

Real Estate Investar helps people create
wealth through property investment

AGM PRESENTATION | NOVEMBER 2017

We are executing a transaction-focused strategy, positioning the business for strong growth in FY18

- REV has made excellent progress in the last year, **transitioning the business** towards **capturing revenues from transactions**
- The previous SaaS-focused business model was successful over a number of years, however we believe shifting our focus to participate in the transaction is the best way to **maximise shareholder value**, and deliver a truly **differentiated member experience**
- We are working hard to better understand our **285,000 members** and are now well positioned to offer the right properties, to the right investors, at the right time
- **There is significant value to be captured** from the high number of new home sales to investors in Australia and New Zealand
- We are **excellently positioned for strong growth** through FY18, and have achieved **clear early success**, evidenced by a change in the mix of revenue streams towards **transaction-based revenue**

Excellent progress made

Continued member growth

>285,000 members

>6,400,000 data points

>52,000 detailed customer profiles developed

Record business performance

\$1.4m Q1 FY18 revenue

25 new property transactions facilitated in Q1 FY18

Shift to transactional revenue

~50% of total revenue from transactions in Q1 FY18

Strengthened sales pipeline

>2,000 members engaged directly at live events, webinars and consultations in FY18

Expanded expert sales team

10+ years average experience

New cornerstone investor



Strengthened balance sheet

\$507k placement

\$777k entitlement offer

Targeting strong revenue growth in FY18



Scale up of transaction focused business

- New commission-based sales team in place, further growth planned
- Pilot Premium Membership program demonstrates high conversion potential
- Significant uplift in average revenue per customer when compared to DIY members



Ongoing profiling and targeting of customer base

- Ongoing progressive profiling planned
- Focus on data-driven conversion of members to paying customers
- Size and sophistication of database expected to continue growing



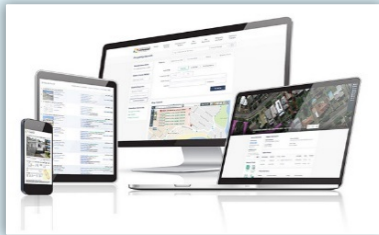
Further expansion opportunities

- Deeper finance partnerships under development with eChoice & VerdiPlus
- Expand channel offering through development of mobile applications
- Deepen existing penetration in key geographies of Australia and New Zealand
- Potential expansion into offshore markets

Business overview: Business is built on growing and monetising the 285,000+ member database

Proprietary platform and database has attracted 285,000+ members ...

1 Database & platform



- Sophisticated and intuitive platform enables efficient navigation and analysis of Australian and New Zealand real estate markets

2 Member base



- 52k detailed customer profiles completed out of total member base
- Over 6.4 million member data points captured, growing at a rate of ~300k per month

...monetised via a SaaS offering, and now a transaction oriented revenue stream

3 DIY service



- Average subscription for DIY members is ~\$100 per month
- \$3m of subscription revenue in FY17

4 Transaction revenue



- Premium Membership costs \$5k upfront, and includes support required through to purchase
- Potential commission on purchase up to ~\$30k

Prime focus

Our primary focus is on developing transactional revenue streams

Our original subscription product gave us a **rich database of potential buyers**



Customer uses platform to research and manage properties



Customer subscribes to SaaS product for **~\$100 per month**

~\$1,200 per customer per year

Now, we are focused on unlocking transaction value via **direct sales** and **Premium Memberships**

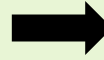
Properties marketed directly to broader member audience



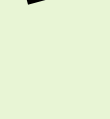
Member expresses interest in a property via REV website



Detailed profiles completed, target customers identified



Sales team sells Premium Membership for **\$5k upfront¹**



Property purchase, REV receives up to **~\$30k commission**

~\$5,000 – \$30,000 per customer

¹Where REV receives a commission from a property transaction, the customer is provided with a \$5k rebate to offset the Premium Membership cost

Premium Membership offers all the benefits of a “buyer’s agent” for lower cost

Property investment is hard

- Large financial commitment
- The market is complex
- Research is onerous

Limited support for ‘buyers’ available in the market

- **Majority of support available is for sellers of property**, and is incentivised to maximise sale price
- There are some **buyers agents in the market**, but they have a number of limitations:
 - Limited database and analytical tools
 - Higher fees than REV
 - Proposition not scalable

Our transaction-oriented ‘Premium Membership’ solution

Benefits

- ✓ **Objective:** Full suite of suitable properties presented
- ✓ **Data-driven:** Proprietary platform and database ensures analysis and research is best-in-class
- ✓ **Experienced:** Leverages years of experience building self-service solutions

Offering

- ✓ **One time \$5k fee**, for an end-to-end solution to help investors purchase low risk property
- ✓ **Personalised property strategy** to guide investors
- ✓ **Dedicated contract manager** which guarantees a stress-free property acquisition
- ✓ **Ongoing support** to track and optimise member portfolio
- ✓ **Customer rebate** of upfront fee if a commission is received on the transaction

Since Pilot launch, average revenue per Premium Member has exceeded \$10k

Status of premium members*

Not actively
searching 23%

Actively
searching 27%

Purchased
property 50%

All Premium Members

- 'Not actively searching' members cited personal reasons for delaying their search and are expected to continue searching in near term
- Actively searching members vary in progression, some are reviewing properties, and others are waiting to receive their strategies from REV
- **Conversion ~50%, which is expected to increase in the coming months**, as actively searching members purchase properties, and not actively searching members reinitiate

"Just a note to thank you for your help with identifying an absolute gem of a property for me. I have already made very healthy equity gains"

Richard Bosser, QLD

"The property you selected not only matched my criteria, but exceeded the original feasibility and I have already made equity gains"

Nirav Haria, NSW

Over \$15m of property purchased during the Premium Membership Pilot

*Data as at 11/09

Restructured sales team is now fully incentivised to deliver transactional revenues

Strategy to aggressively expand sales force and move to a predominantly commission based structure

FY16: SaaS sales force

- Sell low-cost DIY subscription product primarily by demonstration only
- Training and support provided to retain ongoing subscription revenue

FY17: Restructure

- Shift to property and Premium Membership sales with high value opportunity
- Experienced property sales team hired under guidance of new Head of Sales (Rick Stapleton)

FY18+: Property sales

- Feed qualified property leads to sales agents
- Refine premium profiling to generate more leads, and expand¹ calendar of live events
- Ongoing recruitment

¹In last 12 months, over 3,000 members engaged through live events and webinars. Expansion of 3-5x planned

Sales team is highly experienced



Clint Greaves - CEO

- 16 years experience in real estate related businesses
- Substantial knowledge of the property investment sector
- Prior experience as a management consultant for Ernst & Young



Rick Stapleton – Head of Sales

- Background in investment banking, property finance acquisitions
- Extensive connections across builders and developers throughout ANZ
- Honours degree in economics and Certificate IV in mortgage broking

Sales #1	Sales #2	Sales #3	Sales #4	Sales #5	...
<ul style="list-style-type: none"> ▪ 25+ years experience ▪ Specialises in identifying suitable property opportunities ▪ Over 100 sub-division and renovation deals for REV in the last year 	<ul style="list-style-type: none"> ▪ 12+ years experience ▪ Qualified in all aspects of real estate sales and a qualified mortgage broker ▪ Expert knowledge in residential property investment 	<ul style="list-style-type: none"> ▪ 14+ years experience ▪ Background in leading real-estate brands in commercial and residential sales ▪ Honours degree in economics 	<ul style="list-style-type: none"> ▪ 20+ years experience ▪ Background in law (property and litigation) ▪ Liaises with all relevant parties to see a transaction through to settlement 	<ul style="list-style-type: none"> ▪ 12+ years experience ▪ History of working with lenders and construction institutes ▪ Degree in financial economics 	<p>Currently a team of 8, and growing</p>

Highly motivated team focused on property transactions, rewarded primarily via commission

REV business model expected to breakeven at ~16 new Premium Members per month

Driver	Assumption	Estimate
Fixed cost base	<ul style="list-style-type: none"> Includes data, membership and platform costs, marketing, employment, other operating expenses, compliance and ASX listed entity costs 	Fixed cost base of ~\$5m p.a.
Revenue from DIY membership	<ul style="list-style-type: none"> Assume base of 2,500 DIY members is maintained Assume revenue per member per month ~\$100 	Revenue from all DIY ~\$3m p.a.
Contribution margin from Premium membership	<ul style="list-style-type: none"> \$5k base fee per Premium Member 65% conversion to purchase Revenue per property transaction ~\$25k Variable cost of sales (sales force, marketing) ~50% 	Contribution per Premium Member ~\$11k
Premium members required to achieve cash flow breakeven		Number of new premium members per month ~16 (~2 per sales person)

Note: Assumptions have been based on internal company estimates. The scenario is premised on expectation that sales force is scaled as planned, and is not part of the fixed cost base. This is not a forecast of expected sales in the future, it is only an illustrative indication.

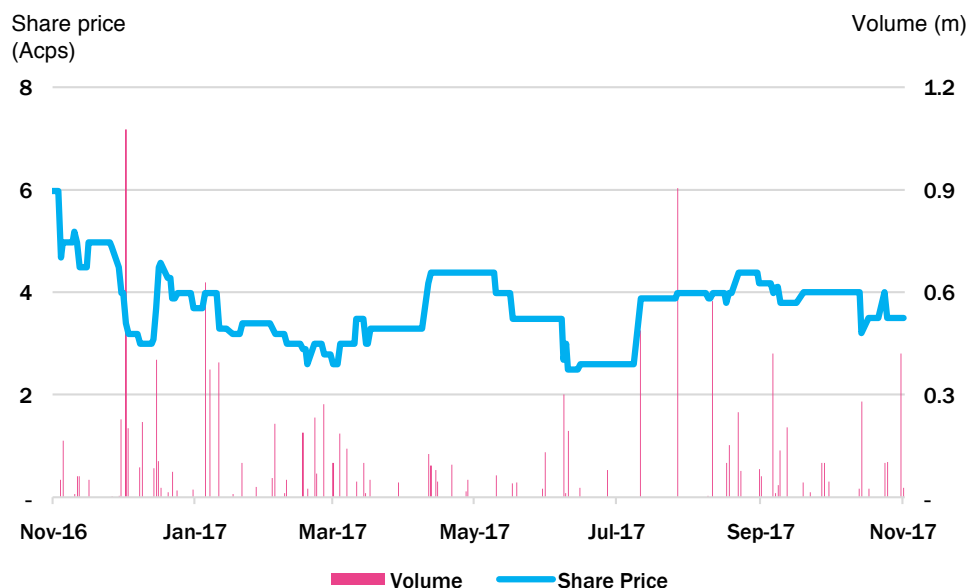
Investment highlights

Real Estate Investar (ASX: **REV**) is **the leading property investment analytics provider** in Australia and NZ, pioneering a data-driven approach to earning commissions by facilitating property transactions

- **Monetising a 285,000+ member database**, with a pipeline of 52,000+ qualified property purchase leads and a new Premium Member “buyer’s agent” service generating minimum \$5k revenue per subscriber
- **Demonstrated strong transaction rates** amongst Premium Members, creating opportunity for 2-6x further revenue uplift per customer, and proving the success and scalability of the sales funnel
- **Continuing to generate recurring subscription income from legacy DIY services** at significantly reduced marginal cost following recent cost restructure
- **Highly experienced Board and management** with extensive experience in growing global businesses and a clear track record of meeting key operational milestones since IPO in December 2015

Corporate snapshot

12 month share price performance



Board of Directors

Simon Baker	Chairman
Clint Greaves	Managing Director and CEO
Joe Hanna	Non Executive Director
Ian Penman	Non Executive Director

Top shareholders (21 November 2017)

Salta Capital & associated entities	15.1%
Simon Baker	12.5%
Domain Group	9.1%
Pohutukawa Pty Ltd	6.9%
LV2 Pty Ltd	6.8%

Financial information

Share price (22-Nov-17)	A\$0.035
Shares on issue	116.6m ¹
Market capitalisation	A\$4.4m
Cash (pro-forma as at 30-Sep-17 ²)	A\$1.3m
Debt (30-Sep-17)	A\$0.2m
Enterprise value	A\$3.3m

Source: IRESS

Notes:

- Includes 29.2m escrowed shares held by Simon Baker, Clint Greaves, Ian Penman and other pre-IPO shareholders. All escrowed shares expected to be released on 10-Dec-17. Excludes director and employee options.
- Includes \$777k raised in entitlement offer following 30 September

Board



Simon Baker
Chairman

Experienced chairman with comprehensive experience in the global real estate technology industry

CEO & MD of REA Group (ASX:REA), 2001-2008, helping to increase revenues from \$3.8 million to \$155.6 million during this time

Chairman of Mitula Group (ASX:MUA)



Clint Greaves
Managing Director & CEO

Appointed CEO in December 2014

Substantial knowledge of the property investment sector, and 16 years experience in real estate related businesses

Prior experience as a management consultant for Ernst & Young



Joe Hanna
Non-Executive Director

Extensive experience in online classifieds and search related businesses through 8 years at Fairfax Media

Founder of behavioural classifieds recommendation engine Predictive Match

Director of Mitula Group (ASX:MUA)



Ian Penman
Non-Executive Director

Proven success in the operation of IT focused businesses

Vast senior management experience during 18 years with IBM in Australia, US and Europe, 15 years as Head of Compaq Computer Corporation in Australia

Previous CEO of REV (2014)

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My watchlist

My saved searches

Investar Search

Either click to select a region or search for a particular area:

Australia New Zealand

Perth City, WA (Region)



Perth

Price range

425,000 to All

Select keywords

- ☒ All
- ☒ 10% yield
- ☒ 11% yield
- ☒ One interest

Add these keywords (space-separated)

Exclude these keywords (space-separated)

Property type

All 2 to 5+

Contact us



Clint Greaves

CEO

clint@realestateinvestar.com.au

Simon Baker

Chairman

simon@realestateinvestar.com.au