



13 March 2020

CLASS LIMITED (CL1) - INVESTOR DAY

Today marks the 2020 Investor Day hosted by Class Limited.

A copy of the presentation is attached.

You can register to receive information about upcoming events by emailing investor@class.com.au

This announcement has been approved for release by:

Andrew Russell
Managing Director & CEO

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Class Limited

Investor Day

March 2020

Simplify. Automate. Connect.



Welcome

Andrew Russell

Chief Executive Officer



Agenda

Welcome

Andrew Russell

Chief Executive Officer

Strategy Overview

Glenn Poynton

Chief Strategy Officer

Product Update

Jason Wilson

Chief Product & Marketing Officer

People Update

Jacqui Levings

Chief People Officer

Wrap

Andrew Russell

Chief Executive Officer

Q & A



Simplify

Removing complexity and manual back office processes

Automate

Automation that delivers efficiency at scale

Connect

Trusted technology partner for accountants, administrators and advisers

Our Vision

We will reimagine a simpler more automated world for our customers, and they'll love it.

Reimagination Strategy

Lift Growth In Existing Markets



Growing our core SMSF
market share



Increasing lifetime value
per client

Growth in New Products & Markets



New products to existing
clients (e.g. Class Trust)



Selling into
new markets

Strengthen and Accelerate Growth



Strategic acquisition and partnership opportunities

Investing for Future Growth

Product Capability Development



Investing to deliver new features and capabilities
in support of new products and new markets

People Investment



Investing in technology development,
product, marketing and sales



Strategy Overview

Glenn Poynton
Chief Strategy Officer



Executing on Strategic Priorities for the Reimagination strategy



Growing the number of
Wealth Accounting
clients on the Class
Platform



Extending our
Product Set



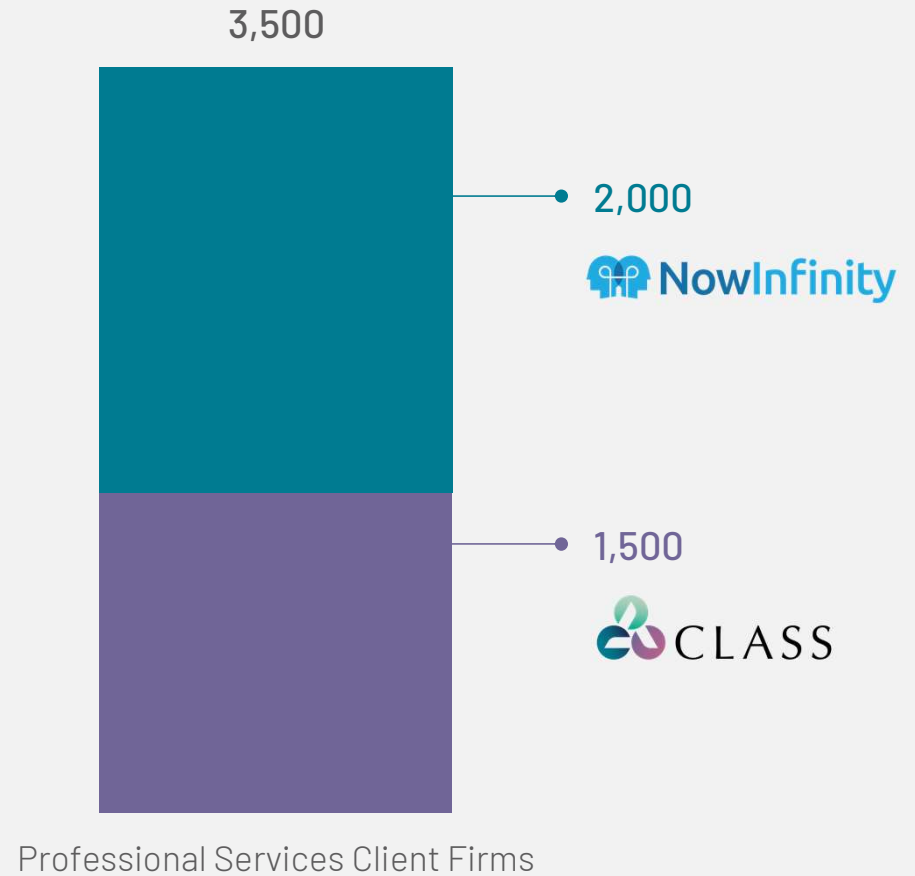
Accelerating Growth
through Acquisition and
Partnering



Improving product
delivery capability and
our ability to scale, both
to world class standards



Growing the number of Wealth Accounting clients on the Class Platform





Extending our Product Set

Number of products



3



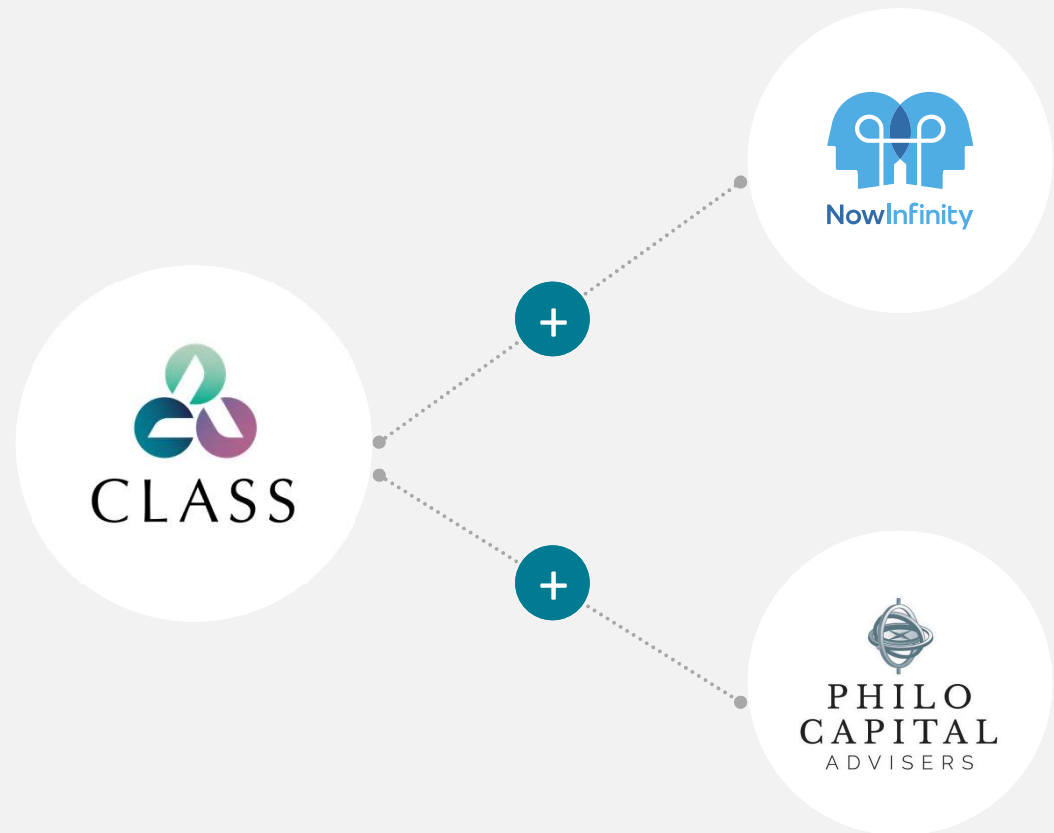
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Total =

7

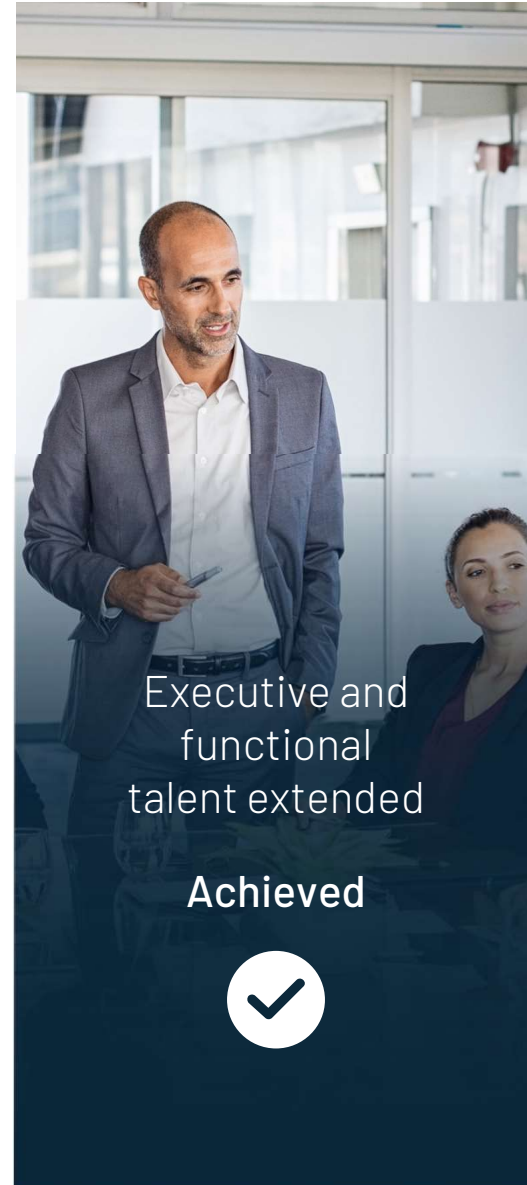


Accelerating Growth through Acquisition and Partnering





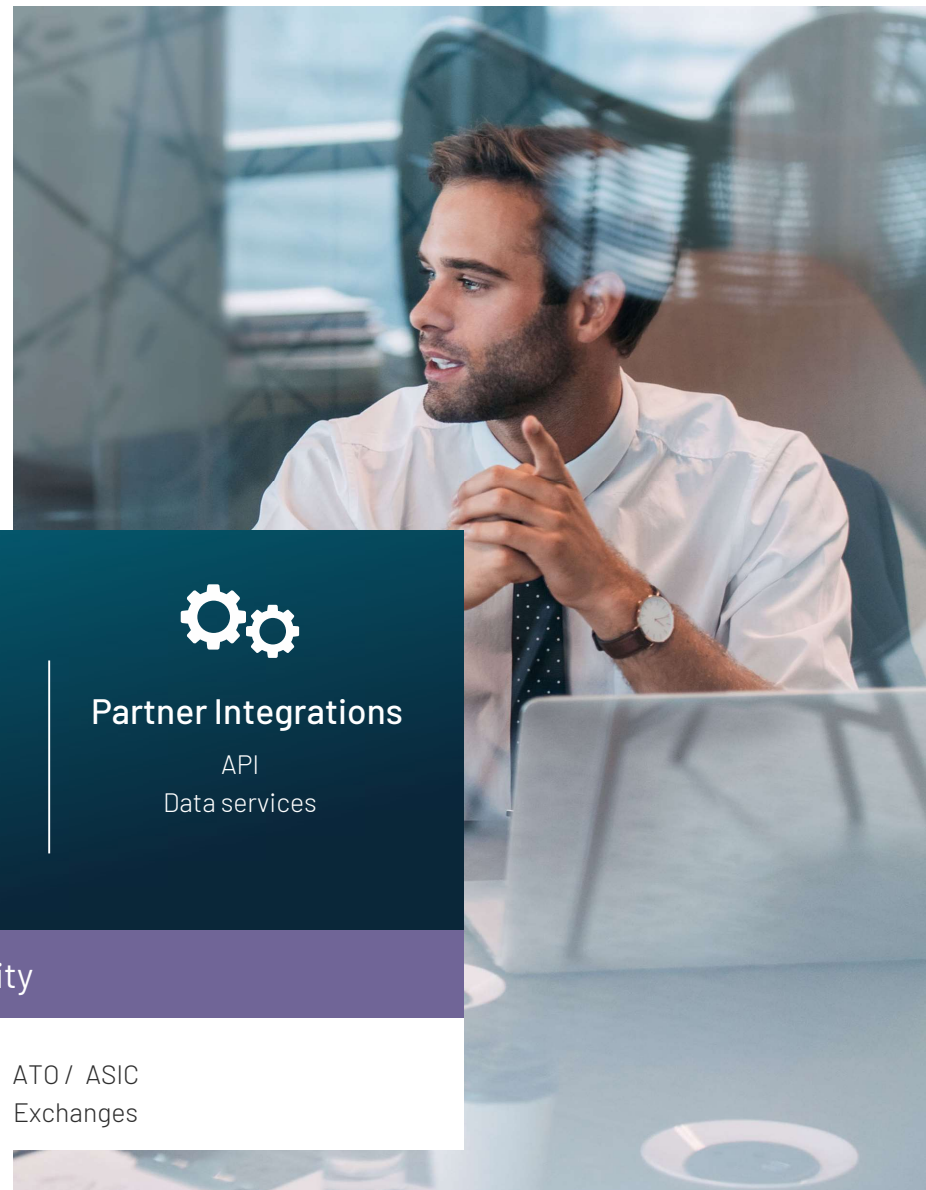
Improving product delivery capability and ability to scale, both to world class standards





Class Platform Strategy

Wealth accounting firms can service their clients providing a whole of wealth solution, connecting complex data, simplifying and automating workflows across accounting, compliance and wealth



AccountTech

SMSF Administration
Trust Administration
Portfolio Administration



RegTech

Corporate Compliance
Document Suite
SMSF Compliance
Trust Compliance



WealthTech

Portfolio Reporting
Portfolio Administration
Managed Discretionary
Accounts



Partner Integrations

API
Data services

Financial Data Aggregation and Connectivity

Banks / Investment Platforms
Brokers / Asset Managers

ATO / ASIC
Exchanges



A technology platform for Wealth Accounting firms



Wealth Accounting
Client Firms

3,500



Investor Accounts
and Entities

583,000



Products 7

Bank/Platform Integrations

250



Assets on Platform

\$280bn



Deposits on Platform

\$50bn



Retirement Assets

\$180bn



Product Update

Jason Wilson

Chief Product & Marketing Officer



Our Product Suite

Solution



SMSF Administration



Portfolio Administration



Trust Administration

Launch

2009

2015

2021

Value
Proposition

Simplify the administration of
SMSFs through automation &
connectivity

Investment management &
reporting for non-SMSF portfolios

Deliver efficiency and
standardisation for trust accounting

Target Market

Accountants &
SMSF Administrators

Accountants &
Multi-Disciplinary Planners

Accountants &
Multi-Disciplinary Planners

Client Example





Our Product Suite



Solution

SMSF Administration

Launch

2009

Value
Proposition

Simplify the administration of
SMSFs through automation &
connectivity

Target Market

Accountants &
SMSF Administrators

Client Examples



Portfolio Administration

2015

Investment management and
reporting for non-SMSF portfolios

Accountants &
Multi-Disciplinary Planners



Trust Administration

2021

Deliver efficiency and
standardisation for trust accounting

Accountants &
Multi-Disciplinary Planners





Our Product Suite



Solution

SMSF Administration

Portfolio Administration

Trust Administration

Launch

2009

2015

2021

Value
Proposition

Simplify the administration of
SMSFs through automation &
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Investment management &
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Deliver efficiency and
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Target Market

Accountants &
SMSF Administrators

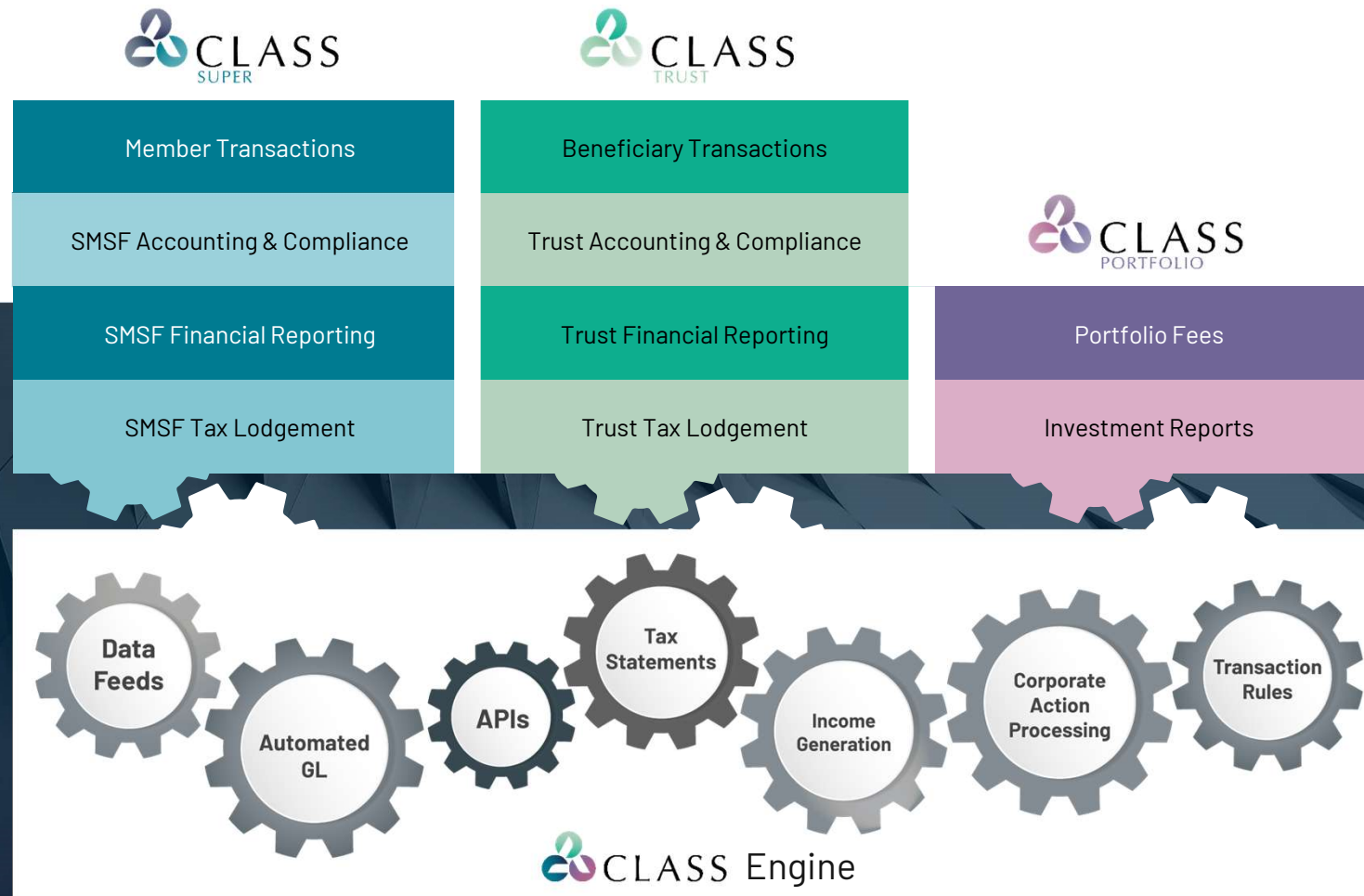
Accountants &
Multi-Disciplinary Planners

Accountants &
Multi-Disciplinary Planners

Client Examples

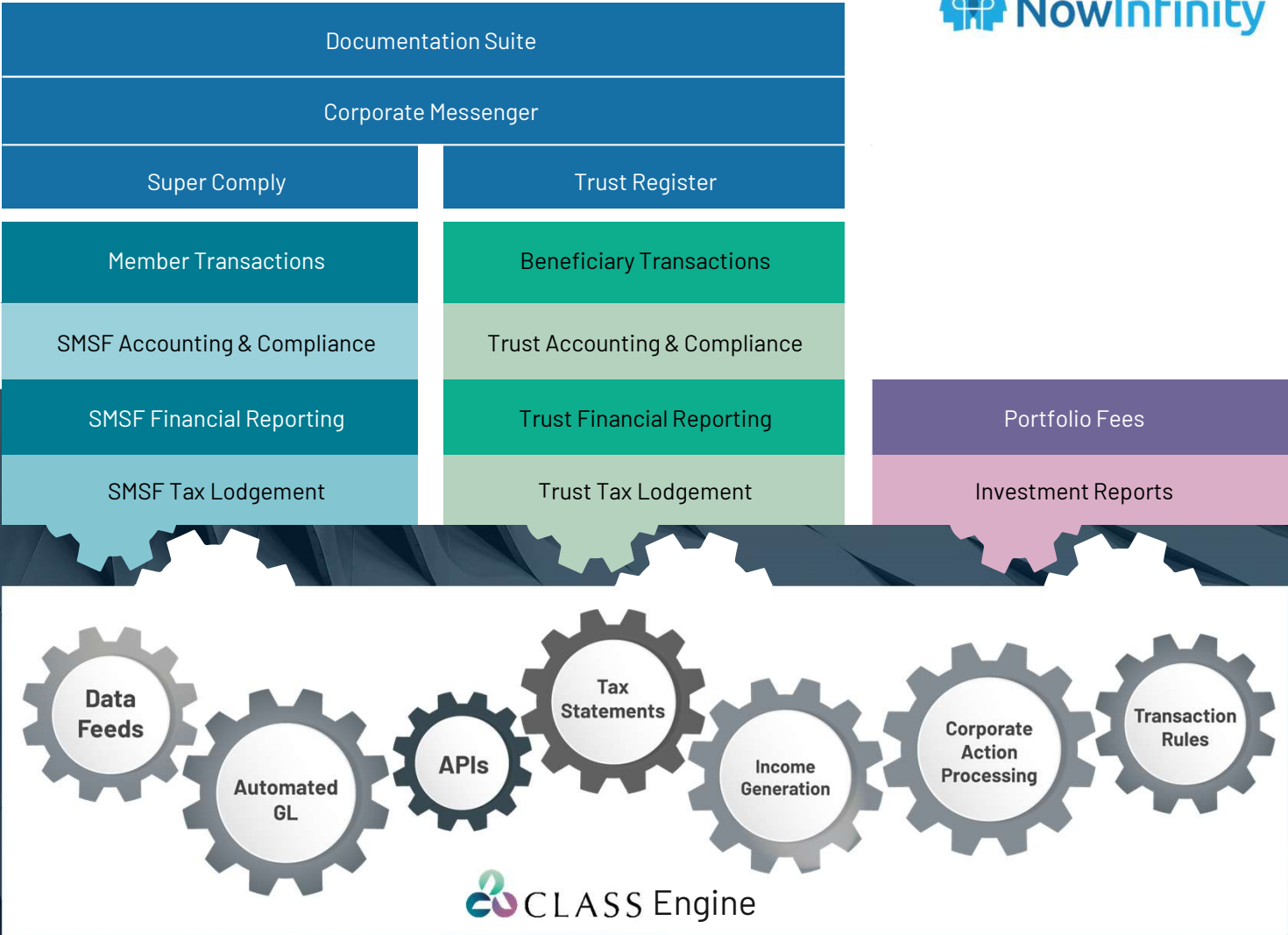


The Class Engine enables our multi product strategy



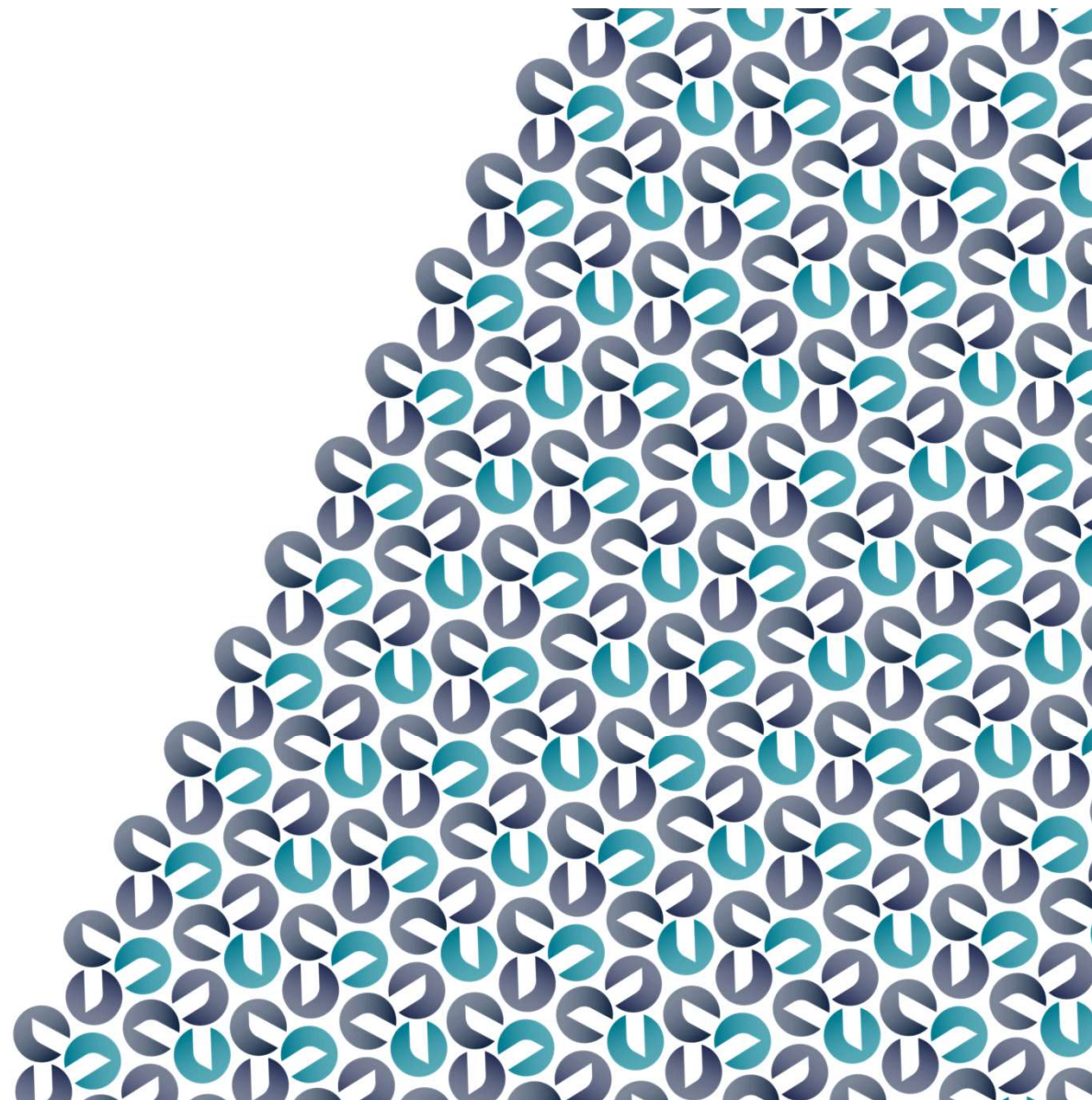


- Class Super
- Class Trust
- Class Portfolio
- NowInfinity





Class Super



Today's context

- SMSFs remain important
- Super Reforms have elevated 'Compliance' focus
- Committed to invest with multi product view
- Build vs partner vs buy – expanding our ecosystem





Delivering productivity through back office automation

THEME	DELIVERED
Compliance	<ul style="list-style-type: none">• CGT Relief post Jun 2017• Transfer Balance Account & Total Super Balance• Annual tax lodgement requirements• Transition to myGovID & RAM
Automation	<ul style="list-style-type: none">• Tax Statement Automation using OCR• 8 new direct feeds and 3 foreign exchanges• 80% of funds benefited from corporate actions processed• Data feed activation & setup enhancements
Efficiency	<ul style="list-style-type: none">• Bulk processing – income & corporate actions• Significant improvement to tax lodgment infrastructure• Support income and tax statement generation for stapled securities



Class Super delivers tangible productivity benefits



38% save up to **10hrs/mth**

by **smart bulk processing of corporate actions** which provides easy processing of both simple and complex corporate actions.

74% save up to **5hrs/mth**

by using accounting **automation of foreign assets**.

31% save up to **20hrs/mth**

by using the **direct-connect data feeds** from over 200 products from institutions.

69% save up to **5hrs/mth**

by requesting **actuarial certificates** from leading providers in the market.

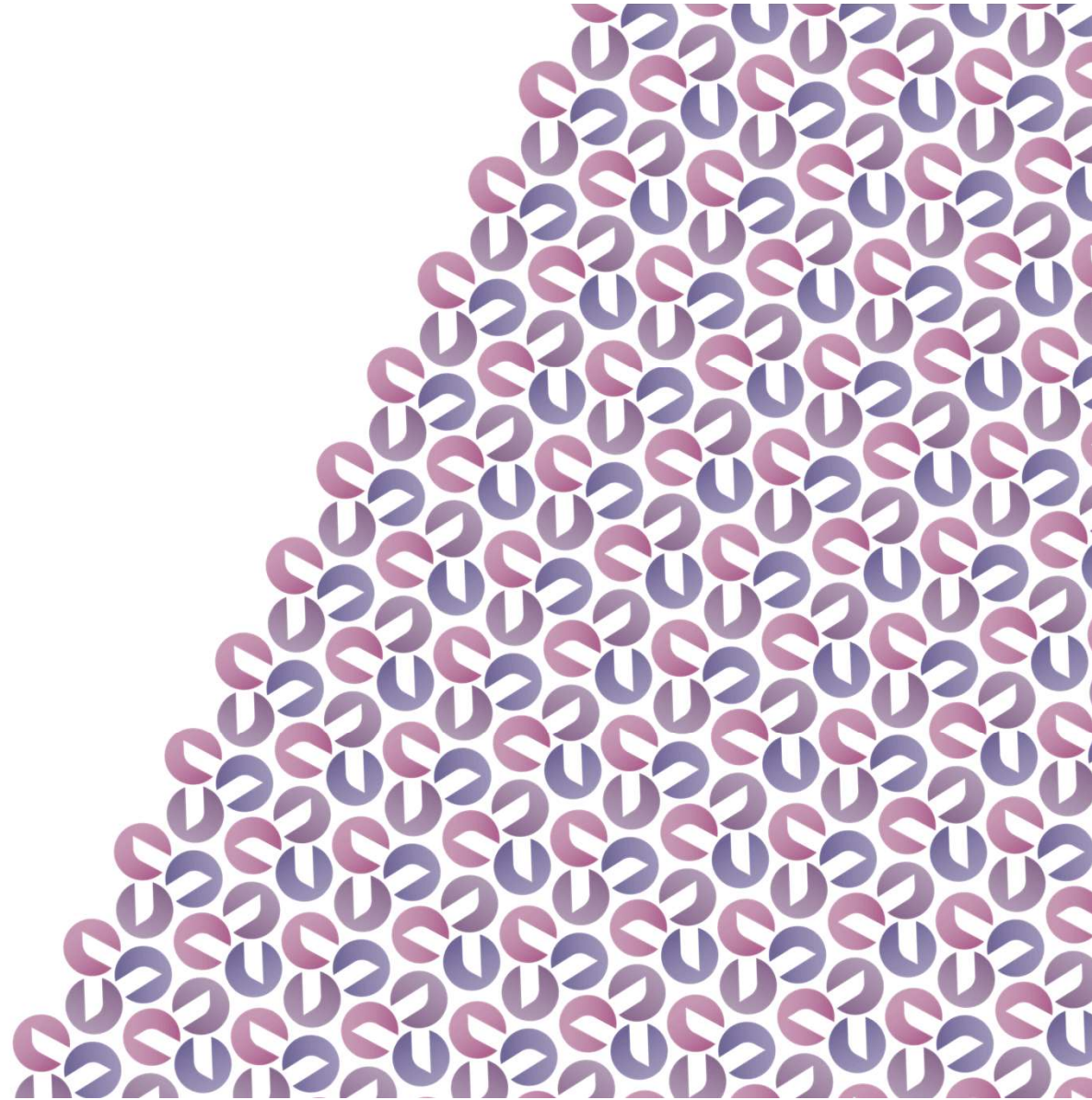
53% save from **2-10hrs/mth**

on non-billable tasks by using Class.





Class Portfolio





Today's context

- Class Portfolio didn't meet expectations
- Investment management and reporting
- Primary target are accountants & multi-disciplinary planners
- Individual portfolios complement other entities

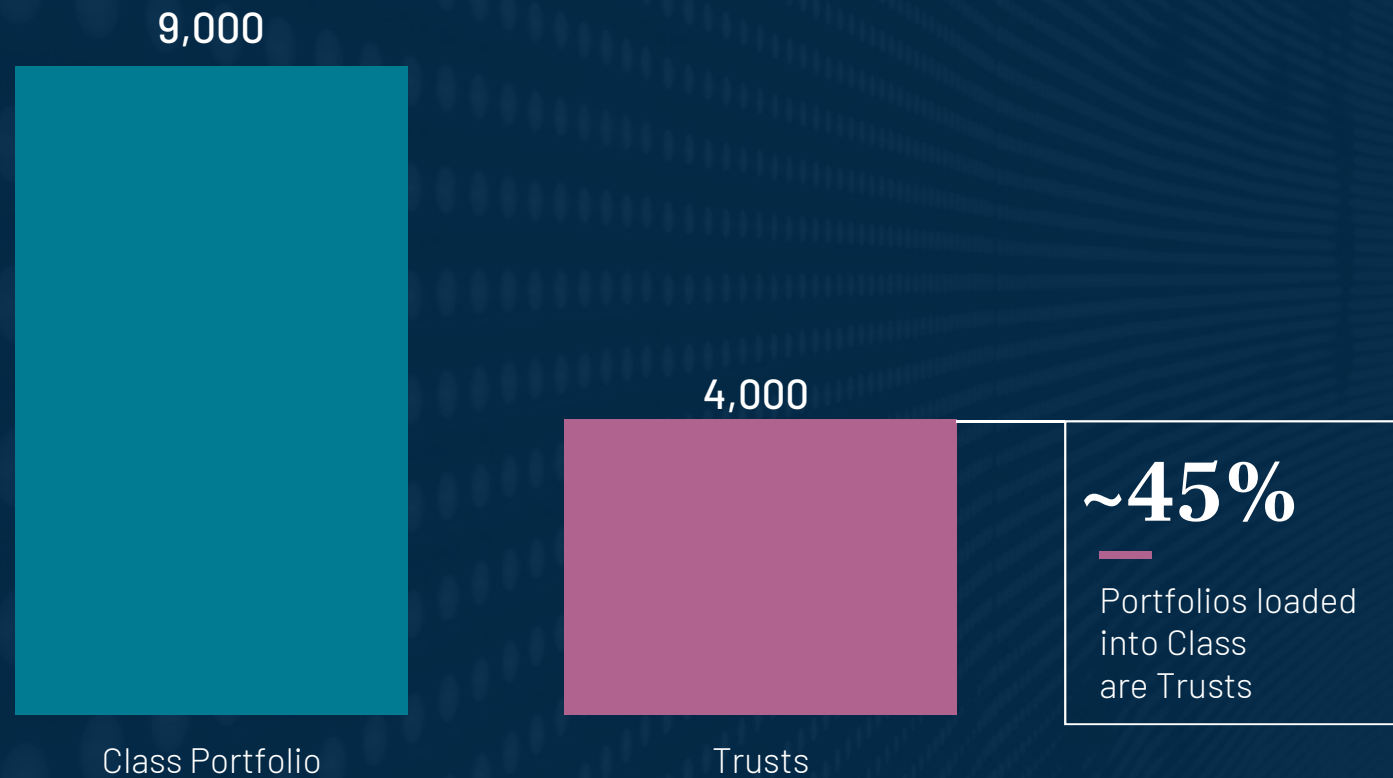


Efficient investment management & reporting

FEATURES 	BENEFITS 
The Class Engine	Efficient investment administration and reporting enabled through direct feeds, automated GL and corporate actions
Consolidated Portfolios	Single platform - easily report across all investment entities
Client view	Ability for end clients to login and view their portfolios

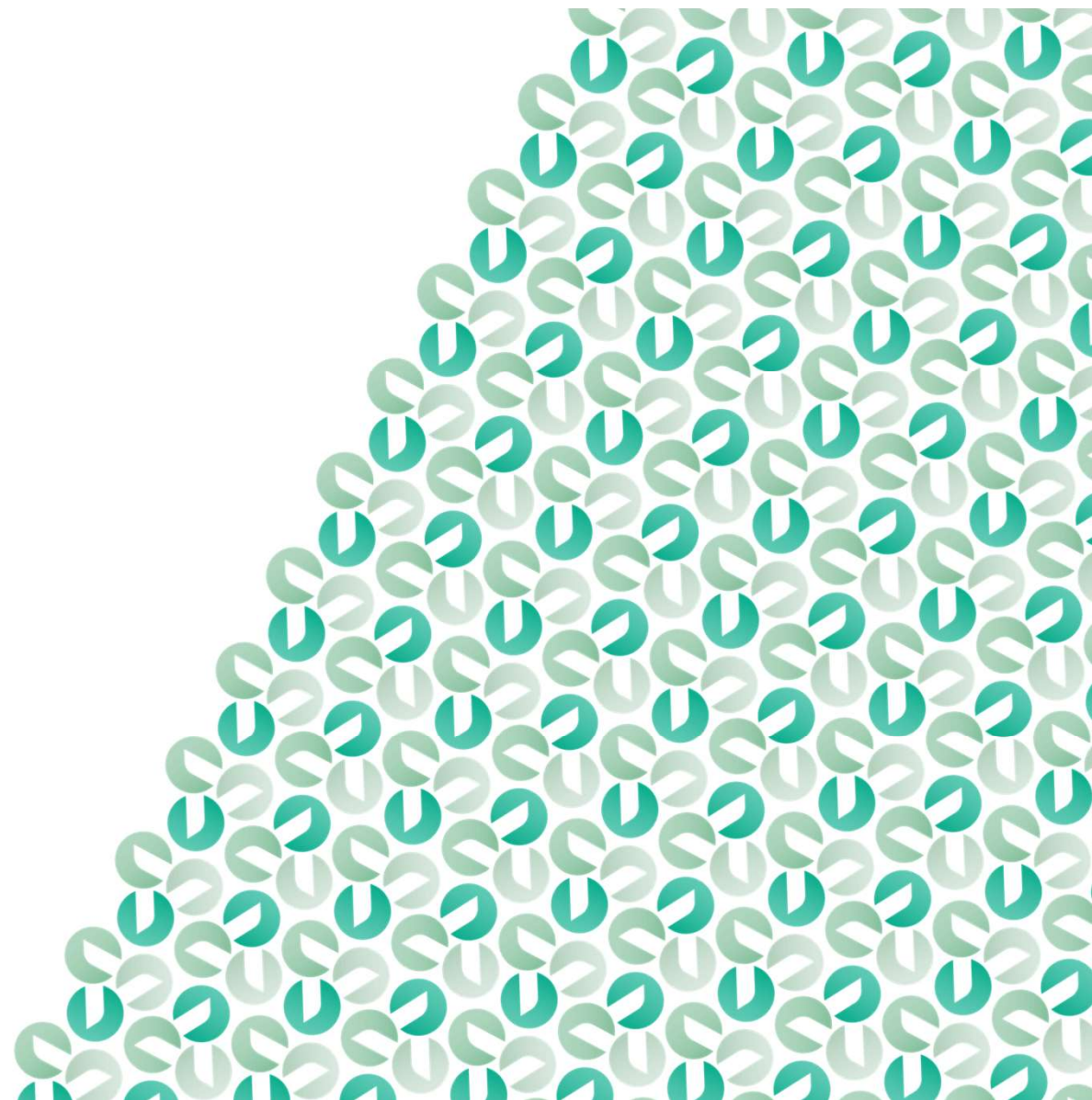


Class Portfolio helped uncover an unmet need





Class Trust

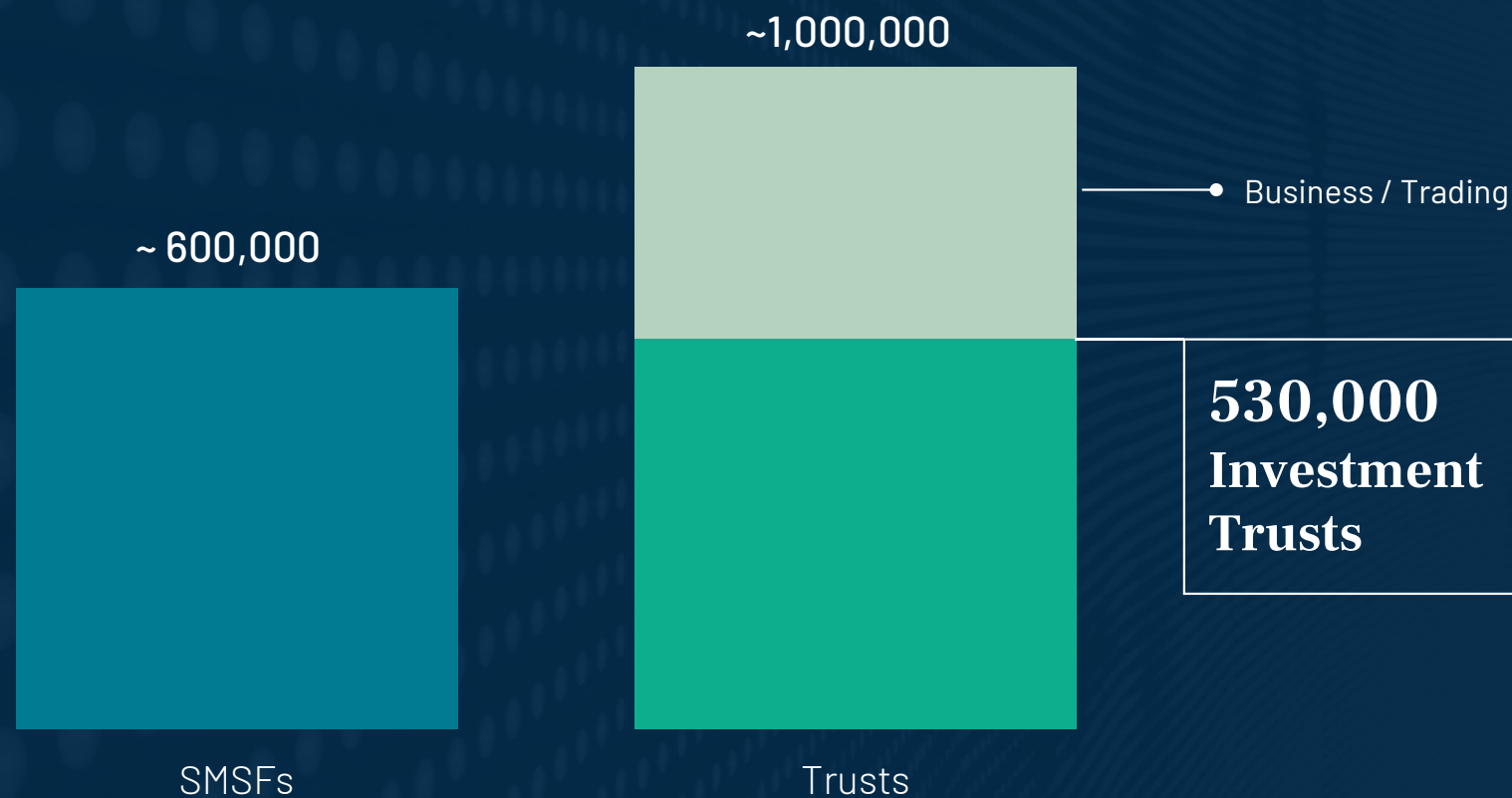


Trusts are clearly becoming more attractive

- Superannuation's contribution caps lowered
- Greater flexibility than Super
- Tax effectiveness & asset protection
- Intergenerational wealth transfer



Trust segment is equivalent to the SMSF market



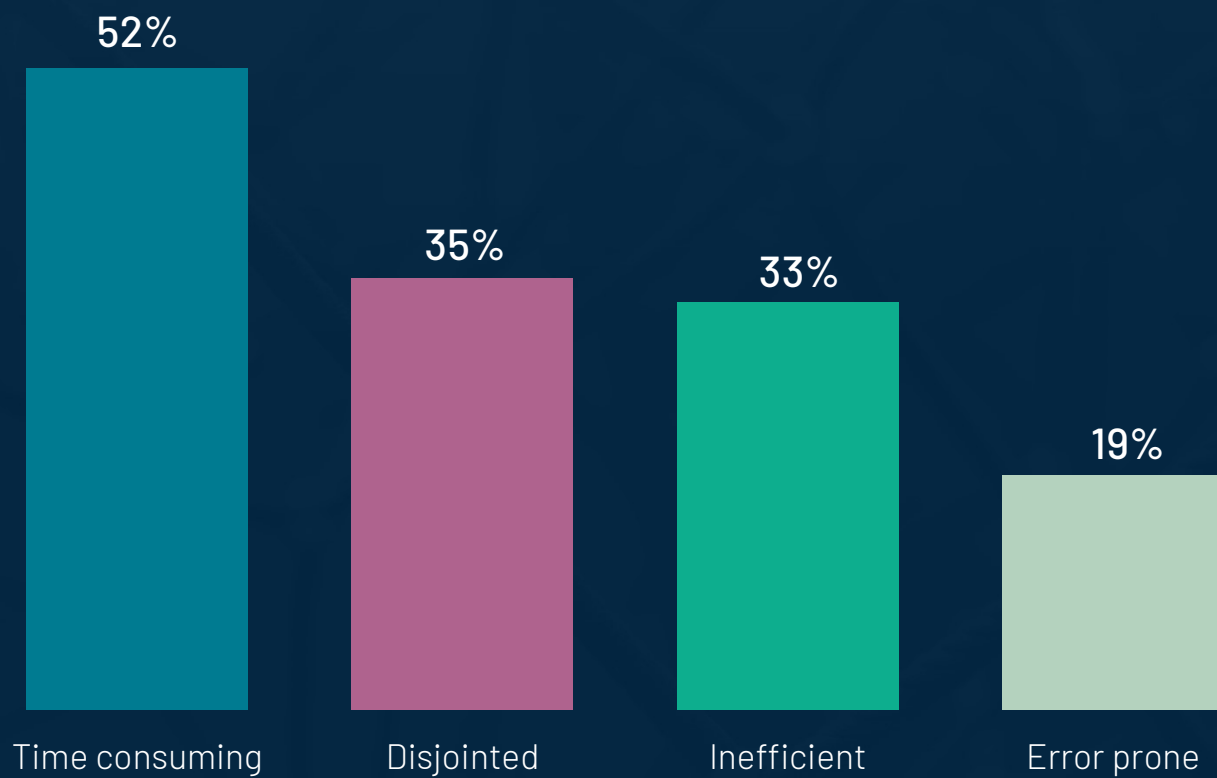
Problem Statement

Accountants are manually tracking investment information like Income, Realised or Unrealised Capital Gains on an Excel spreadsheets or non-investment General Ledger systems.

The process to keep this information up to date is time consuming, error prone and inefficient.







Clear validation of problem statement



Over half admit to trust processing being time consuming.

Delivering efficiency and accuracy for accountants

	Set up 	Administration 	Tax 
Features	<ul style="list-style-type: none"> • Support for Discretionary & Unit Trusts • 200+ Data Feeds driving automation • Automated Investment valuations 	<ul style="list-style-type: none"> • Auto journaling of income, capital gains, & distributions • Adjust income per definition of trust deed • Bulk processing of income & corporate actions 	<ul style="list-style-type: none"> • Tax Statement Automation • Statement of Taxable Income • Tax Accounting Reconciliation • Statement of Beneficiaries
 NowInfinity	<ul style="list-style-type: none"> • Deed establishment • Corporate Trustee set up • Bank account set up 	<ul style="list-style-type: none"> • Deed amendment • Corporate compliance 	<ul style="list-style-type: none"> • Trust Distribution Resolution
Benefits	<ul style="list-style-type: none"> • Significant efficiency gains through automation and improved profitability • Reduced risk of error by replacing manual data entry is replaced by data feeds • Standardised, scalable processes across multiple offices 		

Strong interest from our customers

Extremely interested

39%

Very interested

33%

Quite interested


23%

Not very interested

3%

Not at all interested

2%



72%
are extremely or
very interested.

Strong interest from our customers

“

I have witnessed the efficiencies gained in processing SMSFs and think it would equally apply to investment trusts.

”

“

I would expect an automated system could reduce time spent on an investment trust by more than half, which would improve overall profitability.

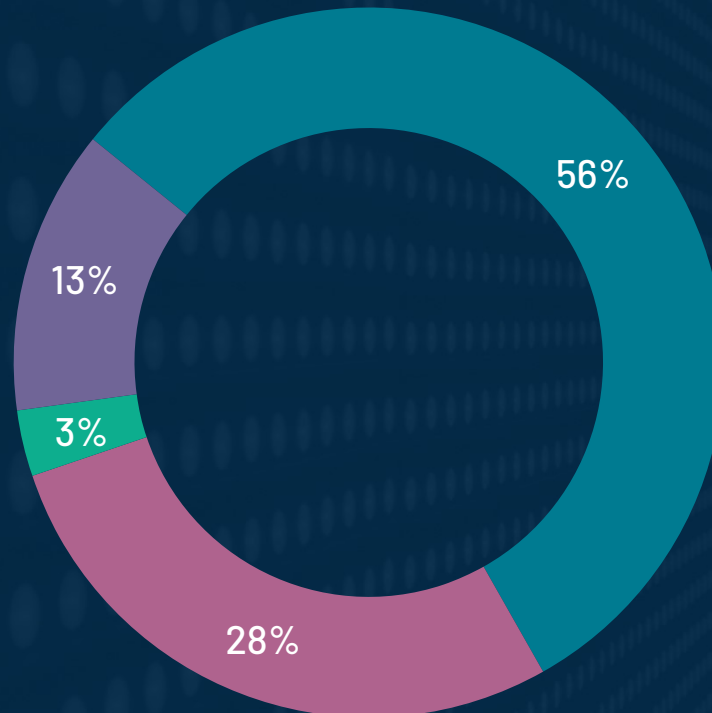
”

“

We are impressed by Class Super and are excited about the application of the same technology to trusts.

”

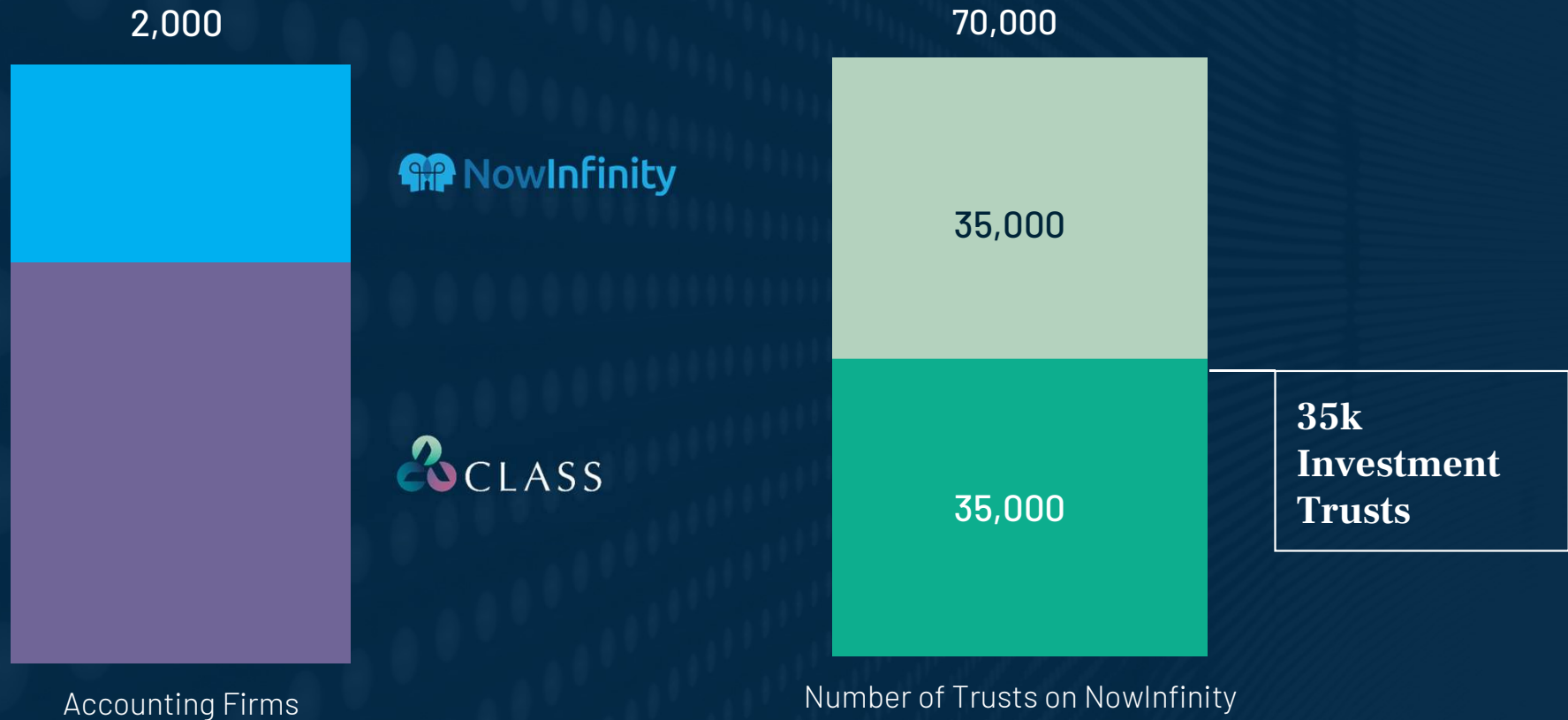
Established relationships with target market



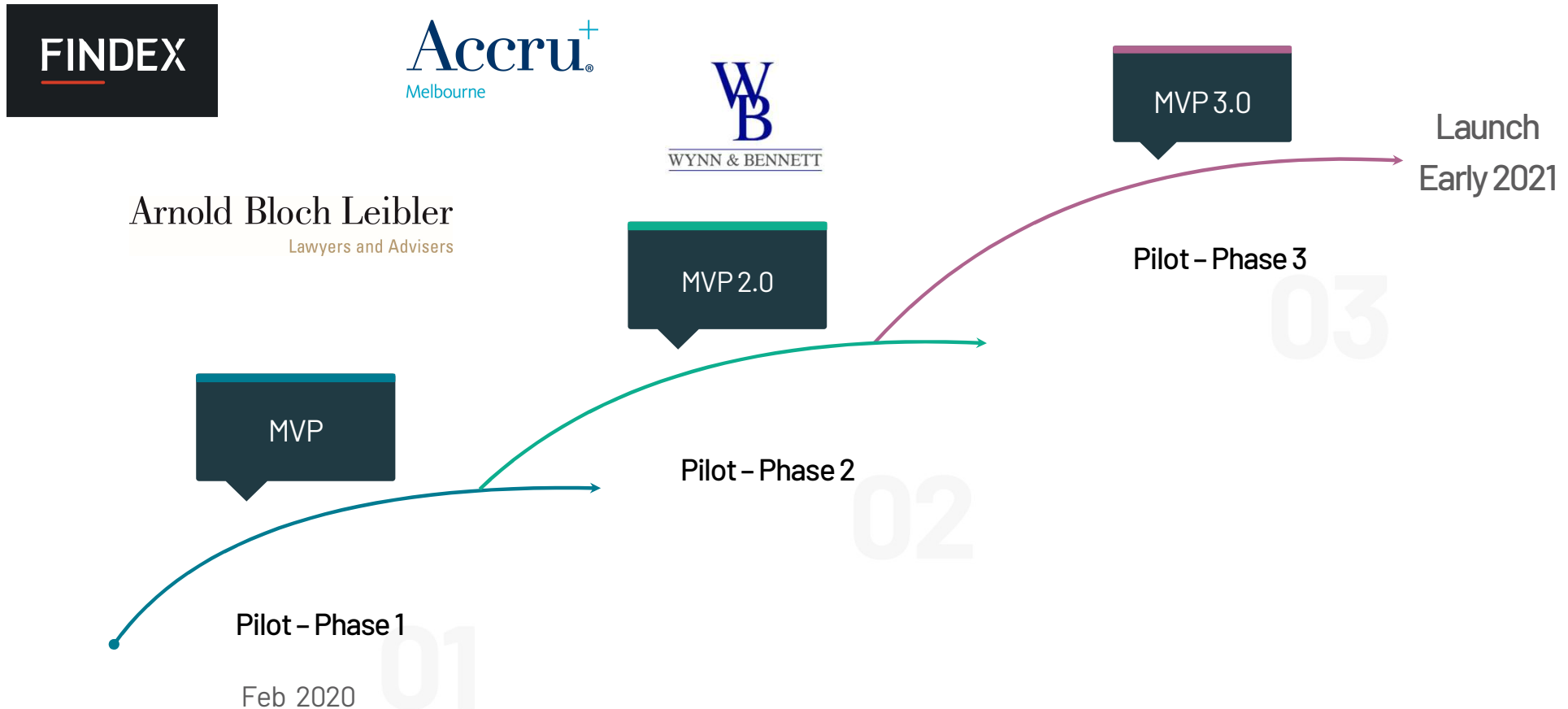
■ Accounting Firm ■ Multi-disciplinary (Accounting + Financial Planning) ■ SMSF Administrator ■ Other



Established relationships with target market

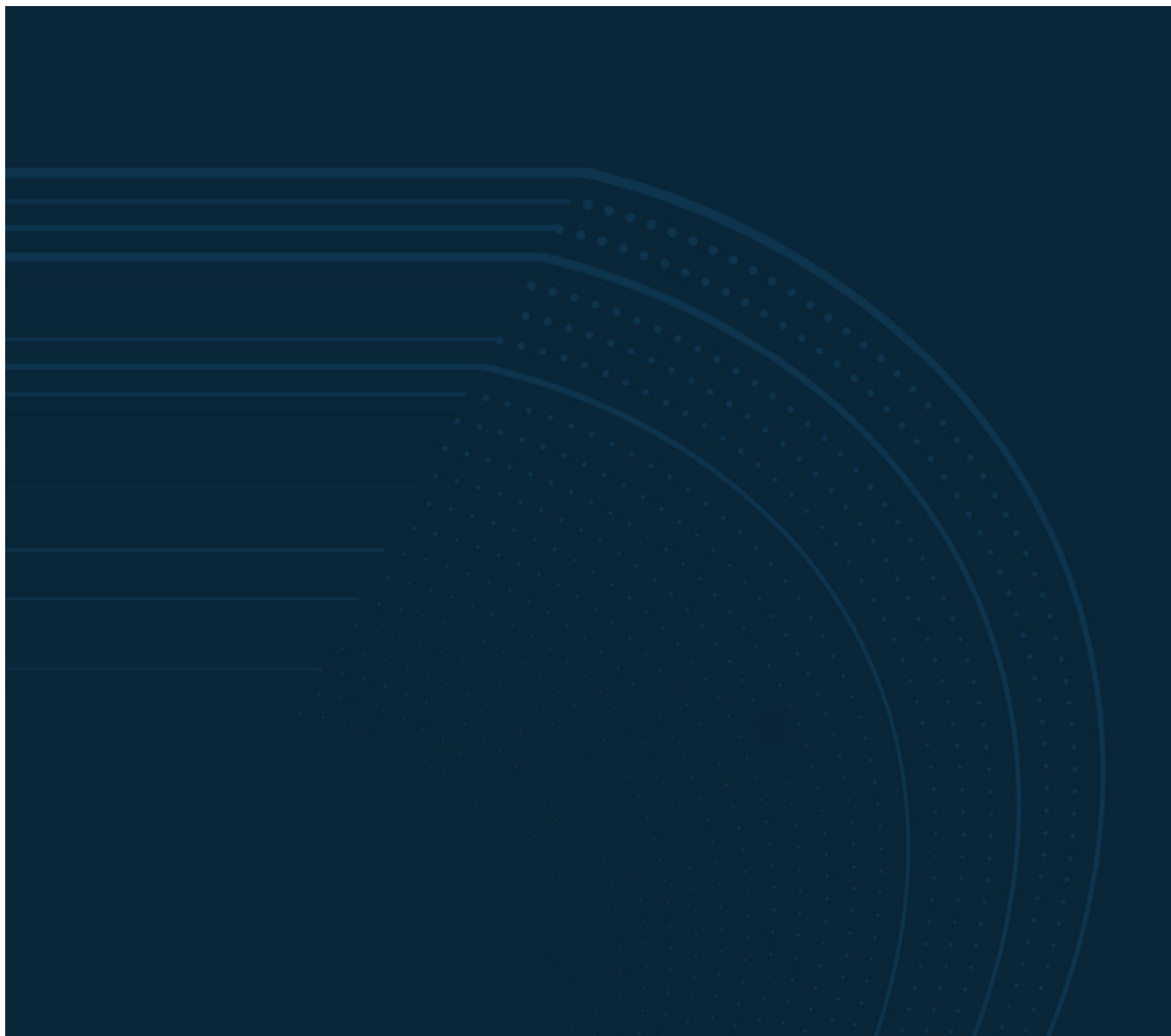


Progressive roll out in 2020



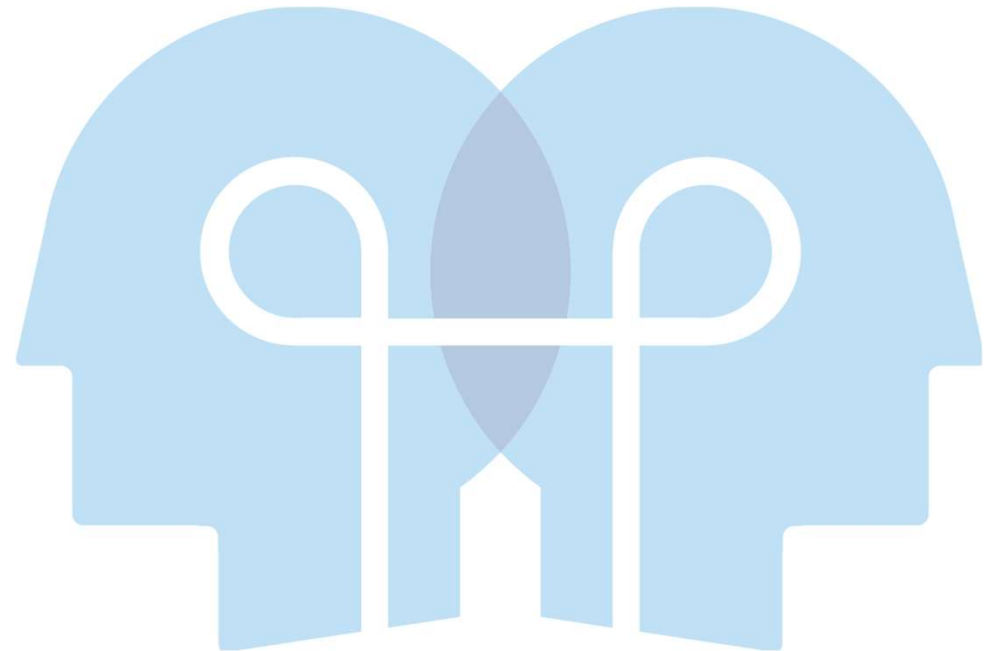


NowInfinity



Today's context

- NowInfinity was launched in 2013
- Genuine customer pain points - accountant & client
- Growth driven by constant legislative changes
- Technology-enabled SaaS



Problem Statement

The creation of entity setup was cumbersome, time consuming and expensive, both for the accountant and end client.

NowInfinity's vision was to have a robust automated platform for documentation that could support any structure an accountant could develop.






Product Overview

Products

Documentation Suite	Documents for entity creation including companies, trusts, SMSFs, loan agreements and more
Corporate Messenger	Corporate compliance solution for managing companies, their registers and lodgements with ASIC
Super Comply	Managing SMSFs with an aggregated, single view of all clients SMSFs
Trust Register	Establish & update trust related documents in one cloud-based location

Market leading solutions for wealth accounting

	Create 	Manage 	Administer 
Products	<ul style="list-style-type: none">• Documents• SMSFs, Trusts & Company• 70 templates	<ul style="list-style-type: none">• Super Comply• Trust Register• Corporate Messenger	<ul style="list-style-type: none">• Class Super• Class Trust• Class Portfolio
Vision	We will reimagine a more simple, automated world for our customers, and they'll love it.		

End to end solution for SMSF compliance and administration

SMSF Documentation

Documentation Suite

SMSF Compliance

Super Comply

Corporate Compliance

Corporate Messenger

SMSF Administration

Class Super

13% of all new SMSFs in FY19 were established on the NowInfinity platform.

End to end solution for Trust compliance and administration

Trust Documentation

Documentation Suite

Trust Compliance

Trust Register

Corporate Compliance

Corporate Messenger

Trust Administration

Class Trust

20,000

Trusts were established on NowInfinity in the past 2 years.



Sample Client

Wealth Accounting

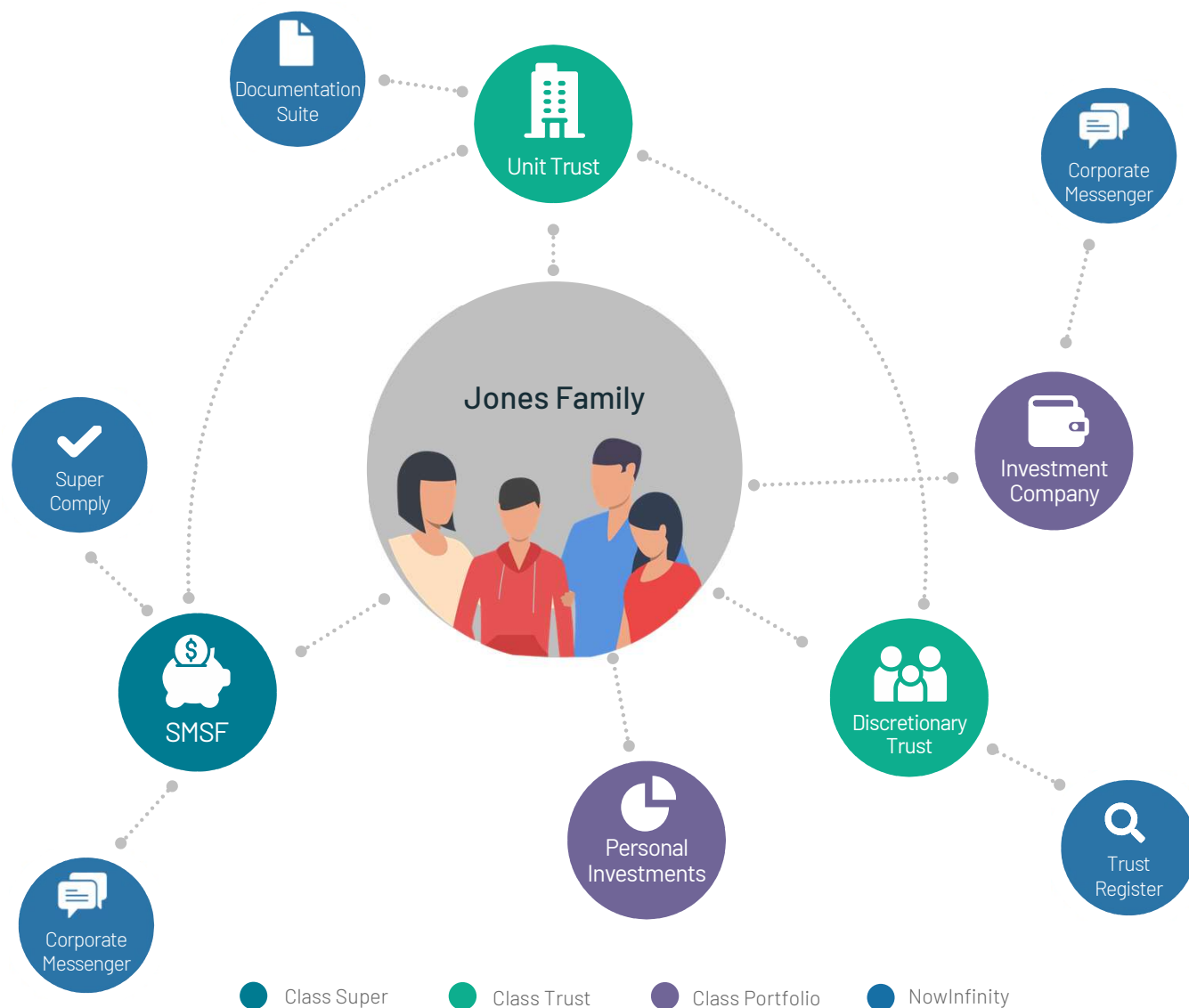
Class is committed to simplifying and automating the Accountant's back office - by bringing Wealth Accounting to an integrated platform.

Class Super – SMSF Administration

Class Trust – Trust Accounting

Class Portfolio – Investment Management

NowInfinity – Corporate Compliance





People Update

Jacqui Levings

Chief People Officer



We are a technology company.
Our people are our greatest asset.



65%

Heads of Recruiting agree
that **tech talent is the most
competitive** talent market



64%

Recruiters say that labour
market **supply for tech talent
is lower** than any other role

Source: Gartner Paper 'Recruiting for Tech Talent' 2019



Building a World-Class Culture

We are
better together!



We get it done,
with heart!



We are
built on trust!



We are always
reimagining!





People Pulse Check Indicators

Reimagination Strategy Launch July 2019

eNPS

-2.2

EMPLOYEE
ENGAGEMENT

7.0

ROLLING ATTRITION

29.5%

WOMEN EXECUTIVES

13%



People Pulse Check Indicators

Reimagination Strategy Launch
July 2019

eNPS	EMPLOYEE ENGAGEMENT
-2.2	7.0
ROLLING ATTRITION	WOMEN EXECUTIVES
29.5%	13%

7 months later...
February 2020

eNPS	EMPLOYEE ENGAGEMENT
+32	8.5
ROLLING ATTRITION	WOMEN EXECUTIVES
26.2%	33%



Building a World Class Team

A group of four people (three women and one man) are standing in a modern office environment, looking at a large display board covered with colorful sticky notes. They appear to be in a collaborative meeting.

Talent Attraction

@Class

Two men are shown in profile, smiling and looking towards the right. The man on the left has a beard and is wearing a dark shirt, while the man on the right is clean-shaven and wearing a white shirt. They are in a dimly lit room with a chalkboard in the background.

Performance

@Class

A group of five people (three women and two men) are smiling and holding a large, ornate wooden trophy. They are wearing dark t-shirts with 'STRONGER' printed on them. The background is a bright, modern office space.

Reward

@Class

A group of people are seated in an audience, clapping their hands. They are looking towards the left side of the frame. The setting appears to be a conference or a formal event.

Recognition

@Class

Two women are shown in profile, smiling and looking towards the right. The woman on the left is wearing a dark t-shirt and has blonde hair, while the woman on the right is wearing a dark t-shirt and has dark hair. They are in a dimly lit room with a wooden wall in the background.

Leadership

@Class

A man with a beard and short brown hair is smiling and looking towards the camera. He is wearing a dark t-shirt. The background is a dimly lit room with other people visible in the background.

Community

@Class



Building Momentum in 2020 through our People

Class – July 19

117

Class – Feb 20

138

Plus NowInfinity

26

Straightening our capability

Product
Development & Tech

Customer Retention
& Service Delivery

Customer
Acquisition & Growth



Wrap

Andrew Russell

Chief Executive Officer

Today's takeaways

Reimagination
strategy
on track

Continue to
partner
& acquire

Our product
development
is more robust

Investment in
our people
continues



Awards / Recognition

**Software Services
Innovator of the Year
(50+ employees)
2019**



**Accounting Innovator of the Year
2018 & 2019**



**Value for Money Winner
2017, 2018 & 2019**



2017 SMSF
Accountant Report
Value for Money
Class Super



2018 SMSF
Accountant Report
Value for Money
Class Super



2019 SMSF
Accountant Report
Value for Money
Class Super

**SMSF Software Provider Winner
2014, 2015, 2016 & 2017**



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



2017 SMSF
Accountant Report
Highest Overall Client
Satisfaction: SMSF Software
Class Super



2018 SMSF
Accountant Report
Highest Overall Client
Satisfaction: SMSF Software
Class Super



2019 SMSF
Accountant Report
Highest Overall Client Satisfaction:
SMSF Software
Class Super

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