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Empowering  
better financial  
futures, **together.**

# HUB 24

**HUB24** has delivered strong growth during 1HFY25 whilst remaining focused on enhancing value for our customers, delivering on our strategic objectives, and pursuing our purpose to empower better financial futures together.

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# Appendix 4D

Half-year ended 31 December 2024 under ASX Listing Rule 4.2A.3

## Results for announcement to the market

**Current period:** 1 July 2024 to 31 December 2024

**Prior corresponding period:** 1 July 2023 to 31 December 2023

Key information	Half-year ended 31 Dec 2024 \$'000	Half-year ended 31 Dec 2023 \$'000	% change
Revenue from ordinary activities <sup>1</sup>	195,167	156,715	25%
Net profit after tax for the period attributable to equity holders	36,502	21,532	75%
	Cents	Cents	
Basic earnings per share	40.92	26.53	54%
Diluted earnings per share	39.75	25.70	55%

<sup>1</sup> Includes revenue from customers, interest and income from investments in associates. See page 14 and note 2.1 for further details.

Dividends	Amount per security cents	Franked per security %	Total Amount \$'000
Interim dividend (per share)	24.00	100	19,481

Subsequent to half-year ended 31 December 2024 the directors have determined a fully franked interim dividend of 24.0 cents per share (a fully franked 18.5 cents per share interim dividend was paid following the half-year ended 31 December 2023). The interim dividend is payable on 15 April 2025 and is not recognised as a liability as at 31 December 2024.

Dates for the dividend are as follows:

Ex-date	17 March 2025
Record date	18 March 2025
Dividend payment date	15 April 2025

## Explanation of results

Refer to the attached Directors' Report and review of operations for further explanation.

	31 Dec 2024	30 June 2024
Net tangible assets (per fully paid ordinary share) <sup>2</sup>	\$1.09	\$0.87

<sup>2</sup> Net tangible assets (NTA) used for the calculation of NTA per fully paid ordinary share are inclusive of both right of use asset and lease liabilities.

## Entities over which control has been gained or lost during the period

During the period ended 31 December 2024, the HUB24 Group voluntarily deregistered Assuriti Pty Ltd. Please refer to note 6.1 in the financial report for more information.

## Auditor review

This Interim Report is based on the consolidated half-year financial statements which have been reviewed by the HUB24 Group's auditors, Deloitte Touche Tohmatsu. A copy of Deloitte's unqualified review report can be found on page 38.

# 1HFY25 Financial Highlights and Key Metrics

## GROUP



Total revenue<sup>1</sup>

**\$195.2m** ▲ 25%

Underlying EBITDA<sup>2</sup>

**\$77.6m** ▲ 41%

Underlying NPAT<sup>3</sup>

**\$42.6m** ▲ 40%

Underlying EBITDA margin

**39.8%** ▲ 470bps

Underlying diluted earnings per share

**51.0c** ▲ 41%

Fully franked interim dividend

**24.0¢** per share ▲ 30%

1HFY24 fully franked interim dividend:  
18.5 cents per share

## PLATFORM



Platform revenue

**\$154.2m** ▲ 29%

Number of active advisers

**4,886** ▲ 14%

Platform net inflows<sup>4</sup>

**\$9.5b** ▲ 31%<sup>4</sup>

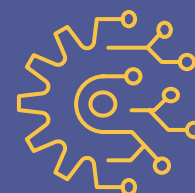
Platform FUA of

**\$98.9b** ▲ 36%<sup>5</sup>

PARS FUA of

**\$22.0b** ▲ 17%<sup>6</sup>

## TECH SOLUTIONS



Tech Solutions revenue

**\$38.0m** ▲ 9%

Class number of accounts<sup>7</sup>

**210,414** ▲ 3%

Companies on Class corporate messenger<sup>8</sup>

**818,486** ▲ 17%

Class document orders<sup>9</sup>

**200,440** ▲ 10%

All percentage changes shown above are relative to 1HFY24, unless stated otherwise.

1. Includes revenue from customers, interest and income from investments. See page 14 and note 2.1 for more information.

2. Refer to Note 2.1 for more information.

3. Refer to Director's Report for more information on Group Underlying NPAT.

4. Platform net inflows of \$9.5 billion (including \$1.5 billion large migrations).

5. Custodial FUA Administration Services.

6. Non-custodial FUA as Portfolio Administration and Reporting Services (PARS).

7. Number of Class accounts as at 31 December 2024 consists of Class Super, Class Portfolio and Class Trust licenses.

8. Number of active companies as at 31 December 2024.

9. Documents paid for by PAYG and subscription customers for the last 12 months.

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# Directors' report

Your Directors present their Interim Report together with the financial statements, on the Consolidated Group (referred to hereafter as "HUB24 Group") consisting of HUB24 Limited (referred to hereafter as "the Company") and the entities it controlled for the half-year ended 31 December 2024 ("1HFY25") and the Auditor's Report thereon.

## Directors

The following persons were Directors of the Company, from the beginning of the financial year and up to the date of this report, unless otherwise stated:

Mr Paul Rogan (Chair)  
 Mr Andrew Alcock (Managing Director)  
 Ms Rachel Grimes AM  
 Ms Catherine Kovacs  
 Mr Anthony McDonald  
 Ms Michelle Tredenick

## Joint Company Secretaries

Mr Andrew Brown  
 Ms Kitrina Shanahan

## OPERATING AND FINANCIAL REVIEW

### Group overview

HUB24 Limited ("the Company") is a financial services company that was established in 2007 and is a leading provider of integrated platform, technology and data solutions to the Australian wealth industry.

HUB24 Limited is listed on the Australian Securities Exchange (ASX) under the code 'HUB' and includes the award-winning HUB24 platform, the Class businesses, HUBconnect and the myprosperity business. In September 2024 HUB24 Limited was admitted into the S&P/ASX100 index and as at 14 February 2025 had a market capitalisation of approximately \$6.6 billion.

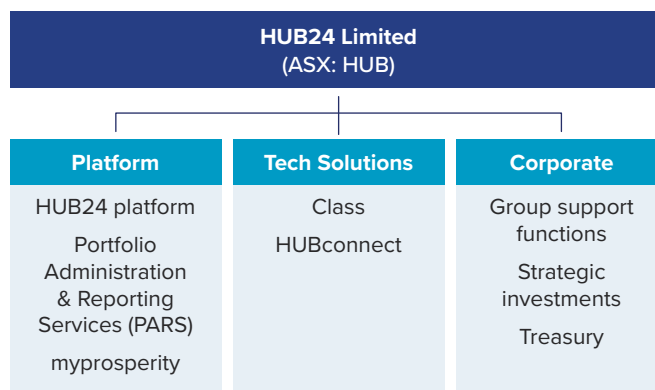
The HUB24 Group's purpose is to "*empower better financial futures, together*". To fulfil this purpose, the HUB24 Group delivers platform and technology solutions that empower financial professionals to deliver better financial futures for their clients.

The HUB24 Group's head office is based in Sydney and it provides its products and services across all Australian states and territories.

As at 31 December 2024, the HUB24 Group employed 882 people on a full-time equivalent (FTE) basis.

## Operating segments and principal activities

The HUB24 Group operates two revenue generating segments and a Corporate segment as shown in the diagram below:



### Platform

The Platform segment comprises the HUB24 investment and superannuation platform (HUB24 platform), Portfolio Administration & Reporting Services (PARS) and myprosperity.

### HUB24 platform

The HUB24 Group is an issuer of financial services products including the HUB24 platform, which is used by financial professionals to efficiently administer, invest and report on their clients' assets. The HUB24 platform offers superannuation or investment products to suit a range of client needs.

As one of the fastest growing platform providers in the market, the HUB24 platform is recognised for providing choice and innovative product solutions. It offers financial professionals and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality.

### PARS

HUB24 also offers PARS, a non-custody portfolio service which provides administration, corporate action management and tax reporting services for financial professionals and their clients with a 'whole of wealth' view of their assets.

### myprosperity

myprosperity is a leading provider of client portals for accountants and financial professionals. The all-in-one secure portal delivers a total view of household wealth, making it easier for households to collaborate with their financial professionals across all aspects of their financial lives. myprosperity's client portal is used by 520 accounting and financial advisory firms, representing circa 93,000 households<sup>1</sup>.

1. HUB24 data as at December 2024.

# Directors' report

## Tech Solutions

The Tech Solutions segment comprises Class and HUBconnect.

### Class

Class delivers trust accounting, portfolio management, legal documentation, corporate compliance and SMSF administration solutions to around 6,500 customers<sup>1</sup> across Australia who utilise Class to drive business automation, increase profitability and deliver better client service.

Class' core offering is self-managed superannuation fund (SMSF) administration software. Its solutions have gained industry recognition for product innovation and customer service excellence.

Customers using the Class Super, Class Portfolio and Class Trust solutions represented circa 210,000 accounts as at 31 December 2024.

Class also operates in the legal entity document and corporate compliance segment through the service offerings provided under the NowInfinity brand<sup>2</sup>.

### HUBconnect

HUBconnect provides technology and data services to the wealth industry, delivering innovative solutions to enable financial professionals to efficiently run their businesses and service their clients.

HUBconnect leverages data and technology capability to provide solutions that solve common challenges faced by stockbrokers, licensees and professional advisers in the delivery of financial advice.

HUBconnect Broker has a long history of working with stockbrokers to deliver innovative business reporting and support tools. HUBconnect Broker streamlines and integrates client data and connects to a range of broking business reporting and back-office support tools that provide key insights and enable the efficient delivery of stockbroking operations.

For financial advisers and licensees HUBconnect utilises innovative technology such as machine learning, artificial intelligence, and natural language processing. HUBconnect integrates, refines, stores and supplies structured and unstructured data.

Through integrated data feeds, automated reporting and analytics, HUBconnect delivers efficiencies for some of the time-consuming and costly processes that increase the cost of delivering advice. HUBconnect serves a growing number of respected and high-profile financial services companies and their clients.

## Corporate

The Corporate segment comprises Group support functions together with strategic investments.

The HUB24 Group is a strategic shareholder in Count, a diversified financial services business providing integrated accounting and wealth management services to the Australian market.

On 26 September 2024, the HUB24 Group became a strategic shareholder in Reach Alternative Investments (Reach), an alternatives-focused platform that provides access to global private equity and credit funds. The HUB24 Group has a minority shareholding of 11.33% in Reach.

## REVIEW AND RESULTS OF OPERATIONS

The key items regarding the HUB24 Group's performance for 1HFY25 were:

### Funds under administration<sup>3</sup>

- Total Funds Under Administration (FUA) increased by 33% to \$120.9 billion (1HFY24: \$91.2 billion);
- Platform<sup>4</sup> FUA increased by 36% to \$98.9 billion (1HFY24: \$72.4 billion); and
- PARS<sup>5</sup> FUA increased by 17% to \$22.0 billion (1HFY24: \$18.8 billion).

### Revenue

- HUB24 Group operating revenue increased by 25% to \$195.2 million (1HFY24: \$156.7 million);
- Platform revenue increased by 29% to \$154.2 million (1HFY24: \$120.0 million); and
- Tech Solutions revenue increased by 9% to \$38.0 million (1HFY24: \$34.8 million).

### Underlying EBITDA

- The HUB24 Group's preferred measure of profitability is Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (UEBITDA) before Notable Items (refer to note 2.1), which increased by 41% to \$77.6 million (1HFY24: \$55.0 million); and
- Underlying EBITDA performance expenses increased by 16% to \$117.6 million (1HFY24: \$101.7 million).

### Underlying net profit after tax

- Underlying Net Profit After Tax represents NPAT before Notable Items. Underlying NPAT increased by 40% to \$42.6 million (1HFY24: \$30.4 million).

### Items recognised below Underlying NPAT

- Strategic transactions and project costs<sup>6</sup> of nil have been recognised in 1HFY25 (1HFY24: \$4.6 million).
- Acquisition amortisation of \$13.4 million (1HFY24: \$8.0 million) includes Class of \$9.9 million, Xplore of \$1.8 million, myprosperity of \$1.2 million and Ord Minnett of \$0.5 million.

1. Class service providers represents practices of accountants, administrators and advisers as at 31 December 2024.

2. NowInfinity is a wholly owned subsidiary of Class.

3. Non-IFRS measures.

4. Platform FUA refers to the custodial portfolio.

5. PARS FUA refers to the non-custodial portfolio.

6. Includes administrative and resourcing costs related to strategic transactions and project costs.

# Directors' report

	Half-year ended 31 Dec 2024 \$ million	Half-year ended 31 Dec 2023 \$ million
<b>Reconciliation of Underlying NPAT to Statutory NPAT</b>		
<b>Underlying NPAT</b>	<b>42.6</b>	30.4
Strategic transactions and project costs	—	(4.6)
Acquisition amortisation	<b>(13.4)</b>	(8.0)
Tax effect on notable items	<b>4.0</b>	3.7
<b>Statutory NPAT</b>	<b>33.2</b>	21.5

## Statutory NPAT

Statutory Net Profit After Tax (NPAT) increased by 54% to \$33.2 million (1HFY24: \$21.5 million).

## Cash flows

The HUB24 Group generated strong operating cashflows of \$66.5 million, 89% up from \$35.1 million (\$39.7 million before strategic transaction and project costs) in 1HFY24.

## CAPITAL MANAGEMENT

The HUB24 Group has access to a \$5 million working capital facility, which remained undrawn during the period.

The HUB24 Group has in place a revolving line of credit facility with CBA which covers the whole Group totaling \$31 million. \$1 million remained undrawn during the period.

In addition, an accordion facility of \$50 million is available to the HUB24 Group specifically for strategic transactions<sup>1</sup>, which remained undrawn during the period.

The HUB24 Group, through its licensed subsidiaries, continued to fully comply with the minimum regulatory capital requirements for Investor Directed Portfolio Service (IDPS) Operators and providers of custodial services during the period ended 31 December 2024.

During 1HFY25, the HUB24 Group purchased \$20 million of treasury shares on market to service the HUB24 Group's Employee Share Plans (1HFY24: \$10 million).

During 1HFY25, no on market share buy-back purchases occurred (1HFY24: \$10 million) and the 12-month share buy-back program completed in September 2024.

Net cash and cash equivalents after deducting borrowings was \$73.1 million at 31 December 2024 (\$30.8 million at 31 December 2023).

## Options and performance rights

The following options, performance rights and shares were issued in accordance with schemes approved by shareholders:

– 72,815 performance rights were issued to employees, executives and the Managing Director in the six months to 31 December 2024 (1HFY24: 194,053).

These schemes contain ambitious targets, in order to incentivise and align key employees towards the HUB24 Group achieving its strategic objectives.

Please refer to the ASX notice of meetings issued on October 18th for further information.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no other significant changes in the nature or state of affairs of the HUB24 Group.

## DIVIDENDS

Subsequent to 31 December 2024, the Directors have determined an interim dividend of 24.0 cents per share fully franked to be paid on 15 April 2025.

The fully franked interim dividend of 24.0 cents per share represents a 30% increase in interim dividends for shareholders (1HFY24: 18.5 cents per share) and a payout ratio of 46% of Underlying NPAT (1HFY24: 49%).

The Board's dividend policy targets a payout ratio between 40% and 60% of the HUB24 Group's annual underlying net profit after tax over the medium term subject to prevailing market conditions and alternate uses of capital.

## SIGNIFICANT EVENTS OCCURRING AFTER BALANCE SHEET DATE

As disclosed above, subsequent to 31 December 2024, the following items have occurred:

– Directors have determined a fully franked interim dividend of 24.0 cents per share (a fully franked interim dividend of 18.5 cents per share was determined in 1HFY24); and

No other significant matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the HUB24 Group's operations, the results of those operations, or the HUB24 Group's state of affairs in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

With the continued growth in FUA onto the HUB24 investment and superannuation platform and continuing success of its supporting businesses, the HUB24 Group expects its financial results to continue improving with scale.

Other than the information included in the operating and financial review and throughout this Interim Report by cross reference, information on other likely developments, business strategies and prospects for future financial years of the HUB24 Group's operations has not been included in this report as it would be likely to result in unreasonable prejudice to the HUB24 Group.

1. Subject to standard lending terms and conditions.

# Directors' report

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The HUB24 Group's operations are not subject to significant environmental regulations under either Commonwealth or State legislation and the Directors are not aware of any material non compliance with environmental regulations pertaining to the operations or activities during the period covered by this report.

The HUB24 Group released its Sustainability Report in August 2024. This report covers the 2024 financial year from 1 July 2023 to 30 June 2024 (FY24). This report reflects our most material social, environmental and governance opportunities.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration, as required under Section 307C of the *Corporations Act 2001*, is included on page 7.

## ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts have been rounded off in the Directors' Report and the Interim Report to the nearest thousand dollars or, in certain cases, to dollars where indicated.

This report is made in accordance with a resolution of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



**Mr Paul Rogan**

**Chairman, Independent Non-Executive Director**

Sydney

18 February 2025



# Auditor's independence declaration



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Australia

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The Board of Directors  
HUB24 Limited  
Level 17, 5 Martin Place  
Sydney, NSW 2000

18 February 2025

Dear Directors

## Auditor's Independence Declaration to HUB24 Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of HUB24 Limited.

As lead audit partner for the review of the half-year financial report of HUB24 Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Stuart Alexander  
Partner  
Chartered Accountant

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# Interim financial statements

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# Consolidated statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2024

	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Income</b>			
Revenue from customers	2.1, 2.2	192,222	154,802
Interest and other income	2.3	2,945	1,444
Share of profit from associates	6.2	—	469
<b>Total income</b>		<b>195,167</b>	156,715
<b>Expenses</b>			
Platform and tech solutions fees		(16,675)	(12,217)
Employee related expenses	2.4	(79,729)	(70,433)
Depreciation and amortisation expense	2.4	(22,911)	(14,922)
Administrative expenses	2.4	(21,195)	(23,644)
Share based payments expense	7.1	(6,686)	(5,798)
Interest expense – lease liability	3.4.2	(817)	(177)
Interest expense – other		(966)	(931)
<b>Total expenses</b>		<b>(148,979)</b>	(128,122)
<b>Profit before income tax</b>		<b>46,188</b>	28,593
Income tax expense	5.1	(13,029)	(7,061)
<b>Profit after income tax for the period</b>		<b>33,159</b>	21,532
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of financial assets at fair value through other comprehensive income	4.4	4,484	—
Income tax relating to items that will not be reclassified subsequently to profit or loss		(1,141)	—
<b>Total comprehensive income for the half-year attributable to ordinary equity holders of HUB24 Limited</b>		<b>36,502</b>	21,532
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share, attributable to ordinary equity holders of HUB24 Limited</b>			
Basic earnings per share	2.4	40.92	26.53
Diluted earnings per share	2.4	39.75	25.70

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated statement of financial position

As at 31 December 2024

		31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		103,128	88,048
Trade and other receivables	3.1	42,833	37,824
Current tax receivables		—	8,119
Other current assets		9,475	8,034
<b>Total current assets</b>		<b>155,436</b>	142,025
<b>Non-Current assets</b>			
Equity securities	4.4	17,300	11,115
Intangible assets (including goodwill)	3.5	439,773	449,347
Right of use assets	3.4.1	31,286	14,637
Property, plant and equipment		6,207	3,008
Other non-current assets		2,754	2,602
<b>Total non-current assets</b>		<b>497,320</b>	480,709
<b>Total assets</b>		<b>652,756</b>	622,734
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3.2	16,658	14,584
Current tax payables		146	—
Provisions	3.3	26,177	30,227
Lease liabilities	3.4.2	2,855	2,651
Other current liabilities		263	252
<b>Total current liabilities</b>		<b>46,099</b>	47,714
<b>Non-current liabilities</b>			
Lease liabilities	3.4.2	29,526	12,596
Provisions	3.3	5,796	5,078
Borrowings	4.1	29,975	29,975
Deferred tax liabilities (net of deferred tax assets)	5.2	11,907	6,589
Deferred income		244	271
Other non-current liabilities		703	809
<b>Total non-current liabilities</b>		<b>78,151</b>	55,318
<b>Total liabilities</b>		<b>124,250</b>	103,032
<b>Net assets</b>		<b>528,506</b>	519,702
<b>Equity</b>			
Issued capital	4.2.1	463,561	476,986
Profit reserve	4.2.3	68,409	84,234
Share based payment reserves	4.2.2	35,709	34,157
Equity securities at FVOCI <sup>1</sup> reserve	4.2.4	2,661	(682)
Retained earnings		(41,834)	(74,993)
<b>Total equity</b>		<b>528,506</b>	519,702

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

1. Fair Value through Other Comprehensive Income (FVOCI).

# Consolidated statement of changes in equity

For the half-year ended 31 December 2024

	Notes	Issued capital \$'000	Share based payment reserves \$'000	Profit reserves \$'000	Equity securities at FVOCI reserve \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>							
Opening balance as at 1 July 2024		476,986	34,157	84,234	(682)	(74,993)	519,702
Total comprehensive income for the period		—	—	—	3,343	33,159	36,502
Transfer to profit reserves		—	—	—	—	—	—
<b>Transactions with owners in their capacity as owners</b>							
Dividends paid on ordinary shares		—	—	(15,825)	—	—	(15,825)
Shares issued transaction costs		(48)	—	—	—	—	(48)
Shares issued through employee share plan		967	—	—	—	—	967
Options and rights exercised	4.2.1	5,656	(4,060)	—	—	—	1,596
Options and rights granted – employees		—	5,612	—	—	—	5,612
Treasury shares purchased on-market	4.2.1	(20,000)	—	—	—	—	(20,000)
<b>Balance as at 31 December 2024</b>		<b>463,561</b>	<b>35,709</b>	<b>68,409</b>	<b>2,661</b>	<b>(41,834)</b>	<b>528,506</b>
<b>Consolidated</b>							
Opening balance as at 1 July 2023		491,477	26,750	67,178	—	(74,993)	510,412
Total comprehensive income for the period		—	—	—	—	21,532	21,532
Transfer to profit reserves		—	—	21,532	—	(21,532)	—
<b>Transactions with owners in their capacity as owners</b>							
Dividends paid on ordinary shares		—	—	(15,077)	—	—	(15,077)
Shares issued transaction costs		(10)	—	—	—	—	(10)
Shares issued through employee share plan		636	—	—	—	—	636
On-market share buy back		(9,997)	—	—	—	—	(9,997)
Options and rights exercised	4.2.1	6,357	(4,114)	—	—	—	2,243
Options and rights granted – employees		—	4,837	—	—	—	4,837
Treasury shares purchased on-market	4.2.1	(10,023)	—	—	—	—	(10,023)
<b>Balance as at 31 December 2023</b>		<b>478,440</b>	<b>27,473</b>	<b>73,633</b>	<b>—</b>	<b>(74,993)</b>	<b>504,553</b>

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

For the half-year ended 31 December 2024

	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		187,731	148,419
Payments to suppliers and employees		(122,022)	(107,964)
Interest received		2,303	1,475
Interest paid on lease liability	3.4.2	(817)	(177)
Short-term lease payments	3.4.2	(128)	(127)
Strategic transactions and project costs		—	(4,650)
Income tax payment		(587)	(1,869)
<b>Net cash inflow from operating activities</b>		<b>66,480</b>	<b>35,107</b>
<b>Cash flows from investing activities</b>			
Payments for office equipment		(3,788)	(422)
Payments for intangible assets		(10,018)	(10,848)
Payment for further investment in associates	6.3	—	(1,393)
Payment for investment in equity securities	4.4	(1,700)	—
Dividends received from investment in equity securities		439	—
Dividends received from investment in associate	6.3	—	415
<b>Net cash outflow from investing activities</b>		<b>(15,067)</b>	<b>(12,248)</b>
<b>Cash flows from financing activities</b>			
Payment for issuance of shares	4.2	(48)	(10)
Proceeds from issues of shares		1,466	2,243
Repayment of borrowings		—	—
Treasury shares purchased on-market	4.2.1	(20,000)	(10,023)
On-market share buy back		—	(9,997)
Repayment of lease liabilities	3.4.2	(1,926)	(1,918)
Dividends paid	4.2.3	(15,825)	(15,077)
<b>Net cash outflow from financing activities</b>		<b>(36,333)</b>	<b>(34,782)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>15,080</b>	<b>(11,923)</b>
Cash and cash equivalents at the beginning of period		88,048	72,747
<b>Cash and cash equivalents at end of period</b>		<b>103,128</b>	<b>60,824</b>

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

## 1 OVERVIEW

### 1.1 CORPORATE INFORMATION

The Interim Report of HUB24 Limited ('the Company') and its controlled entities ('HUB24 Group') for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Board of Directors on 18 February 2025 and covers the Company as an individual entity as well as the HUB24 Group consisting of the company and its subsidiaries as required by the *Corporations Act 2001*.

HUB24 Limited is a public company limited by shares. It was incorporated and is domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange (ASX:HUB).

The nature of the operations and principal activities of the HUB24 Group are described in the Directors' Report.

### 1.2 BASIS OF PREPARATION

This general purpose condensed consolidated financial report for the half-year ended 31 December 2024 (Interim Report) has been prepared in accordance with AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board and the *Corporations Act 2001*, as appropriate for profit orientated companies. The financial statements have also been prepared under the historical cost convention, except for, where applicable, the revaluation of certain classes of assets and liabilities.

The Interim Report does not include all the notes normally included in an annual financial report. Accordingly, it is recommended that this Interim Report be read in conjunction with the HUB24 Group's Annual Report for the financial year ended 30 June 2024 and any public announcements made by the Company and its controlled entities during the reporting period in accordance with the continuous disclosure requirements issued by the Australian Securities Exchange (ASX).

The Interim Report includes the four primary statements, namely the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows as well as associated notes which the Directors believe is required to understand the financial statements and is material and relevant to the performance and results of the HUB24 Group. Disclosures have been grouped into the following categories in order to assist users in their understanding of the financial statements:

1. **Overview** contains information that impacts the Interim Report as a whole;
2. **Group performance** brings together the results and operating segment disclosures relevant to the HUB24 Group's activities;
3. **Financial position** provides disclosure on the HUB24 Group's assets and liabilities;
4. **Capital structure and financing** provides information about the debt and equity components of the HUB24 Group's capital, and commentary on the HUB24 Group's exposure to various financial and capital risks, including the potential impact on the results and how the HUB24 Group manages these risks;
5. **Income tax** includes disclosures relating to the HUB24 Group's tax expense and balances;
6. **Group structure** includes disclosures in relation to transactions impacting the HUB24 Group structure;
7. **Employee remuneration** provides commentary on the HUB24 Group's share based payment expenses; and
8. **Other** includes additional disclosures required to comply with Australian Accounting Standards (AAS).

Where applicable within each note, disclosures are further analysed as follows:

- **Overview** provides some context to assist users in understanding the disclosures;
- **Disclosures** (both numbers and commentary) provide analysis of balances as required by AAS;
- **Accounting policies** summarises the accounting policies relevant to an understanding of the numbers; and
- **Critical accounting judgements and estimates** explains the key estimates and judgements applied by the HUB24 Group in determining the numbers.

### New and amended Accounting Standards and Interpretations

New and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are now effective are detailed in note 8.1. These Accounting Standards and Interpretations did not have any notable impact on the financial performance or position of the HUB24 Group.

The HUB24 Group has not adopted any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

### Rounding

The HUB24 Group is of a kind referred to in the ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

The HUB24 Group has elected to round off amounts in the Interim Report (and subsequent reports) for the current period and prior comparative period to the nearest thousand dollars or, in certain cases, to dollars in accordance with that instrument.

### Going concern

The Interim Report has been prepared on a going concern basis. The Directors have, at the time of approving the financial statements, a reasonable expectation that the HUB24 Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Functional and presentation currency

Items included in the financial statements of each of the HUB24 Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is the Company's functional and presentation currency.

# Notes to the financial statements

## 1 OVERVIEW continued

### 1.3 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management regularly evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The current geopolitical events and global inflation concerns have had a global market impact and uncertainty exists as to their implications. Such disruptions can adversely affect the assets, liabilities, performance and liquidity.

Market volatility may impact Funds Under Administration (FUA) and trading based fees, and any movement in the RBA Official Cash Rate may impact cash account fee income. Net inflows have proven to be resilient, our new business pipeline remains strong and assisted FUA transitions are continuing.

Our estimates and assumptions have been prepared based upon conditions existing at the date of this Interim Report. The key areas in which critical estimates and judgements are applied are as follows:

- recognition of intangible assets and impairment testing (note 3.5)
- recoverability of deferred tax assets (note 5.2)
- valuation of share based payments (note 7.1)

## 2 GROUP PERFORMANCE

### Overview

This section provides analysis and commentary on the HUB24 Group's operating activities.

The HUB24 platforms are used by financial advisers to efficiently administer their clients' investments held through a custodial agreement, and PARS is a non-custody portfolio service which provides administration, corporate action management and tax reporting services for stockbrokers and financial advisers.

HUB24 provides technology and data services to the wealth industry, bringing innovative solutions to support licensees, accountants, advisers and stockbrokers to deliver services to their clients, these services are provided through HUBconnect and Class. Class is a market-leading SMSF administration software provider. Their customers include accountants, SMSF administrators, investment advisers, financial planners and lawyers. Class's revenue comprises both subscription and recurring pay per use (PPU) transactional revenue.

myprosperity is a leading provider of client portals for accountants and financial advisers. myprosperity's revenue comprises subscription revenue.

### 2.1. OPERATING SEGMENTS

#### Overview

Information is provided by operating segment to assist the understanding of the HUB24 Group's performance. The operating segments are consistent with the basis on which information is provided to the HUB24 Group Executive (identified as the Chief Operating Decision Maker ("CODM")) for measuring performance, being the basis upon which the HUB24 Group's operating activities are managed within the various markets in which HUB24 operates. The Board and Group Executive review segment revenues and profits (Underlying EBITDA) on a monthly basis.

No single customer contributed 10 per cent or more to the HUB24 Group's income in either the half-year ended December 2024 or December 2023.

The HUB24 Group's operating segments are as follows:

#### Platform

Platform operating segment comprises the Platform, PARS and myprosperity businesses. The segment provides development of investment and superannuation platform services to financial advisers, stockbrokers, accountants and their clients. This segment includes both custody and non-custody products, and as noted above, incorporates the HUB24, PARS businesses and myprosperity.

#### Tech Solutions

Tech Solutions segment comprises Class and HUBconnect. Class provides cloud-based wealth accounting and corporate complianceservices to its clients. Fees are generated via licensing, subscription and PPU fees.

HUBconnect provide application and technology products for the financial services sector. Fees are generated from license and consulting services relating to data management, software and infrastructure.

#### Corporate

Provision of support services to the two operating segments which includes property, strategy, finance, risk and compliance, legal, human resources, and other corporate services. Investments are also recognised within this segment.



# Notes to the financial statements

## 2 GROUP PERFORMANCE continued

	Platform \$'000	Tech Solutions \$'000	Corporate \$'000	Total \$'000
<b>Period ended 31 December 2024</b>				
Sales to external customers	154,183	38,039	—	192,222
Interest and other income	—	—	2,945	2,945
<b>Revenue from ordinary activities<sup>1</sup></b>	<b>154,183</b>	<b>38,039</b>	<b>2,945</b>	<b>195,167</b>
Expenses	(87,551)	(24,192)	(5,856)	(117,599)
<b>Underlying EBITDA</b>	<b>66,632</b>	<b>13,847</b>	<b>(2,911)</b>	<b>77,568</b>
Share based payment expense (including payroll tax)	—	—	(6,686)	(6,686)
Depreciation and amortisation	(10,072)	(12,839)	—	(22,911)
Interest expense	—	—	(1,783)	(1,783)
<b>Profit/(loss) before income tax</b>	<b>56,560</b>	<b>1,008</b>	<b>(11,380)</b>	<b>46,188</b>
Income tax expense	—	—	(13,029)	(13,029)
<b>Profit/(loss) after income tax</b>	<b>56,560</b>	<b>1,008</b>	<b>(24,409)</b>	<b>33,159</b>
<b>Period ended 31 December 2023</b>				
Sales to external customers	120,045	34,757	—	154,802
Share of profit from associates	—	—	469	469
Interest and other income	—	—	1,444	1,444
<b>Revenue from ordinary activities<sup>1</sup></b>	<b>120,045</b>	<b>34,757</b>	<b>1,913</b>	<b>156,715</b>
Expenses	(72,178)	(24,642)	(4,918)	(101,738)
<b>Underlying EBITDA</b>	<b>47,867</b>	<b>10,115</b>	<b>(3,005)</b>	<b>54,977</b>
Share based payment expense (including payroll tax)	—	—	(5,798)	(5,798)
Strategic transactions and project costs <sup>2</sup>	(4,556)	—	—	(4,556)
Depreciation and amortisation	(7,630)	(7,292)	—	(14,922)
Interest expense	—	—	(1,108)	(1,108)
<b>Profit/(loss) before income tax</b>	<b>35,681</b>	<b>2,823</b>	<b>(9,911)</b>	<b>28,593</b>
Income tax expense	—	—	(7,061)	(7,061)
<b>Profit/(loss) after income tax</b>	<b>35,681</b>	<b>2,823</b>	<b>(16,972)</b>	<b>21,532</b>

1. Includes revenue from customers, interest and income from investments in associates.

2. Strategic transactions and project costs for the period ending 31 December 2023 of \$4.6m largely relate to Xplore integration and large migrations. Refer to page 4 within the Directors' report for more information.

# Notes to the financial statements

## 2 GROUP PERFORMANCE *continued*

### 2.2. REVENUE

#### Overview

Platform revenue comprises fees (both FUA, transaction and licensing fees) charged for providing custodial and non-custodial wealth management services to customers and subscriptions charged for myprosperity services. Such services include:

- Custodial platform services via superannuation, MIS, and IDPS products;
- Managed Discretionary Account solutions that incorporate specific requirements of advisory firms, wealth managers and stockbrokers into a private label service;
- Non-custodial portfolio administration and reporting services; and
- myprosperity client portal services.

Tech Solutions revenue comprises fees (license and transaction fees) and commissions from services that include:

- Class develops and distributes cloud-based accounting, investment reporting, document and corporate compliance and administration solutions; and
- HUBconnect provisions application and technology products for the financial services sector. Fees are generated from license and consulting services relating to data management, software and infrastructure as well as fees charged for the provision and maintenance of existing licenses.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Platform fees</b>	<b>154,183</b>	120,045
License fees	<b>32,540</b>	29,843
Transaction fees	<b>4,168</b>	3,628
Commissions	<b>1,331</b>	1,286
<b>Tech Solutions fees</b>	<b>38,039</b>	34,757
<b>Total</b>	<b>192,222</b>	154,802

#### Accounting policies

Revenue is measured by reviewing each revenue contract and its respective service to customers to determine its performance obligation while allocating the transaction price to each performance obligation either over time or at a point in time.

#### Platform fees

- FUA fee revenue is recognised over time which include tiered administration fees and fees on client funds held as cash. FUA fees are accrued daily, paid monthly in arrears for the ongoing provision for agreed services;
- Transaction fees are recognised at a point in time when platform trading for equities, managed funds and insurance occurs; and
- Subscription fee revenue is recognised over time over the duration of the agreement or for as long as the customer has been provided access, the fee is fixed or determinable and collectability is probable.

#### Tech Solutions fees

##### Class

- License fee revenue is recognised over time over the duration of the agreement or for as long as the customer has been provided access, the fee is fixed or determinable and collectability is probable;
- Transaction revenue is recognised at a point in time when the documents are sold to customers on a PPU basis; and
- Commissions revenue is recognised commission and partner fees at the point in time of sale of a third party's products to customers which provides these customers with a right to access such products.

##### HUBconnect

- Licence fee revenue is recognised over time in accordance with the performance delivery of agreed services, within a period of 1-6 months; and
- Consulting and transaction fee revenue is recognised at a point in time when advice provided to clients on a time and materials basis.

# Notes to the financial statements

## 2 GROUP PERFORMANCE continued

### 2.3. INTEREST AND OTHER INCOME

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Interest income	2,433	1,475
Other income <sup>1</sup>	512	(31)
	<b>2,945</b>	1,444

1. Includes dividends from equity investments, deferred research and development credits and foreign exchange movements.

#### Accounting policies

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

### 2.4. EXPENSES

	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>a) Employee benefits expenses</b>			
Wages and salaries (including superannuation and payroll tax)		76,794	67,471
Other employee benefits expenses		986	1,209
Travel and entertainment		1,949	1,753
		<b>79,729</b>	70,433
<b>b) Depreciation and amortisation</b>			
Depreciation of right-of-use assets		2,428	1,870
Depreciation of office equipment		891	819
Amortisation of intangible assets	3.5	19,592	12,233
		<b>22,911</b>	14,922
<b>c) Administrative expenses</b>			
Corporate fees		1,822	1,692
Professional and consultancy fees		5,270	5,018
Information services and communication		12,369	10,241
Property and occupancy costs		529	426
Strategic transactions and project costs <sup>1</sup>		—	4,556
Other administrative expenses		1,205	1,711
		<b>21,195</b>	23,644

1. Includes administrative and resourcing costs related to strategic transactions and project costs.

# Notes to the financial statements

## 2 GROUP PERFORMANCE continued

### 2.5. EARNINGS PER SHARE

#### Overview

Earnings per share (EPS) is the amount of profit or loss after income tax attributable to each share. Diluted EPS adjusts the EPS for the impact of shares that are not yet issued but which may be in the future, such as shares potentially issuable from rights, options and employee share-based payments plans.

	31 Dec 2024 Cents	31 Dec 2023 Cents
<b>Earnings per share, attributable to ordinary equity holders of HUB24 Limited</b>		
Basic earnings per share	40.92	26.53
Diluted earnings per share	39.75	25.70

#### 2.5.1 Earnings used for earnings per share measures

Earnings per share is based on profit or loss after income tax attributable to ordinary equity holders of the Company, as follows:

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Profit after income tax attributable to the owners of HUB24 Ltd used in calculating basic and diluted earnings per share	33,159	21,532
Profit after tax	33,159	21,532

#### 2.5.2 Weighted average number of ordinary shares

	31 Dec 2024 Number	31 Dec 2023 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,023,608	81,146,577
Weighted average number of ordinary shares used in calculating diluted earnings per share	83,423,949	83,787,847

## 3 FINANCIAL POSITION

### 3.1 TRADE AND OTHER RECEIVABLES

#### Overview

Trade and other receivables are principally amounts owed to HUB24 by Platform or Tech Solutions customers. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. Collectability of trade receivables is reviewed on an ongoing basis at an operating segment level.

	31 Dec 2024 \$'000	30 June 2024 \$'000
Trade receivables <sup>1</sup>	42,066	36,658
Other receivables	767	1,166
	<b>42,833</b>	37,824

1. Net of an allowance for expected credit losses of \$386 thousand (FY24: \$522 thousand).

# Notes to the financial statements

## 3 FINANCIAL POSITION continued

### Accounting policies

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The HUB24 Group's impairment model calculates expected credit losses on trade receivables using a provision matrix. Under the model, historic provision rates with current and forward looking estimates are used.

The HUB24 Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by applying historical loss rates to the trade receivable balances and adjusted for forward looking factors to reflect general economic condition of the industry in which the debtors operate and assessment of both the current as well as the forecast direction of conditions at the reporting date.

### 3.2 TRADE AND OTHER PAYABLES

#### Overview

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the HUB24 Group prior to the end of the period that are unpaid and arise when the HUB24 Group becomes obliged to make future payments in respect of the purchase of these goods and services.

	31 Dec 2024 \$'000	30 June 2024 \$'000
Trade payables	2,714	2,063
Other payables <sup>1</sup>	13,944	12,521
<b>Total trade and other payables</b>	<b>16,658</b>	14,584

1. Other payables includes accruals, deferred revenue and other payables due.

### Accounting policies

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the HUB24 Group prior to the end of the period that are unpaid and arise when the HUB24 Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### 3.3 PROVISIONS

#### Overview

Provisions are recognised when the HUB24 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the HUB24 Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is discounted using the current pre-tax rate that reflects the risks specific to the liability.

#### Employee benefits

##### Short and long-term benefits

Liabilities for wages and salaries, short term incentives, including non-monetary benefits and annual leave expected to be settled within 12 months (short term) and long service leave after 12 months (long term) of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

##### Deferred short term incentive

The provision represents the deferred portion of STI bonus of senior staff members relating to the period.

##### Lease make good

The provision represents the present value of estimated costs of improvements to the leased premises of the HUB24 Group at the end of the respective lease term.

##### Third party claims

The estimate of ongoing claims made by third parties in respect of Platform services.

##### Restructuring Provision

The Group has recognised \$nil in 1HFY25 for restructuring provisions. (FY24: \$665 thousand in relation to restructuring of Class and Group Technology functions).

# Notes to the financial statements

## 3 FINANCIAL POSITION continued

	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Current Liabilities</b>		
Employee benefits – annual leave	8,148	7,836
Employee benefits – other	17,152	20,990
Third party claims	806	133
Restructuring provision	–	665
Lease make good provision	71	603
<b>Current Liabilities</b>	<b>26,177</b>	<b>30,227</b>
<b>Non-current Liabilities</b>		
Employee benefits – long service leave	4,154	3,396
Employee benefits – deferred short term incentive	–	875
Lease make good provision	1,642	807
<b>Non-current liabilities</b>	<b>5,796</b>	<b>5,078</b>
<b>Total Provisions</b>	<b>31,973</b>	<b>35,305</b>

### Accounting policies

Provisions are recognised when the HUB24 Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the HUB24 Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is discounted using the current pre-tax rate that reflects the risks specific to the liability.

## 3.4 RIGHT OF USE ASSETS AND LEASE LIABILITIES

### Overview

The HUB24 Group leases various property and equipment. Lease agreements are negotiated on an individual basis with bespoke terms and conditions and are typically made for fixed periods of 2 years to 7 years.

Under AASB 16 Leases, the HUB24 Group will recognise for all leases with a term of more than 12 months except for those leases where the underlying asset is deemed to be of a low-value:

- a right-of-use asset representing its right to use the underlying asset; and
- a lease liability.

### 3.4.1 Right of use assets

	31 Dec 2024 \$'000	30 June 2024 \$'000
Total right-of-use assets	<b>31,286</b>	14,637

The additions to right of use assets during 1HFY25 were \$19m (1HFY24: \$114 thousand). These relate to the following:

- A new 5-year property lease with an option for a further 5-year extension was signed in October 2024 by HUB24 in Sydney. The new lease is valued based on a total lease term of 10 years, including the initial 5-year term and the 5-year extension.

# Notes to the financial statements

## 3 FINANCIAL POSITION continued

Right of Use	31 Dec 2024 \$'000	30 June 2024 \$'000
Cost	37,676	25,483
Accumulated Depreciation	(6,390)	(10,846)
<b>Net Book amount</b>	<b>31,286</b>	<b>14,637</b>
<b>Reconciliations of the carrying amounts at the beginning and end of the period:</b>		
Opening net book	14,637	9,556
Additions	19,077	8,878
Disposals	—	(4)
Depreciation charge	(2,428)	(3,793)
<b>Closing net book amount</b>	<b>31,286</b>	<b>14,637</b>

### 3.4.2 Lease liabilities

	31 Dec 2024 \$'000	30 June 2024 \$'000
Current	2,855	2,651
Non-current	29,526	12,596
	<b>32,381</b>	<b>15,247</b>
<b>Reconciliations of the carrying amounts at the beginning and end of the period:</b>		
Opening net book amount	15,247	10,199
Additions	19,060	8,870
Disposals	—	(5)
Lease payments	(2,743)	(4,260)
Interest payments	817	443
<b>Closing net book amount</b>	<b>32,381</b>	<b>15,247</b>

	Future value of minimum lease payments \$'000	Interest \$'000	Present value of minimum lease payments \$'000
<b>31 December 2024</b>			
Within 1 year	5,122	(2,267)	2,855
After 1 year and less than 5 years	17,761	(7,447)	10,314
More than 5 years	22,905	(3,693)	19,212
<b>Total</b>	<b>45,788</b>	<b>(13,407)</b>	<b>32,381</b>
<b>30 June 2024</b>			
Within 1 year	3,532	(881)	2,651
After 1 year and less than 5 years	8,140	(2,745)	5,395
More than 5 years	8,608	(1,407)	7,201
<b>Total</b>	<b>20,280</b>	<b>(5,033)</b>	<b>15,247</b>

# Notes to the financial statements

## 3 FINANCIAL POSITION continued

### Accounting policies

Under AASB 16, as a lessee the HUB24 Group recognises a right-of-use asset, representing its right to use the underlying asset, and a lease liability, for all leases with a term of more than 12 months, exempting those leases where the underlying asset is deemed to be of a low-value.

The HUB24 Group recognises a right-of-use asset and a lease liability at the lease commencement date, i.e. when the underlying asset is first available for use.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the HUB24 Group's incremental borrowing rate, being the rate that the lessee would pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether purchase; renewal or termination options are reasonably certain to be exercised.

The HUB24 Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes purchase, renewal, or termination options. The assessment of whether the HUB24 Group is reasonably certain to exercise such options impacts the lease term, which affects the value of lease liabilities and right-of-use assets recognised.

The Consolidated statement of profit or loss and other comprehensive income and the related Notes to the Financial Statements show the following amounts relating to leases:

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Depreciation charge on right-of-use assets	2,428	1,870
Interest expense on lease liabilities	817	177
Expenses relating to short-term leases	128	127
	<b>3,373</b>	2,174

The total cash outflow for leases in the half-year ended 31 December 2024 was \$2.7 million (1HFY24: \$2.1 million).

### 3.5 INTANGIBLE ASSETS

#### Overview

Intangible assets are assets with no physical substance. The most significant classes of intangible assets of the HUB24 Group by Cash Generating Unit (CGU) are detailed below:

Platforms Segment		Technology Solutions Segment	
Investment Platform CGU	PARS CGU	HUB Connect CGU	Class CGU
Investment Platform (Software)	PARS customer relationships	Agility connect software	Software
Customer Relationship		Agility customer relationship	Customer Relationship
Software			Brand
Goodwill on acquisitions			Goodwill on acquisition

The table above is representative of the 1HFY25 and FY24 Intangible assets. Refer to table on the following page for the movement.



# Notes to the financial statements

## 3 FINANCIAL POSITION continued

Consolidated	Computer Software \$'000	Customer Relationship \$'000	Brand \$'000	Goodwill \$'000	Total \$'000
<b>Half-year ended 31 December 2024</b>					
At cost	188,139	103,630	8,761	246,246	546,776
Accumulated amortisation and impairment	(85,542)	(21,461)	—	—	(107,003)
<b>Net carrying amount</b>	<b>102,597</b>	<b>82,169</b>	<b>8,761</b>	<b>246,246</b>	<b>439,773</b>
<b>Reconciliations of the carrying amount at the beginning and end of the half-year:</b>					
Opening carrying amount	109,052	85,288	8,761	246,246	449,347
Other additions <sup>1</sup>	10,018	—	—	—	10,018
Addition through acquisition	—	—	—	—	—
Amortisation from acquisition	(10,357)	(3,076)	—	—	(13,433)
Amortisation	(6,116)	(43)	—	—	(6,159)
<b>Closing carrying amount</b>	<b>102,597</b>	<b>82,169</b>	<b>8,761</b>	<b>246,246</b>	<b>439,773</b>
<b>Year ended 30 June 2024</b>					
At cost	178,121	103,630	8,761	246,246	536,758
Accumulated amortisation and impairment	(69,069)	(18,342)	—	—	(87,411)
<b>Net carrying amount</b>	<b>109,052</b>	<b>85,288</b>	<b>8,761</b>	<b>246,246</b>	<b>449,347</b>
<b>Reconciliations of the carrying amount at the beginning and end of the financial year:</b>					
Opening carrying amount	112,827	91,530	8,761	246,087	459,205
Other additions <sup>1</sup>	21,387	—	—	—	21,387
Addition through acquisition <sup>2</sup>	—	—	—	159	159
Amortisation from acquisition	(16,665)	(6,157)	—	—	(22,822)
Amortisation	(8,497)	(85)	—	—	(8,582)
<b>Closing carrying amount</b>	<b>109,052</b>	<b>85,288</b>	<b>8,761</b>	<b>246,246</b>	<b>449,347</b>

1. Other additions relate to internally generated software across the Platform and Tech Solutions segments.

2. A Purchase Price Accounting (PPA) assessment for the myprosperity business acquired was finalised with the outcomes included in the 2024 interim financial report.

### Critical accounting judgements and estimates

The assessment of useful life is a key management judgement and the useful life adopted could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are deemed shorter than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written down or off.

### Accounting policies

#### Impairment testing of goodwill and intangible assets

The recoverable amount of goodwill and other intangible assets with an indefinite useful life have been determined based on a value-in-use calculation derived from cash flow forecasts for each group of CGU's, which make up the HUB24 Group operating segments. Cash flow forecasts are based on a combination of extrapolated performance to date and management's expectations of future performance based on prevailing and anticipated market factors. Cash flows beyond the forecasting period are extrapolated using a terminal value. The cash flows are then used to calculate the Net Present Value and compared to the carrying value.

### Critical accounting judgements and estimates

When assessing for impairment of intangible assets, significant judgment is needed to determine the appropriate cash flows, discount rate and terminal growth rates applied to the calculations.

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING

### Overview

Risk management policies are established to identify and analyse the risks faced by the HUB24 Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the HUB24 Group's activities. The HUB24 Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees and consultants understand their roles and obligations.

The Audit, Risk and Compliance Committee (ARCC) oversees how management monitors compliance with the HUB24 Group's risk management policies, procedures and reviews the adequacy of the risk management framework in relation to risks faced. The ARCC is assisted by external professional advisers from time to time.

### Credit Risk

Credit risk is the risk of financial loss to the HUB24 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the financial assets of the HUB24 Group, which comprise cash and cash equivalents and principally, trade and loan receivables.

Exposure at reporting date is addressed at each particular note. The HUB24 Group does not hold any credit derivatives to offset its credit exposure.

It is the HUB24 Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit worthiness, financial position, past experience and industry reputation. In addition, credit risk exposures and receivable balances are monitored on an ongoing basis with the objective that the HUB24 Group's exposure to bad debts is not significant. Management has assessed the expected credit losses on trade receivables and have used a provision matrix to measure the HUB24 Group's impairment losses.

The HUB24 Group also has credit risk in respect of its debtors. In the case of most transactions, revenue is generally earned over a period of several months due to the complexity and size of the work involved. The HUB24 Group manages this risk by entering into contractual agreements with its counterparties, obtaining external legal advice where necessary, at the start of each transaction.

The HUB24 Group provides financial guarantees to wholly-owned subsidiaries and has provided a guarantee to CBA with regards to the borrowing facilities in operation during the period.

### Liquidity Risk

Liquidity risk is the risk that the HUB24 Group will not be able to meet its financial obligations as they fall due. The HUB24 Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always maintain banking/credit facilities and typically ensures that it has sufficient cash on demand, or access to banking facilities (e.g. overdrafts) to meet operational expenses for a period of 90 days, excluding the potential impact of extreme circumstances that cannot be reasonably predicted.

The HUB24 Group forecasts and actual cash flows are continuously monitored, matching the maturity of assets and liabilities, to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the HUB24 Group's reputation.

### Market Risk

Market risk is the risk that changes in market prices will affect the HUB24 Group's income and include price risk.

### Capital Management

It is noted that the HUB24 Group, through its licensed subsidiaries, fully complied with the minimum regulatory capital requirements for IDPS Operators and providers of custodial services for the half-year ended 31 December 2024 so as to ensure ongoing capital adequacy.

As part of broader capital management plans, the HUB24 Group has a \$31 million revolving bank loan facility (refer to note 4.1), a \$5 million overdraft facility which remained undrawn during the period and an accordion facility for \$50 million specifically for strategic transactions which remained undrawn during the period.

There were no other changes in the HUB24 Group's approach to capital management during the period.

### Interest Rate Risk

Interest rate risk is the risk that RBA Official Cash Rate changes potentially affecting the HUB24 Group's income and includes price risk.

### Foreign Exchange Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of a change in foreign currency rates. The HUB24 Group's exposure to the risk of a change in foreign currency relate primarily to the HUB24 Group's operating activities (when revenue and expenses are denominated in a foreign currency).

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING continued

### 4.1 BORROWINGS

#### Overview

The HUB24 Group has in place loan facilities with The Commonwealth Bank of Australia (CBA).

The HUB24 Group has in place a \$31 million 3 year debt facility with CBA. \$1 million remained undrawn during the period.

In addition, an accordion facility of \$50 million is available to the HUB24 Group specifically for strategic transactions, which remained undrawn during the period.

A \$5 million overdraft facility is available (but undrawn) to the HUB24 Group to assist with working capital requirements.

Loan Facility	31 Dec 2024 \$'000	30 June 2024 \$'000
Non-current Borrowings	29,975	29,975
<b>Total Non-current Borrowings</b>	<b>29,975</b>	<b>29,975</b>
<b>Total Group Borrowings</b>	<b>29,975</b>	<b>29,975</b>

#### HUB24 Group facilities

The overdraft facility was undrawn throughout the period. The HUB24 Group incurs a commitment fee of 0.50% per annum to maintain the overdraft facility with an interest rate of the reference rate on that date less a margin of 6.96% pa.

The 3 year revolving CBA bank loan facility was secured to enable the consolidation of the HUB24 Group debt. \$1 million remained undrawn during the period. The HUB24 Group incurs an undrawn commitment fee of 0.50% per annum to maintain the revolving loan facility with an interest rate of BBSY + 1.9% margin paid quarterly.

The CBA accordion facility of \$50 million was secured specifically for strategic transactions. The HUB24 Group does not incur any line fees, the terms of the facility are aligned to those of the loan facility.

The overdraft, loan and accordion facilities are guaranteed by HUB24 Limited and its operating subsidiaries: Agility Applications Pty Ltd; HUB24 Management Services Pty Ltd; HUB24 Administration Pty Ltd; HUB24 Custodial Services Ltd; HUBconnect Pty Ltd; Xplore Wealth Pty Limited; Xplore Business Services Pty Ltd; Investment Administration Services Pty Limited; Margaret Street Financial Holdings Pty Ltd; Margaret Street Administration Services Pty Ltd; Margaret Street Promoter Services Pty Ltd; Margaret Street Attorney Services Pty Ltd; DIY Master Pty Ltd; Class Pty Limited; Class Technology Pty Ltd; Class Investment Reporter Pty Ltd; NowInfinity Pty Ltd; NowInfinity 3505 Pty Ltd.

The HUB24 Group's regulatory capital requirements are ring-fenced from the CBA security arrangements. The loan facility and overdraft facility have common and referrable security charges with each facility.

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING continued

### 4.2 CONTRIBUTED EQUITY AND RESERVES

#### 4.2.1 Issued capital

##### Overview

Ordinary shares in the Company rank after all creditors, have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

During the current period, the HUB24 Group issued share capital and purchased shares on market (treasury shares) for the purposes of settling employee share scheme options and performance rights, utilising a share based payments reserve for this purpose.

The HUB24 Group has discretion in settling employee share scheme options and performance rights via the issuance of treasury shares or via issuance of new ordinary shares.

During 1HFY25, no on market share buy-back purchases occurred (1HFY24: \$10 million) and the 12-month share buy-back program completed in September 2024.

	31 Dec 2024 Number	31 Dec 2023 Number	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Issued and paid-up capital</b>				
Ordinary shares, fully paid	81,172,820	81,218,489	474,709	483,677
Treasury shares	(163,099)	(159,642)	(11,148)	(5,237)
<b>Total issued and paid up capital</b>	<b>81,009,721</b>	<b>81,058,847</b>	<b>463,561</b>	<b>478,440</b>
<b>Movements in issued and paid up capital</b>				
Beginning of the financial year	81,157,658	81,502,338	480,543	501,123
Shares issued through employee share plan	15,162	19,080	967	636
On-market share buy back	—	(302,929)	—	(9,997)
Options and rights exercised	267,342	502,123	5,656	6,357
Treasury shares issued from Trust	(267,342)	(502,123)	(12,409)	(14,432)
<b>Total shares</b>	<b>81,172,820</b>	<b>81,218,489</b>	<b>474,757</b>	<b>483,687</b>
Shares issued transaction costs	—	—	(48)	(10)
<b>End of the period</b>	<b>81,172,820</b>	<b>81,218,489</b>	<b>474,709</b>	<b>483,677</b>
<b>Movement in Treasury shares</b>				
Beginning of the financial year	108,630	356,229	3,557	9,646
Employee share issue	(267,342)	(502,123)	(12,409)	(14,432)
Treasury shares purchased on-market	321,811	305,536	20,000	10,023
<b>End of the period</b>	<b>163,099</b>	<b>159,642</b>	<b>11,148</b>	<b>5,237</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

##### Accounting policies

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new equity instruments are shown in equity as a deduction, net of GST from the proceeds.

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING continued

### 4.2.2 Share based payment reserves

	31 Dec 2024 \$'000	30 June 2024 \$'000
Share based payments share reserve	35,709	34,157
<b>Movement in reserve</b>		
Opening balance	34,157	26,750
Reserve reclassified to share capital through exercised options and rights	(4,060)	(5,153)
Employee Share Based Payment expense	5,612	12,560
<b>Closing balance</b>	35,709	34,157

For accounting policy refer to note 71.

### 4.2.3 Profit reserves

#### Overview

To the extent possible under the *Corporations Act 2001* and applicable tax laws, the profits reserve is preserved for future dividend payments.

	31 Dec 2024 \$'000	30 June 2024 \$'000
Opening balance	84,234	67,178
Transfer to profit reserves	—	47,159
Dividends paid on ordinary shares	(15,825)	(30,103)
<b>Closing balance</b>	68,409	84,234

### 4.2.4 Equity securities at Fair Value through Other Comprehensive Income reserve

	31 Dec 2024 \$'000	30 June 2024 \$'000
Opening balance	(682)	—
Net gains/(losses) from changes in fair value	4,484	(682)
Income tax effect	(1,141)	—
<b>Closing balance</b>	2,661	(682)

## 4.3 DIVIDENDS

#### Overview

The HUB24 Group's dividend policy is a target payout ratio of 40%-60% of the HUB24 Group's Underlying Net Profit After Tax. Our dividend policy is designed to ensure we reward shareholders relative to underlying net profit after tax and maintain sufficient capital for future investment and growth of the business, subject to market conditions.

	31 Dec 2024	30 June 2024	31 Dec 2023
Dividend cents per share	24.0	19.5	18.5
Franking percentage	100	100	100
Payout ratio	46%	46%	49%
Payment Date	15 April 2025	11 October 2024	16 April 2024

The Board has elected to determine an interim dividend of 24.0 cents per share franked at 100%.

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING continued

### 4.4 FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments are as follows:

Consolidated	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	103,128	88,048
Trade & other receivables	42,833	37,824
Equity securities	17,300	11,115
Other non-current assets	2,000	1,750
<b>Total financial assets</b>	<b>165,261</b>	138,737
<b>Financial liabilities</b>		
Trade & other payables	16,658	14,584
Borrowings	29,975	29,975
Lease liabilities	32,381	15,247
<b>Total financial liabilities</b>	<b>79,014</b>	59,806

For all in the above table, the fair value is approximate to the carrying value.

#### Fair values of Equity securities

##### Accounting policies

Equity securities are measured at FVOCI where they are not held for trading, the group does not have control or significant influence over the investee and where an irrevocable decision is made to measure them at FVOCI.

These securities are measured at fair value with unrealised gains and losses recognised in Other Comprehensive Income (OCI) except for dividend income which is recognised in the income statement. The cumulative gain or loss recognised in OCI is not subsequently recognised in the income statement when the instrument is disposed.

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

On initial recognition, the transaction price generally represents the fair value of the financial instrument unless there is observable information from an active market to the contrary.

##### Overview

###### Listed Equity Investments

The HUB24 Group has a 11.55% investment in Count Limited (Count). Count is a diversified financial services business providing integrated accounting and wealth management services to the Australian market.

###### Unlisted Equity Investments

The HUB24 Group has a 11.33% investment in Reach Alternative Investments (Reach). Reach is an alternatives-focused platform that provides access to global private equity and credit funds.

All investments are recognised as an equity investment and revalued through other comprehensive income for presentation and disclosure purposes.

# Notes to the financial statements

## 4 CAPITAL STRUCTURE AND FINANCING continued

The following table summarises the attribution of financial instruments measured at fair value to the fair value hierarchy.

FVOCI financial assets	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Fair value as at 31 Dec 2024</b>				
Listed equity investments	15,600	—	—	15,600
Unlisted equity investments	—	—	1,700	1,700
<b>Total FVOCI financial assets – equity investments</b>	<b>15,600</b>	<b>—</b>	<b>1,700</b>	<b>17,300</b>
<b>Fair value as at 30 June 2024</b>				
Listed equity investments	11,115	—	—	11,115
Unlisted equity investments	—	—	—	—
<b>Total FVOCI financial assets – equity investments</b>	<b>11,115</b>	<b>—</b>	<b>—</b>	<b>11,115</b>

There were no transfers between the fair value hierarchy levels during the period.

### Reconciliation of non-market observables

The following table shows a reconciliation of movements of unlisted equity investments categorised within Level 3.

	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Unlisted Equity Investments</b>		
Initial Investment made in the period	1,700	—
Unrealised gains/(losses) in other comprehensive income	—	—
<b>Closing fair value of investments</b>	<b>1,700</b>	<b>—</b>

### Critical accounting judgements and estimates

Financial instruments measured at fair value are categorised under a three level hierarchy, reflecting the availability of market observable inputs when estimating the fair value. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The three levels are set out below.

**Level 1** Unadjusted quoted prices in active markets are the valuation inputs for identical assets or liabilities (i.e. listed securities).

**Level 2** Valuation inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) are used.

**Level 3** There are valuation inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The unobservable inputs into the valuation of the Group's Level 3 assets and liabilities are determined based on the best information available, including the Group's own assessment of the assumptions that market participants would use in pricing the asset or liability. Examples of unobservable inputs are estimates about the timing and amount of cash flows, discount rates, earnings multiples and internal credit ratings.

## 4.5 COMMITMENTS AND CONTINGENCIES

Other than as noted below the HUB24 Group had no commitments or contingencies as at 31 December 2024 (FY24 nil).

The Group has a \$15 million loan agreement in place with HTFS Holdings Pty Ltd "HTFS", a wholly owned subsidiary of EQT Holdings Limited (ASX:EQT), which is the Trustee for the HUB24 Super Fund ("the Fund"). The loan agreement enables HTFS to access funding for the sole purpose of meeting the Operational Risk Financial Requirement (ORFR) for the Fund in accordance with APRA Prudential Standard SPS114. The loan agreement is entered into on an arm's length basis and on commercial terms at an interest rate of 10% per annum. There was no funding drawn down for either 1HFY25 or FY24.

# Notes to the financial statements

## 5 INCOME TAX

### Overview

Income tax expense or credit is the accounting tax outcome for the period and is calculated as the tax payable on the current period taxable income based on the applicable income tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The relationship between accounting profit or loss and income tax expense or credit is provided in the reconciliation of prima facie tax to income tax expense or benefit (refer to note 5.1). Income tax expense does not equate to the amount of tax actually paid to tax authorities, as it is based upon the accrual accounting concept.

Accounting income and expenses do not always have the same recognition pattern as taxable income and expenses, creating a timing difference as to when a tax expense or benefit can be recognised. These differences usually reverse over time but, until they do, a deferred tax asset or liability is recognised on the balance sheet. Note 5.2 details the composition and movements in deferred tax balances and the key management assumptions applied in recognising tax losses.

### 5.1 RECONCILIATION OF PRIMA FACIE TAX TO INCOME TAX EXPENSE

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>a) Income tax expense</b>		
Current tax expense	8,852	688
Decrease/(increase) in deferred tax assets	3,078	3,667
Prior period deferred tax under/(over) provision	—	4
Prior period under/(over) provision	—	153
(Decrease)/Increase in deferred tax liabilities	1,099	2,549
<b>Income Tax Expense/(Benefit)</b>	<b>13,029</b>	7,061
<b>b) Reconciliation of income tax expense to pre-tax accounting profit</b>		
Profit before income tax expense	46,188	28,593
Prima facie income tax at 30%	13,856	8,578
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Non-deductible expenses	53	48
Non-assessable income	(10)	(15)
Other deductible expenses	(738)	(1,583)
Tax credits (carry forward losses, franking credits)	(132)	(124)
Prior period deferred tax under/(over) provision	—	157
<b>Income tax expense</b>	<b>13,029</b>	7,061

### Accounting policies

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and legislation used to compute the amount are those that are enacted or substantively enacted by the reporting date.

### Tax consolidation

#### Members of the tax consolidated entity and the tax sharing arrangement

The HUB24 Group and its 100% owned Australian resident subsidiaries have formed a tax consolidated entity. HUB24 Limited is the head entity of the tax consolidated entity. Members of the HUB24 Group have entered into a tax sharing agreement.

#### Tax effect accounting by members of the tax consolidated Group

The head entity and the controlled entities in the tax consolidated Group continue to account for their own current and deferred tax amounts as per UIG 1052 Tax Consolidation Accounting. The consolidated Group has applied the consolidated Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated Group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets and liabilities arising from unused tax losses and unused tax credits (if any) assumed from controlled entities in the tax consolidated Group.



# Notes to the financial statements

## 5 INCOME TAX continued

### 5.2 DEFERRED TAXES

	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>a) Deferred tax asset</b>		
Deferred tax asset comprises temporary differences attributable to:		
Accrued expenses	683	444
Provisions	9,466	10,509
Blackhole expenses	654	920
Carry forward tax losses	4,795	5,320
Employee share costs	3,344	4,834
Deferred revenue	259	398
Lease liabilities	329	183
<b>Closing Balance</b>	<b>19,530</b>	<b>22,608</b>
<b>Movements:</b>		
Opening balance	22,608	24,252
Prior period deferred tax provision	—	207
Recognised in the Statement of profit or loss	(3,078)	(1,851)
<b>Closing balance</b>	<b>19,530</b>	<b>22,608</b>
<b>b) Deferred tax liability</b>		
Temporary differences attributable to:		
Investments	1,141	—
Intangibles	30,170	29,056
Depreciable assets	126	141
<b>Closing balance</b>	<b>31,437</b>	<b>29,197</b>
<b>Movements:</b>		
Opening balance	29,197	23,714
Additions acquired through acquisition	—	159
Prior period deferred tax provision	—	2,825
Recognised in the Statement of profit or loss	1,099	2,499
Recognised in other comprehensive income	1,141	2,499
<b>Closing balance</b>	<b>31,437</b>	<b>29,197</b>
<b>Net deferred tax asset/(Net deferred tax liability)</b>	<b>(11,907)</b>	<b>(6,589)</b>

# Notes to the financial statements

## 5 INCOME TAX continued

### Critical accounting judgements and estimates

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### Recovery of deferred tax assets

Deferred tax assets are recognised for prior periods income tax losses, research and development tax offsets and deductible temporary differences to the extent that Directors consider that it is probable that future taxable profits will be available to offset these amounts.

The deferred tax asset continues to be recognised based on the following management judgements:

- The HUB24 Group continues to generate consistent profitable growth, with improving margins and profit line trends; and
- For the half-year ended 31 December 2024, the HUB24 Group increased profits and is expected to remain profitable.

The HUB24 Group assumes and will continue to monitor that there will be ongoing compliance with relevant tax legislation.

### 5.3 OTHER TAXES

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- Receivables and payables, which are stated with the amount of GST included (UIG 1031.8). The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position; and
- Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# Notes to the financial statements

## 6 GROUP STRUCTURE

### 6.1 CONTROLLED ENTITIES

During the period ended 31 December 2024, the following entities were voluntarily deregistered resulting in a loss of control by the HUB24 Group. The deregistered entities had been dormant and were no longer required for ongoing business purposes.

	% Equity Interest	
	as at 31 Dec 2024	as at 30 June 2024
<b>Entities Deregistered during the period</b>		
Assuriti Pty Ltd	—	100

### 6.2 ASSOCIATED ENTITIES

Prior to 1 March 2024 the HUB24 Group was a strategic shareholder in Diverger Limited (Diverger), an accounting and wealth management service provider, until Diverger and Count Limited (Count) entered into a Scheme Implementation Agreement under which Count acquired 100% of the issued shares in Diverger by way of a Scheme of Arrangement (the "Scheme") between Diverger and its shareholders. The scheme was completed on 1 March 2024, resulting in an accounting gain on sale of \$3.0 million pre tax (which was recorded as a notable item in FY24).

On 1 March 2024 the HUB24 Group became a strategic shareholder in Count with an 11.55% holding. Count is a diversified financial services business providing integrated accounting and wealth management services to the Australian market.

There are no associates post the sale of investment in Diverger.

	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Consolidated</b>		
<b>Investment in Diverger Reconciliation</b>		
Opening investment in Diverger	—	12,172
Add: Additional investment during the period	—	1,393
Add: Share of associate profits	—	630 <sup>1</sup>
Less: Dividend declared	—	(1,969)
Less: Sale of investment in Diverger	—	(15,213) <sup>1</sup>
Gain on sale of investment in Diverger	—	2,987 <sup>2</sup>
<b>Closing investment in Diverger</b>	—	—

1. Share of associate profits is based upon Diverger's earnings prior to impacts associated with the Count scheme implementation. One-off costs associated with the scheme implementation have been recognised within the net gain on sale.

2. Includes \$3.4 million cash consideration and \$11.8 million shares in Count Limited.

#### Accounting policies

Associates are entities in which the HUB24 Group has significant influence, but not control, over the operating and financial policies. The HUB24 Group accounts for associates using the equity method. The investments are initially recognised at cost (except where recognised at fair value due to a loss of control of a subsidiary), and increased (or decreased) each year by the HUB24 Group's share of the associate's profit or loss. Dividends received from the associate reduce the investment in associate.

The carrying value of the investment in associate, is assessed for indicators of impairment annually.

If there is objective evidence that the HUB24 Group's net investment in an associate is impaired, the requirements of AASB 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the HUB24 Group's investment. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

In determining the value in use of the investment, an entity estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds from the ultimate disposal of the investment.

In determining the amount of impairment for equity accounted investees that are listed, management has made judgements in identifying non-financial assets that are impaired due to industry factors or whose decline in fair value below original cost is considered significant or prolonged. A significant decline is assessed based on the percentage decline from acquisition cost of the share, while a prolonged decline is based on the length of the time over which the share price has been below cost.

# Notes to the financial statements

## 7 EMPLOYEE REMUNERATION

### 7.1 SHARE BASED PAYMENTS

#### Overview

Share-based payments are equity-based compensation schemes provided to employees, executives, and managing director.

There are currently three plans in place to provide these benefits, collectively known as the Plans:

- The Employee Share Option Plan (ESOP);
- The Performance Rights (PARS); and
- The Employee Share Plan (ESP).

The HUB24 Group can either issue shares from time to time, or meet any obligation via treasury shares acquired on-market. Any fulltime or part-time employee of the HUB24 Group or any equally-owned joint venture who is offered shares or options is eligible to participate in the Plans.

#### 7.1.1 Recognised share-based payment expense

During the period ended 31 December 2024, the HUB24 Group recognised \$6.6 million (\$6.7m when including the impact of payroll tax) of equity-settled share-based payment transactions (1HFY24: \$5.5 million, \$5.8m when including the impact of payroll tax).

#### Accounting policies

The cost of share based payments is recognised by expensing the fair value of options or rights granted, over the period during which the employees become unconditionally entitled to these benefits. Where the plan will be settled by issuing equity, the corresponding entry is an increase in the share-based payment reserve.

At each subsequent reporting date until vesting, the vesting probability is assessed and upon board approval, the cumulative charge will be reflected to the statement of profit or loss and other comprehensive income and share based payment reserve. This takes into account factors such as the likelihood of employee turnover during the vesting period and the likelihood of nonmarket performance conditions being met.

#### Critical accounting judgements and estimates

Calculating the fair value of share based payments can be complex. Independent consultants use Black-Scholes or similar option pricing models to value options and rights. This calculation includes any market performance conditions and the impact of any non-vesting conditions. Once the fair value has been determined at grant date, it is not revised.

The impact of any service and non-market vesting conditions is excluded from the fair value. Instead, this is included in assumptions about the number of options that are expected to vest. These assumptions are revised at the end of each reporting period.

The impact of any revision to original estimates is recognised as an expense in the Consolidated Statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

# Notes to the financial statements

## 7 EMPLOYEE REMUNERATION continued

### Summary of options and rights granted

The following table illustrates the number, weighted average exercise prices (WAEP) and weighted average share prices (WASP) of, and movements in, share options issued during the period:

Summaries of options granted	31 Dec 2024			30 June 2024		
	Number	WAEP	WASP	Number	WAEP	WASP
Outstanding at the beginning of the financial year	183,231	—	—	484,698	—	—
Granted during the period	—	—	—	—	—	—
Forfeited during the period	(1,441)	—	—	(4,161)	—	—
Exercised during the period	(132,929)	\$12.85	\$68.64	(297,306)	\$12.24	\$32.54
Expired during the period	—	—	—	—	—	—
Outstanding at the end of the period <sup>1</sup>	48,861	—	—	183,231	—	—
Exercisable at the end of the period	48,861	—	—	118,842	—	—

1. The range of exercise prices is \$12.05 to \$14.29 (FY23 \$12.04 to \$14.29), and weighted average remaining contractual life is 1.44 years (FY23 1.22 years).

Summaries of rights granted	31 Dec 2024			30 June 2024		
	Number	WAEP	WASP	Number	WAEP	WAP
Outstanding at the beginning of the financial year	2,431,541	—	—	2,591,869	—	—
Granted during the period	72,815	—	—	194,053	—	—
Forfeited during the period	(19,968)	—	—	(55,694)	—	—
Exercised during the period	(121,321)	—	—	(298,687)	—	—
Expired during the period	—	—	—	—	—	—
Outstanding at the end of the period	2,363,067	—	—	2,431,541	—	—

# Notes to the financial statements

## 8 OTHER INFORMATION

### 8.1 NEW AND AMENDED ACCOUNTING STANDARDS ISSUED BY THE AUSTRALIAN ACCOUNTING STANDARDS BOARD (AASB)

The HUB24 Group adopted all of the new, revised, or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The changes to accounting standards did not have any significant impact on the financial performance or position of the HUB24 Group.

Date Issued	Pronouncement	Effective for annual reporting periods beginning on or after
November 2022	AASB 16 Lease liability in a sale and leaseback (AASB 2022-5) <sup>1</sup>	1 January 2024
December 2022	AASB 101 Classification of liabilities as current or non-current, including non-current liabilities with covenants (AASB 2020-1, AASB 2020-6 and AASB 2022-62) <sup>1</sup>	1 January 2024
June 2023	AASB 107/AASB 7 Supplier finance arrangements (AASB 2023-1) <sup>1</sup>	1 January 2024
June 2024	AASB 18 Presentation and Disclosure in Financial Statements <sup>2</sup>	1 January 2027

1. Adopted by the HUB24 Group in the current period.

2. New, revised, or amended Accounting Standards but not yet adopted.

In Australia, sustainability standards have been finalised and passed by Parliament under the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth).

These requirements necessitate the Group to begin reporting climate-related financial information in accordance with the Australian Sustainability Reporting Standards (ASRS). The ASRS were approved by the Australian Accounting Standards Board (AASB) in September 2024, and will apply to the Group from 1 July 2026 (2027 financial year). The Company has already started to assess and prepare for these and future sustainability and climate-related reporting obligations.

### 8.2 SIGNIFICANT EVENTS AFTER REPORT DATE

Subsequent to 31 December 2024, the following items have occurred:

- Directors have determined a fully franked interim dividend of 24.0 cents per share (a fully franked interim dividend of 18.5 cents per share was determined in 1HFY24).

No other significant matter or circumstance has arisen since 31 December 2024 that has notably affected, or may significantly affect the HUB24 Group's operations, the results of those operations, or the HUB24 Group's state of affairs in future financial years.

# Directors' declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 8 to 36 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and
  - ii. complying with Accounting Standards AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. This declaration is made in accordance with a resolution of the Directors made pursuant to Section 303(5) of the *Corporations Act 2001*.



**Paul Rogan**

**Chairman, Independent Non-Executive Director**

Sydney

18 February 2025

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# Independent auditor's review report



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## Independent Auditor's Review Report to the Members of HUB24 Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of HUB24 Limited (the "Company") and its subsidiaries (the "HUB24 Group"), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the HUB24 Group does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the HUB24 Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the HUB24 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's review report.

#### Directors' Responsibilities for the Half-year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the HUB24 Group's financial



# Independent auditor's review report

**Deloitte.**

position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with AASB 134 and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Stuart Alexander*

Stuart Alexander  
Partner  
Chartered Accountants  
Sydney, 18 February 2025

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# Glossary

<b>Active Advisers</b>	Number of registered advisers with a FUA balance on the HUB24 platform
<b>EBITDA</b>	Earnings before interest, tax, depreciation, amortisation
<b>Funds under administration (FUA)</b>	The value of customer portfolios invested onto the Platform
<b>IDPS</b>	Investor Directed Portfolio Service
<b>MDA</b>	Managed Discretionary Account
<b>MIS</b>	Managed Investment Scheme
<b>Net Tangible Asset per fully paid ordinary share</b>	Total Assets less Total Liabilities adjusted for Intangible Assets, divided by the number of outstanding ordinary paid shares
<b>Notable Items</b>	Includes administrative and resourcing costs related to strategic transactions and project costs, and amortisation relating to the acquisition of Class, Xplore, Ord Minnett and myprosperity
<b>ORFR</b>	Operational Risk Financial Requirement relates to the HUB24 Superannuation Fund's requirement to hold adequate reserves against operational losses in accordance with APRA Prudential Standard SPS114
<b>PARS</b>	Performance Rights
<b>PARS FUA</b>	Portfolio And Reporting Services – refers to the non-custodial portfolio
<b>Platform FUA</b>	Refers to the custodial portfolio
<b>PPA</b>	The final purchase price accounting for the Xplore, Class and myprosperity acquisitions
<b>PPU</b>	Pay Per Unit
<b>SMSF</b>	Self-managed super fund
<b>STI/LTI</b>	Short term incentive/Long term incentive
<b>Underlying EBITDA</b>	Refers to EBITDA excluding Notable Items
<b>Underlying EBITDA margin (%)</b>	Underlying EBITDA divided by total revenue

# Corporate information

## HUB24 LIMITED

ACN 124 891 685

## PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 17, 5 Martin Place  
Sydney NSW 2000

## DIRECTORS

Mr Paul Rogan (Chair and Independent Non-Executive Director)

Mr Andrew Alcock (Managing Director)

Ms Rachel Grimes AM (Independent Non-Executive Director)

Ms Catherine Kovacs (Independent Non-Executive Director)

Mr Anthony McDonald (Independent Non-Executive Director)

Ms Michelle Tredenick (Independent Non-Executive Director)

## COMPANY SECRETARIES

Mr Andrew Brown

Ms Kitrina Shanahan

## AUDITOR

### Deloitte Touche Tohmatsu

Quay Quarter Tower, 50 Bridge St,  
Sydney NSW 2000

## SHARE REGISTRY

### Automic Group

GPO Box 5193

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Telephone: 1300 288 664

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Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Website: <https://automicgroup.com.au>

HUB24 Limited shares are listed on the Australian Securities Exchange (ASX: **HUB**)

## ELECTRONIC COMMUNICATIONS

HUB24 encourages our shareholders to receive investor communications electronically, including the Annual Report.

These reports are available on our website at [www.HUB24.com.au](http://www.HUB24.com.au).

To register for electronic investor communications, please go to <https://automicgroup.com.au> and register for online services.

## WEBSITE

[hub24.com.au](http://hub24.com.au)

## LINKEDIN

[www.linkedin.com/company/hub-24/](http://www.linkedin.com/company/hub-24/)

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