



FY20 Results Presentation

August 2020

We will reimagine a more simple, automated world for our customers and they will love it!

Our Agenda

Results FY20
(ASX:CL1)

- ✓ Company overview and business highlights
- ✓ FY20 revenue insights
- ✓ Strategy & outlook
- ✓ Q & A
- ✓ Appendix

Class Limited

Value proposition and Business model

- Commenced implementation of Reimagination strategy in 2019
- We create technology solutions to automate and simplify complex administration at scale
- Our solutions assist customers in automating key processes, reducing operating costs for their back office, improving data accuracy and reducing compliance risk
- Class products offered via recurring monthly software fee or Pay As You Go fee.
- The Class suite of products achieve over 99% customer retention

Our Customers

Products



	Accountants	SMSF Admin.	Invest. Advisers	Fin. Planners	Trust Admin.	Lawyers
CLASS SUPER	●	●	●	●		
CLASS PORTFOLIO	●		●	●		
CLASS TRUST	●			●	●	
NowInfinity	●	●	●	●	●	●

Award Winning SMSF Administration and Wealth Accounting Software

Investment Trends

Overall Satisfaction SMSF Software Winner
2015, 2016, 2017, 2018 & 2019



Value for Money Winner
2017, 2018 & 2019



Fintech Business Awards

Accounting Innovator of the Year
2018 & 2019



SMSF Adviser

SMSF Software Provider Winner
2014, 2015, 2016 & 2017



FY20 dashboard

Delivering strong topline growth as the Class business transforms

Revenue

Operating Revenue

\$44.1m



Up 15%
Guidance 14%

ARR¹

\$46.8m



Up 22%

Investment and Margin

Product Investment

\$11.7m



Guidance \$12.7m

Underlying EBITDA Margin

42%



Guidance 40%

Profitability and Dividend

Free Cashflow²

\$9.8m

22% of Operating Revenue

Dividend

5 cents

Maintained

Customer

Customer base

2,866



Up 86%

Accounts

187,254



Up 4.6%

¹Subscription revenue only. Excludes circa \$2.4m of Pay As You Go (PAYG) revenue.

²Refer to page 22

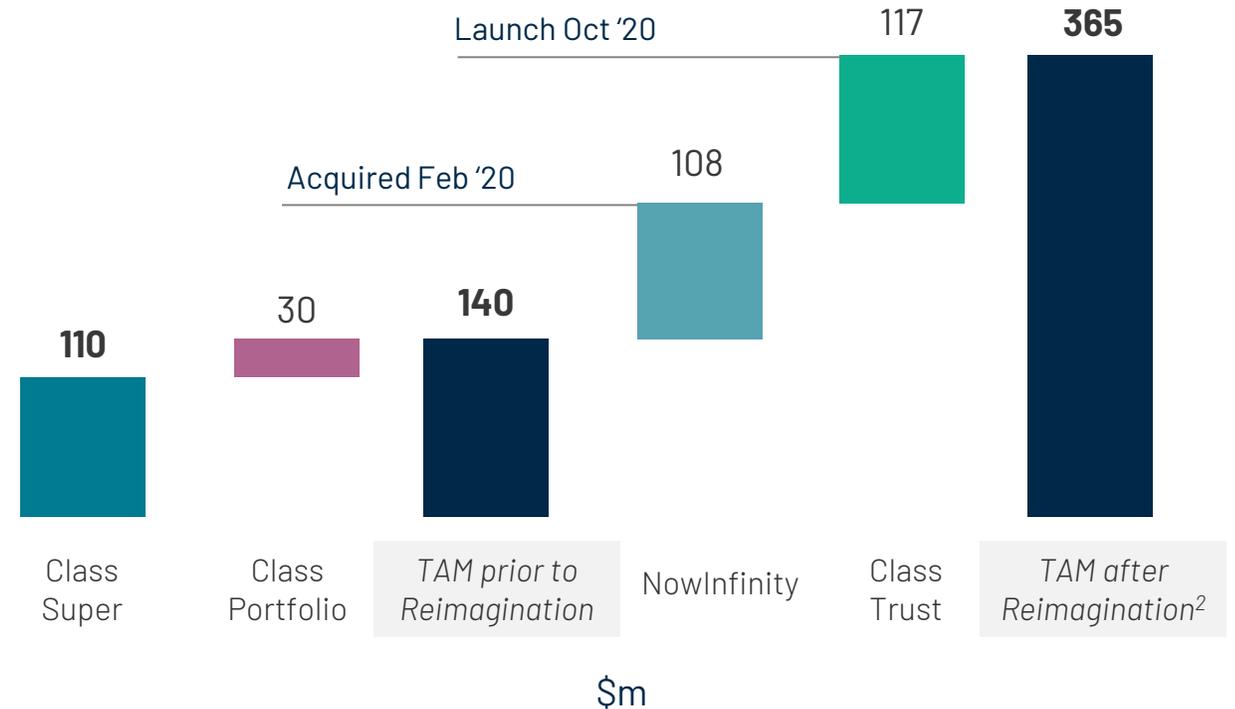
A Reimagined Class - a large and growing addressable market.

Class' market penetration is only ~9.9%
of potential customers

We have a significant opportunity to
grow organically and by acquisition

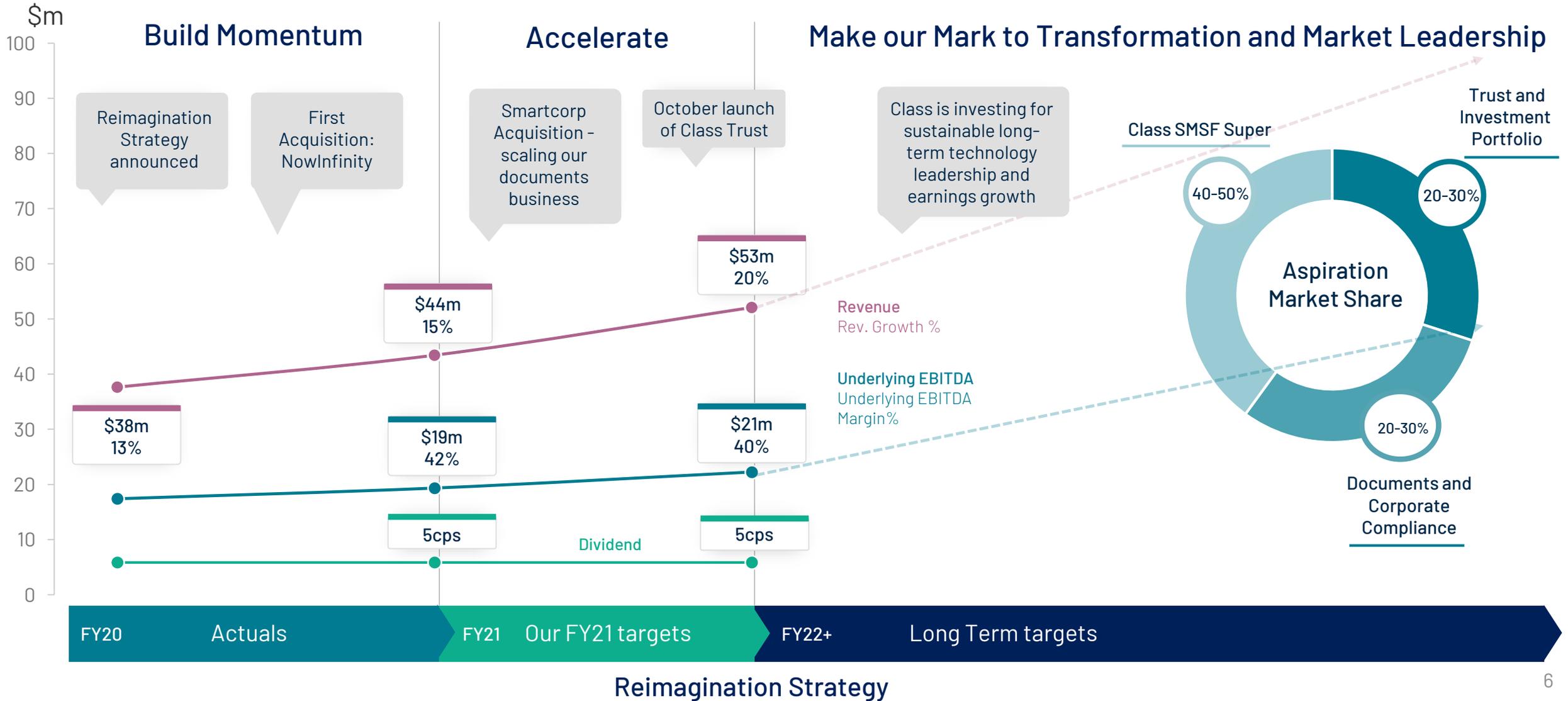


Class has already increased its TAM over 2.5
times through the Reimagination strategy



1. Frost & Sullivan independent market report 2020
2. TAM includes accounting practices, SMSF administrators, lawyers, and financial planners/advisers

The pursuit of Reimagination through to transformation & market leadership



Key achievements in FY20

Reimagination strategy building momentum in year 1 – Class delivered on guidance provided to the market



Technology Investment

Progressed with improvements to our technology capability that will realise scalability and speed efficiency dividends as our data platform grows in FY21 and beyond

13 new modules were added in 2020



New Management

Class is attracting best in market talent
Class has reset the executive leadership team

Class has hired key new talent at the senior leadership and operational levels



Lift in growth in existing market

Super Market Share – 28.9% -growth 3.1%, 1.8X system

Class Portfolio accounts increased by 21.2%



New Markets

NowInfinity acquisition completed
Class grows addressable market by \$108m by entering the document and corporate compliance segment



New Products

Trust pilot grows to 23 customers as of today with promising feedback from users
Class grows addressable market by \$117m launching Class Trust
Class Trust will launch ahead of schedule in – October 2020



Customer Satisfaction

Customer Retention Rate of 99.1%
Class maintains NPS leadership and fastest growing SMSF software provider¹

¹ 2020 Investment Trends Report findings

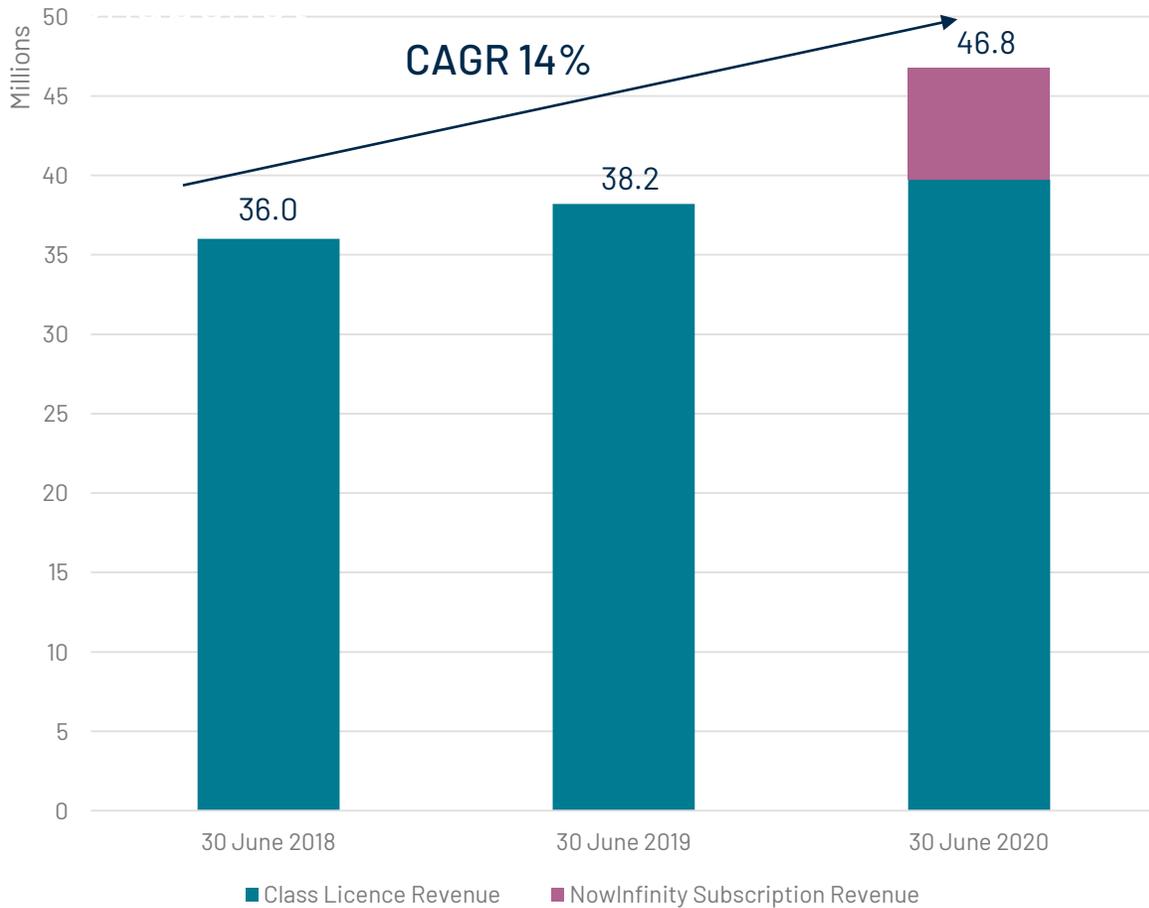
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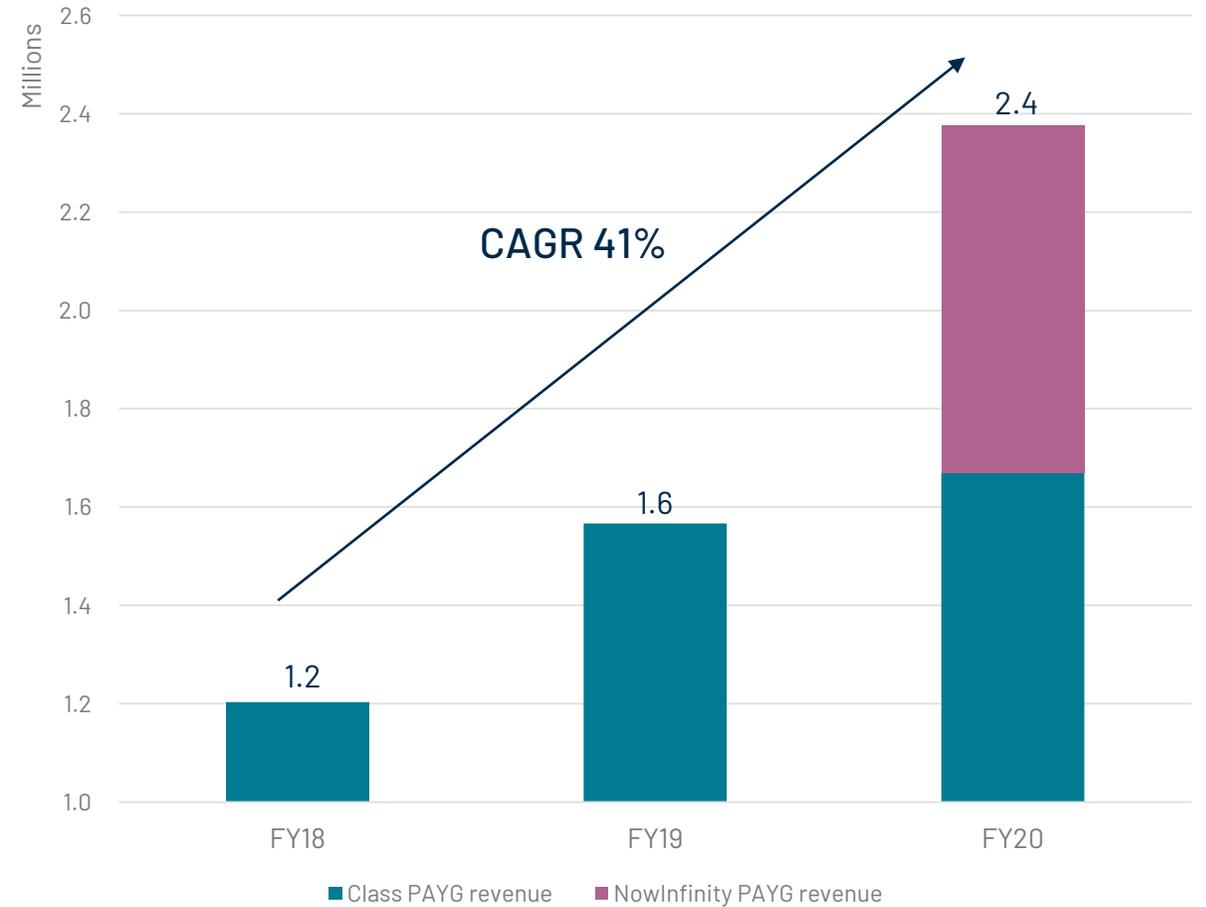
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Roll Forward Revenue increased by 24% in FY20

Annualised Recurring Revenue



PAYG Revenue LTM



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Class' product suite and technology investment

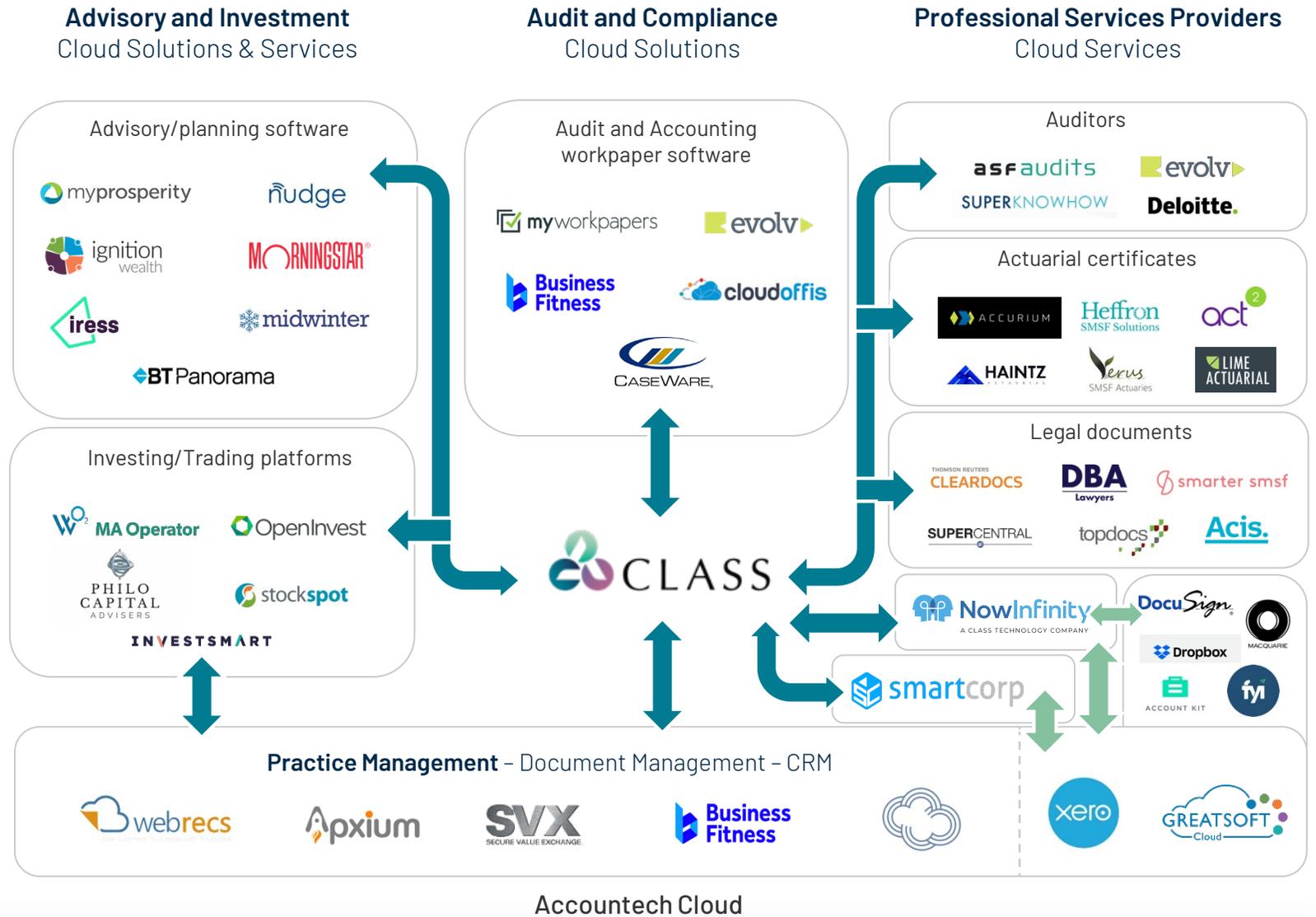
Our FY20 investment has focused on maintaining Super leadership, Trust development, upgrading our Class technology platform and integrating NowInfinity

			
<ul style="list-style-type: none"> Tax Statement Automation & OCR Bulk Income Generate & Automatch Covid 19 Legislation Updates CloudOffis SMSF Sorted integration Class to XPLAN Integration Digital Signatures Enhanced Managed Account datafeed 	<ul style="list-style-type: none"> Portfolio Fees Investment Reports Class to XPLAN Integration Digital Signatures 	<ul style="list-style-type: none"> Unit Trust - buys and sells Financial Statements including Current & Non-Current classification Trust Accounting (capital works & revaluation reserves) Trust Accounting Reconciliation Report Trust Tax Reports (Statement of Net Income & Statement of Distribution) Trust Tax Lodgment (via Class and Xero/MYOB/APS) Digital Signatures 	<ul style="list-style-type: none"> Class and NowInfinity integration Documentation Suite Corporate Messenger Trust Register (Beta)

13 new modules were added in **2020**

Class Trust will be launched in October and Class will continue to invest **in all products in FY21**

Class continues to build, grow and connect our ecosystem to our customers



Strategy to grow revenues alongside of core accounting subscriptions

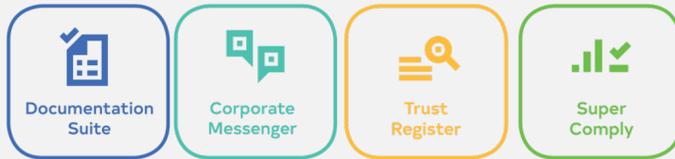
FY20 focus was creating a leading position in Entity Compliance and Document services

Philo Capital provides optionality in the managed account segment

Participation in SMSF Audit value chain continues to grow

Acquisition of NowInfinity

Extends Class' role in the professional services firm ecosystem, reaching more clients with a broader set of services



NowInfinity is a leading entity compliance and documentation platform that exists to improve productivity in financial businesses through driving better technology solutions and automation

Key Highlights

- Acquired in Jan 2020
- Successfully integrated into Class ahead of plan
- NowInfinity passed more than 500,000 entities managed on its platform in June
- 25,000 additional entities onboarded from cross sales to Class users since acquisition

Acquisition of Smartcorp

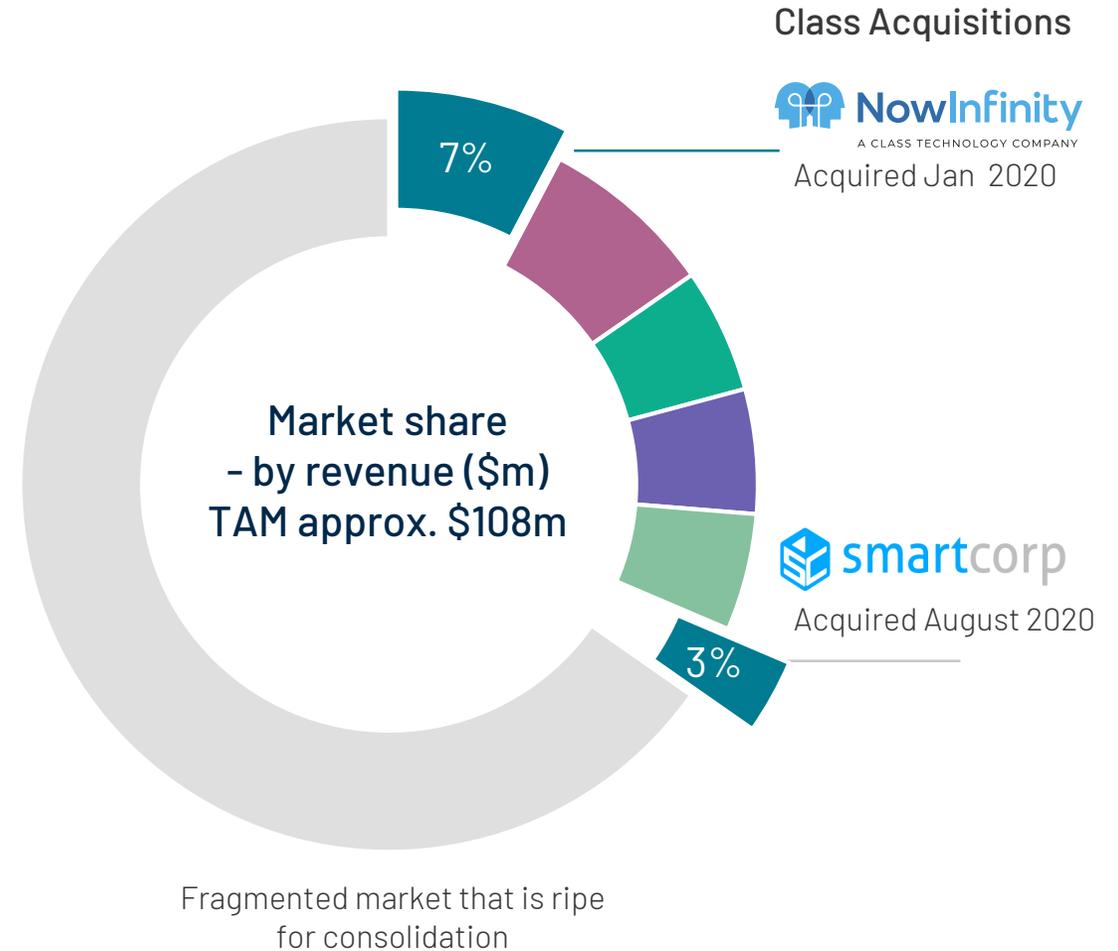
Customer acquisition opportunity to fast track to a market leadership position in the document vertical

Strategic Rationale

- Accelerates the path of scaling NowInfinity
- Smartcorp provides a document and corporate compliance platform to over 1,500 accountants, advisors and other professional service providers
- Opportunity to leverage NowInfinity Platform to scale business & sell through

Transaction Detail

- Acquisition for \$4.2m subject to completion adjustments
- \$2.7m cash, \$1.5m Class shares escrowed for 18 months
- Completion date 20 August 2020
- Circa \$1.5m revenue contribution in FY21(\$1.8m annualised)
- EPS accretive in FY21



FY21 targets

Our targets for FY21 for our accelerate year of Reimagination Strategy.



¹ Includes full year of subscriptions from accounts added in FY20 and full year contribution from NowInfinity

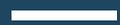
² Smartcorp revenue recognition - part year only Sept-June. Annualised revenue \$1.8m

³ Embedded FY21 revenue plus reasonable expectation of organic growth. Excludes acquisitions

Summary and Outlook

-  **FY20** results delivered to our strategy promise with **15% revenue growth**
-  Class has expanded its **Total Addressable Market by 2.5X**, from \$140m to **\$365m** to position Class for accelerated growth in FY21 and beyond
-  We are targeting **revenue growth of 20% for FY21** with more than **95% of the revenue target already embedded from roll forward revenue and Smartcorp acquisition**
-  Managing our investment expenses astutely to **our underlying EBITDA margin target of 40% + in FY21**
-  We have made good progress with our technology development and will launch **Class Trust ahead of schedule in October 2020**

Q & A



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(ASX:CL1)

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(ASX:CL1)

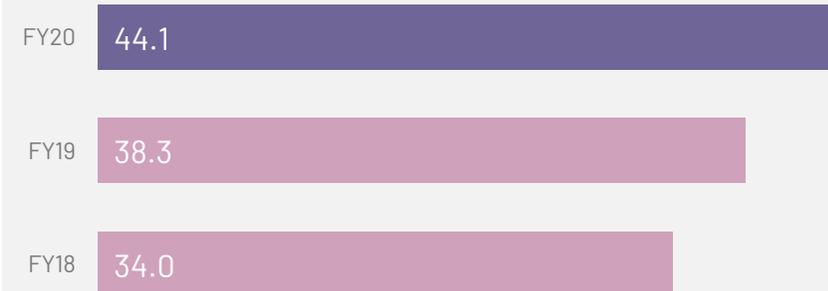
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Financial Operating Results

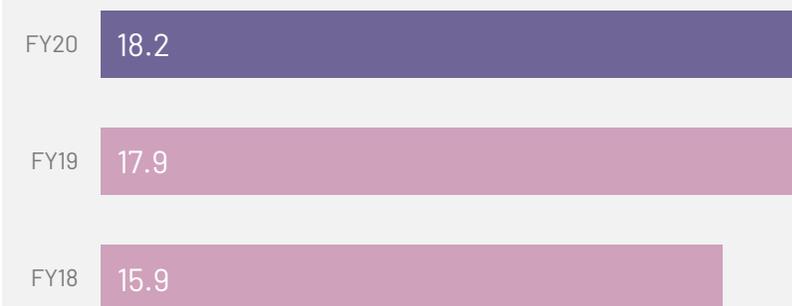
\$m	FY19 ¹	FY20	
Operating Revenue	38.3	44.1	+15%
Employee costs	(14.4)	(18.5)	
Costs of undertaking business	(6.0)	(6.6)	
Acquisition and corporate advisory costs	-	(0.8)	
EBITDA	17.9	18.2	+1%
EBITDA margin	47%	41%	
Depreciation	(0.5)	(1.3)	
Amortisation	(5.3)	(6.3)	
Amortisation from business combinations	-	(0.5)	
Net interest benefit	0.3	(0.0)	
NPBT	12.5	10.1	-19%
Income tax expense	(3.5)	(3.3)	
Statutory NPAT	9.0	6.8	-24%
Amortisation from NowInfinity acquisition net of tax	-	0.4	
NPATA	9.0	7.2	-20%
Basic EPS (cents)	7.7	5.8	
Diluted EPS(cents)	7.6	5.7	
Dividend per share (cents)	5.0	5.0	

¹Comparative prior period is not restated for the impact of the new Leasing Standard AASB16

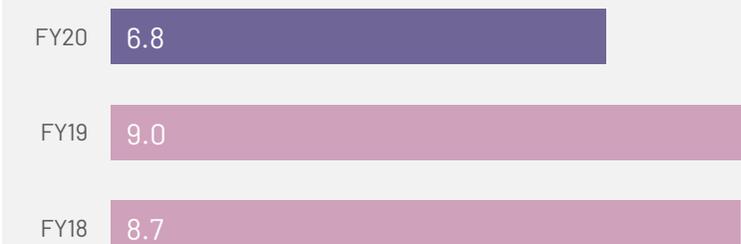
Operating Revenue (\$'Mil)



EBITDA (\$'Mil)



NPAT (\$'Mil)



Investing in Product

\$m	FY19	FY20
Total investment in product & development – Class	9.0	11.0
Total investment in product & development – NowInfinity	-	0.7
<i>Development costs / Operating Revenue</i>	23.4%	26.5%
Less: Development recognised as expenditure	(2.7)	(4.4)
Capitalised Product & Development Costs	6.3	7.3
Other Intangibles	0.4	0.4
Computer and Office Equipment & Other	0.3	0.8
Capitalised Acquisition Costs & New Leasing Standard	0.6	1.4
Total Capital Expenditure	7.6	9.9
<i>Less: Leasehold Improvements & Fit-out/Furniture</i>	<i>(0.1)</i>	<i>(0.3)¹</i>
Adjusted Capital Expenditure	7.5	9.6
<i>Capex / Operating Revenue</i>	19.5%	21.9%
<i>Capex / EBITDA</i>	41.7%	53.0%
Depreciation & Amortisation	5.0	6.4
Depreciation & Amortisation – AASB15	0.8	0.8
Depreciation & Amortisation – AASB16	N/A	0.8

¹ FY20 Leasehold Improvements & Fit-out/Furniture are from asset acquired on consolidation.

Estimated FY21 D&A

\$m	FY20	FY21
Product Development	5.1	7.0
Contractual Rights	0.3	0.6
AASB 15 Customer Acquisition	0.8	1.0
Business Combination Amortisation	0.5	1.1
AASB 16 Leases Depreciation	0.8	1.0
Property, Plant & Equipment	0.5	0.5
Total	8.1	11.2

Summary Cash Flow

\$m	FY19 ¹	FY20	Movement
EBITDA	17.9	18.2	0.3
Non-Cash Items & changes in working capital	0.1	1.3	1.1
Capitalised product related development & PPE	(7.0)	(8.2)	(1.2)
Capitalised customer acquisition costs	(0.6)	(0.7)	(0.1)
Lease (AASB16 effective 1/7/19)	-	(0.8)	(0.8)
Free cash flow (excl. Financing & tax)	10.4	9.8	(0.6)
FCF (% of operating revenue)	27%	22%	(5%)
Taxes Paid	(4.8)	(1.6)	3.2
Net Interest Received/(Paid)	0.4	0.0	(0.4)
Investment in Philo	(2.0)	(1.1)	0.9
Net purchase of subsidiary	-	(2.9)	(2.9)
Dividends	(5.9)	(6.0)	(0.1)
Share-related proceeds/on market acquisitions	(3.3)	0.8	4.1
Net cashflow	(5.2)	(1.0)	4.2

¹Comparative prior period is not restated for the impact of the new Leasing Standard AASB16

Balance Sheet

(\$m)	30-Jun-19 ¹	30-June-20
Current Assets		
Cash and cash equivalents	17.5	16.5
Trade and other receivables	3.7	4.0
Income tax receivable	0.7	-
Other current assets	0.7	1.1
Total Current Assets	22.6	21.6
Investments	2.0	3.3
Property and equipment	0.8	1.0
Right-of-use assets	-	1.0
Intangible assets	8.6	35.1
Customer acquisition costs	1.8	2.1
Total Non Current Assets	13.2	42.5
Total Assets	35.8	64.1

(\$m)	30-Jun-19 ¹	30-June-20
Current Liabilities		
Trade and other payables	3.4	4.9
Contract liabilities	0.4	0.6
Borrowings	-	1.0
Lease Liabilities	-	0.8
Provisions	0.8	1.3
Tax liabilities	-	0.7
Deferred Consideration	-	0.5
Total Current Liabilities	4.6	9.9
Borrowings	-	9.0
Lease Liabilities	-	0.1
Deferred Tax	1.9	3.0
Provisions	0.4	0.4
Total Non Current Liabilities	2.3	12.5
Total Liabilities	6.9	22.4
Net Assets	28.9	41.7

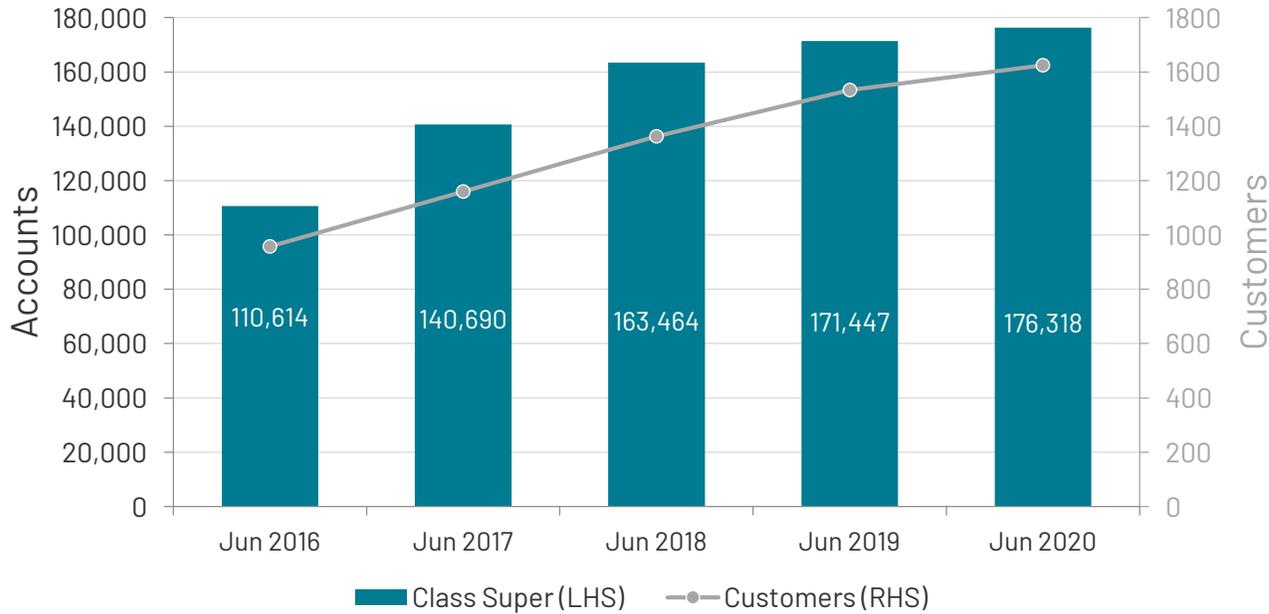
¹Comparative prior period is not restated for the impact of the new Leasing Standard AASB16

Key Operating Metrics

	FY19	FY20
Class Customers	1,545	1,647
NowInfinity Customers	n/a	1,807
Shared Customers	n/a	(588)
Total Customers	1,545	2,866
Class Super accounts	171,447	176,318
Class Portfolio accounts	7,635	9,253
Class Trust accounts	n/a	1,683
Total accounts	179,082	187,254
ARPU - Super (\$) - Licence Fee	217	217
ARPU - Portfolio (\$) - Licence Fee	132	127
CAC per account (\$) - Class Super, Class Portfolio and Class Trust only	209	229

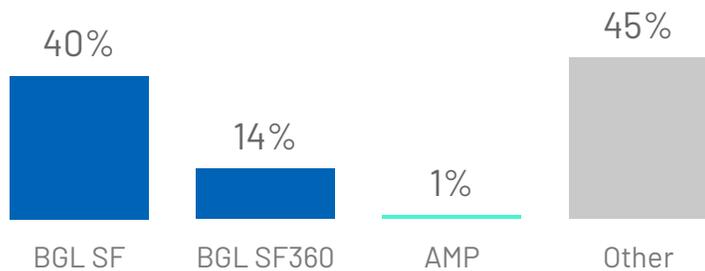
Class Super

Class Super Growth



Source of New Accounts (Class Super)

Rolling 12 months to 30 June 2020

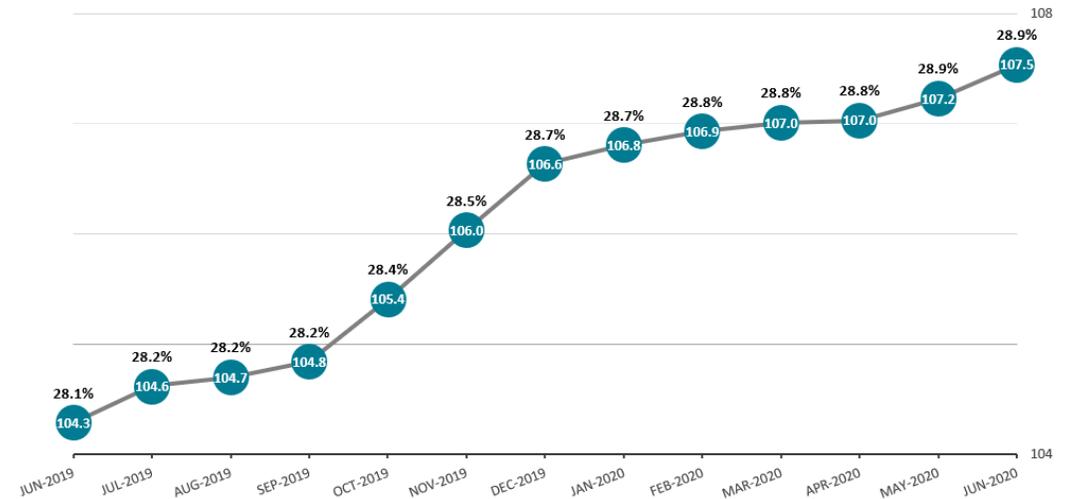


- We continue to outgrow the market with 28.9% market share (+3.1%¹ over the PCP) in a mature market
- Customer retention by accounts remains high at 99.1%² (rolling 12 months)

1. Representing an increase of 0.88 percentage points
2. Rate is ex-AMP who had ~3,100 funds on Class; if AMP's ~2,000 suspensions over the last 12 months were included retention rate would be ~98.0%

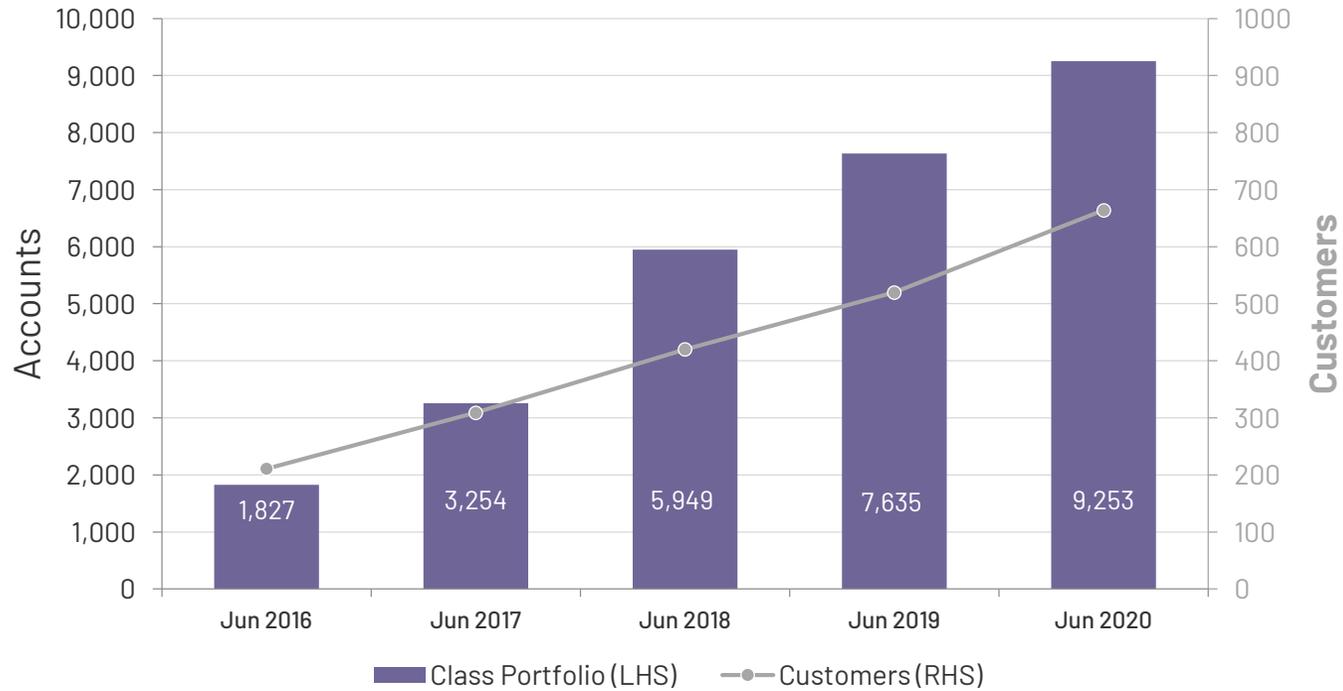
Class Market Share Index LTM, by Accounts

One year growth in market share: 3.1% or 0.88 percentage points

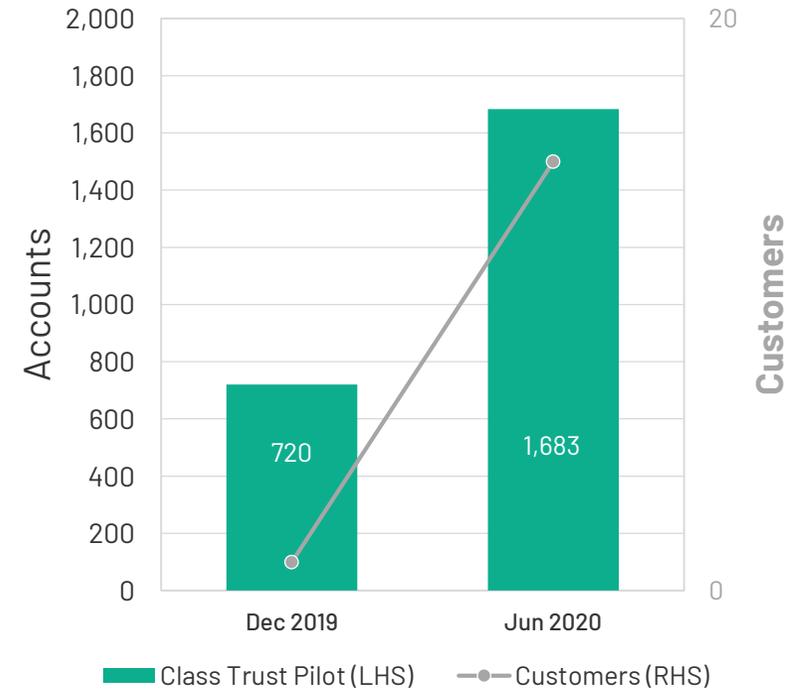


Class Portfolio and Class Trust

Class Portfolio Growth



Class Trust Pilot Growth



Glossary

Accounts

Class Super funds, Class Trust and Class Portfolio entities.

Accounts Lost

the maximum number of Accounts the customer had in the 12 months prior to terminating.

API

Application programming interface.

ARPU

Average Revenue Per Unit: monthly licence fee assuming any sales promotions have ended and other factors such as pricing remain unchanged.

ARR

Annualised Recurring Revenue: number of Accounts/Subscriptions at the end of period (June 2020) multiplied by ARPU, multiplied by 12.

CAC

Customer Acquisition Costs: Gross spend on sales, marketing, transitions and implementation services. This excludes any capitalisation and any amortisation from AASB15 (rolling 12 month basis).

CAC per account

Customer Acquisition Costs divided by gross new Accounts added (rolling 12 month basis).

CAGR

Compound Annual Growth Rate

Customer Retention Rate

Average accounts for the period less Accounts Lost/average Accounts for the period.

NPATA

Net profit after tax adjusted to add back amortisation from business combinations (net of tax benefit).

PAYG Revenue

Revenue earned from adjacent products that are recurring in nature such as audit and actuarial certificates, PAYG documents (such as company statements, trust deeds) ie. Non-subscription based revenue.

Roll Forward Revenue

Revenue that is recurring in nature calculated as ARR + PAYG Revenue for last 12 months (LTM).

Subscription License fees

Includes Class Super, Portfolio & Trust and NowInfinity subscription fees.

TAM – Total Addressable Market

A measure of the potential market opportunity for a product or service, assuming 100% penetration of the potential client base.

Underlying EBITDA Margin

EBITDA margin excluding acquisition and corporate advisory costs

Methodology

Class Market Share Calculation

Numerator to be based on total Class Super accounts LESS the following:

- Duplicate ABNs (i.e. only one SMSF will be counted per ABN)
- SMSFs with cancelled, non-complying, or indeterminate status
- ABNs (including blanks) not validated as belonging to an SMSF

Denominator to be based on ATO SMSF first-release figures for the end of quarter (i.e. no back-revision for subsequent ATO releases)

- Prior to first-release figures being available, estimates will be used
- After first-release figures become available, actuals will be used (with interpolation for intra-quarter months)

Class Market Share Index

- 30 June 2018 = 100 (base)

Important Information

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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 Annual Report for the period ended 30 June 2020.

All currency amounts are in AUD unless otherwise stated.

Good morning, thank you for joining us for the presentation of the Class Limited full year results for 2020.

My Name is Andrew Russell and I am the CEO of Class. I am joined today by CFO – Glenn Day, Chief Strategy Officer – Glenn Poynton and our Investor Relations Officer – Zoe Wise.

Today I will present to the following agenda (Page 2)

1. Company overview and Business performance
2. FY20 Revenue Insights
3. Strategy and Outlook
4. Question and Answers



Page 3 – Who is Class Limited?

I would like to take the opportunity to frame who Class Limited is for those who are new to our business.

Class is a multi awarding winning technology business.



We create technology solutions to automate and simplify complex administration - at scale - in the financial services and related professional services sectors.

Our customers are Accountants, SMSF administrators, Investment Advisors, Financial Planners and Lawyers.

The Class software solutions assist our customers to automate key processes, reduce operating costs for their back office, improve data accuracy and reduce compliance risk.

Class' revenue is derived from our suite of products offered via a monthly software fee and PAYG fees.

Nearly 12 months ago, we announced our 3-year Reimagination strategy to transform Class to a multiproduct software as a service provider, with the ambition to become a world class technology solutions business.

Today’s presentation will outline our FY20 performance and our progress in executing that strategy.

We will clearly show you that:

- Class / CL1 continues to generate double-digit topline growth
- Class has materially expanded its total addressable market in a short period of time
- Class continues to produce strong free cashflow
- Class is profitable
- Class has a healthy balance sheet which provides optionality for further acquisitions
- Class continues to pay a dividend and
- Class has resilient and predictable earnings for the year ahead as the country faces uncertain economic headwinds as a result of COVID-19.

Page 4 – Results Summary – Our FY20 Dashboard

Turning to our financial results - the business boldly set out our key financial targets for FY20 in August 2019.

The business performed well against those financial targets.

Our highlights are:

- Revenue of \$44.1 million, up 15% on the prior year
- Annualised Recurring Revenue (ARR) of \$46.8million, up 22%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$18.2 million, up 1%



- Our underlying EBITDA margin was 42%. This exceeded our target of 40%
- Class has strong free cashflow of \$9.8 million
- Our balance sheet strength continues to grow year on year. We are in solid position to fund further acquisitions.
- We have invested \$11.7m over the past year to upgrade our technology and product development capability and to build Class Trust.
- We have grown our net accounts by 4.6% over the past year as well as grown our customer base impressively to over 2800 unique customers including NowInfinity
- The board has declared a final fully franked dividend of 2.5 cents and our annual dividend remains unchanged at 5 cents per share.

In summary - the financial results are solid, and, as importantly we are executing well to our 3-year plan.

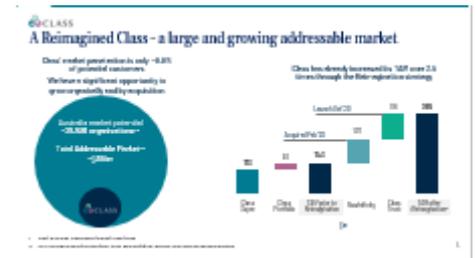
Further detail on our financial performance including

- Operating Results
- Product Investment
- Cashflow
- Balance Sheet and
- Key Operating Metrics

Can be reviewed in the Appendix of the results presentation deck

Page 5 – The Class expanded TAM

To achieve and drive future sustained growth, as per our Reimagination strategy, Class must also grow its total addressable market or (TAM). Our strategy is to grow through a combination of both new products and acquisitions that will complement our core offerings to create a transformed multiproduct technology business.



The acquisition of NowInfinity and, of Smartcorp announced today, grows our business into an adjacent market space.

The announcement of Class Trust grows Class in to a new market segment.

Our software development of the Class Trust product has exceeded our expectations and I am very pleased to advise you today that we will now launch ahead of schedule in **October this year**.

I will talk more about this exciting announcement later in the presentation.

Our commissioned independent research by Frost and Sullivan indicates that in the past 12 months Class has increased its TAM over 2.5 times

Prior to the Reimagination strategy our TAM was \$140m

Class now has a marketplace of over \$365m. Our expanded addressable market provides Class an expanded runway to grow revenue and cement leadership positions in Super, Portfolio, Documents/Corporate Compliance and Trust products.

Page 6 – Reimagination Strategy Recap to deliver our Transformation Aspirations

The essence of the Reimagination strategy is to bring laser focus to our key priorities;

- re-energise the business in terms of culture and innovation,



- bring new talent into the organisation, and build momentum for accelerated growth in FY21/22 and beyond.

Our commitment for FY20 was:

- To invest in our core technology platform and product development capability to ensure that we can develop customer validated products and deliver them at quality
- To seek accreditive acquisitions that will complement our core offering and
- To invest in people and build a world class culture

Our progress so far has been positive and fast paced

You can see by this slide that we have already set ourselves targets for our **“accelerate”** year of the strategy.

We will outline these FY21 targets clearly later in the presentation.

This slide illustrates our aspirations as we transform Class.

We have set ourselves aspirational market share and revenue targets, and we believe these are well within our reach.

Slide 7 – Key achievements for FY20

In addition to growing our TAM, there are some other important achievements to note for the past year;

- We have progressed our technology innovation investment.
- This progress positions the business to begin to realise technology efficiency dividends in the coming year.
- The pool of talent has grown as our Re-imagination strategy has excited potential candidates and we are attracting best in market talent.
- Over the past year Class has reset the executive leadership team and we now have good balance of domain specialists as well as operational experience in technology, product, strategy, sales and people & culture.



- Furthermore Class has hired key new talent at senior leadership and operational levels to bring in new skills and capabilities.
- We continue to grow our market share in our existing products – Super and Portfolio.
- Our Class Super market share growth has been 1.8 X system.
- We continue to win business from both Desktop and Cloud based providers. Our super market share has grown 3.1% to circa 29%.

- We have delivered on our intentions to execute acquisitions to drive our growth. We acquired NowInfinity in late January 2020.
- Despite the onset of the pandemic and the subsequent closing of state and international borders, we completed the integration ahead of time, which is testament to the capability of our team to acquire and integrate. This experience and learning sets the team up for future acquisitions and integrations.

- It is pleasing to see NowInfinity already performing well, resonating with our existing customers and consequently will be a key pillar for Class growth in FY21. We will talk further about NowInfinity later in the presentation

- The Minimum Viable Product for Trust continues to progress well with a growing number of pilot customers, and our development has been fastracked for the October launch.

- Our reputaion for being the market leader as the SMSF software provider has been once again valided this year by the indusy leading Investment Trends 2020 research report. Acccording to the findings Class continues to be number 1 in terms of NPS and being the fastest growing SMSF software provider

- We thank our customers for their ongoing support of the Class business.

Slide 8 – Holding Slide



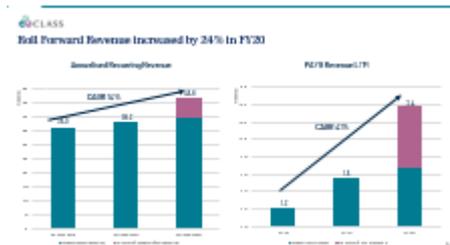
Slide 9 - Recurring and PAYG Revenue – Turning to briefly give detail on revenue insights

Revenue

Class revenues are a combination of ARR and Pay as you GO revenue from the NowInfinity business and our partner program. Our ARR and PAYG revenue growth profile is tracking to our expectations and is well positioned to accelerate in FY21.

The Nowinfinity investment to enter the document and corporate compliance space is already providing Class with revenue growth and new customer opportunities.

We have implemented our first 2.1% CPI price rise in the business to take effect in second quarter FY21.



Slide 10 - Turning to Strategy Update and FY21 Outlook



Page 11 – Our Product Development progress

Our FY20 investment has focused on upgrading our Class technology platform, maintaining our SMSF product leadership, developing Class Trust, and integrating the NowInfinity products deeper into the Class business.



There will be further investment in our technology innovation and product development in FY21 of circa \$16m.

This ongoing investment is critical to ensure we continue to innovate our core technology platform and build a product roadmap.

Class added 13 new modules in FY20 to our pre-existing product suite.

Class is determined to drive new feature and product innovation in FY21 and our investment will ensure Class is well positioned compared to the competition.

In terms of our new product, Trust – our market research indicated that there is a key pain point for trust administration, as there was for the self-managed superannuation for our customers.

As with the SMSF space, to simplify and automate the trust administration process requires complex, rules-based coding to develop a software solution. This is our core technology capability.

We believe the market is currently underserved.

Combining the learnings from our portfolio product entry with our new product development capability, Class has been running a pilot with an ever-growing number of customers. The feedback has been invaluable and the product is taking great shape to deliver material cost and efficiency savings for our customers.

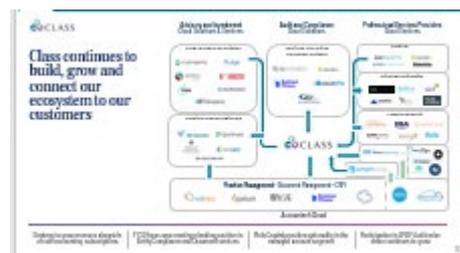
So in summary - our FY21 product strategy is simply this - Class Trust will be launched this October, months ahead of schedule

AND... Class will continue to invest in **ALL** products in FY21.

Slide 12 – The Class ecosystem

Class as you can see from this illustrative slide is at the center of its own growing ecosystem

Our ecosystem has grown given the ever-expanding commercial opportunities for our partners and customers from the Class technology platform.



Our ecosystem understanding helps shape our strategy decisions of – Do we build, partner or acquire the capability for the benefit of Class and customers.

For example:

The Philo Capital business continues to grow albeit in a challenging environment. We believe it is an innovative product in the growing MDA marketplace. We continue to work with the Philo Capital team and assist with helping their development over the medium term.

We made the strategic decision to acquire both NowInfinity and Smartcorp from the Class ecosystem after customer feedback and our ongoing analysis of our ecosystem.

Page 13 – NowInfinity Update

It was an exciting milestone for Class to announce the acquisition of NowInfinity.

The NowInfinity business was launched in 2012 to help reduce back-office pain points for accountants through technology automation. They are now a leader in the document and corporate compliance marketplace



The NowInfinity suite of products include documents, corporate messenger, trust register and Super Comply and those products fit well into the Class product suite. These products allows Class to broaden and deepen our relationships with the accounting and legal professional services segment.

The NowInfinity business is performing to our expectations. It has hit a number of impressive milestones as the business scales. It is resonating well with our existing customers, which provides the expected ‘sell through’ Class multiproduct opportunity.

At 30 June 2020, a total of \$23.573m has been paid for NowInfinity with a maximum remaining deferred consideration of \$500,000 to be paid on 31 August 2020.

Slide 14 - Smartcorp.

To assist in scaling NowInfinity - today we have announced our second acquisition. Smartcorp.

Smartcorp was founded in 1979 and in 2003 launched Australia’s first online company ordering and ASIC compliance system. It operates a platform that has delivered more than 500,000 documents to accounting, professional services firms and financial advice networks.



Smartcorp services more than 1500 businesses, primarily in the accounting space, including two of the Big 4 accounting firms. **Smartcorp** enjoys long-term partnerships with its clients, with the average relationship standing at more than a decade.

The Smartcorp acquisition will help fast track Class to a market leadership position in the document and corporate compliance vertical.

Class has executed an agreement today to buy 100% of the shares in Smartcorp for \$4.2m, adjusted for net assets. The consideration for the transaction is 65% cash and 35% newly issued Class shares which is escrowed for 18 months. The transaction is expected to complete on the 20th August and will be earnings accretive in FY21.

Page 15 – FY21 Targets

In terms of outlook for FY21 we are mindful of the dynamic COVID-19 environment. Class transitioned quickly and efficiently to remote working before March 23rd this year.



Productivity, development velocity and customer service metrics remain or are above our long-term business averages.

With the recent restrictions affecting our Victorian customers, in addition to potential ongoing economic headwinds right across Australia, Class will continue to monitor the impacts on our customers in the coming months and indeed the financial year.

Notwithstanding the unknowns of COVID-19, we wish to provide the following FY21 outlook:

Our revenue for FY21 is combination of:

- Our ongoing existing customer revenue, plus
- Roll forward revenue derived from growth in our new customers, including our Nowinfinity acquisition, AND
- Our Smartcorp acquisition revenue. Smartcorp will contribute part year revenue of \$1.5m revenue in FY21 with full year contributions in FY22.

The sum of this embedded revenue gives Class a revenue target of \$50m for the full year. This target revenue is an uplift of 15% from FY20.

We refer to our revenue as embedded given **95% of the revenue is derived from the roll forward revenue and the Smartcorp acquisition.**

We would like to make it clear – we are not forecasting any material contribution for revenue from Class Trust in FY21.

Notwithstanding, based on our reasonable expectation of additional organic revenue growth, we are targeting FY21 revenue of \$53m which is a 20% uplift from our FY20 results announced today.

We will continue to target an underlying EBITDA margin of 40%+.

Page 16 – FY20 Result Headlines

I would like to conclude with several headlines:

1. The FY20 financial results are solid, and as importantly, we are executing well to our Re-imagination strategy.
2. We achieved **15% revenue growth**, which was above target
3. We have expanded our **Total Addressable Market by 2.5X**, from \$140m to **\$365m in the past year**



Our outlook for FY21:

1. We are targeting **revenue growth of 20%** with more than **95% of the target already embedded**
2. We will continue to manage our technology, product investment and other expenses astutely to an underlying EBITDA margin of 40% + in FY21
3. We will launch our new Class Trust product ahead of schedule in October 2020, adding to our growing suite of Class products

In closing,

- Class is well positioned for accelerated growth
- We have built a moat for earning resilience and have strong roll forward revenue
- We will continue at speed, successfully executing our Reimagination Strategy.

The future looks very exciting as our vision comes alive, and as we deliver accelerated results in FY21.

Thank you for ongoing support and interest in Class.

I will now open for questions **(slide 17)**

