Class Limited

31 December 2017

Half Year Results Presentation

8 February 2018

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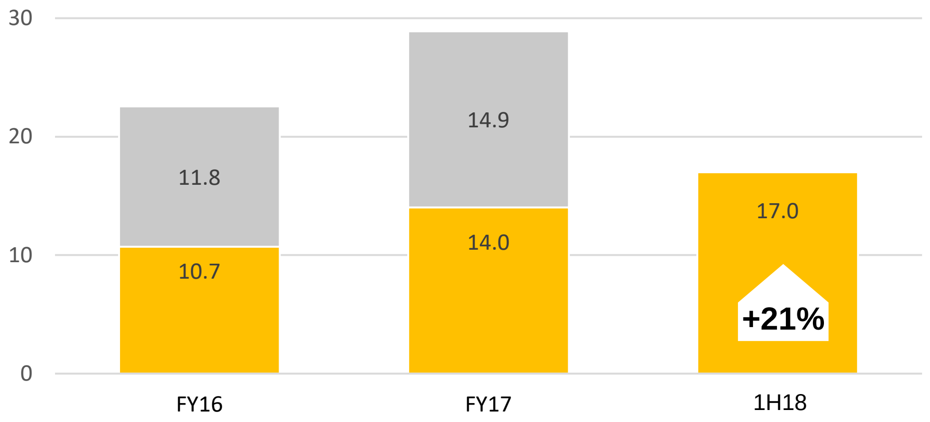
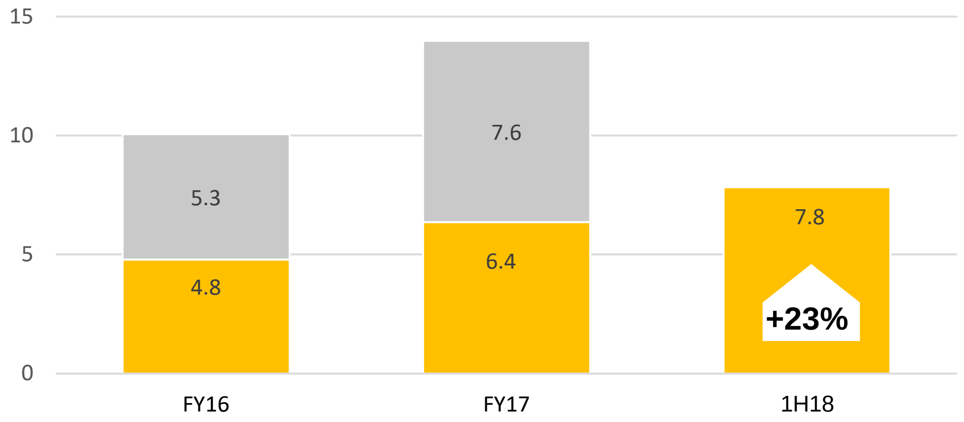
Strong Revenue and Profit Growth

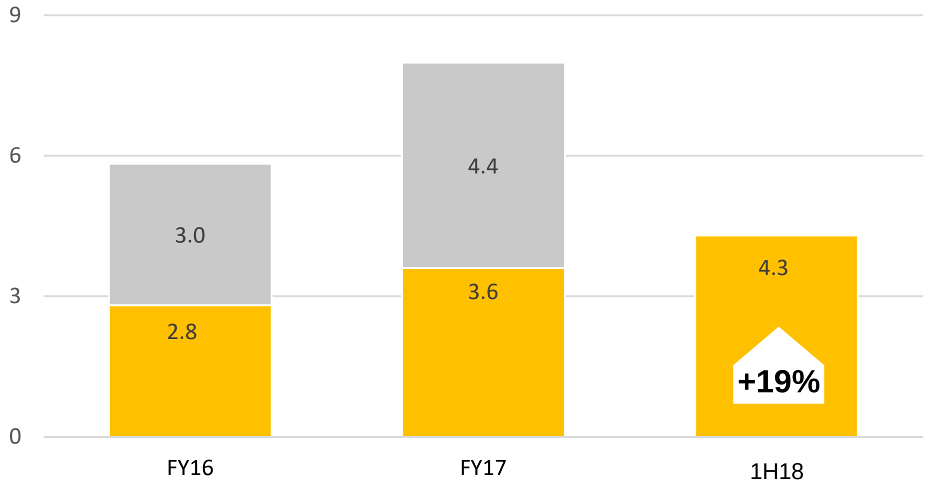
Sales Revenue ($'Mil)



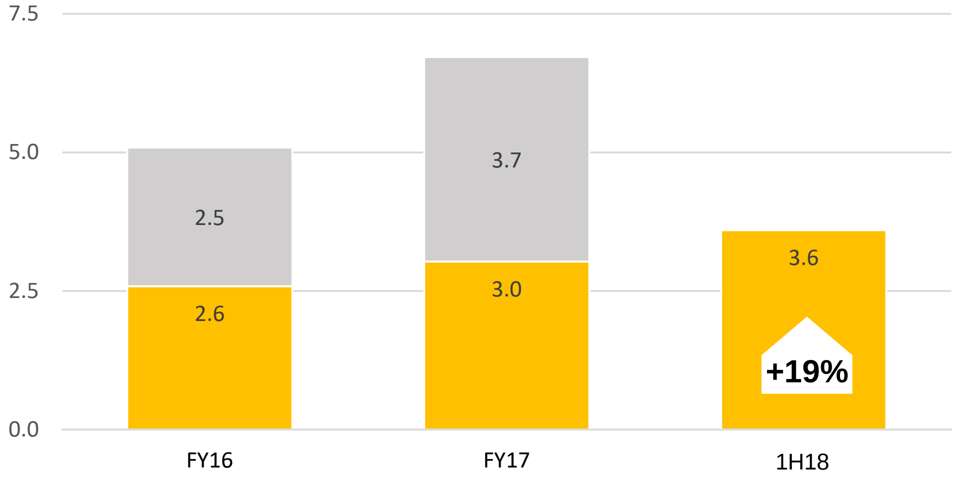
EBITDA ($'Mil)



NPAT ($'Mil)



Diluted EPS (Cents)



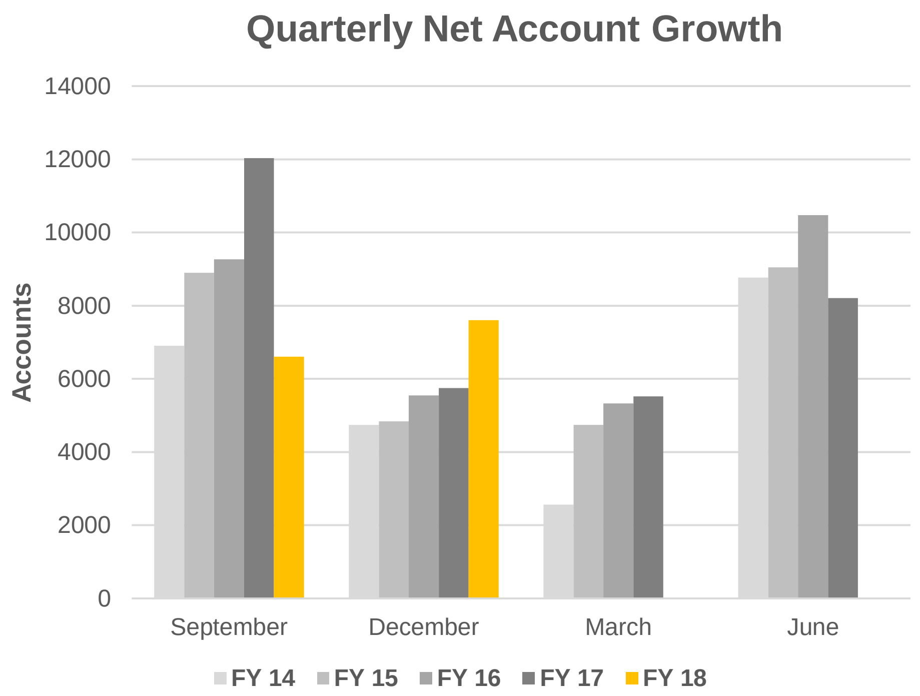
- **46%** EBITDA margin
- **2.5c** dividend for the half

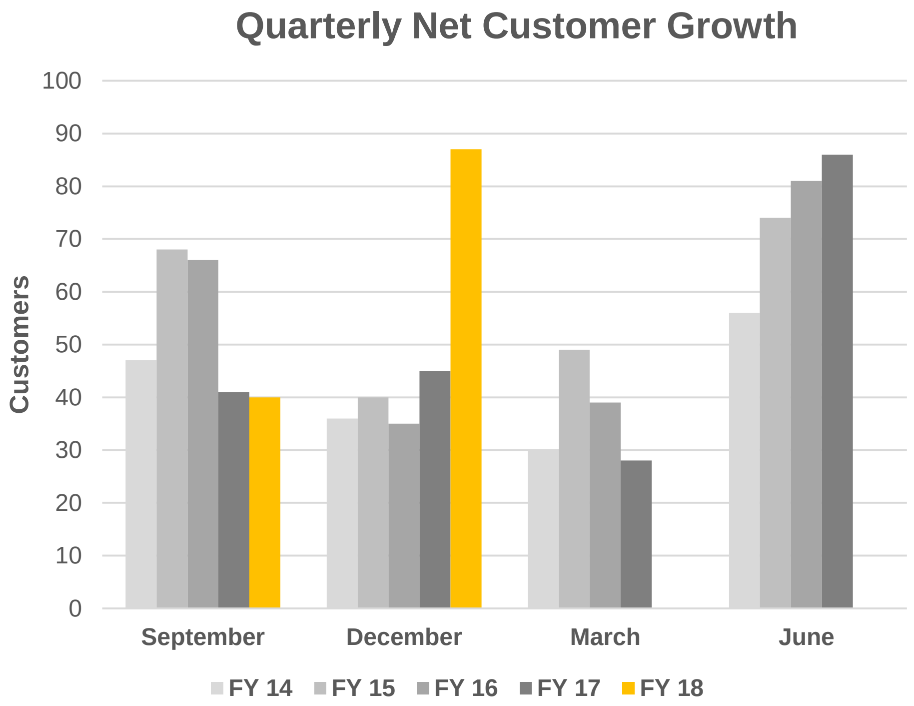
1st Half Year
2nd Half Year

Growth % is relative to prior corresponding period

Note: references for FY16 are before one-off initial public offering ('IPO') expense.

Successful Q2, Record Customer Growth





- **+14,209** new accounts (**13,363** SMSF, **846** portfolios) loaded for the first 6 months, taking total accounts to **158,153**
- **+127** record net new customers, taking total to **1,291**

High Customer Satisfaction, Recurring Revenue

- High retention rate fuels strong recurring revenue (**99.5%** on a rolling 12 month basis to 31 Dec 2017)
- At 31 Dec 2017 recurring revenue, for the software licence fees that make up **95%** of our revenue (ACMR), was **$33.7m**

AMP Update

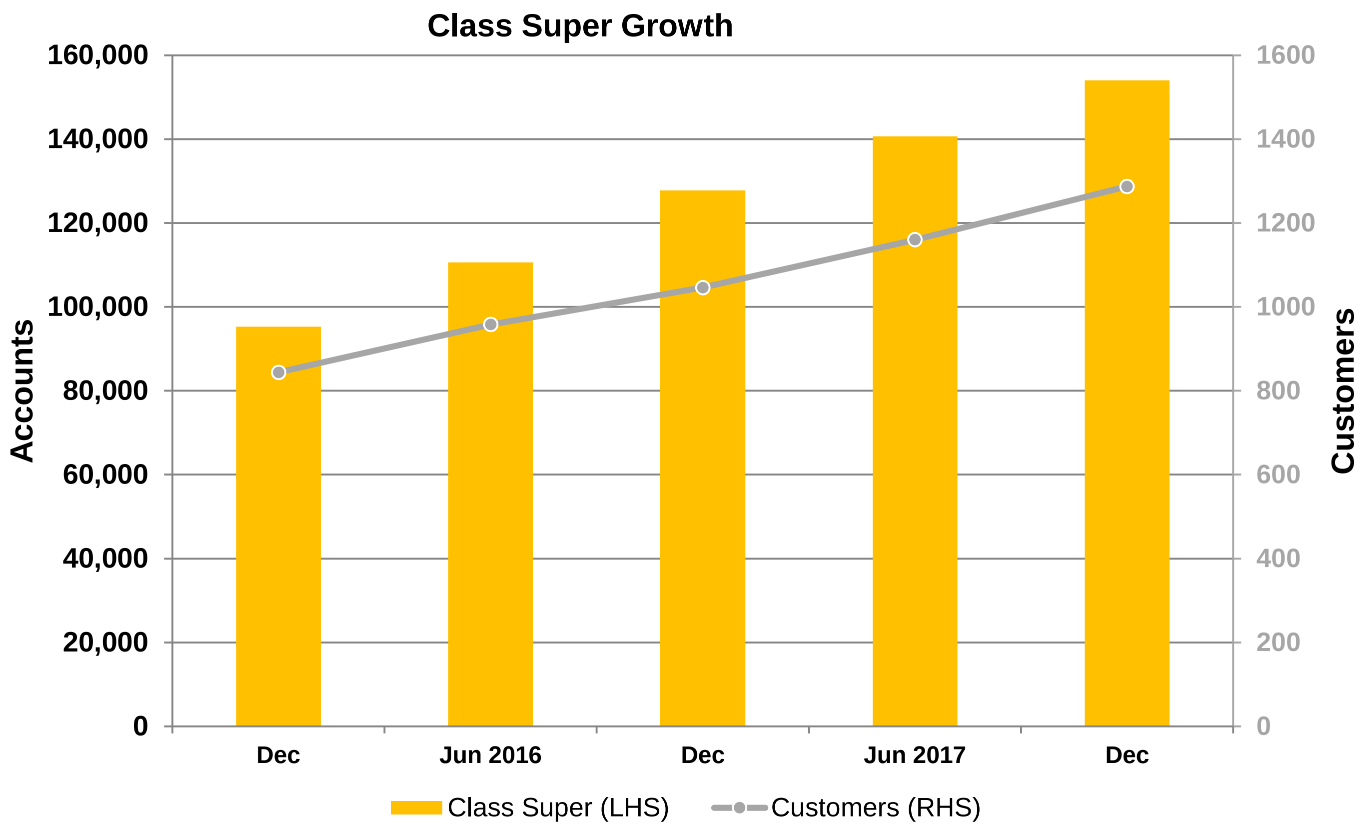
- At 6 Feb 2018, AMP had **9,500** funds on Class and made up less than **5%** of ACMR
- We understand that AMP has commenced the migration of their SMSFs to their in-house software. No notice or timeframe for completion has been given

- Class Super has won all SMSF software awards since 2014

	Core Data	SMSF Advisor	Investment Trends
2013	BGL Simple Fund (desktop)		
2014	Class	Class	
2015	Class	Class	Class
2016	Class	Class	Class
2017	Class	Class	Class

Class

Class Super Growth



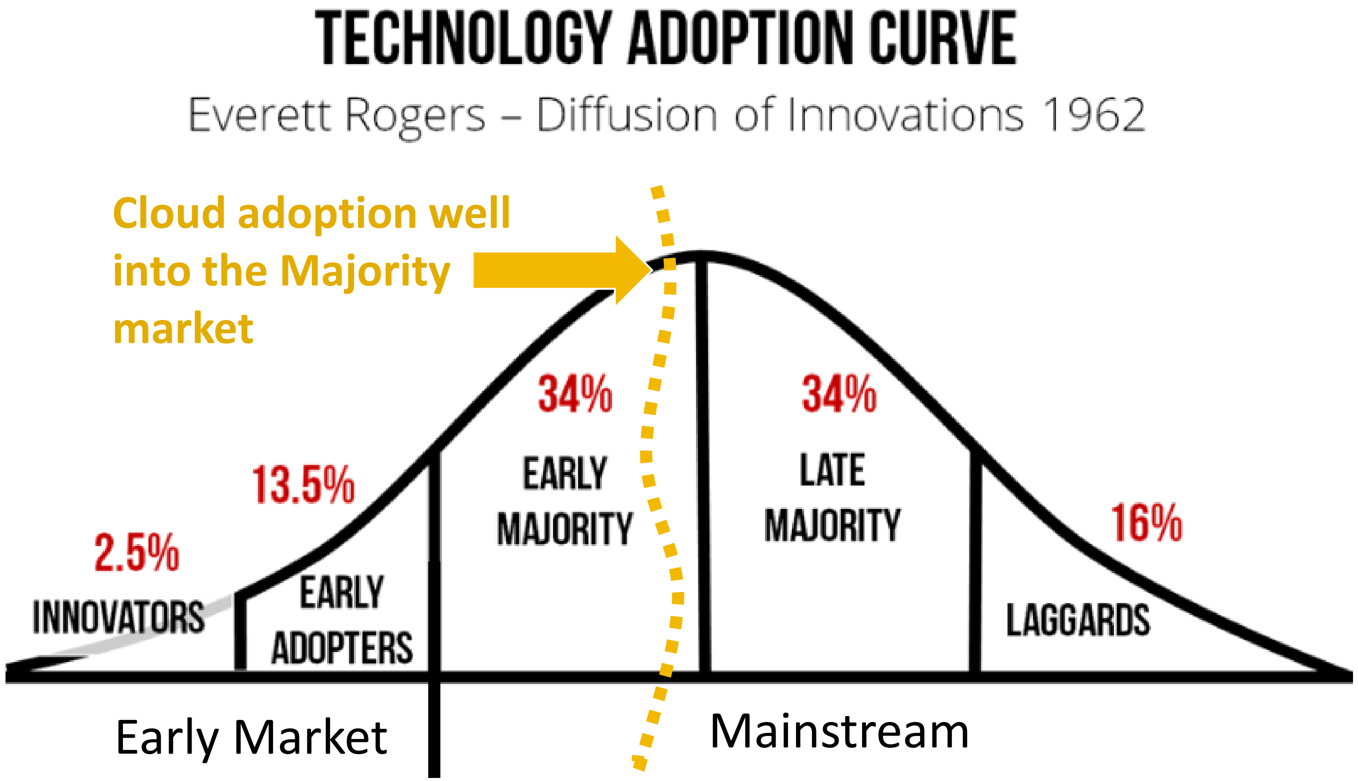
For the half year:

- **13,363** new accounts, **+9.5%**
- **127** new customers, **+10.9%**

At 31 December 2017:

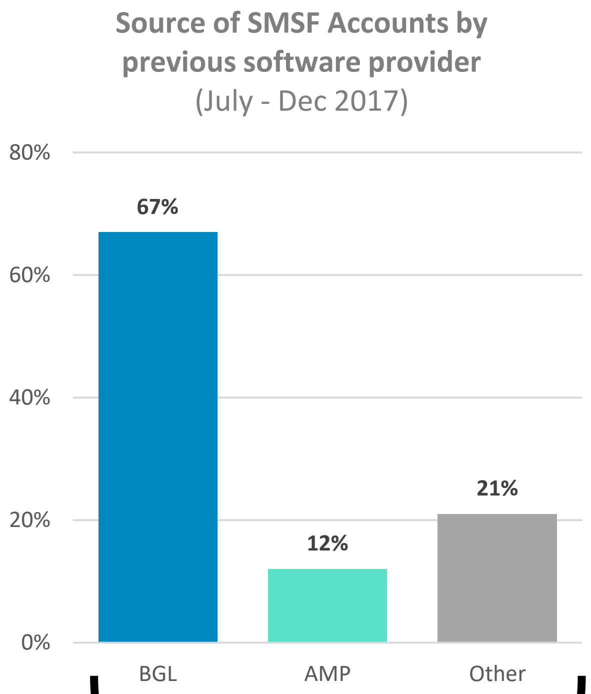
- **154,053** total SMSFs
- **25%** market share
- **1,287** Class Super customers
- **120** funds average per customer
- **$215** ARPU

Client Adoption Curve and Acquisition Cost

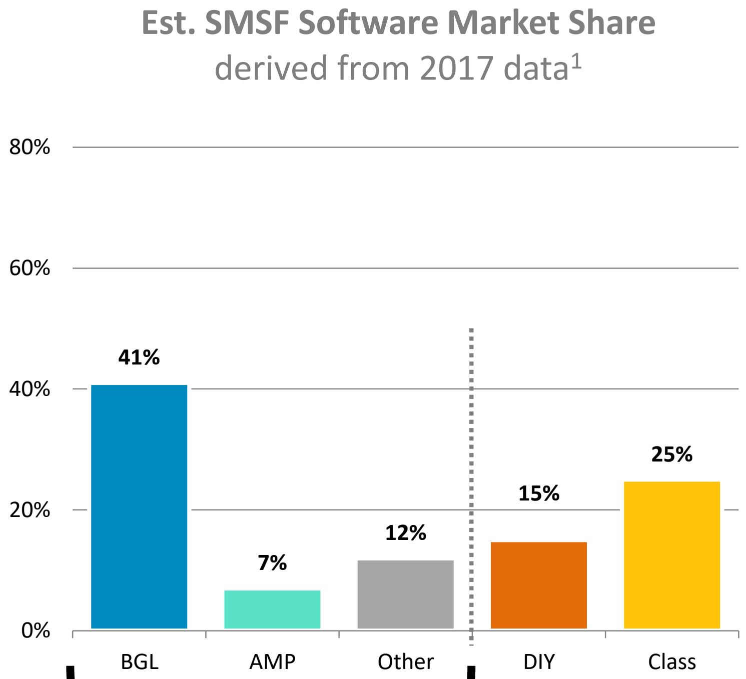


- Q2 campaign demonstrated:
  - Mid-market prospects do respond to marketing efforts
  - Marketing campaigns create long-term value
  - Higher marketing spend is needed for Majority market
- CAC up 20% to $135 vs. $112 PCP
- Months to earn back acquisition cost (CAC Months) = 7.5

Winning Across Addressable Market



What we won
(% of new funds Class signed in 1H18)

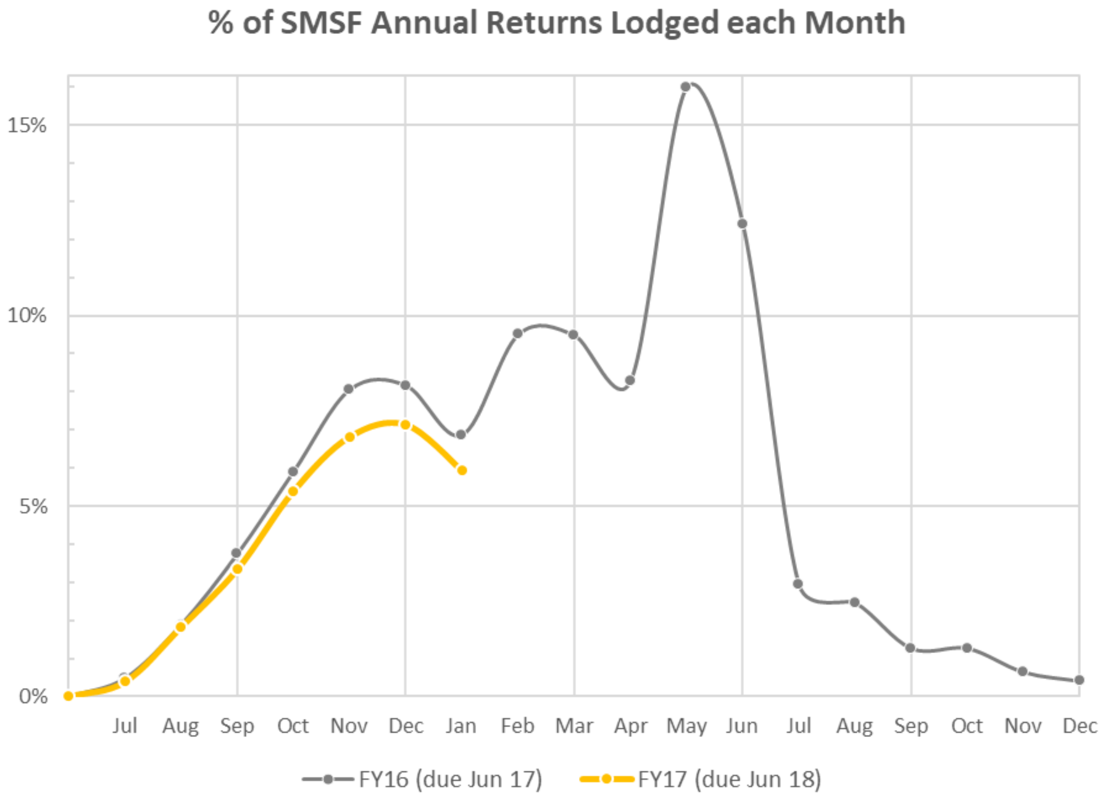


Our addressable market
(% of estimated 604k SMSFs)

- Class is winning against all alternatives
- 8% of new accounts are from other cloud products
- Estimated remaining addressable market is 60%

[1] Usage data from ***Investment Trends surveys of SMSF Investors, Planners and Accountants in 2017***.

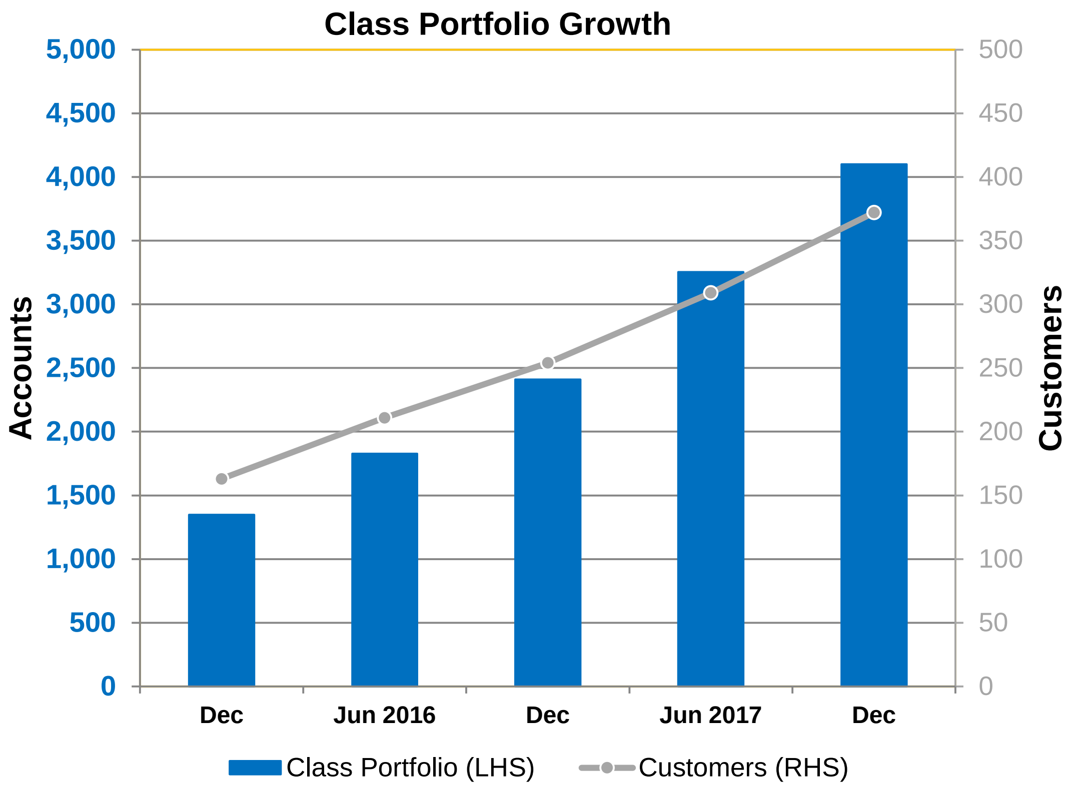
Super Reforms Delaying Lodgments



- Class Super lodgments for FY17 80% done on time, in-line with tax agent targets
- Class Super lodgments for the year to date are about 14% behind this time last year
- Super Reform expected to be a factor thought to end of FY18
- Need for automation will further accelerate technology adoption over coming years

Note: data is from SMSF Annual Returns lodged electronically via the Class Super application

Class Portfolio Growth



- **846** new accounts, **+ 26%,** for the half year

At 31 December 2017:

- **4,100** total portfolios
- **372** Class Portfolio customers
- **29%** of the 1,287 Class Super customers now using Class Portfolio, average **11** accounts per customer
- **$139** ARPU

Q3 'Cross Sell' campaign with goal to:

- Increase customers using Class Portfolio, and
- Increase number of accounts per customer

Investing for Growth

	1H17	1H18
Growth Focused Employees		
21% increase		
Customer Acquisition	23	25
Product R&D	20	27
Delivery Focused Employees		
10% increase		
CEO, Finance and Admin	7	8
Service Delivery	33	36
Total	83	96

- Increased resources to drive growth of Class Super and cross-sell Class Portfolio into existing customer base

- Increased development resources – Broaden feeds, Open Banking, NPP and real-time reporting
- Additional resources for partner team 2H18, improved APIs, partner development. Contribution to earnings expected in FY19
(currently **5%** of revenue is earned from partners)

Summary

- Marketing led sales worked well to generate growth in Q2
- Q2 backlog of “to be loaded” SMSFs to underpin Q3 fund growth
- Q3 campaign committed to accelerating Class Portfolio account growth
- Super reform disruptions, including the ATO lodgement extension, are expected to create subdued Q4 growth (similar to last year)
- EBITDA margins are expected to hold at current level for the rest of the FY due to:
  - Increase of customer acquisition costs (CAC)
  - Revenue deferred as part of the Q2 campaign (billing starts 1 July 2018)
  - The expected migration of some portion of AMP funds within FY18
- Despite the expected migration of remaining AMP funds through into FY19, the business is well positioned for a post super reform market where technology will be more in demand
- Current initiatives are laying the groundwork for continued strong growth in SMSFs, and increased revenues from Class Portfolio and an expanded partner network

Appendix

Glossary

Accounts: 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 (on a rolling 12 month basis)

CAC Months: Number of months required to offset cost of acquiring an account = CAC/(ARPU/12)

EBITDA margin: calculated by dividing EBITDA by operating revenue.

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

NPAT margin: calculated by dividing Net profit after tax by operating revenue.

NPBT margin: calculated by dividing Net profit before tax by operating revenue.

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

Investing in Product

$m	1H17	1H18
Total Development Costs	2.4	2.8
Development costs / Operating Revenue	*16.8%*	*16.4%*
Less: Development recognised as expenditure	-1.0	-0.8
Capitalised Development Costs	**1.3**	**2.0**
Capitalised development / Operating Revenue	*9.6%*	*11.7%*
Other Intangibles and Capitalised Development	0.2	0.4
Computer and Office Equipment & Other	0.5	0.1
Total Capital Expenditure	**2.0**	**2.5**
Capex / Operating Revenue	*14.2%*	*14.6%*
Capex / EBITDA	*31.3%*	*31.7%*
Depreciation & Amortisation	1.2	1.7

- HY18 Development costs included:
  - Class Portfolio: ~$0.8m
  - Class Super: ~$2.0m
- FY18 Depreciation and Amortisation expense is expected to be ~$4m

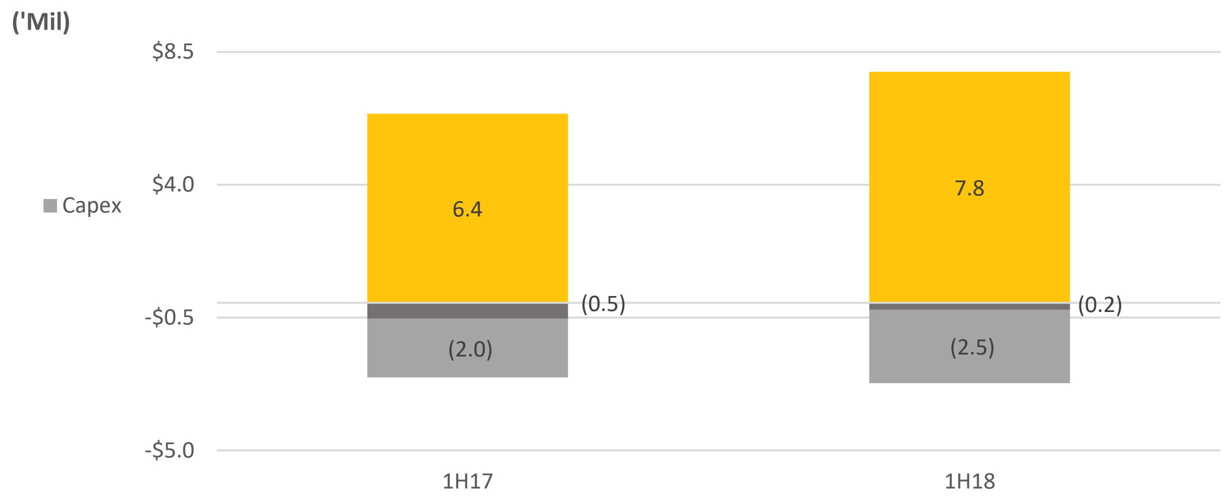
Summary P&L and Key Operating Metrics

$m	1H17	1H18	
Operating Revenue	**14.0**	**17.0**	**+21%**
Costs of undertaking business	(7.6)	(9.2)	
EBITDA	**6.4**	**7.8**	**+23%**
Depreciation	(0.2)	(0.2)	
Amortisation	(1.0)	(1.5)	
Net interest benefit	0.1	0.1	
NPBT	**5.3**	**6.3**	**+18%**
Income tax (expense) / benefit	(1.7)	(2.0)	
NPAT[1]	**3.6**	**4.3**	**+19%**
EBITDA margin (% of revenue)	45.3	46.0	
NPBT margin (% of revenue)	38.0	37.0	
NPAT margin (% of revenue)	25.7	25.3	

	31-Dec-16	31-Dec-17
No. of subscribers	1,050	1,291
Class Super accounts	127,806	154,053
Class Portfolio accounts	2,410	4,100
No. of accounts at end of period	130,216	158,153
ACMR ($m)	28.249	33.732
ARPU - Super ($)	218	215
ARPU - Portfolio ($)	147	139
CAC ($)	112	135

Summary Cash Flow & Balance Sheet

Cash flow before Financing and Taxation ($m)



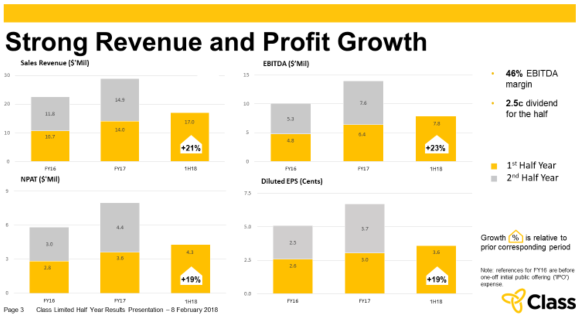
$m	1H17	1H18
EBITDA	6.4	7.8
Non-Cash Items	(0.5)	(0.2)
Capex	(2.0)	(2.5)
Net free cash flow	3.9	5.1
% of EBITDA	60.93	65.25

Balance Sheet ($m)	30-Jun-17	31-Dec-17
Current Assets		
Cash and cash equivalents	19.4	20.0
Trade and other receivables	3.1	3.6
Other current assets	0.7	0.8
Total Current Assets	**23.3**	**24.4**
Property and equipment	0.8	0.7
Intangible assets	5.0	5.9
Deferred tax assets	-	-
Total Non Current Assets	**5.9**	**6.6**
Total Assets	**29.1**	**31.0**
Current Liabilities		
Trade and other payables	2.4	2.3
Provisions	0.5	0.6
Tax liabilities	1.8	1.1
Total Current Liabilities	**4.7**	**4.0**
Deferred Tax	0.7	0.9
Provisions	0.3	0.3
Total Non Current Liabilities	**1.0**	**1.2**
Total Liabilities	**5.7**	**5.2**
Net Assets	**23.4**	**25.8**

CLASS INVESTOR PRESENTATION 1H18

CEO COMMENTARY

3. STRONG REVENUE & PROFIT GROWTH



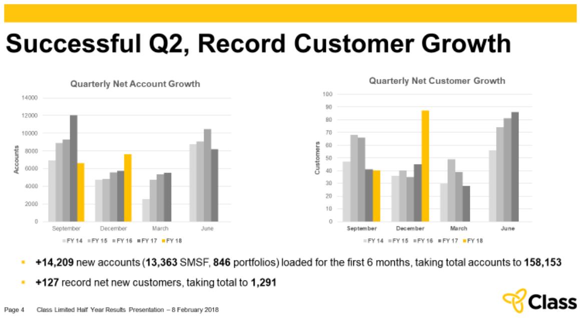
It is great to have bounced back from a slow first quarter and finish the half with a record-breaking December quarter, maintaining our industry leading market growth and delivering a strong increase in revenue and profit.

Revenue is up 21% compared to this time last year, driven by the addition of just under 28,000 new accounts since December 2016.

This result flowed through to the bottom-line with a 23% increase in EBITDA and 19% increase in net profit after tax to $4.3m.

Given the continued revenue growth and steady profit margin, a fully franked interim dividend of 2.5 cents will be paid in March.

4. SUCCESSFUL Q2, RECORD CUSTOMER GROWTH



I mentioned that our revenue growth was driven by new account adds; over 14,000 accounts were added this half and that was despite a disrupted slow start in the September quarter.

I'm pleased to report that a hugely successful sales and marketing campaign in the December quarter delivered a fantastic outcome. So much so that in contrast to historical trends and, as you can see in this graph, we added more accounts in the second quarter than we did in the first.

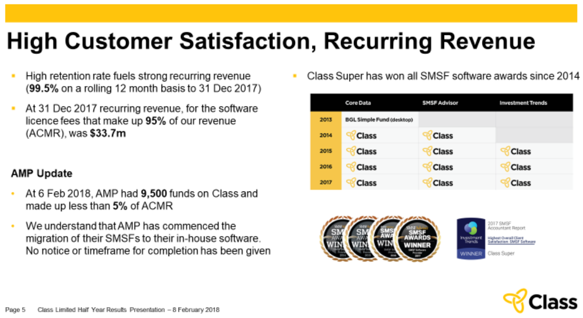
It was our best December quarter ever with a record 7,600 accounts added, well above any previous December result.

We also added a record number of new customers in Q2, which combined with Q1, set a record for new clients added in any half-year as well.

Many of the record 127 customers added came onboard late in the half and many had not loaded their accounts by the end of December.

In this disrupted year (where the second half will have a delayed lodgment season) the backlog of Q2 accounts to be transitioned will help underpin account growth in the current quarter which, as well as coming under pressure from a reform disrupted lodgment season, is also anticipated to be impacted by an outflow of some AMP funds.

5. HIGH CUSTOMER SATISFACTION, RECURRING REVENUE



Over the last two years AMP's funds on Class Super have fluctuated but overall, they have trended down.

We understand that AMP has now commenced their long-expected, migration process.

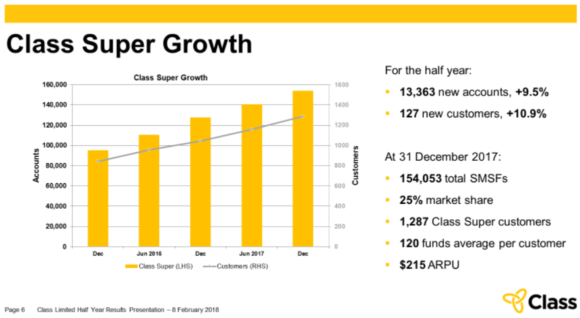
As at 6 February 2018, AMP had 9,500 funds on Class and they accounted for less than 5% of our recurring software licence revenue (ACMR).

As we have noted in previous market updates, AMP has a stated intention to, over time, migrate their SMSFs to technology they acquired in 2015.

No notice, or any timeframe for the completion, of this migration has been provided.

Excluding AMP, we continue to maintain our award-winning satisfaction levels and a retention rate of 99.5%. This excellent customer retention underpins an annualised recurring revenue (ACMR) of $33.7m, up 19% compared to this time last year.

6. CLASS SUPER GROWTH

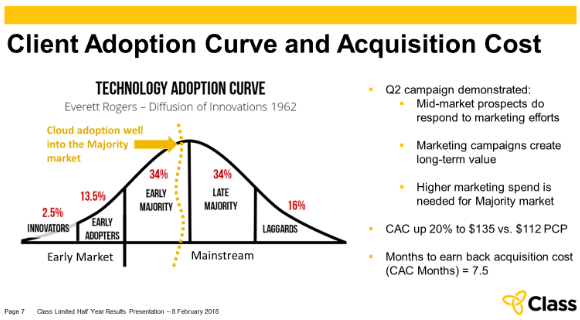


Class' high retention rates and the addition of new accounts have seen the overall number of SMSFs increase 9.5% during the half, taking the number of funds to over 154,000; a 25% market share of the estimated 604,000 SMSFs.

The average revenue per fund (ARPU) is steady at $215.

The majority of our growth continues to come from winning share from our competitors, predominantly due to a shift away from defunct desktop software as the industry moves to the cloud.

7. CLIENT ADOPTION CURVE & ACQUISITION COST



The adoption of cloud SMSF software is well past the Early Adopter phase, and well into the middle 'majority' market, as shown here on the Rogers' Technology Adoption Curve.

The prospects that we are selling to today are quite different to those we sold to earlier and, as previously advised, we have restructured and scaled our sales, marketing and implementation teams to change the way that we engage with these prospects.

These clients can be harder to find and attract, but the Q2 campaign demonstrated that with the right sort of offer, Class is able to find, engage and win these clients, even in a quarter that is traditionally a slower growth period.

The investment made in sales, marketing and implementation, and the extra effort required to win these clients, has seen our cost of acquiring customers or CAC, increase by 20% to $135 per fund.

The cost of acquiring clients in the latter half of the adoption curve is expected to remain around this new level.

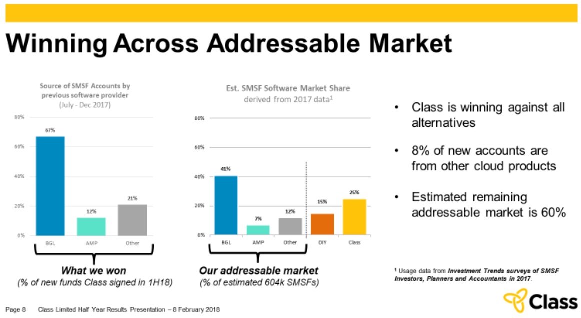
'CAC months', that is, how many months of revenue (ARPU) it takes to recover the cost of acquisition, has gone from just over 6 to 7.5.

This still compares very favourably with many other cloud software providers, for example, Xero's is currently over 12.

Although the investment being made in acquisition puts downward pressure on margins in the short-term, the long-term value of clients, especially given our 99.5% retention rate, makes it well worth investing to win them.

8. WINNING ACROSS ADDRESSABLE MARKET

Another aspect of the move along the technology adoption curve, is that most of our new business wins now come through a competitive 'cloud' selection process.



Class is winning funds against all competitors in proportion to their estimated market share.

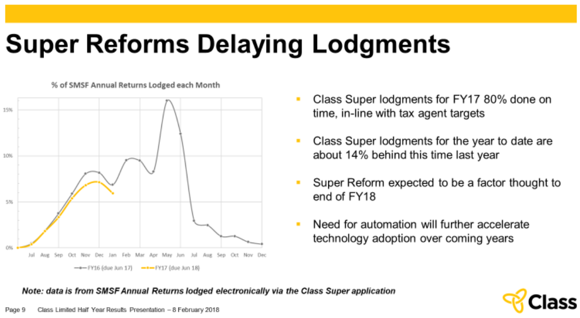
We are also seeing a small, but growing, number of established cloud users switching to Class from other cloud software providers; 8% of our new business came from other cloud products in this half.

We estimate our remaining addressable market is ~360,000 funds, that is, after taking out the Class share and 15% for DIY trustees, our remaining addressable market is still 60% of all SMSFs.

In the 12 months to December 2017 we estimate the industry grew by 3.8%, adding another 23,000 new funds, the highest number of new SMSFs in 4 years. It's great to see the industry bouncing back after the uncertainty around super reforms announced in 2016.

9. SUPER REFORMS DELAYING LODGEMENTS

I've mentioned super reforms a few times now. The ATO has extended the deadline for tax lodgments from 15 May to 30 June, again this year.



Class Super lodgments for the year to date are about 14% behind where they were this time last year.

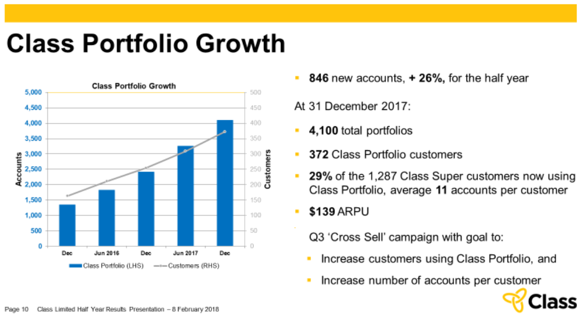
We think that super reforms will continue to be a disruptive factor for the rest of this financial year.

Beyond that, the tighter cap & limits and the introduction of event-based reporting, will see regulatory pressure continue. I am confident that the more stringent compliance, tracking and reporting requirements, will accelerate technology adoption over the next few years.

This need for automation will make Class Super indispensable to the running of an effective and profitable SMSF practice.

10. CLASS PORTFOLIO GROWTH

The Reforms also set the scene for a broadening of wealth strategies outside Super; our investment in Class Portfolio is continuing to gain traction with growth in accounts of 846 for this half, up 26% on the same period last year.



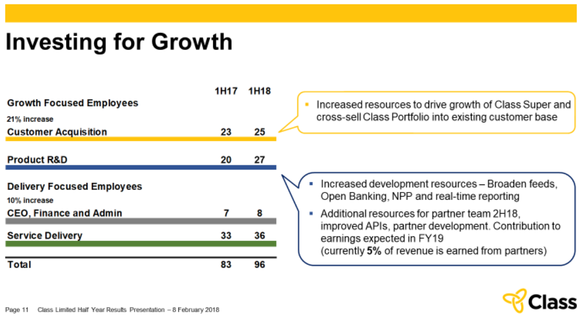
We continue to see an increase in the cross-sell of Class Portfolio into the existing Class Super user base with 29% of those customers now using Class Portfolio for trusts and other personal investments outside super.

The number of accounts per customer remains low, at 11 accounts on average, but as we run campaigns to promote and demonstrate to firms how to leverage Class Portfolio within their business, and as we roll out new features, we expect this usage to continue to increase.

Based on the success of our Q2 campaign we believe Q3 is a great opportunity to get the attention of many of our existing customers and cross-sell Class Portfolio. The campaign is highlighting the relevance and importance of Class Portfolio to the 'whole of wealth'/'family office' style plans that many of these firms have for growing their businesses.

11. INVESTING FOR GROWTH

The investments we have made for our growth, that is in the acquisition teams for Class Super and in product development for Class Portfolio, are about where we need them for now and we have great teams in place to execute on the strategy in these areas.



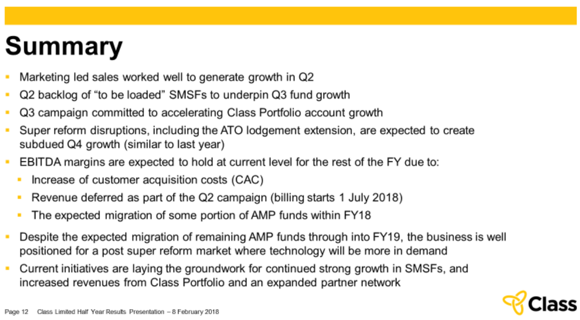
Our cost of delivery continues to demonstrate excellent operational efficiency and the scalability of the business, with just a 10% increase in FTEs servicing a 19% increase in account numbers across the same period.

We are still making further investments to support our strategy around expanding API support and broadening our partner ecosystem to increase revenue share from partner products.

Despite this further investment the scalability of delivery and the levelling-off of acquisition and Class Portfolio development costs, will help to improve margins further in FY19.

12. SUMMARY

The first half has seen a strong recovery from a slow start, with some benefit of that success flowing into the current quarter.



With continued revenue growth, excellent operational efficiency and EPS growth, the business is able to support a 2.5c fully franked interim dividend.

The rest of FY18 is expected to see margins hold at current levels under the downward pressures from higher acquisition costs, the tail-end of super reforms, and the impact of some migration of AMP funds.

Despite the challenges facing the rest of FY18, the business is well positioned:

- to continue to be the technology provider of choice for the SMSF industry;
- to become so for the broader, non-super, wealth accounting market; and
- to improve our engagement with partners and financial planners to enhance customer value and provide the best wealth accounting platform possible.