

25 May 2021

CLASS LIMITED (CL1) - INVESTOR DAY

Today marks the 2021 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

For further information please contact:

Jacqui Levings
Investor Relations
Email: investor@class.com.au

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Investor Day

May 2021

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

Simplify. Automate. Connect.





Welcome

Andrew Russell

Chief Executive Officer

Agenda

Investor Day 2021



Welcome and Strategy Update

Andrew Russell
Chief Executive Officer



Customer Update

Jason Wilson
Chief Customer Officer



Technology Update

Alexis Rouch
Chief Technology Officer



Product Demonstration

Amy Johnson
Head of Product



Q & A

Executive Leadership Team



Wrap

Andrew Russell
Chief Executive Officer

The Class Value Proposition



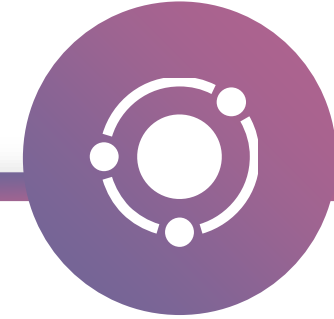
Simplify

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.

The Class software automates complex rules-based workflows

Our current capability is automating workflows across accounting, compliance and wealth in Australia



AccountTech

- SMSF Administration
- Trust Administration
- Portfolio Administration



DocTech

- Corporate Compliance
- Document Suite
- SMSF Compliance
- Trust Compliance



WealthTech

- Portfolio Reporting
- Portfolio Administration



Partner Integrations

- APIs
- Data services

Financial Data Aggregation and Connectivity

Banks / Investment Platforms
Brokers / Asset Managers

ATO / ASIC
Exchanges

Our Australian Technology Platform is Significant



Customers

6,400



Investor Accounts
and Entities over

750,000



Feeds and Partner
Integrations

250



Assets on
Platform over

\$300b



Registered Companies
Established

1 in 4[^]



Top 100 AU
Firms

81*

*AFR Top 100 Accounting Firms 2020

[^]run rate since Reckon Docs acquisition

The 3-year transformation strategy has been to grow new revenues and TAM, scale and improve operating capability at speed



Maintaining SMSF
product leadership
and Launching
Class Trust



Accelerating Growth
through strategically
aligned Acquisitions

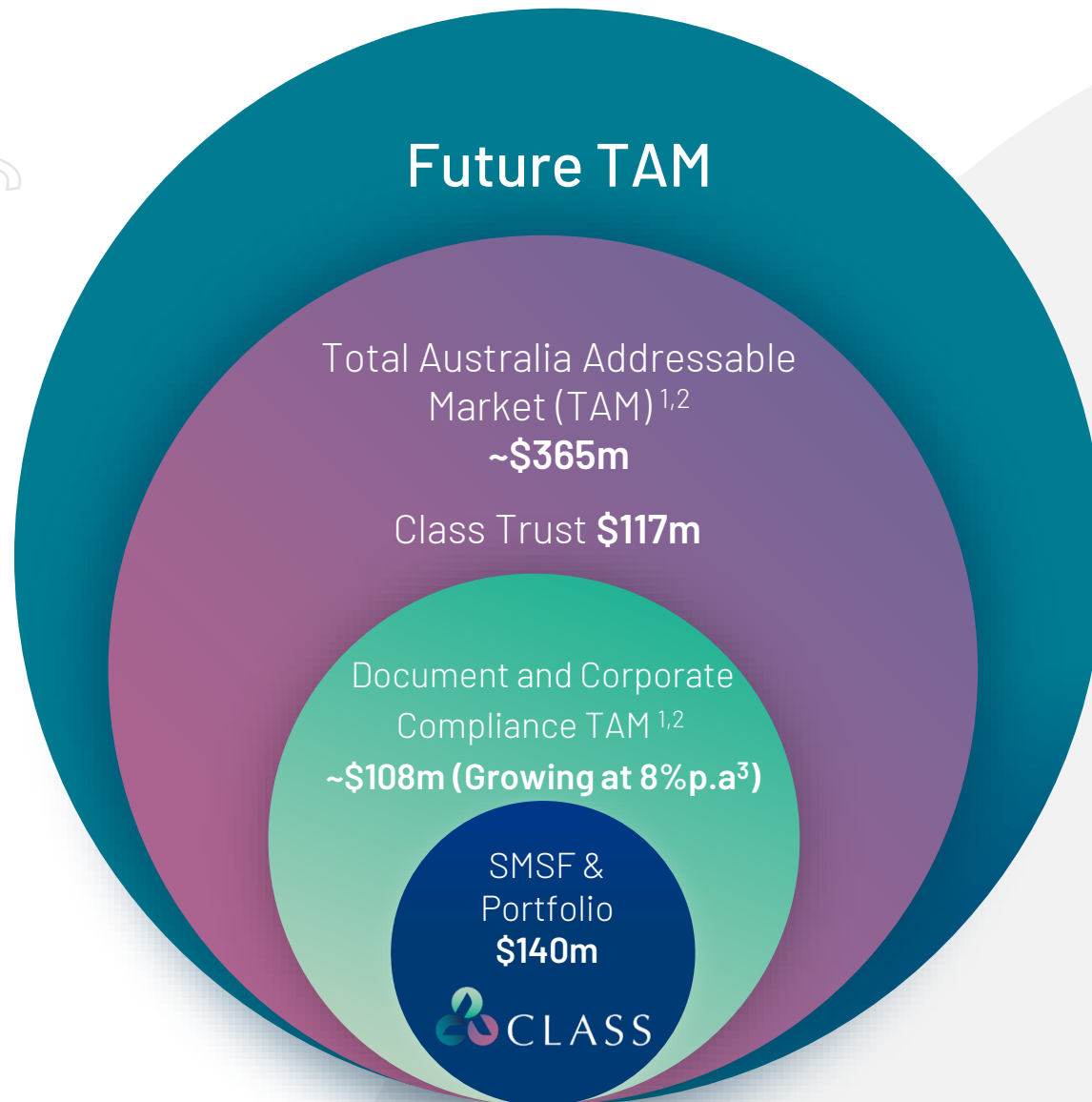


Growing the number of
customer relationships



Rejuvenating the
Technology Stack for
Next Generation,
World Class
capabilities

Our strategy has grown the Total Addressable Market by 2.5X



We are exploring opportunities to grow our TAM in FY22 and beyond:

1. Adjacencies where complex administration rules exist and can be automated by technology
2. Data aggregation and analytics
3. Offshore opportunities

¹ Frost & Sullivan independent market report 2020

² TAM includes accounting practices, SMSF administrators, lawyers, and financial planners/advisers

³ ASIC document YOY growth FY19

CLASS PRODUCT SUITE

Class Super



Maintaining SMSF
product leadership

Super growth will come from margin improvement and the multiproduct strategy

SMSFs software market is mature, and Class maintains a significant leadership position

We continue to maintain high retention of over 99%

We will drive efficiency and price opportunities for margin improvement in FY22 and beyond

Ongoing market share growth will come from the multiproduct strategy execution

Class continues to be a significant leader in SMSF software

Image unavailable for public release – property of Investment Trends (2021 SMSF Planner and Accountant Report)

CLASS PRODUCT SUITE

Class Trust



Launching Trust

Class Trust has Market Leadership

Investment Trusts are the second biggest wealth vehicle outside of Super

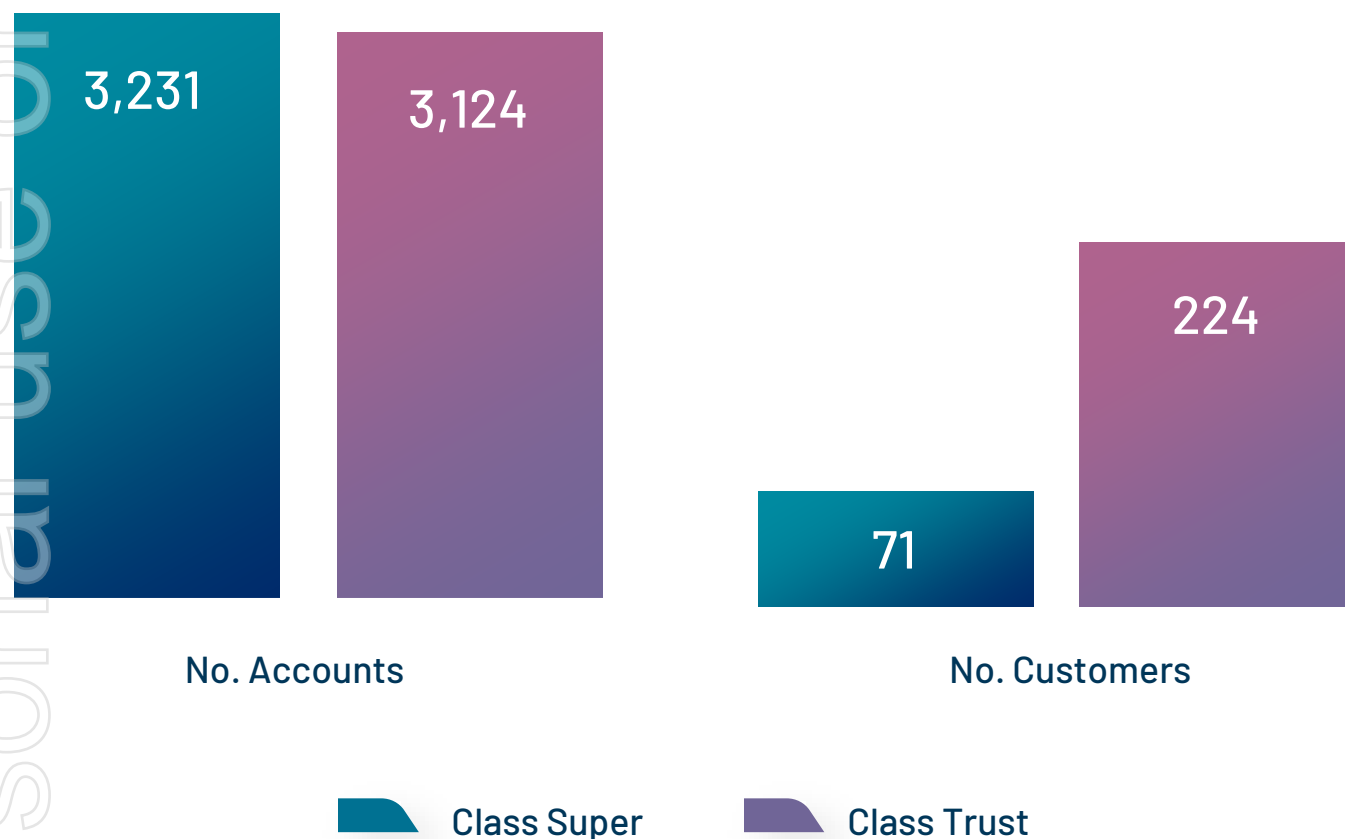
Accountants are currently using excel and practice management software to administer trusts

Class Trust is driving up to 68% improvement in time efficiency gains for adopting customers

Customers are trialing the software to assess the efficiency benefits before adoption

Class Trust adoption meets expectations following pilot launch

Comparison – 17mths after pilot launch



Class Trust has 3X the customers compared with Class Super at comparative stages.

13.3% Class Super customers now using Class Trust.

Lower accounts per customer due to trust administration spread across a range of customer business units.

Our Strategy to Scale Trust is Clear

1. Breaking down the barriers for adoption is a function of time
2. Bespoke and targeted account management
3. Demonstrate efficiency gains compared to current administration operations
4. Extend the Trust feature offering



Legal Documentation and Corporate
Compliance – Our new Vertical

Acquisitions update



Accelerating Growth
through Acquisition

Our acquisitions are complementing and driving the core business

Establishment

**Documentation
Suite**

Entity Management

**Super Comply and
Trust Register**

Corporate Compliance

**Corporate
Messenger**

Administration

**Class Super
Class Portfolio
Class Trust**

13% of all new SMSFs
in FY20 were
established on the
Class' NowInfinity
platform.

28,000
Trusts were
established on
NowInfinity in the
past 2 years.

Our acquisition strategy has been targeted and well executed

Winning Capabilities

Corporate Compliance



Trust Compliance



SMSF Compliance



Documents Suite



Printing



Industry recognized Legal Document provision



Scale Benefits



Customer Acquisition



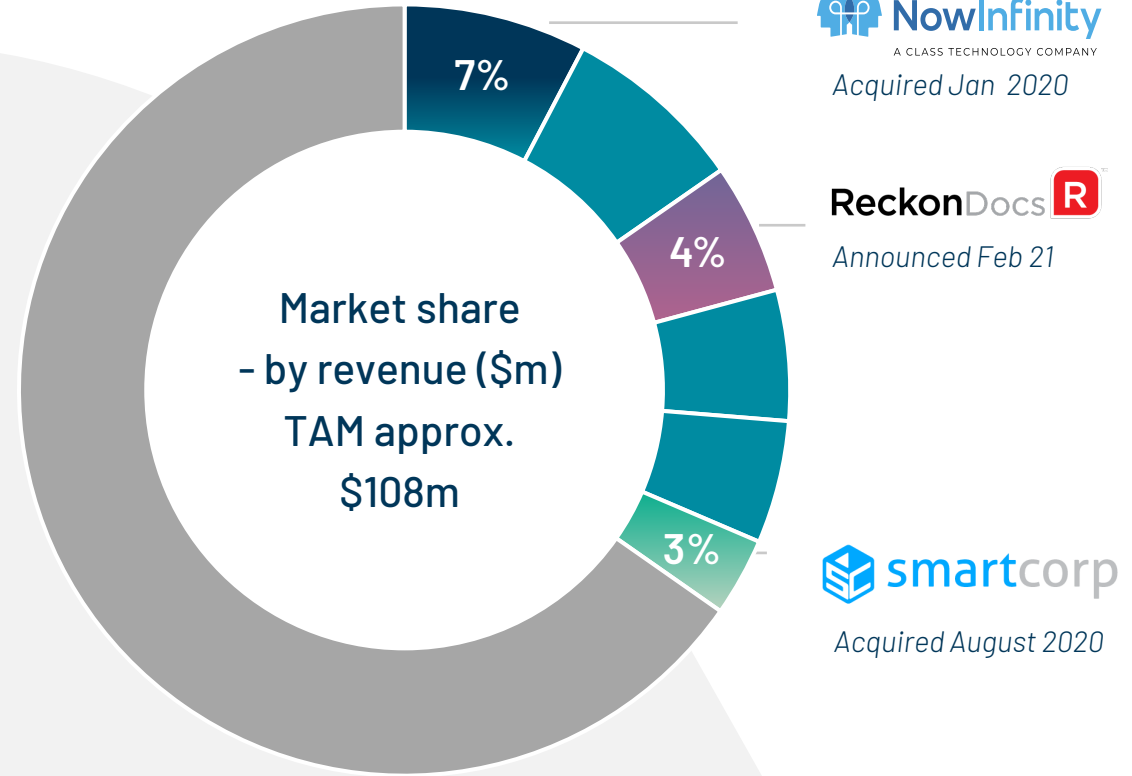
Enter complementary vertical via acquisition of the best-in-market scalable technology platform

Class continues to assess further acquisition opportunities

Today

Class has quickly obtained market leadership

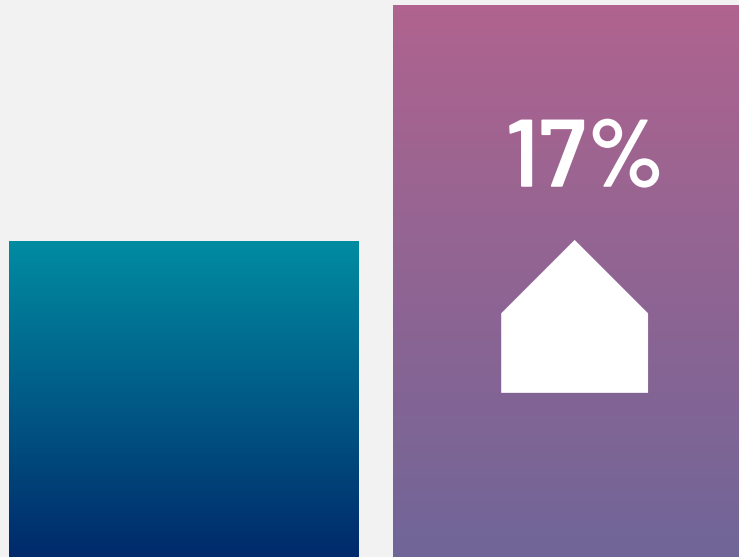
- We have strategically scaled the business through complementary customer acquisitions
- Class is now the market leader in this vertical with over 14% market share by revenue



Fragmented market that is ripe for consolidation as the Class brand builds confidence as the leading provider

Our acquisitions are driving impressive organic revenue growth in a short period

April FY21 YTD Actual vs PCP Revenue



YTD*

■ PCP ■ Actual

The average revenue multiple paid for acquisitions

3.18x

EV \$40.7m

Organic EV uplift

\$6.9m (+17%)


Based on April roll forward revenue

Executing the Transformation Strategy is to plan and fast paced



3 Year Re-imagination Strategy

The Transformation Score Card after 20 months

	FY19 	FY21 
Products in market	2	7
Tech Capability	Under invested	Investing and building a Next Gen Tech Stack
Total Addressable Market (TAM)	\$140m	\$365m – Expanded 2.5X
Revenue	\$38m	\$54m* (19% CAGR)
Underlying EBITDA Margin	47%	40%*
Female Employee Mix	41%	52%
Employee Advocacy	eNPS at -2.2	eNPS at +34

*FY21 Forecast- refer to 1H 21 Results Presentation



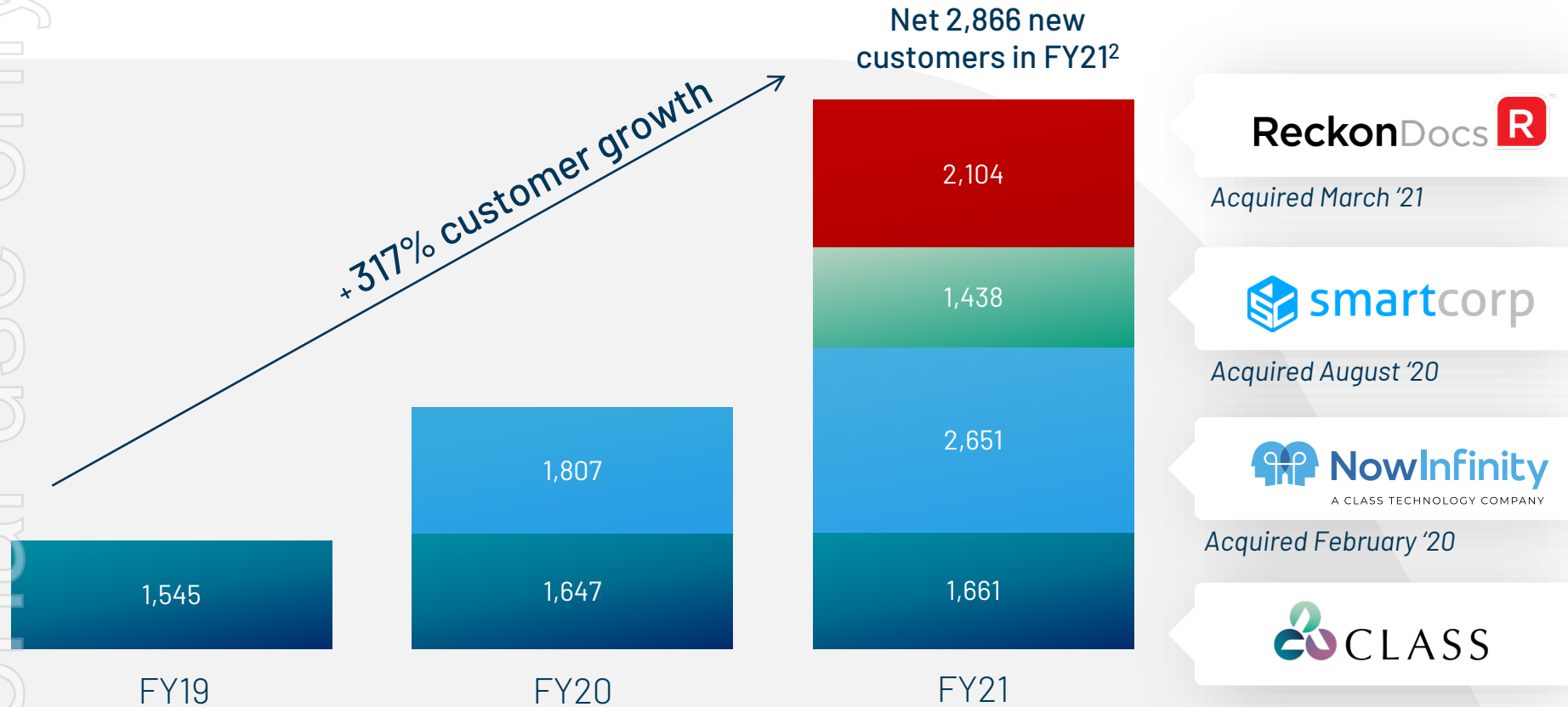
Customer Update

Jason Wilson

Chief Customer Officer

Our Customer relationships are growing

Our Strategy is to significantly grow our customer base to create opportunities for multi-product relationships



Unique
6,443
Customers¹

¹ Total 7,854 customers minus 1,411 customers using multiple products equals 6,443 unique customers

² Total 3,454 customers minus 588 customers using multiple products equals 2,866 net customers

We have segmented our customers for service and product engagement

Personal use only

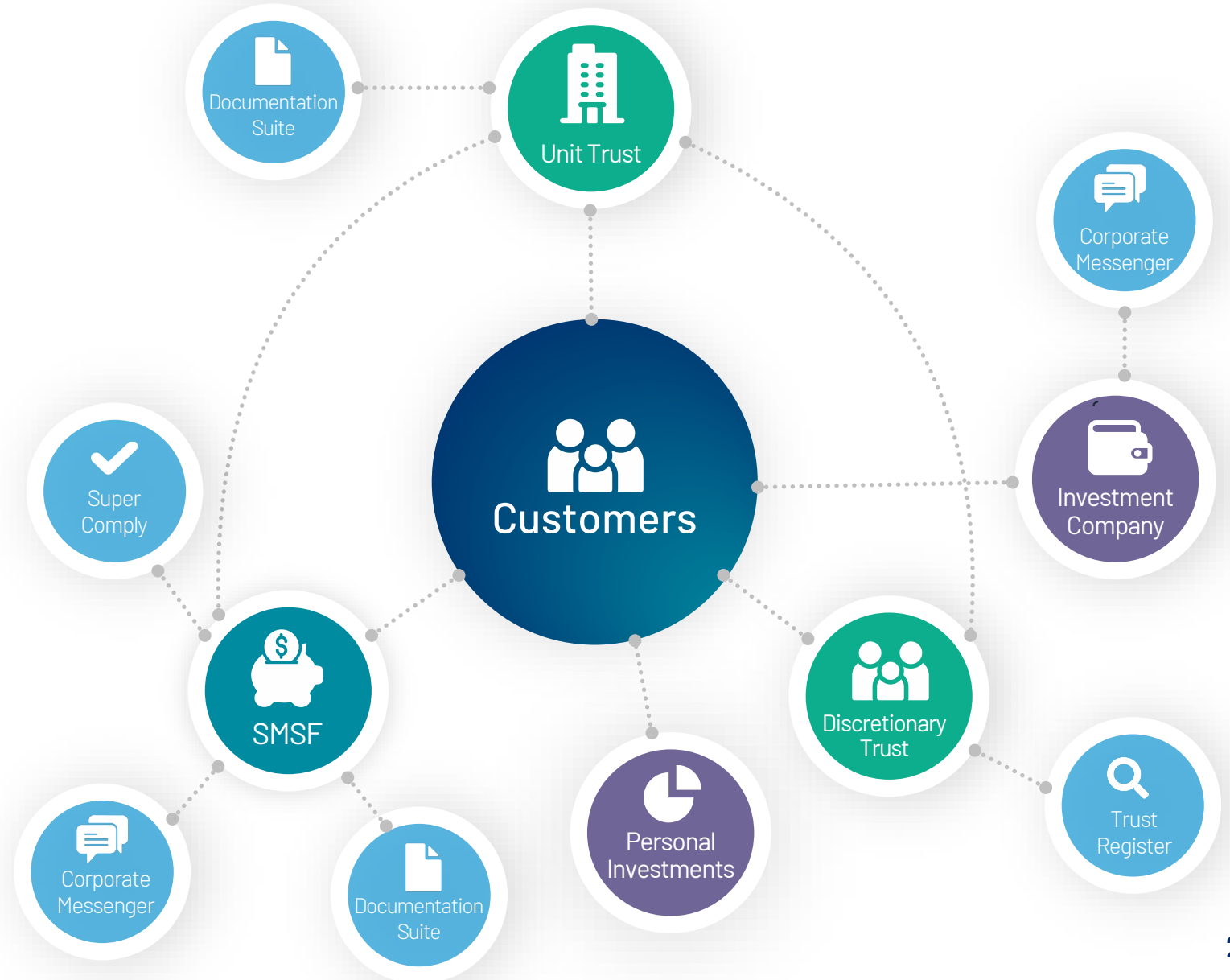
	Number of customers	Avg \$ Rev. / customer	Avg Products / customer
Enterprise	88	\$189.6k	3.4
Mid-Tier Firms	608	\$36.2k	2.7
Small - Medium Businesses	3,307	\$4.7k	1.5

Source: Internal Class reporting. Excludes Partnership revenue, ReckonDoc customers and Smartcorp customers yet to transact since acquisition

Revenue synergies are being achieved through greater cross sell via targeted sales activity.

Helping our customers meet their clients' needs

Class software is simplifying and automating the back office by bringing Wealth Accounting to an integrated platform.



Class Super – SMSF Administration

Class Trust – Trust Administration

Class Portfolio – Investment Management

NowInfinity – Corporate Compliance & Documentation

Our customers are at the heart of our strategy development and transformation



We are **listening**

Creating a **two-way dialogue** with our customers.



We are **discovering**

Using proven methods for **customer centric designs**.



We are **innovating**

Recognised as most **feature rich** and **innovative** brand for SMSF Administration*



We are **measuring**

We leverage **data** and **analytics** to ensure we are achieving success.



Strong support from our customers

“

Class support is unrivalled in its **professionalism** and willingness to support its users. Whenever I reach out for assistance, the team always deliver and go the extra mile, no matter how tedious my request may end up being! I never hesitate to pick up the phone when I am stuck. I only wish all tech support services were like Class.

Karen Glover
Argyle Professionals

“

Being able to review financials and investment reports in real time has enabled our staff to have more meaningful conversations with our clients. **Class Trust has also removed a significant number of bottlenecks** we would traditionally see when processing Trusts, and as a result we have seen **great efficiency gains in our first year of using the system.**

Timothy Kyriazis,
Findex

“

If you're an accountant or an administrator, what you really want for your actuarial certificates is to be able to press a button, send the data off to your actuary, and **get the response back in the shortest possible time with the least amount of effort at your end**, and that's exactly what we can do with Class.

Meg Heffron,
Heffron SMSF Solutions

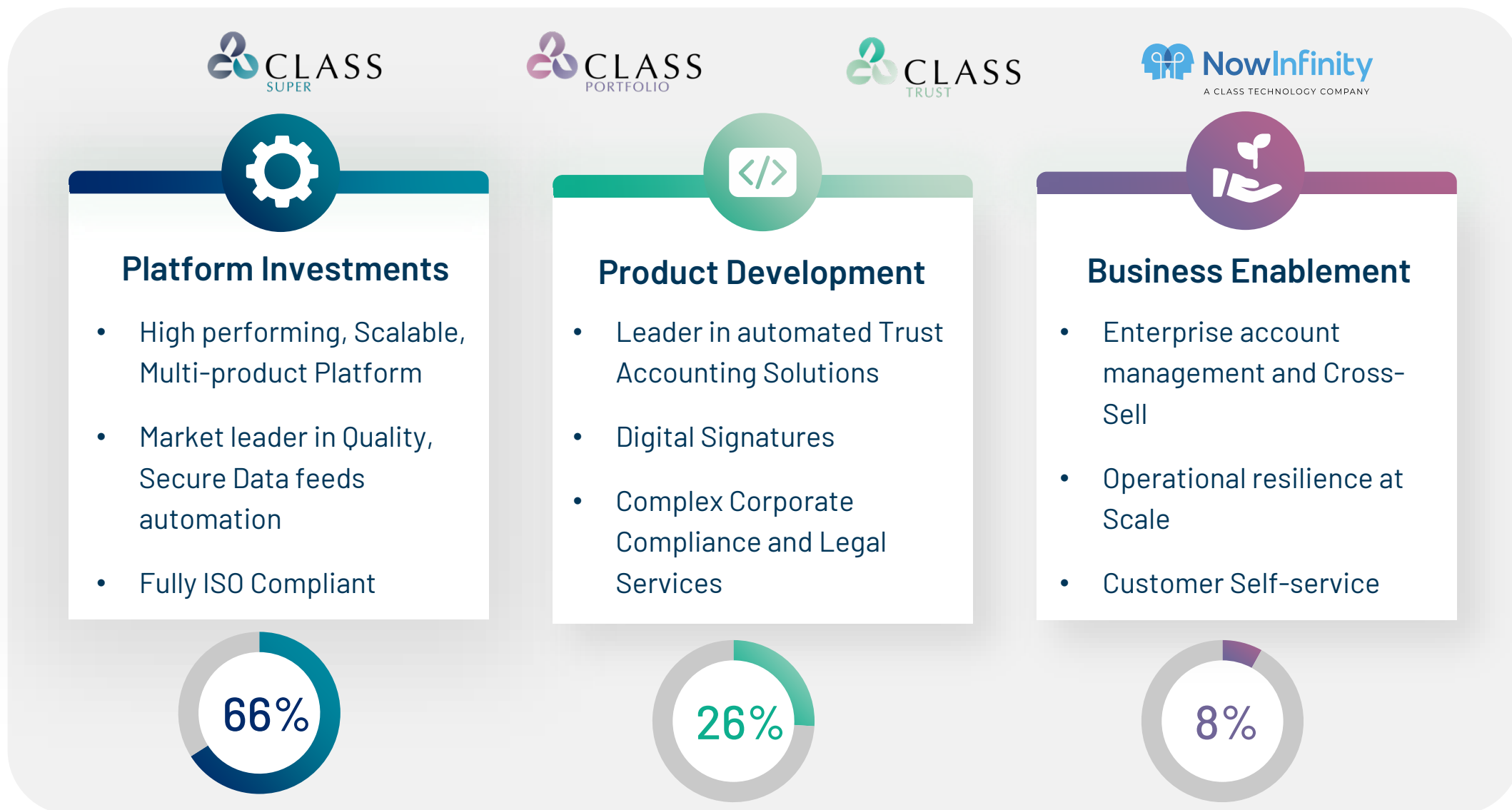


Technology Update

Alexis Rouch

Chief Technology Officer

Class' product suite and technology investment is a differentiator

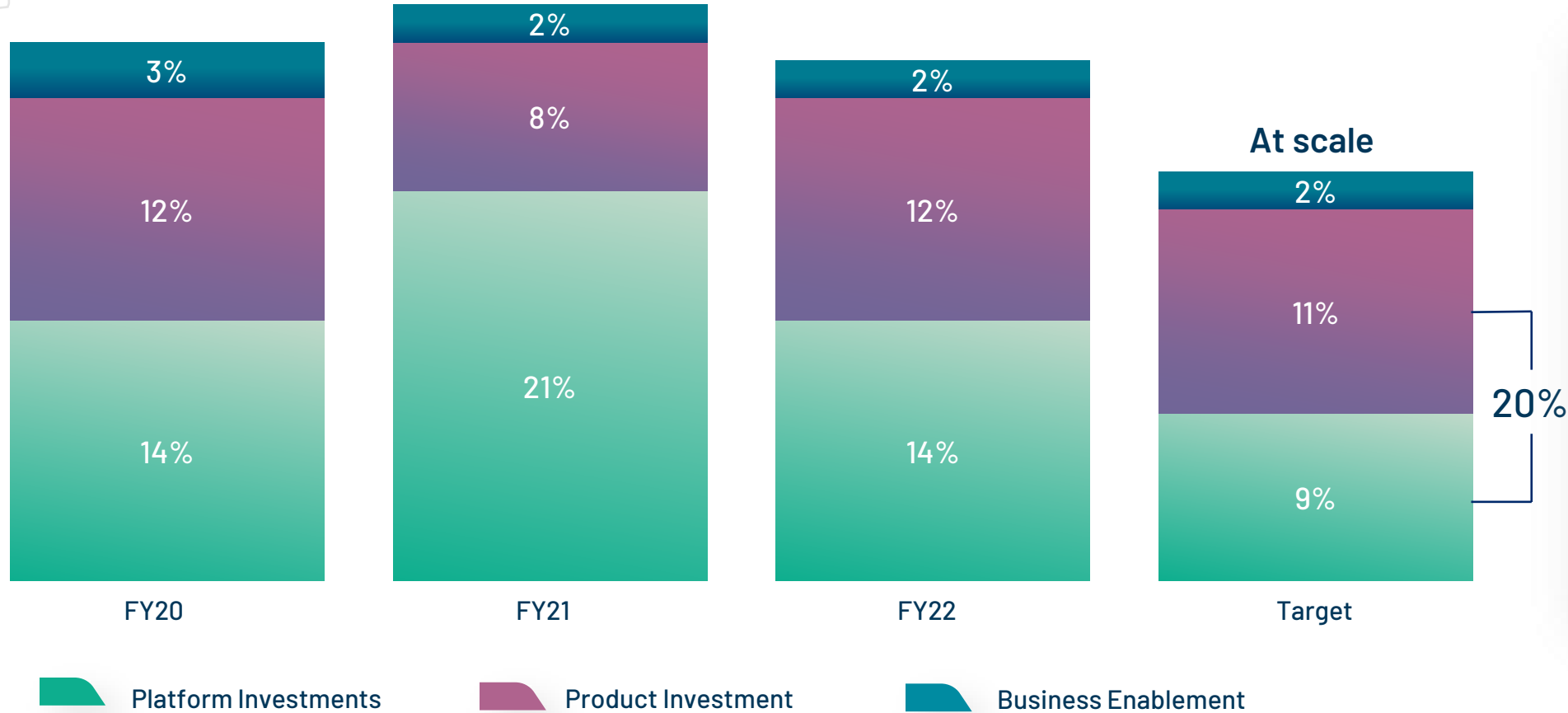


FY21
Delivery

FY21
Tech spend

Technology investment as % revenue is normalising as we scale

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Accelerated spend in H2 to fast-track transformation and delivery of new features

Total spend as % of revenue will continue to trend down as we scale

Creating an agile, resilient, integrated & data-driven technology business

Agile@Class

Delivering outcomes faster to market

Innovation Labs

Driving future value through innovation

Engineering Excellence

Delivering quality at scale

Data Analytics & Insights

Unlocking the value of our data

Platform Investments

Integrated platform provides strategic agility



Product Demonstration

Amy Johnson

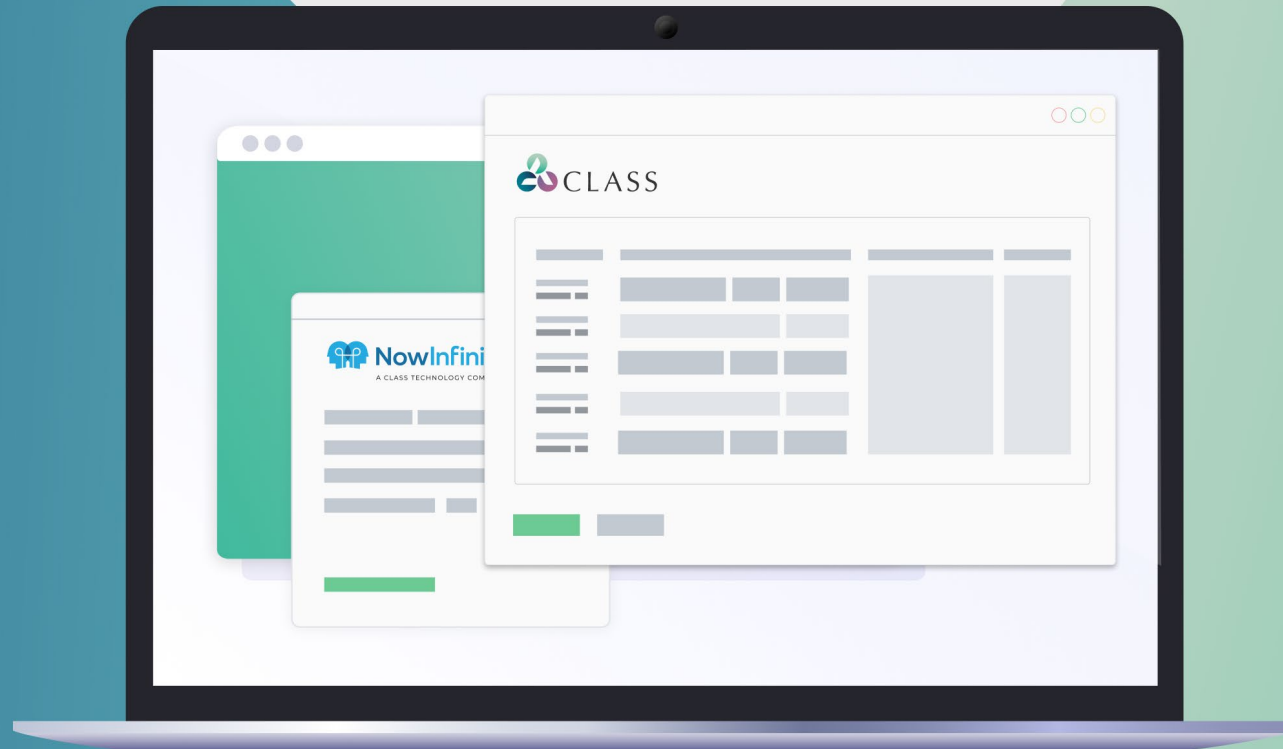
Head of Product

Product Synergy

Powerful together

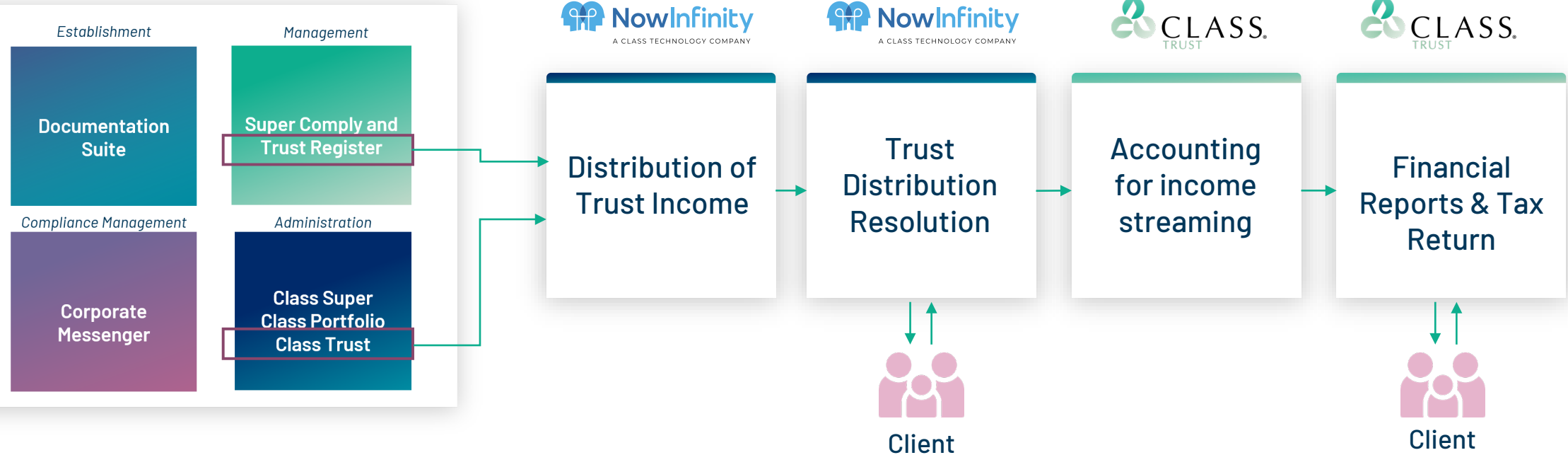


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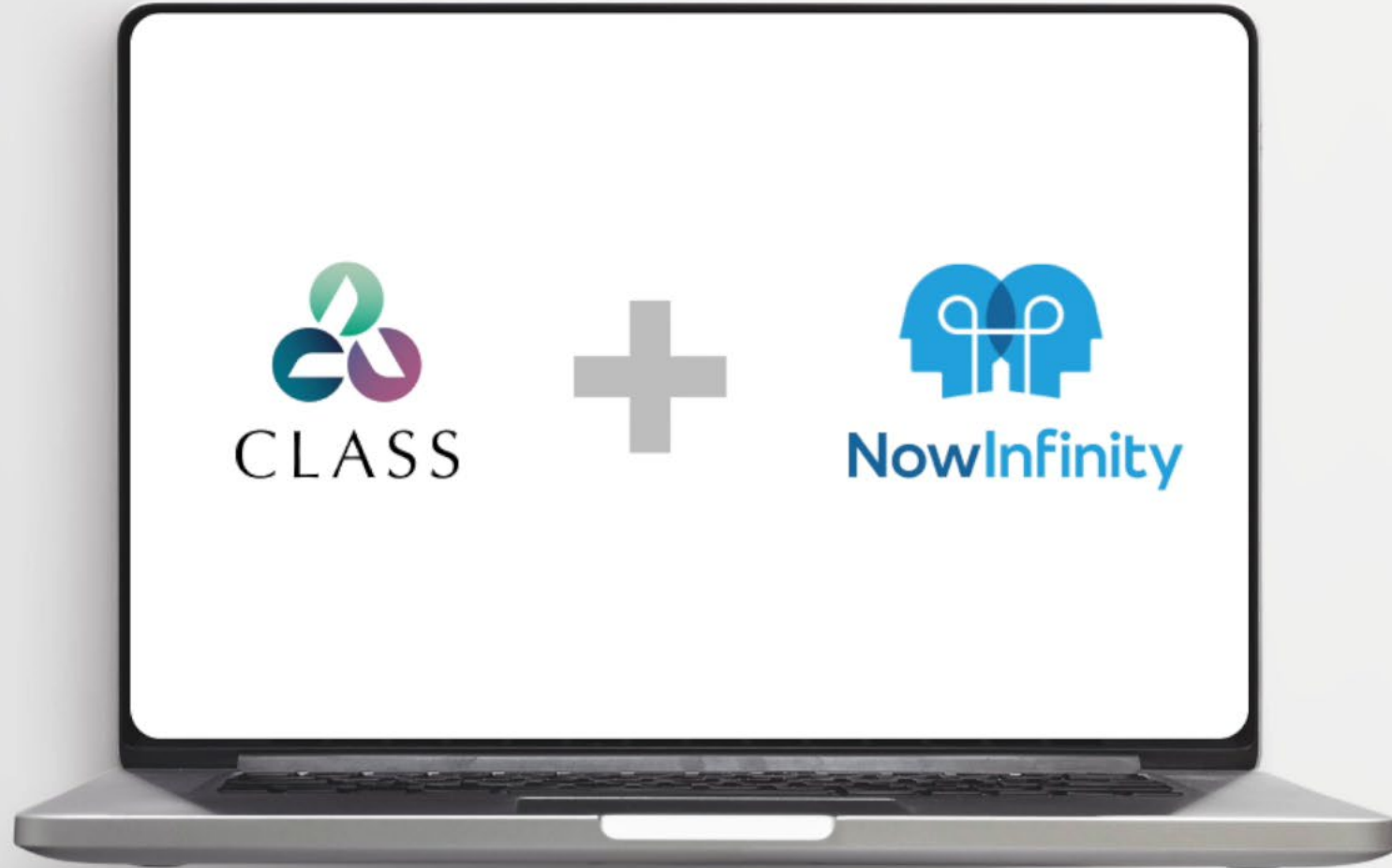
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Delivering automation & connectivity, delighting customers and unlocking sell through opportunities



PRODUCT SYNERGY

Powerful together



Show

Active

Sort by

Name of Trust

Hit Return Button for Advanced Search

Q



All

[Submit Feedback](#)[Actions](#)

TRUSTS BETA

☐ My Trusts

NAME OF TRUST		COMMENCEMENT DATE	ACCOUNT MANAGER		PINS		ACTIONS
Demo Discretionary Trust	READY: 95%	17/12/2003	Angelique Faes		Discretionary	NSW	
Porte & Perry Family Trust	✓	01/01/2000	Angelique Faes		Discretionary	SA	
Porte & Perry Property Trust Porte & Perry	✓	17/12/2003	Unassigned		Fixed	VIC	

ADDITIONAL INFORMATION

TRUST DISTRIBUTION MINUTES

DATE CREATED

29 Apr 2021 4:34 PM

LAST UPDATE

29 Apr 2021 4:34 PM

LAST EDITOR

Angelique Faes

STATUS

Draft

Trust Details


Trustee Details

Beneficiary 1


Beneficiary 2

Beneficiary 3


Beneficiary Details

[← Back to previous page](#)Remove this tab 

Beneficiary

Individual 

Name of Individual

Ellyse Perry Add Beneficiary 

Next Step

[Save and Complete Later](#)

Distributions

Legal Review

Presentation

Ready to Submit

Integration driving adoption and cross sell



97,000

Trusts on the
Trust Register



25,000+

Trust Distribution
resolutions per
annum



Integration

Class Trust integration
opportunity enabling
further adoption





Demo Discretionary Trust / Financial Years / 2019-20: Financial Year

Financial Year Summary

Description	2019-20: Financial Year
Status	Open
Auto Publish To Client View	Yes

Period Updates

Period Description	Period Start Date	Period End Date	Execution Date	Processed By	Published To Client View	
2019-20: Financial Year	01 Jul 2019	30 Jun 2020	23 Apr 2021 09:59	angelique.faes@class.com.au	Yes (Revoke)	View/Rollback

Beneficiary Distribution

[Distribute Retained Earnings](#)

Last Period Update processed by angelique.faes@class.com.au on 23 Apr 2021 09:59 . Current Retained Earnings balance \$179,365.12

Tax Finalisation and Return

[Finalise Tax](#)

Ⓢ Ⓜ ✕

\$58,000.00

\$121,365.12

\$0.00

(\$8,900.00)

(\$34,124.76)

\$136,340.36



%



\$0.00

0.00

\$0.00

0.00%

\$0.00

0.00

\$0.00

0.00%

\$0.00

0.00

\$0.00

0.00%

\$136,340.36

100.00%

▼

▼

Delivering value for our clients

Automation delivering significant **time savings** for accountants

83% of surveyed customers are satisfied with the MVP launch of Class Trust,
with 0% dissatisfied

NowInfinity legal documents complement Class admin products



Demo Discretionary Trust / Financial Years / 2019-20: Financial Year

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Description	2019-20: Financial Year
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Beneficiary Distribution

Distribute Retained Earnings

Last Period Update processed by angelique.faes@class.com.au on 23 Apr 2021 09:59 . Current Retained Earnings balance \$0.00

Tax Finalisation and Return

Finalise Tax

In summary

- Integration driving adoption and organic revenue growth
- Faster and smarter about how we take products and features to market
- Targeting our product investment to enable scale and deliver customer value







Wrap

Andrew Russell

Chief Executive Officer

Our ambitions are achievable given our successful track record of execution

	FY19 	FY21 	Ambition 
Products in market	2	7	>7
Tech Capability	Under invested	Investing and building a Next Gen Tech Stack	Next Gen Tech Stack
Total Addressable Market (TAM)	\$140m	\$365m – Expanded 2.5X	New Verticals and Offshore
Revenue	\$38m	\$54m* (19% CAGR)	↑
Underlying EBITDA Margin	47%	40%*	↑
Female Employee Mix	41%	52%	Diversity and Inclusive role model
Employee Advocacy	eNPS at -2.2	eNPS at +34	Employer of Choice

Today's takeaways



We have an impressive strategy execution score card



Acquisitions are delivering double digit organic revenue growth



Technology investment is delivering and trending down to 20% of revenue target (22% including BE)



Strong revenue growth and TAM expansion opportunities exist in FY22, FY23 and beyond

Q & A

Executive Leadership Team

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