

ASX/Market Release
1 May 2018

Convertible Note Facility Agreement

Further to the Company's Appendix 4C release on 30 April 2018, Real Estate Investar Group Limited ("**REV Group**" or "**Company**") (ASX: REV), confirms that it has entered into a \$350,000 unsecured convertible loan note facility agreement on arms' length terms with entities associated with its Chairman, Mr Simon Baker and non-executive director Joe Hanna.

The purpose of this announcement is to summarise the key terms of the facility, details of which are summarised on the following pages.

Contacts

Investors

Clint Greaves, CEO

clint@realestateinvestar.com.au

0435 759 109

Media

James Lawrence

james.lawrence@realestateinvestar.com.au

0435 094 465

The key terms of the Convertible Note Facility Agreement are as follows:

Term	Description
Facility	Unsecured convertible note facility of \$350,000 to be provided by the Noteholders to the Company.
Issue Price/Face Value	\$1.00 per note.
Lender/Noteholders	Entities associated with Simon Baker and Joe Hanna.
Draw-down	The Company may draw down all or any part of the facility at any time during the 6 month period commencing on the date of the facility agreement (i.e. at any time on or prior to 31 October 2018). Each draw-down must be for an amount of at least AU\$50,000 (or multiples thereof).
Use of Funds	Company's working capital purposes.
Interest	Non-cumulative coupon rate of 12% per annum, with all interest payable quarterly in arrears.
Maturity Date	1 May 2019.
Security and priority	The notes issued under the facility will be unsecured debt obligations of the Company ranking ahead of equity in the Company but equally amongst other unsecured lenders.
Shareholder Approvals	The notes will remain unsecured debt notes unless and until the Company obtains relevant shareholder approvals under the applicable listing rules of the ASX for the notes to be convertible into ordinary shares and for the issue of the ordinary shares upon conversion. Notes are not capable of conversion unless shareholder approval is obtained.
Conversion	At the option of the noteholder: <ul style="list-style-type: none"> • at any time following an Event of Default; • upon a change of control / liquidity event; or • at any time after 30 October 2018.
Conversion price	The Convertible Notes will convert into ordinary shares (in the event shareholder approval is obtained) into that number of shares calculated by dividing the sum of the principal amount paid under the Convertible Notes plus accrued interest; by the Conversion Price (being the lower of) the following amounts: <ul style="list-style-type: none"> • an amount equal to a 20% discount to the one month VWAP prior to the date the conversion notice is given, rounded down to the nearest 1/10th of a cent and

Term	Description
	<ul style="list-style-type: none"> where prior to the Maturity Date the Company is subject to a change of control/liquidity event, an amount equal to a 20% discount to the consideration payable to holders of ordinary shares under the relevant change in control/liquidity event.
Repayment	<p>Repayment is due on earlier of:</p> <ul style="list-style-type: none"> the Maturity Date (1 May 2019); or upon a change of control / Liquidity Event; the occurrence of an Event of Default; <p>If repayment is due, the Company must redeem the relevant Notes by paying the Principal outstanding plus accrued interest.</p>
Events of Default	<p>The Convertible Note Deed also includes customary events of default including:</p> <ul style="list-style-type: none"> the Company breaches a material term of the facility agreement; any warranty is materially misleading or untrue; occurrence of an insolvency event; failure to make payment when due; Court judgement in excess of \$100,000 is obtained against the Company.
Change of Control / Liquidity Event	<ul style="list-style-type: none"> a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder acquires a relevant interest in more than 50% of the Issuer's Shares and the bid is declared or becomes unconditional; or a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Issuer the effect of which is that a person will acquire a relevant interest in more than 50% of the Shares in the Issuer and the Issuer's shareholders pass the resolution by the requisite majorities; or the disposal by whatever means (including without limitation by sale, transfer, licence, declaration of trust or otherwise) of the whole or substantially the whole of the assets, property, business or undertakings of the Company.