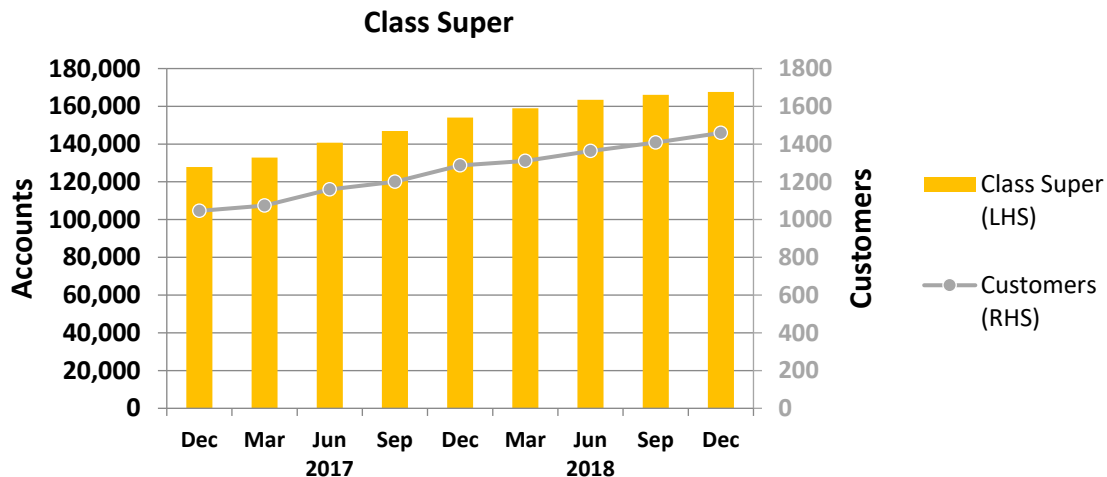


CLASS LIMITED (CL1) - QUARTERLY UPDATE

Welcome shareholders to the update for the quarter ending 31 December 2018.

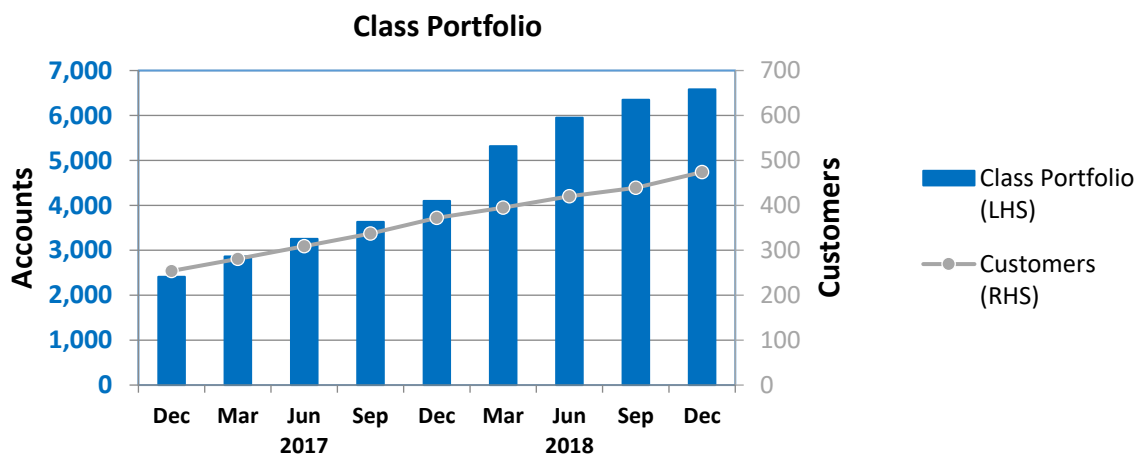
Account Growth

- Total accounts increased by **1,760** to **174,212**
- Total Class customers increased by **57** to **1,470**



Class Super grew by **1,529** accounts (net of ~1,000 AMP suspensions) to **167,631**. The lower than expected growth in accounts reflects regulatory uncertainty, increased competition and a lower number of average accounts per new customer. Despite it being the second ever highest quarter for new customer additions, the average number of accounts per new customer (~40) was lower than usual.

Class is committed to strengthening its product leadership over its competitors and restoring account growth back to historical benchmarks. A number of significant new features will be released in the first quarter of 2019 to drive increased levels of automation and further streamline SMSF administration for accountants, to be accompanied by a broad range of marketing and customer engagement initiatives.



Class Portfolio grew to **6,581** accounts and **32%** of Class Super customers now use Class Portfolio.

Class is focused on broadening its product offerings into the financial adviser community, supporting their need to deliver up to date, high quality information and drive down costs to the customer. Key integrations with XPLAN and Midwinter were recently released and the Class Adviser Dashboard will be released in early 2019 to further strengthen the Class platform value proposition.

Class has also released Portfolio Engine, which provides back office system software for investment portfolio administration and reporting. Class has recently signed OpenInvest and InvestSMART as Portfolio Engine partners to drive their managed account offerings.

Revenue

Annualised recurring revenue (ARR) from licence fees was \$37.1m as at 31 December 2018, an increase of 10.1% from 31 December 2017, reflecting the growth in accounts and the high customer retention rate of 99.2%¹ (excluding AMP).

Revenue from Class' Alliances Program (including Portfolio Engine) is also growing and further initiatives are currently under review to strengthen the Class Platform offering.

Appointment of new CEO

The Board is in the final stages of recruitment for the CEO role and expects to make an announcement before the release of the half year results on 14 February 2019.

Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'Glenn Day'.

Glenn Day, Acting CEO
Class Limited

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¹ Rate is at 31 Dec 2018 and is ex-AMP which had ~6,200 funds on Class and made up just under 3% of ARR; if AMP's ~2,200 suspensions for FY19 were included, retention rate would be ~97%