PROPOSED ACQUISITION OF CLASS LIMITED

18 OCTOBER 2021

HUB24

TRANSACTION OVERVIEW

EMPOWERING BETTER FINANCIAL FUTURES TOGETHER - TWO MARKET LEADING WEALTH TECHNOLOGY BUSINESSES

Overview

- HUB24 Limited (ASX: HUB) and Class Limited (ASX: CL1) have entered into a binding Scheme Implementation Deed (SID) under which it is proposed that HUB24 will acquire 100% of the shares in Class by way of a scheme of arrangement
- Class's Board of Directors unanimously recommend that shareholders accept the HUB24 offer, in the absence of any superior proposal and subject to independent expert's opinion that the scheme is in the best interests of Class shareholders

Scheme consideration

- Scheme consideration for 100% of Class ordinary shares as follows:
  - 1 HUB24 ordinary share for 11 Class ordinary shares, plus
  - $0.10 per Class ordinary share in cash[3]
- The implied total consideration represents a 52.8% premium based on the 1-month VWAP for both companies up to 15th October 2021

Key highlights

- Two highly complementary businesses with aligned culture & values. Both companies are strategically focused on the delivery of solutions that support professional advisers to implement investment, tax and strategic advice
- Opportunities for growth by delivering increased efficiency and product capability for existing and new customers[2]
- Class will operate as a HUB24 business unit with its own leadership team under the Class brands with continued investment to deliver on its multi-product software-as-a-service strategy
- Materially accelerates HUB24's platform of the future strategy
- Delivers compelling shareholder value, 8% EPS accretive in FY23 (excluding revenue synergies and one-off implementation costs) and diversifies revenue streams for both businesses

Timing & conditions[1]

- Expected completion mid to late February 2022
- Scheme is subject to Court & Class shareholder approvals
- SID includes customary exclusivity and other deal protections in favour of HUB24 including provisions for a break fee and matching rights

1. Customary conditions including court & shareholder approval and absence of a MAC or prescribed event
2. Estimated 20% of HUB24 advisers also use Class. 25% of HUB24 FUA invested via Self Managed Superannuation Funds (SMSFs)
3. Reduced by any Class dividend prior to completion except for an interim dividend of up to $0.025 per Class share

ABOUT CLASS

- Market-leading SMSF administration software provider with 29% share of addressable SMSF administration software market[1]
- Industry recognition for product innovation & customer service excellence
- 3-year strategic transformation underway to expand core SMSF offer into multi-product software-as-a-service provider
- Ongoing investment in technology development to enhance customer propositions
- Recent acquisitions (NowInfinity, Smartcorp, ReckonDocs, TopDocs) provide complementary compliance and documentation capability
- Strong underlying financial performance with opportunity to grow
- Growing customer base with over 7,700 customers (accounting practices, financial planning practices, administrators, institutions)[2]
- Experienced team (235 FTE including 88 IT staff)

AccountTech
- SMSF Administration
- Trust Administration
- Portfolio Administration

DocTech
- Corporate Compliance
- Document Suite
- SMSF Compliance
- Trust Compliance

WealthTech
- Portfolio Reporting
- Portfolio Administration

Partner Integrations
- APIs
- Data services

Financial Data Aggregation and Connectivity
Banks / Investment Platforms
Brokers / Asset Managers
ATO / ASIC
Exchanges

Award-winning technology

SMSF AWARDS WINNER | SMSF AWARDS WINNER | WINNER | WINNER

Products / Our Customers

Products	Accountants	SMSF Admin.	Invest. Advisers	Fin. Planners	Trust Admin.	Lawyers
CLASS SUPER	✓	✓	✓	✓		
CLASS PORTFOLIO	✓		✓	✓		
CLASS TRUST	✓			✓	✓	
NowInfinity	✓	✓	✓	✓	✓	✓

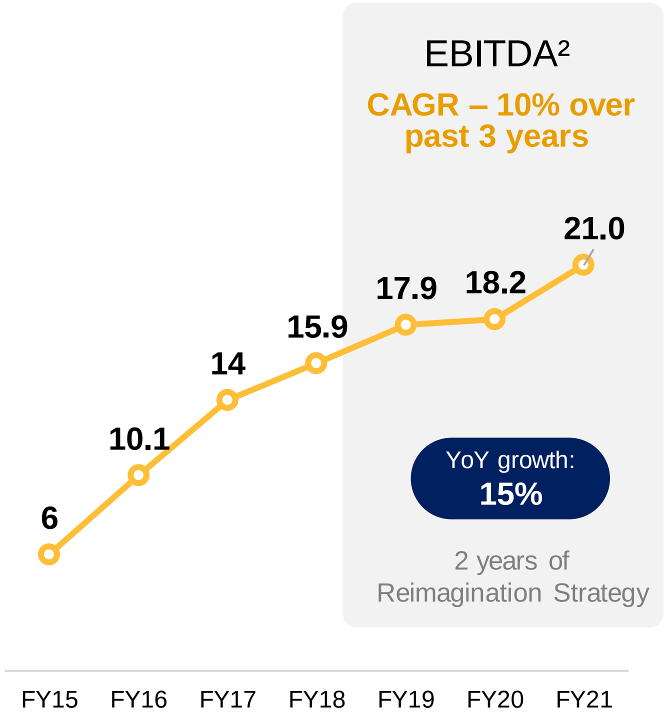
1. Per ATO quarterly SMSF report, total number of SMSFs. Reflects Class number of accounts as % of ATO total number of SMSFs. Aligns to Class disclosed ~29% market share
2. Pro forma using FY21 customers plus the TopDocs customer base

CLASS - ATTRACTIVE FUNDAMENTALS

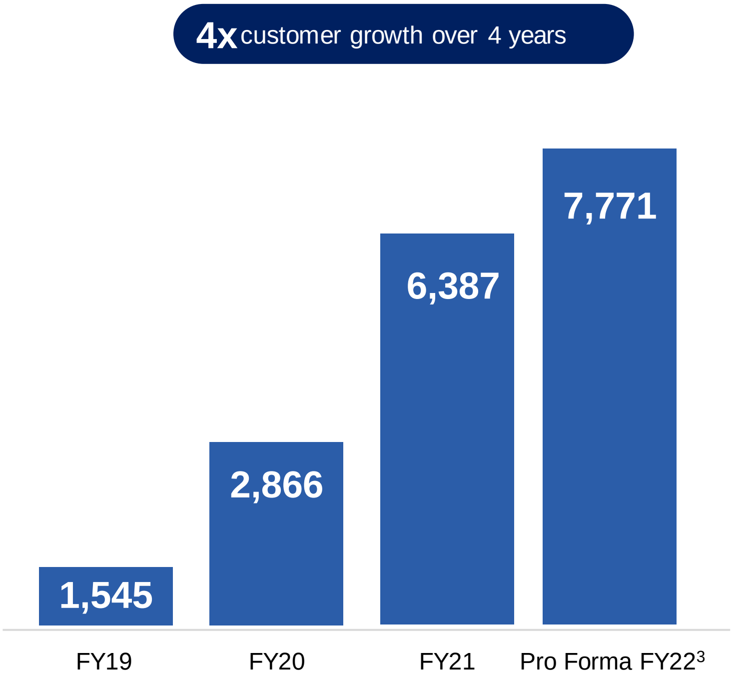
REIMAGINATION STRATEGY DELIVERING

Revenue (A$m)

EBITDA (A$m)



Unique Customers[1] (#)



Source: Class Limited FY21 Results Presentation

HUB24

1. Net unique customers = total contracts adjusted for customers who use multiple Class product
2. Full year 2021 EBITDA reflects EBITDA adjusted for one off Philo investment costs
3. Pro forma using FY21 customers plus the TopDocs customer base

STRATEGIC RATIONALE

The combined business will benefit from increased scale,
capabilities, product offering, distribution reach and technology resources

Aligns to our purpose to empower better financial futures together, accelerates our platform of the future and data services market leadership strategy

Delivers growth opportunities by leveraging combined capabilities to increase value & efficiency for existing customers and new customers

Delivers shareholder value through diversification of revenue, opportunities for growth and a compelling and unique competitive advantage

Combines market leading businesses and teams with a track record of innovation and capacity for ongoing investment

HUB24

Lead the wealth industry as the best provider of integrated platforms, technology & data solutions

- Deliver customer value & growth
- Continue to build the platform of the future
- Collaborate to shape the future of the wealth industry

COMPLEMENTARY BUSINESSES

	HUB24	CLASS
Product Suite	Custodial administration – Platforms Non-custodial administration - PARS HUBconnect	SMSF administration – Class Super Trust Administration – Class Trust DocTech – NowInfinity Portfolio Reporting & Portfolio Administration – Class Portfolio
Clients	Over 3,200 Advisers[2]	Over 7,700 Unique Customers[2]
Client segments	Licensees Brokers Investment Managers Advisers Clients	Enterprises (Institutions) Accountants Advisers Administrators Auditors SMSF trustees
Data aggregation & connectivity	96 integrations[1] **HUBconnect**	250+ integrations[1] **APIs & data services**
Industry recognition	Investment Trends WINNER – 2020 Platform Competitive Analysis and Benchmarking Report – Best Platform Overall – HUB24 Investment Trends WINNER – 2020 Platform Competitive Analysis and Benchmarking Report – Best Platform Managed Accounts Functionality – HUB24 WEALTH INSIGHTS – HUB24 ranked #1 by advisers for Overall Satisfaction in the Wealth Insights Platform Service Level Report 2021	

1. Duplication between HUBconnect data integrations and Class partner integrations
2. HUB24 clients as at 30 September 2021. CLASS clients pro forma using FY21 customers plus the TopDocs customer base

BENEFITS FOR CLASS

CUSTOMERS

- HUB24 will continue to invest in the Class business for growth opportunities
- Opportunity to leverage combined capabilities to increase efficiency and value for existing customers and new customers

EMPLOYEES

- Class employees will join a growing ASX 200 company committed to market-leadership
- Combined track record of innovation led by technology with capacity for continued investment
- Class will operate as a HUB24 business unit with its own leadership team under the Class brands
- Increased career opportunities within the combined group

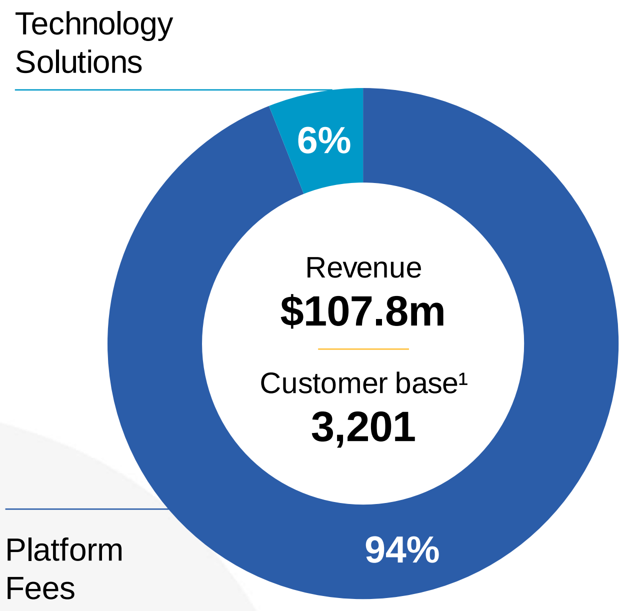
SHAREHOLDERS

- Significant premium to recent trading
- Opportunity for Class shareholders to benefit from greater scale, earnings growth & liquidity
- Ability to leverage HUB24 Group capability, distribution & relationships to grow market share

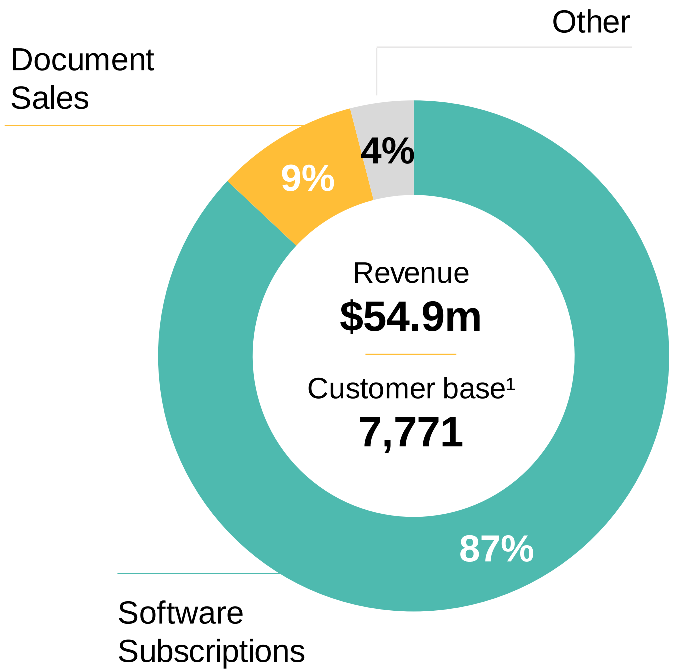
POST ACQUISITION SNAPSHOT

REVENUE PRE & POST AS AT 30 JUNE 2021

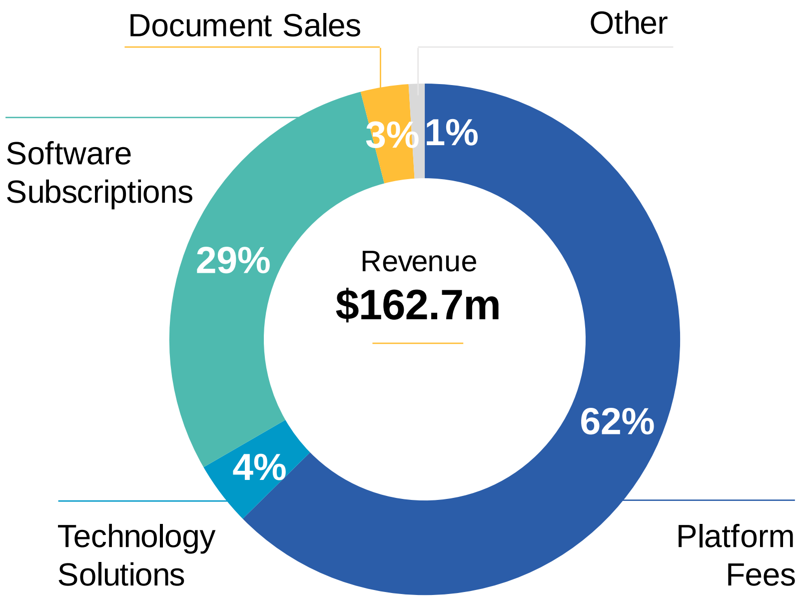
HUB24



Class



Combination Pro Forma



1 HUB24 customer base represents Financial Advisers as at 30 September 2021 and Class customer base represents practices as at 30 June 2021 plus the addition of TopDocs customer base

SUMMARY

Highly complementary businesses with aligned expertise, culture & values

Proposed acquisition accelerates current HUB24 and Class strategies for ongoing industry leadership

Delivers compelling value for HUB24 and Class shareholders

8% EPS accretive in FY23 (excluding revenue synergies and one-off implementation costs)

- Expected cost synergies of circa $2m p.a.
- FY22 transaction costs of $4-5m
- Implementation costs $6m to be incurred over FY22 and FY23

Opportunity to leverage combined capability to increase value and efficiency for existing and new customers

Increases scale & diversifies revenue streams for both businesses

INDICATIVE TIMELINE

2021	**Early to Mid December 2021**	First Court Hearing
	Early to Mid December 2021	Class to dispatch Scheme Booklet to its shareholders
2022	**Mid to late January 2022**	Class Shareholder Scheme Meeting
	Early February 2022	Second Court Hearing
	Early February 2022	Effective Date
	Mid to late February 2022	Implementation Date

DISCLAIMER

SUMMARY INFORMATION

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

NOT INVESTMENT ADVICE

This presentation is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with ASIC. The information provided in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

RISK OF INVESTMENT

An investment in HUB shares is subject to investment and other known and unknown risks, some of which are beyond the control of HUB. HUB does not guarantee any particular rate of return or the performance of HUB nor does it guarantee the repayment of capital from HUB or any particular tax treatment.

FORWARD LOOKING STATEMENTS

This presentation contains certain forward-looking statements. The words ‘anticipate’, ‘believe’, ‘expect’, ‘project’, forecast’, ‘estimate’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘target’, ‘plan’ and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of HUB, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place reliance on forward-looking statements and neither HUB nor any of its directors, employees, consultants, contractors, advisers or agents assume any obligation to update such information.

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This announcement was authorised for release to the market by the HUB24 Limited Board. For further information please visit www.HUB24.com.au

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