that enhance customer experience and deliver opportunities for growth. Mr Apps has extensive experience in managing teams to develop and deliver market-leading product, data and technology solutions and was the founder of Agility Applications which was acquired by HUB24 in 2017.

Class

During Q3 FY23, Class has continued to invest in delivering enhanced product solutions and customer experience. This included the launch of 'Scan and Save' functionality which leverages machine learning to enable customers to efficiently upload bank statement data from financial institutions where there is no data feed available, and the continued rollout of Multi-factor Authentication to provide all end-users with additional cyber security protection. Additionally, Class has received an ASAE 3402 Type II Assurance Report for its Tax Statement Automation services, providing auditors with assurance regarding the reliability of data provided by accountants and administrators through the Tax Statement Automation service, and reducing manual processing.

Change in Banking Arrangements

Following a competitive selection process, HUB24 has signed a credit approved term sheet with Commonwealth Bank of Australia (CBA) to consolidate and transition the banking arrangements of both HUB24 and Class to CBA, subject to completion of standard documentation. The transition will include a revolving cash advance facility with CBA of \$31 million. Both the ANZ and Westpac debt facilities will be fully repaid on transition to CBA.



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About HUB24

HUB24 Limited is listed on the Australian Securities Exchange, and includes the award-winning HUB24 platform, HUBconnect, the Xplore Platform and Class.

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

Class is a pioneer in cloud-based wealth accounting and is recognised as one of Australia's most innovative technology companies. Class delivers trust accounting, portfolio management, legal documentation and corporate compliance solutions to financial professionals across Australia who depend on Class to drive business automation, increase profitability and deliver better client service.

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

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

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