

5 October 2017

CLASS LIMITED (CL1) - QUARTERLY SHAREHOLDER UPDATE

We passed the **150,000** account milestone across Class Super and Class Portfolio and received further third party endorsement through the following awards:

- won the *2017 SMSF Adviser SMSF Software Provider of the Year Award*,
- won the *Core Data 2017 SMSF award for SMSF Accounting Software/Administration*,
- 40th on the *2017 AFR Most Innovative Companies* list.

Total Class customers increased to **1,204**.

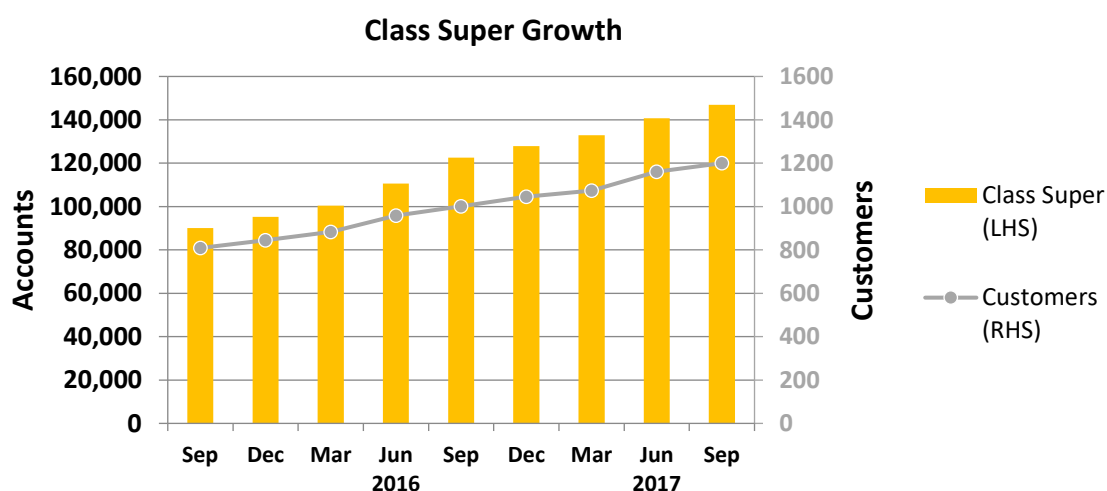
Class Super

- Class Super accounts increased by **6,232** to **146,922**
- Market share increased to **25%** of the estimated 598,000 SMSFs

SMSF accountants continued to be impacted by the implementation of Super Reforms. Class achieved a very high win ratio for customers moving to the cloud, but many potential customers deferred their decision resulting in lower than expected accounts growth for the quarter.

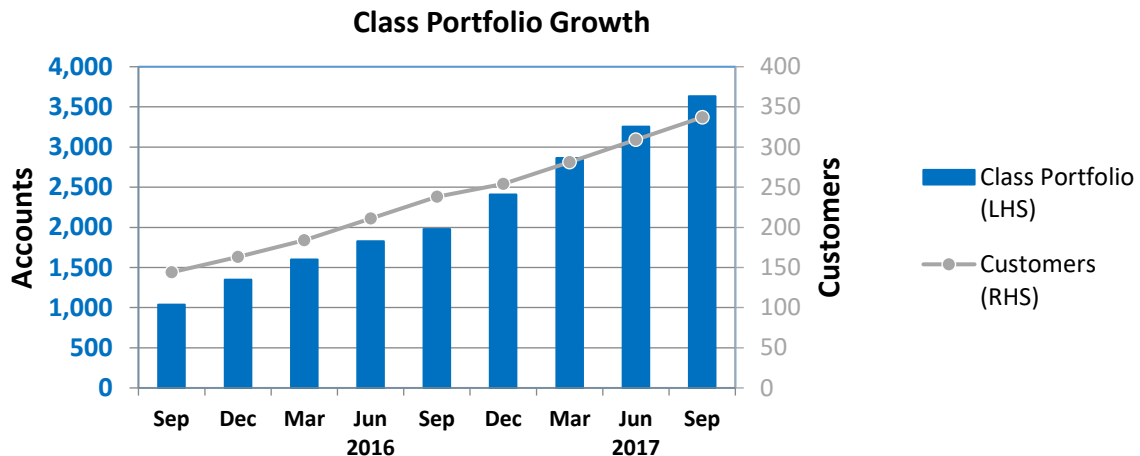
We strongly recommend that accountants move to the cloud now rather than waiting until after the second wave of Super Reforms, as further delay could make compliance more difficult, and we have recently launched several marketing campaigns to get this message across.

As well as decision deferral, Super Reforms are also driving industry consolidation, especially at the smaller end of the market. This quarter 12 customers assigned their licences to larger Class customers and we expect to see further consolidation over the next 12 months.



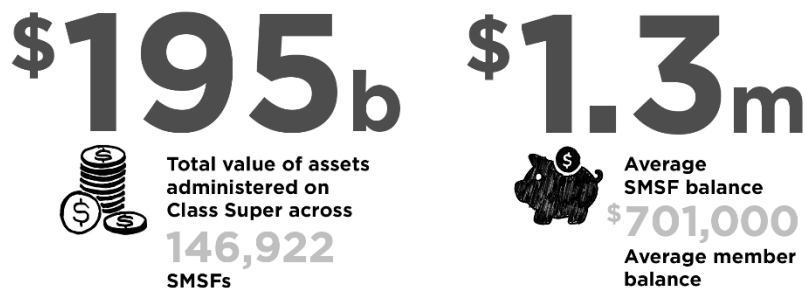
Class Portfolio

- Class Portfolio grew by **12%** to **3,631** accounts
- **28%** of Class Super customers are now using Class Portfolio



Class SMSF Benchmark Data

Class will soon release the September quarter *SMSF Benchmark Report*. Some key metrics are:



You can [register](https://class.com.au/register) to receive this report and request previous reports from the class.com.au website.

Annual General Meeting

The AGM will be held at 3pm on Monday 16 October at the Hilton Sydney. The Board considers it appropriate to recognise the votes both of those shareholders present at the meeting and those who have voted by proxy and all resolutions will be put to a poll. If you are unable to attend the meeting please submit your proxy by 3pm on Saturday 14 October.

Thanks for your continued support of Class.



Kevin Bungard, CEO
Class Limited

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