

ASX announcement

Class releases 1H21 results; announces acquisition of ReckonDocs

Sydney, February 16: Today, Class has released its 1H21 results, which is available on the Class website. Class has also announced the strategic acquisition of the ReckonDocs business.

Key insights include:

- Revenue of \$25.9 million, up 27%
- Roll Forward Revenue of \$52.9m, up 29.7%
- EBITDA of \$10.4m up 29%
- Maintained an EBITDA margin of 40%
- The board has declared a fully franked dividend of 2.5 cents for 1H
- The customer base has increased by 183% to 4,456 customers

All comparisons are to the half-year ended 31 December 2020, unless otherwise stated.

Strategic update

1. Class continues to execute to our reimagination strategy with both financial and operational results on target.
2. Class is building a good track record with acquisitions in both buying and integrating well as evidenced by both NowInfinity and Smartcorp in 2020.
3. The ReckonDocs acquisition announced today, provides Class with another high margin and customer acquisition business to further scale and grow revenues.
4. Class has increased the FY21 revenue growth target to 22% which includes ReckonDocs. We are targeting an underlying EBITDA margin target of 40%

ReckonDocs acquisition

Class has today announced the strategic acquisition of ReckonDocs. The transaction includes the complete acquisition of the ReckonDocs platform and customer base, for an enterprise value of \$13m adjusted for working capital. The transaction has a target completion date of March 1 2021.

ReckonDocs is currently used by more than 2,000 businesses in Australia, and one in seven Australian companies are registered through the platform. It's product suite – including company registrations, trust deeds and SMSF deeds – is a natural fit for Class and it's

services will be incorporated into Class' NowInfinity platform. The acquisition will provide ReckonDocs customers with a newer technology platform and access to an extended suite of products.

ReckonDocs is the third acquisition by Class since January 2020, following the acquisitions of NowInfinity and Smartcorp.

Class Trust

In October, Class launched its trust accounting product ahead of schedule, Class Trust. Class Trust enables accountants, financial advisers, and administration professionals to automate significant parts of the trust administration process, making it more efficient and accurate for practices to navigate the typically disjointed and error-prone process. As at today, Class Trust is used by more than 175 accounting businesses, managing more than 2,700 trusts. Class continues to innovate and invest in the development of its multi-product technology and is focused on remaining the platinum standard of back-office automation for the Australian accounting industry.

Key client: Findex

We are pleased to announce today the signing of Findex to use the NowInfinity Documentation Suite for their extensive national accounting network.

As an SMSF, Portfolio, NowInfinity Trust Register, and Corporate Compliance customer, as well as our cornerstone pilot in Class Trust, Findex is an example of how the Class multi-product offerings are resonating with our customers.

ENDS

Approved for release by:

Andrew Russell, Managing Director & CEO, Class Limited.