

ASX Release: 18th October 2021

HUB24 to acquire Class Limited via Scheme of Arrangement

HUB24 Limited (ASX: HUB) (**HUB24**) and Class Limited (CL1: ASX) (**Class**) have today entered into a Scheme Implementation Deed (**SID**) for the acquisition by HUB24 of 100% of the ordinary shares in Class by way of a scheme of arrangement between Class and its shareholders (**Scheme**).

The proposed transaction is expected to accelerate HUB24's platform of the future strategy, consolidating the Group's position as a leading provider of integrated platforms, technology and data solutions for financial advisers, accountants, private banks, licensees, stockbrokers and their clients. The combined business will provide a compelling and unique competitive advantage and diversification of revenue.

HUB24 and Class are highly complementary businesses with a track record of innovation and aligned culture and values, focussed on the delivery of solutions that support professional advisers and accountants to implement investment, tax and strategic advice.

By leveraging the combined capabilities there is an opportunity to deliver increased value, efficiency and product solutions for both existing and new customers. It is intended that Class will operate as a business unit within the HUB24 group under the Class brands and leadership team.

The details of the proposed transaction are:

- Class shareholders will receive 1 ordinary HUB24 share for every 11 ordinary Class shares held, plus \$0.10 per ordinary Class share (**Scheme Consideration**)¹
- The implied total consideration represents a 52.8% premium based on the 1-month VWAP for both companies up to 15th October 2021

The acquisition of Class is expected to be 8% Earnings Per Share (EPS) accretive (excluding revenue synergies and one-off implementation costs) to HUB24 shareholders by FY23 and deliver cost synergies of approximately \$2 million p.a.

The Class Board of Directors has unanimously recommended that Class shareholders vote in favour of the Scheme, subject to an independent expert concluding that the Scheme is in the best interests of Class shareholders and in the absence of any superior proposal.

HUB24 Managing Director Andrew Alcock commented:

"We're excited to be announcing the proposed acquisition of Class Limited with the full support of the boards of both companies. Class are market leaders in the establishment, management and administration of wealth and SMSF solutions. The completion of this transaction will combine two exceptionally talented teams with a common purpose to empower better financial futures for Australians and provide a unique range of products and services for financial professionals and their clients."

Andrew Russell, CEO and Managing Director of Class said:

"The combined strengths of Class and HUB24 will further accelerate the transformation of Class and provide exciting opportunities for future growth. We're pleased Class will continue to run as a separate business unit within the HUB24 group so our team can continue to deliver on our strategy, whilst leveraging our deep technology expertise to deliver superior outcomes to both sets of customers."

The Scheme is subject to Class shareholder approval, approval of the Supreme Court of New South Wales and no material adverse change occurring in relation to HUB24 and Class, as well as a number of other customary conditions usual for a transaction of this nature. The full terms of the SID (with certain redactions) including details on customary deal protection and exclusivity terms, have been separately released by Class to the ASX. Subject to the relevant conditions being satisfied, the Scheme is expected to be implemented mid to late February 2022.

For further details on the Scheme, please refer to the ASX announcement released by Class today.

HUB24 is being advised by Citigroup Global Markets Australia Pty Ltd and Minter Ellison.

Illustrative timetable

Class submits draft Scheme Booklet to ASIC	Mid-late November 2021
Bidder to execute Deed Poll	Early-mid December 2021
First Court hearing for Scheme	Early-mid December 2021
Class send Scheme Booklet to Class Shareholders	Early-mid December 2021
Class Shareholder Scheme Meeting	Mid-late January 2022
Second Court hearing for Scheme	Early February 2022
Effective Date	Early February 2022
Scheme Record Date	Early-mid February 2022
Implementation Date	Mid-late February 2022

Dates are subject to change without notice

¹ With the exception of an interim dividend of up to \$0.025 per Class share, the Scheme Consideration will be reduced by the amount of any dividends declared, determined or paid by Class.

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About HUB24

HUB24 Limited is a company listed on the Australian Securities Exchange. The company consists of the award-winning HUB24 platform, HUBconnect business and Xplore platform. HUB24 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 licensees and advisers and enable the delivery of professional advice to more Australians.

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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 Board of Directors.

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