

2 July 2021

Class Limited (ASX:CL1) - Update on Investment in Philo Capital Advisers (Philo)

Class Limited (Class) made an investment in Philo of \$3.1m by way of a convertible note prior to the Reimagination strategy introduced by CEO Andrew Russell in 2019.

In advance of the convertible note maturity date of 30 June 2021, Class undertook a strategic review of Philo and concluded that it is not on strategy and continuing to invest in the Philo business is not in the best interests of Class shareholders.

The conversion/redemption period ends on 31 August 2021 and Class is reviewing its options to either convert or redeem the note. Class' investment currently stands at \$3.4m including capitalised interest and based on current information it is expected there will be a material shortfall of around \$3m in value under either scenario. Class will make a fair value negative adjustment for the shortfall in its FY21 financial statements.

Class remains on track to achieve the FY21 revenue and underlying EBITDA targets announced in the Investor Day Presentation released on 25 May 2021. Class remains focused on driving growth and shareholder value through the continued execution of its Reimagination strategy in FY22.

Approved and authorised for release by the Board of Class.

For further information please contact:

Andrew Russell

Managing Director & CEO

Jacqui Levings

Chief People Officer & Investor Relations

investor@class.com.au