

Class Limited

Annual General Meeting

16 October 2017

Hilton Sydney

Important Information

- This presentation is provided for information purposes only. The information in this presentation is in a summary form, does not purport to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was provided by Class Limited ACN 116 802 058 (Class) as of its date, and remains subject to change without notice. This presentation has been provided to you solely for the purpose of giving you background information about Class and should be read in conjunction with Class' Annual Report for the period ended 30 June 2017 and Class' other market releases on the ASX.
- No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, statements, opinions or matters contained in this presentation. Class, its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about Class or which a prospective investor or purchaser may require in evaluating a possible investment in Class or applying for, or a subscription for or acquisition of, shares in Class. To the maximum extent permitted by law, none of those persons accept any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation.
- Certain statements in this presentation may constitute forward-looking statements or statements about future matters (including forecast financial information) that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to internal and external risks and uncertainties that may have a material effect on future business. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future performance. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future by Class or any other person.
- The provision of this presentation is not a representation to you or any other person that an offer of securities will be made and does not constitute an advertisement of an offer or proposed offer of securities.
- Class has not independently verified any of the contents of this presentation (including, without limitation, any of the information attributed to third parties).
- This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in Class and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment. This presentation does not constitute financial product advice to investors or other persons and does not take into account the objectives, financial situation or needs of any particular investor. A reader should, before making any decisions in relation to their investment seek their own professional advice.
- This presentation contains non-IFRS measures which are used internally by management to assess the performance of the business and have been extracted or derived from the FY17 financial report.
- All currency amounts are in AUD unless otherwise stated.

Today's Agenda

- **Chairman's Address**
- **CEO's Update**
- **Business of the Meeting**
- **Questions**

Chairman's Address



Mr Matthew Quinn

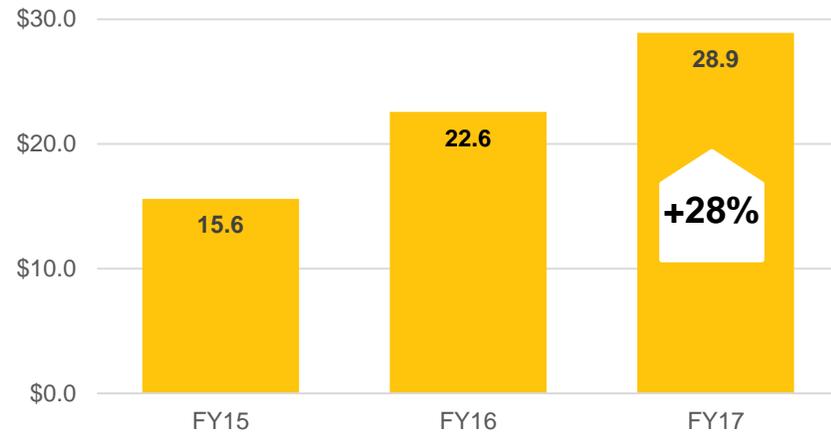
CEO's Update



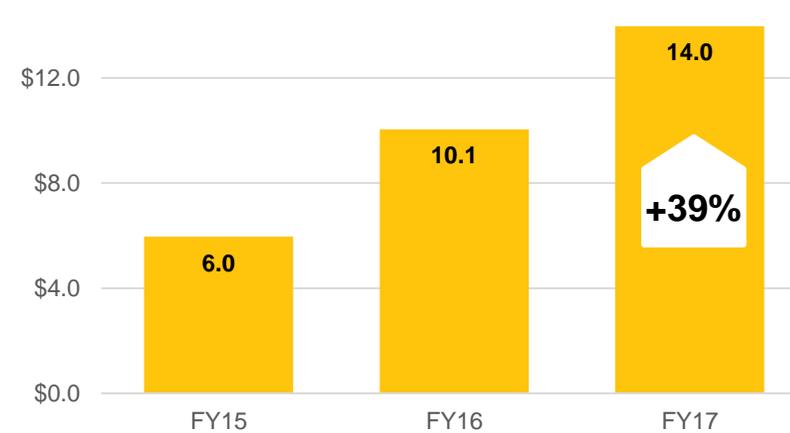
Mr Kevin Bungard

Strong Revenue and Profit Growth

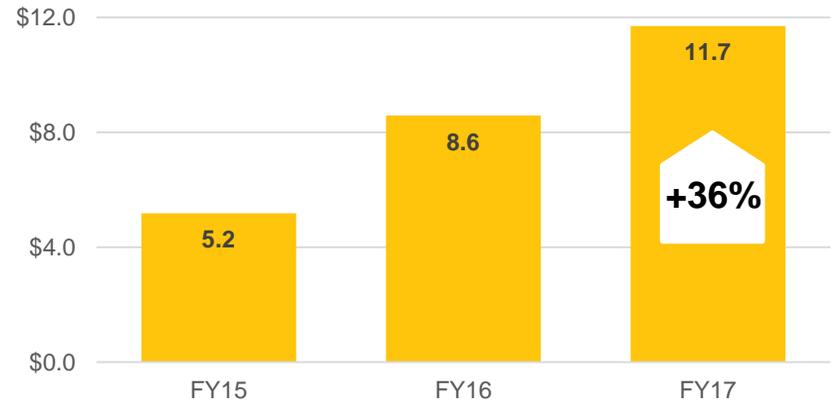
Operating Revenue (\$m)



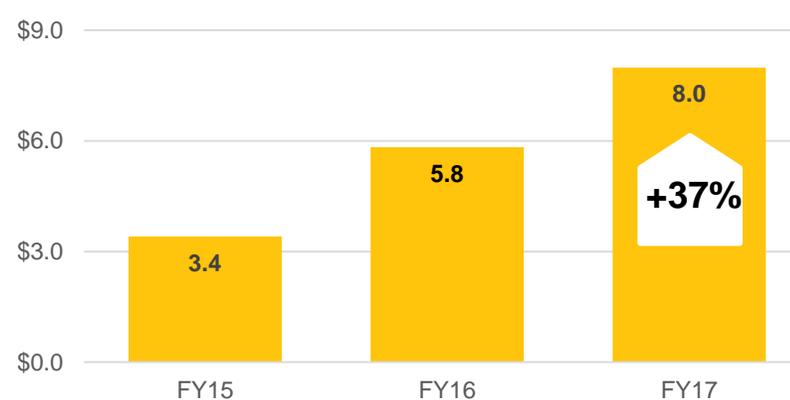
EBITDA (\$m)



NPBT (\$m)



NPAT (\$m)

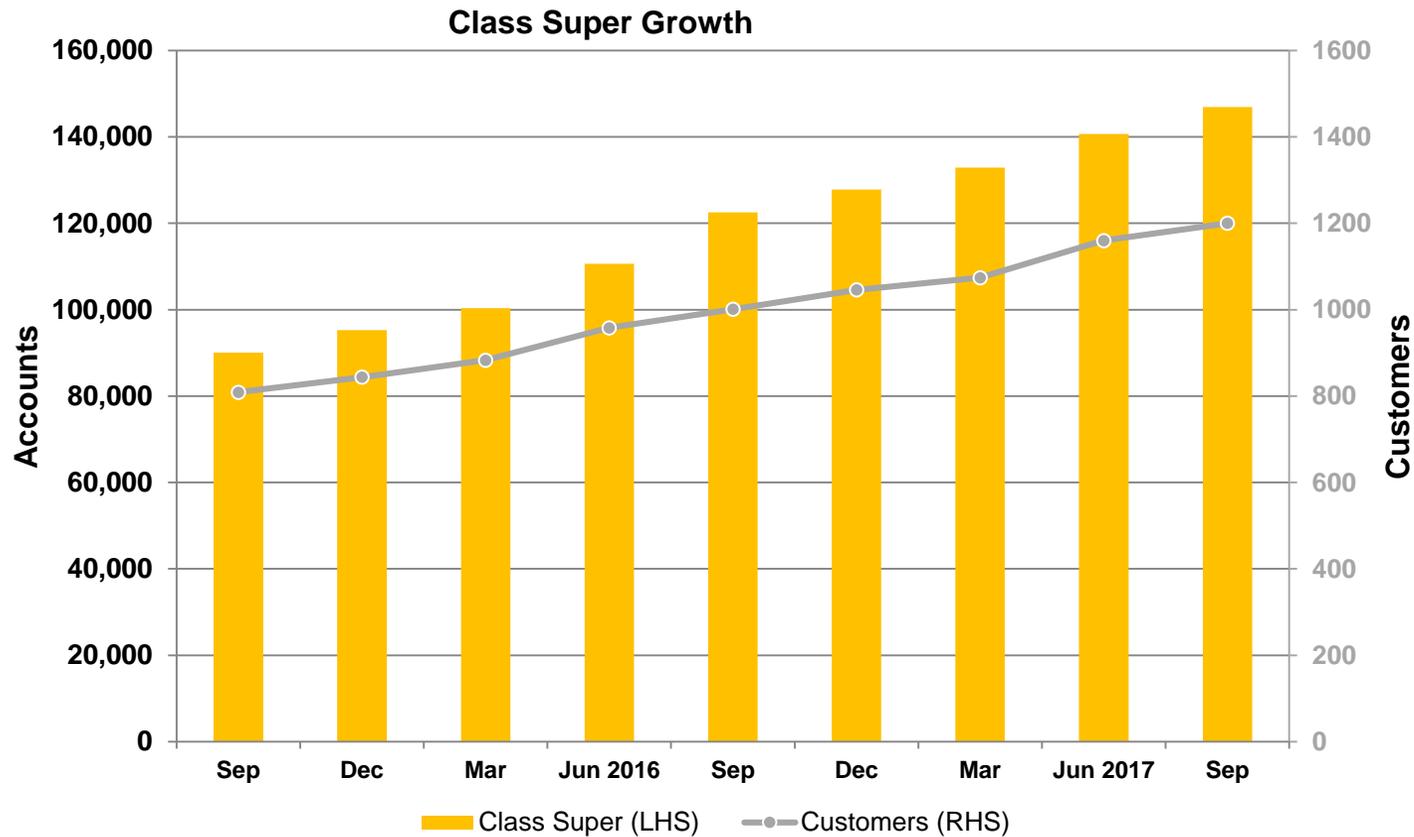


- EBITDA Margin expanded from **44.5%** to **48.4%**
- Growth driven by record increase in accounts

Notes:

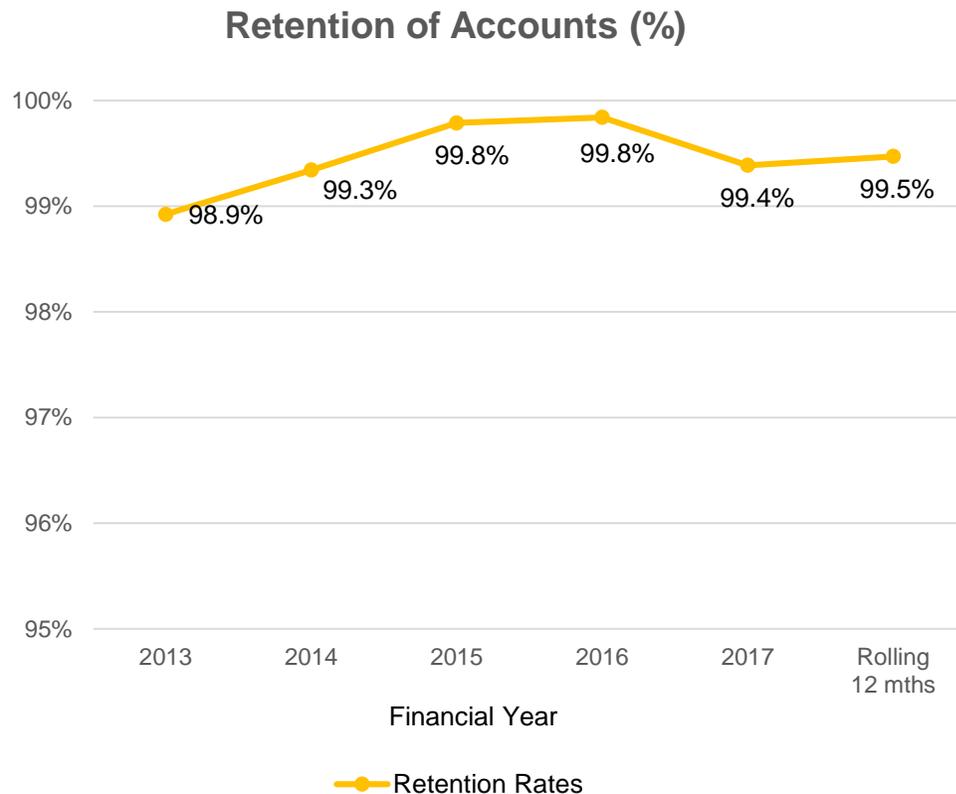
All references for FY16 are after adjusting for one-off initial public offering ('IPO') expense. They are non-IFRS measures and are used by management to assess the performance of the business and have been extracted or derived from the FY16 financial report.

Strong Growth in Class Super Accounts



- **30,076** new accounts, +27% at EOFY
... currently **146,922**
- **200** new customers, +21% at EOFY
... currently **1,204**
- **\$216** ARPU, -1.4% at EOFY

High Customer Satisfaction, Recurring Revenue



- Class Super won all FY17 SMSF software awards

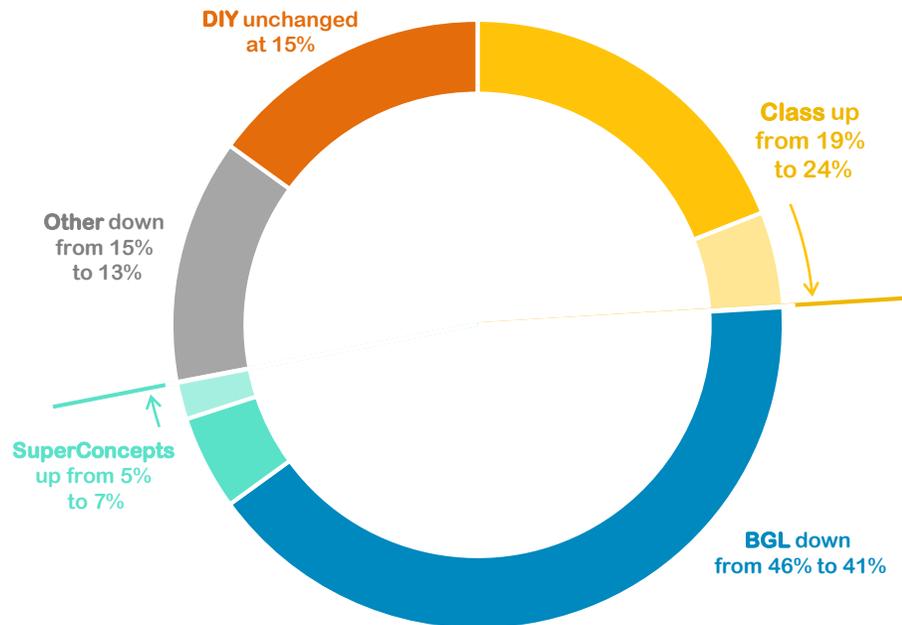


- CoreData 2017 SMSF award for SMSF Accounting Software/Administration (4th year running)
 - 2017 SMSF Adviser SMSF Software Provider of the Year (4th year running)
 - 2017 Investment Trends Highest Overall Client Satisfaction: SMSF Software (3rd year running)
 - 2017 AFR Most Innovative Companies 40th on the list
- High retention rate fuels strong recurring revenue
- \$32.2m** ACMR at 30 September 2017
- AMP is **6%** of ACMR, and they have flagged that they intend to migrate to their own software but no date has been specified

Increased SMSF Market Share

SMSF Software Market Share

by est. no. SMSFs administered on each system¹



- **24%** Class Super share, **+5%** at EOFY.
... currently **25%**
- Established Class customers continue to win market share away from peers who use less effective systems
- **26%** of growth organic, from established customers
- **17%** p.a. average growth for specialist SMSF Practices
...**3** times the industry rate of **5.2%** p.a.²

¹ Estimated from company announcements, ATO data and various Investment Trends surveys of SMSF Investors, Planners and Accountants in 2016 and 2017. DIY = SMSFs administered directly by investors. Other = SMSFs administered by accountants on Excel and general accounting software.

² 'Class SMSF Practices' have 25-500 SMSFs. Growth was over the 5 years to Nov 2016

Impact of Super Reforms

FY17

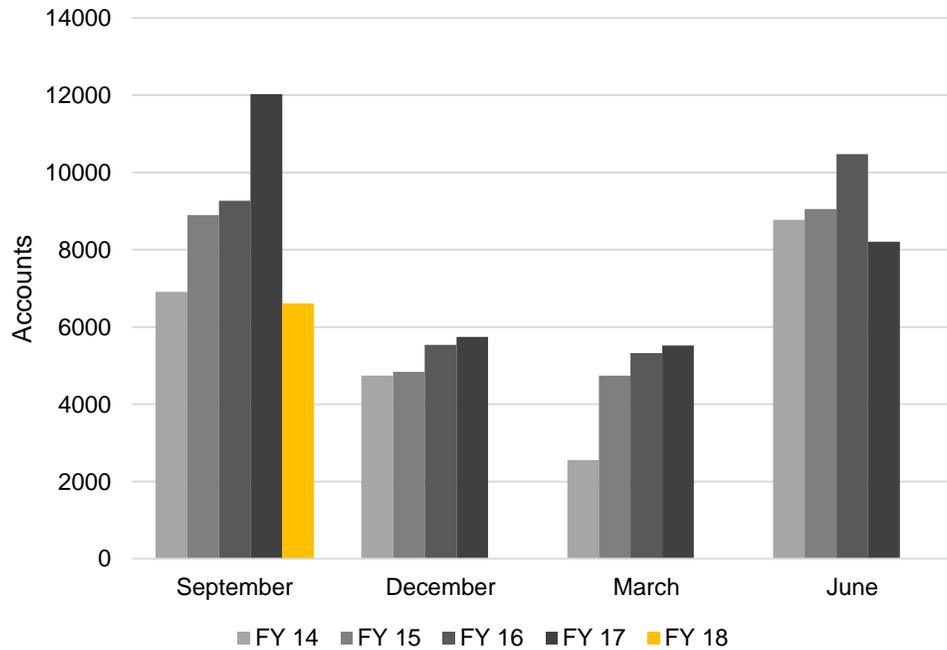
Uncertainty with rules for much of 2017	...saw 4% industry growth, lowest in five years
Industry disrupted by time required to assess and advise investors	...delayed industry lodgments and loading to Class
Significant technology costs for industry	...Class Super ~\$1m in FY17 (...similar spend in FY18)

Moving forward

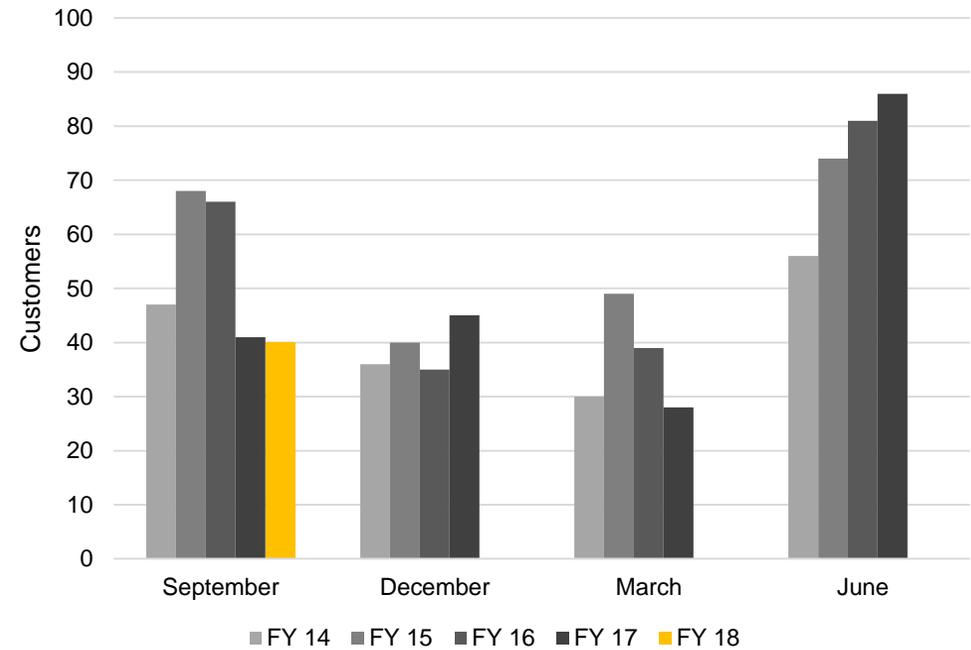
Complexity, especially upcoming reporting	...driving need for Class Super
Caps on contributions and pension balances	...driving need for Class Portfolio's 'whole of wealth' solution

Quarterly Growth

Quarterly Net Account Growth



Quarterly Net Customer Growth



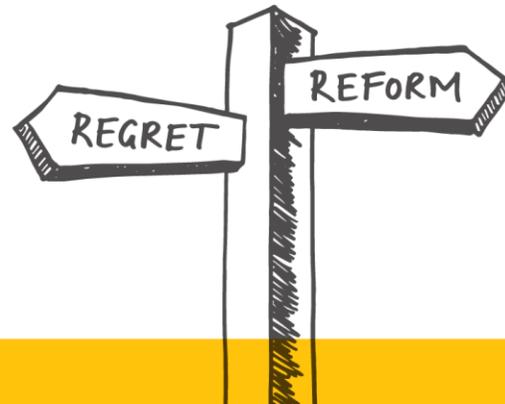
Q2 Campaign

Better move.

Choose **Class Super**
and pay nothing 'til 1 July 2018*

Register Now

Strictly limited - better be quick!

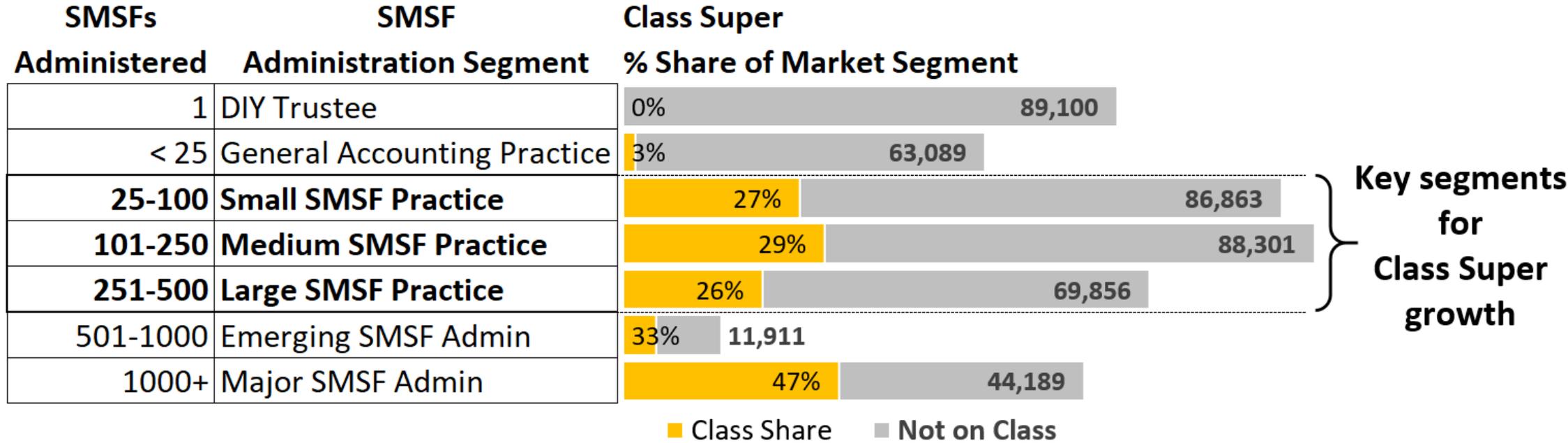


*Terms & Conditions Apply

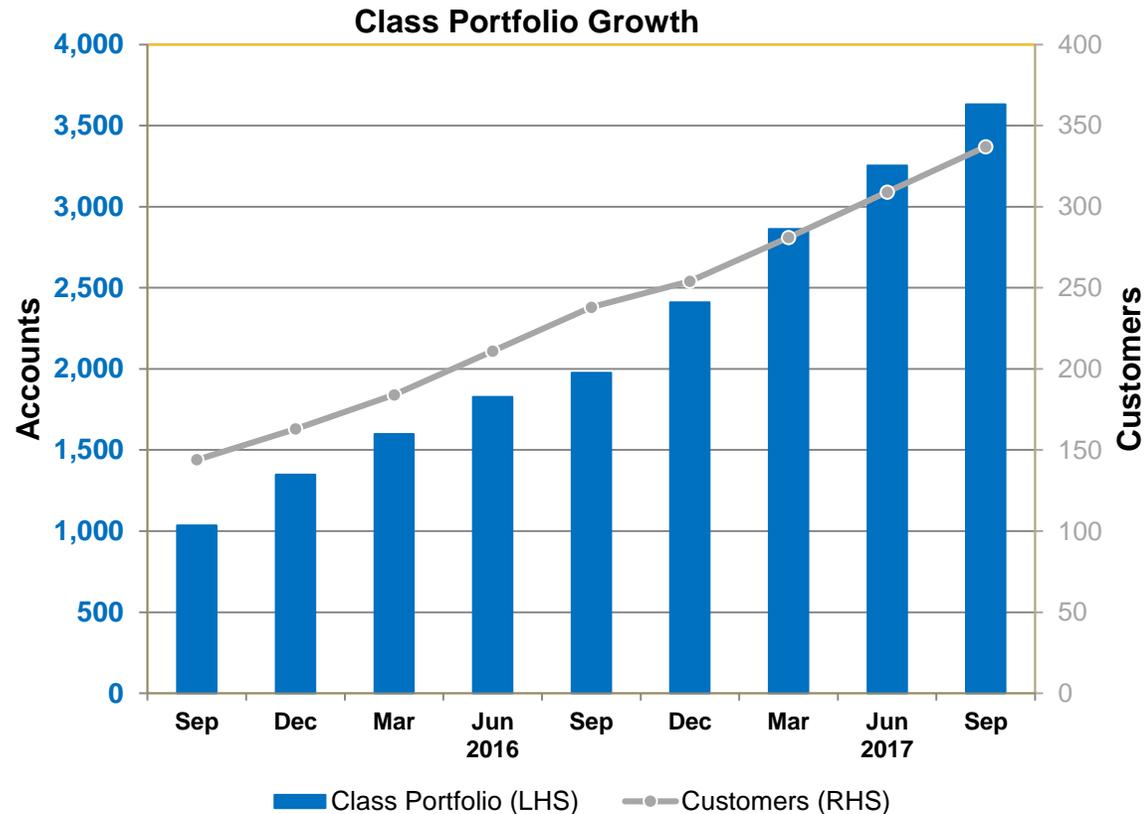


- Aims to accelerate acquisitions by bringing forward decision making in firms who:
 - are deferring due to Super Reform impacts; and
 - will be 'too busy' to migrate in Q3/Q4

Plenty of Opportunity to Increase Share



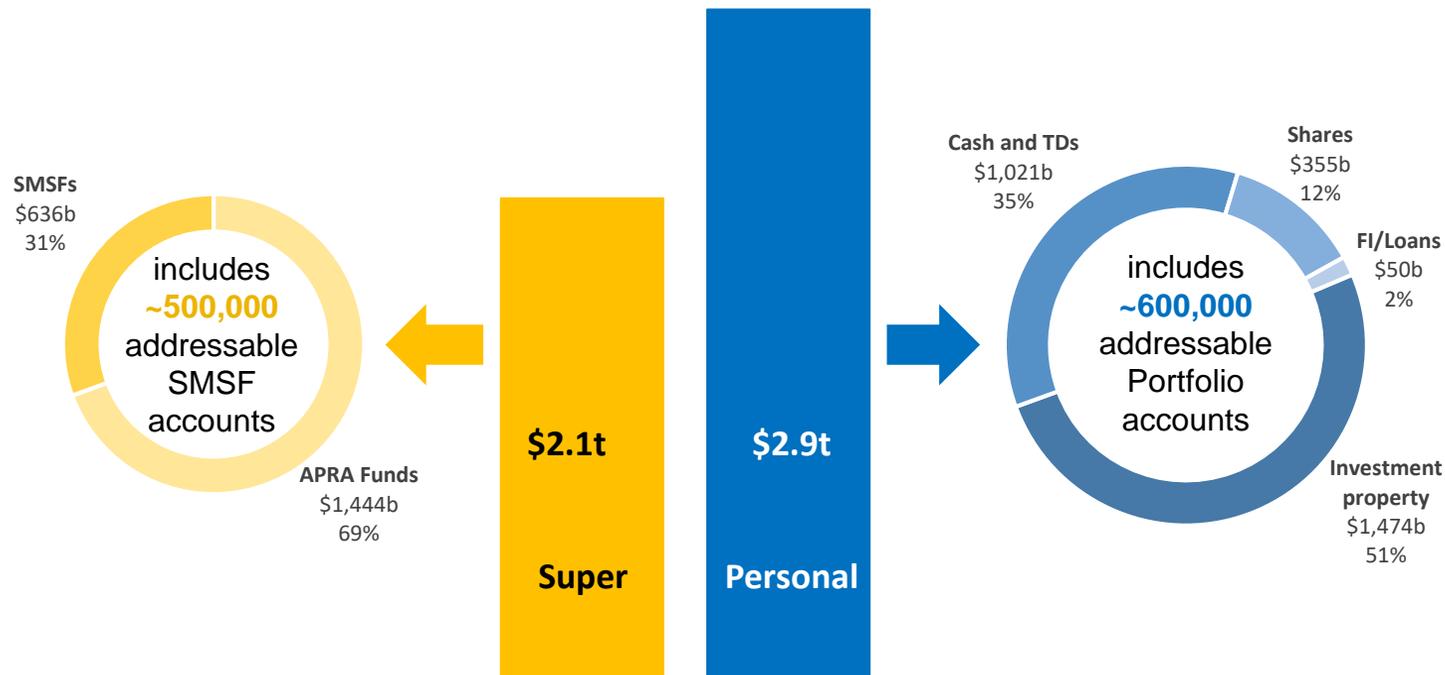
Class Portfolio Growth



- **1,427** new accounts, + **78%** at EOFY
- ... currently **3,631**
- Trust beneficiary accounting, consolidated portfolio functionality and portfolio fees launched
- **70%** of existing Class Super customers surveyed are potential Class Portfolio users
- **28%** of Class Super customers now use Class Portfolio, average **10.8** accounts per customer
- **\$147** ARPU, unchanged at EOFY

Large Class Portfolio Opportunity

Household Investment Assets*



*Excludes owner-occupied dwellings and ownership of own business

Sources: APRA, ATO

Sources: ABS, ATO, CoreLogic, Rice Warner

- SMSFs are no longer the “catch-all” they used to be
- Accountants need to have plans for “Family Office” style offerings and a whole of wealth view
- Class Portfolio provides the platform for accountants to deliver these solutions

Clear Strategy

- **Class Super**

Invest in product to maintain market leadership of cloud and win market share

- **Class Portfolio**

Deliver a 'whole of wealth' solution and broaden our target market to financial planners

- **Broaden Platform**

Increase partner revenue and enhance benefits for customers creating a "network effect"

Glossary

Accounts: billable Class Super funds and Class Portfolio entities.

ARPU: (Average Revenue Per Unit) assuming any sales promotions have ended and other factors such as pricing remain unchanged.

ACMR: (Annualised Committed Monthly Revenue) number of Accounts at the end of period multiplied by ARPU.

CAC: (Customer Acquisition Costs) sales, marketing and implementations expenses divided by gross new Accounts added.

EBITDA margin: calculated by dividing EBITDA by operating revenue.

Established Customers: practices that have been using Class for over 12 months.

NPAT margin: calculated by dividing NPAT by operating revenue.

NPBT margin: calculated by dividing NPBT by operating revenue.

Retention Rate: (Accounts for the period less Accounts lost due to customer terminations) / Accounts for the period. Accounts lost = the maximum number of Accounts the customer had during the year.