

ASX Release: 3 May 2023

HUB24 to acquire myprosperity

HUB24 Limited (ASX: HUB) (HUB24) and myprosperity Pty Ltd (myprosperity) have today entered into an agreement for HUB24 to acquire 100% of the ordinary shares of myprosperity.

The acquisition is expected to deliver long term shareholder value by accelerating HUB24's platform of the future strategy, supporting our current growth trajectory and strengthening our competitive advantage to capture market share and create new growth opportunities. The unique capability provided by myprosperity together with HUB24 will consolidate the group's position as a leading provider of integrated platforms, technology and data solutions for financial professionals.

For further information on the benefits provided by this acquisition please refer to the investor presentation <https://www.hub24.com.au/shareholder-centre/announcements/>

myprosperity is a leading provider of client portals for accountants and financial advisers. Client portals with enhanced capability like myprosperity, are transforming client engagement by delivering a holistic view of household wealth, providing secure digital engagement and facilitating collaboration between clients and the financial professionals they have a relationship with.

Integration of myprosperity with HUB24 custodial and non- custodial platforms is planned initially, followed by the development of a single client portal for the entire HUB24 group portfolio of products and services. This is expected to extend HUB24's market-leadership position and deliver both increased customer advocacy and new opportunities to further grow market share across the HUB24 group. Together with HUB24, myprosperity will provide an improved client experience, streamline service delivery, and increase productivity, enabling financial professionals to empower a better financial future for more clients.

It is intended that myprosperity will operate as a separate business unit within the HUB24 group under the myprosperity brand and leadership team, retaining their entrepreneurial culture whilst benefitting from HUB24's technology infrastructure and shared services. myprosperity will be incorporated into the Platform segment within HUB24's financial reporting disclosures.

The details of the transaction are:

- myprosperity shareholders will receive total consideration of \$40 million of HUB24 Limited ordinary shares issued at 30-day VWAP being \$27.63 and 1.4 million shares issued
- Up to a further \$11.5 million in HUB24 ordinary shares, subject to certain conditions and performance hurdles being met progressively over the next 3 years (fully achieved on successful integration of myprosperity functionality into the HUB24 platform, Class software, NowInfinity and HUBconnect offers and revenue synergy targets of \$7.2 million in FY24 increasing to \$21.2 million in FY26)¹

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- The transaction is expected to be underlying EBITDA positive in FY25 and earnings per share (EPS) neutral in FY26 and EPS accretive in FY27 (4 – 5%)²
- Transaction costs incurred in FY23 are expected to be ~ \$400,000
- Target completion date prior to 30 June 2023³

HUB24 Managing Director Andrew Alcock commented: *“We’re excited to be announcing the acquisition of myprosperity, who are a leading provider of client portal technology for advisers and accountants and welcome Peter McCarthy and his talented team to HUB24. This acquisition will consolidate our market-leadership position and accelerate the delivery of our platform of the future strategy, strengthening our competitive advantage to capture further market share and new growth opportunities”.*

Peter McCarthy, Founder and Executive Director of myprosperity said: *“The team at myprosperity are delighted to be joining the HUB24 group. We look forward to working together to continue to deliver efficiency, enhanced client engagement and compliance support for financial advisers and accountants and leveraging combined capabilities to deliver benefits for both new and existing clients”*

A briefing will be held at 10.00am AEDT on 3 May 2023. The presentation briefing will be live streamed, and registration is via this link <https://webcast.openbriefing.com/hub-mu-2023/>

1 Including the expected FY23 \$4 million recurring revenue of myprosperity

2 Underlying Earnings Before Interest Expense, Tax, Depreciation, Amortisation and Notable items (UEBITDA) is the Group’s preferred (non-IFRS) measure which is used to assess the operating performance of the business. UEBITDA excludes share-based payments for performance rights. Earnings per share (EPS) is based on statutory net profit after tax.

3 Subject to satisfaction of customary conditions precedent

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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 Pty Limited

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 HUB24 Limited Board of Directors.

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

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