

18 February 2020

CLASS LIMITED (CL1) - DELIVERING ON OUR REIMAGINATION STRATEGY

It is an exciting time at Class and we are extremely positive about what 2020 holds.

The underlying business is very solid as we invest this financial year to position Class for accelerated growth in FY21 and beyond.

For Class to deliver to the reimagination strategy in FY20 we are focused on building momentum. As announced at our FY19 results, we are investing \$12m over the full year on product and technology development.

Summary of Results - Half year ended 31 December 2019¹

Operating revenue	\$20.5m	up 8%
EBITDA ^{2,3}	\$8.1m	down 7%
Net profit after tax ²	\$3.1m	down 30%
Product Investment	\$5.5m	up 25%

¹ Percentage increases are by comparison to prior corresponding period, 31 December 2018.

² Includes \$509k (\$369K net of tax) in acquisition and corporate advisory costs associated with the NowInfinity acquisition and exploring other opportunities.

³ Comparative prior period is not restated for the impact of the new Leasing Standard AASB16 (EBITDA impact +\$373k).

Work on Class Trust is progressing well and we announced the acquisition of NowInfinity last month, which further extends our product set around the professional services ecosystem.

We believe the NowInfinity acquisition is highly complementary to the Class offering. It presents us with great strategic optionality with their fintech platform. We will now realise the opportunity to leverage Class capability to grow revenue and accelerate the business to scale.

It is pleasing to see the improved net account growth and Class is again growing its market share in the SMSF and Portfolio space. Our product development capability is building as we refine the Trust product with our pilot partners and we remain on track for release later this year.

We are targeting an EBITDA margin in the underlying business of 40% and a revenue growth target of 14% for FY20, including NowInfinity.

We will continue to evolve our reimagination strategy through a combination of build, acquire and partner.

We look forward to providing further insight at our Investor Day on 13 March 2020. Register [here](#).

Account Growth

At 31 December 2019, Class had a total of 183,955 accounts (30 June 2019: 179,082) including 174,360 Self-managed Super Funds (SMSFs) on the Class Super product.

Class Portfolio continued to grow and had 8,875 accounts as at 31 December 2019 (30 June 2019: 7,635).

Dividend Declared

The Directors have declared a fully franked interim dividend of 2.5 cents per ordinary share with a record date of 28 February 2020, to be paid on 27 March 2020.

Investor presentation and conference call

Class is hosting a call this morning at 9:30am AEDT to provide commentary on the results.

Dial in Number: 1800 870 643 (toll-free)
+61 2 9007 3187 (toll)

Conference ID: 10003528

URL: <http://webcast.openbriefing.com/5748/>

A recording of the presentation will be made available on the company's website.

Approved for release by:

Andrew Russell, Managing Director & CEO

For further information please contact:

Ebby Carson, Investor Relations Manager & Asst Co. Secretary
Ph: 02 8045 0062 Email: ebby.carson@class.com.au