

Chairman's Address

HUB24 Annual General Meeting

On behalf of the Directors I welcome shareholders to the Annual General Meeting of HUB24.

I am pleased to report that in the financial year to 30 June 2018, HUB24 recorded a statutory NPAT of \$7.4m for FY18 (\$18.9m for FY17 which included the first-time recognition of deferred tax assets of \$15.9m).

We have continued our strong growth trajectory since the last Annual General meeting demonstrated by;

- Maintaining our position as the fastest growing platform provider in Australia with Funds Under Administration (FUA) up 51% to \$8.3b (and reaching \$9.1bn at the end of Q1 for FY19).
- Revenue of \$84m, up 36% with platform revenue up 51%.
- Underlying EBITDA of \$11.4m, up 123%.
- Operating cash flows of \$12.2m, up 201%.

HUB24 scale benefits continue to emerge as a result of growing FUA and revenues, with platform expenses rising by only 31% over the year. Margin improvements have been made across the profit lines in our platform segment with gross profit and Underlying EBITDA increasing to 72% and 30% of revenue respectively. We expect further margin expansion and increased profitability moving forward.

Growth

HUB24 is currently the fastest growing platform provider in the market relative to its size and has achieved a compound annual growth rate ("CAGR") in FUA over the past 5 years of 85%. We are well-positioned to take advantage of key trends shaping the

industry, including the continued demand for managed accounts, and the need for advisers to ensure they select the best solutions to meet their clients' needs which also support their increasing compliance and regulatory obligations.

Our growth is well distributed across 169 active licensees with 61 new agreements signed in FY18 introducing 310 advisers to the HUB24 platform with a total of 1,227 advisers as at 30 June 2018. There are now 18 white label relationships with 3 new white labels joining the platform during FY18. Our record annual inflows of \$2.4bn have been evenly split across our Investor Directed Portfolio Service (IDPS) and Super products with our HUB24 retail version of the platform now accounting for 60% of FUA and the remainder across our white labels.

Our ongoing success is best illustrated by the latest available market data where we achieved of 18.4% of industry annual net inflows which is a run rate of over 18 times our underlying market share of 0.98%.

In May we launched our innovative ConnectHUB functionality which is now in pilot phase with three of our stockbroker clients an initial group of financial planning practices. This initiative forms a technology foundation for the future of platforms and HUB24. ConnectHUB allows clients to bring their own data and build their own tailored platform encompassing assets and technologies beyond those provided on the HUB24 platform. Already ConnectHUB is creating growth for HUB24 which Andrew Alcock will cover later in his presentation.

Operations

HUB24 is committed to developing innovative solutions that create opportunities for our clients. We have delivered a number of market leading enhancements this year including;

- Supporting advisers in the provision of advice with both a Record of Advice generator and a superannuation contributions tracker.
- Addition of OneCare life insurance to the other three personal insurance options already available.

- An enhancement to the company's market leading managed accounts capability with the launch of Progressive Portfolio Implementation (PPI).
- Additionally, a new Core offer has been released for clients with simpler investment needs and lower platform administration fees.

Our focus is on continuous innovation has again been recognised in the Investment Trends Platform Competitive Analysis and Benchmarking Report 2017. HUB24 was awarded first place in managed accounts functionality and maintained our positions for best navigation and user interface, best mobile platform, and second place overall for platform functionality.

In the Investment Trends Planner Technology report HUB24 achieved the highest customer advocacy score in terms of primary platform adviser satisfaction. We are pleased to achieve these accolades ahead of our long-established competitors and this demonstrates the commitment of our management to constant innovation and service excellence.

Our Paragem business also grew during FY18 with the addition of two new practices and recently we welcomed the new Managing Director of Paragem, Nathan Jacobsen to our team. Similarly, our Agility business is growing with new clients and also investing in new technologies that will support the future direction of all our businesses.

Our Managing director Mr. Andrew Alcock will present further financial and operational details in his presentation after the formal business of the meeting.

Dividend

HUB24 has delivered on our growth plans and financial performance supported the decision by the directors to declare the inaugural dividend for HUB24 of 3.5 cents per share which was paid on 19 October 2018. In addition the company now has in place a dividend policy which 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.

Board & Corporate governance

This year we welcomed Paul Rogan who joined the board last December as non-executive director and the new Chair of the Audit and Risk Management Committee from March 2018. I would also like to thank Anthony McDonald for his support to the company as a non-executive director since his appointment in 2015 and the additional work that he has undertaken in this role to date which is proposed to be compensated, apart from his normal cash director's fees, by the issue of the performance rights set out in resolution 7 to this meeting.

The Board of HUB24 is committed to achieving and demonstrating standards of corporate governance that are best practice and compliant with the Australian Stock Exchange (ASX) regulations of good corporate governance. Our goal is to ensure that we protect the rights and interests of shareholders and ensure the company is properly managed through the implementation of sound strategies and action plans. We achieve this through the management team of our company and by supervising an integrated framework of controls over the company's resources to ensure our commitment to high standards of ethical behaviour.

Our remuneration report is set out in the annual report and outlines the group remuneration policies, Board performance and the senior executive remuneration policies and compensation.

Outlook

The structural changes occurring in wealth management combined with financial adviser and investor demand for world class solutions is leading to the selection of platforms that can provide the broadest choice and best product solutions. We believe these market trends provide favourable conditions for the continued growth of HUB24.

In addition, the shift in strategic focus amongst some of the traditionally dominant platform providers integrated to the major banks creates further opportunity for HUB24. To exploit those opportunities we plan to continue to innovate to develop new functionality and products, invest in growing the company and explore new market opportunities with the aim of accelerating FUA onto the HUB24 platform.

We are confident in HUB24's future growth and lifted our targets to achieve FUA levels in a range of \$19–\$23 billion by June 2021, assuming consistent investment market returns and net inflow growth trends.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has created uncertainty within our markets. Due to our market position and business model we believe HUB24 will benefit over the medium term from the anticipated mobility of advisers and the demand for unbiased product choice. Regulatory change and consumer expectations are also expected to drive growth in advisers selecting the HUB24 platform to meet the needs of their clients and we welcome change that creates an improved environment for customers.

On behalf of the Directors, we wish to thank our entire team for their commitment, contribution and customer focus during another exciting year for HUB24. Particularly we wish to also thank Matthew Haes who has been our CFO and Company secretary for the last 6 and a half years for his ongoing dedication and valuable contribution to the growth of HUB24. Matthew is leaving the company to pursue new horizons and all wish him well. We also welcome Mark Goodrick who is with us today who will commence with HUB24 as our new CFO in December.

As always, we also wish to thank our customers for their ongoing support.

Bruce E. Higgins

Chairman

19 November 2018