

ASX/Market Release
28 February 2018

Reorganised business yielding results – sales funnel is growing

Real Estate Investar Group Limited (“**REV Group**” or “**Company**”) (ASX:REV), a leading provider of investment property analysis, tracking and transaction services to Australian and New Zealand property investors, is pleased to share an operational update alongside the Half-Year report, shared in a separate announcement.

Operational update

- Business now organised around four key processes being optimised to efficiently sell high quality investment property at scale using a data driven matching process; Sourcing Listings, Marketing, Lead Management, and Sales Closing.
- 4 transactions successfully facilitated in the last two weeks, with an encouraging outlook for March based on the current sales pipeline and lead activity;
- Restructuring initiatives completed, and annualised run-rate fixed cost base is 33% lower at ~\$2.4m p.a., compared with a total of \$3.6m in FY17;

Growing sales funnel

REV has successfully built out a comprehensive sales funnel, positioning it well for the remainder of calendar year 2018.

The Company continues to use its proprietary platform to review, analyse and rate new property listings to identify high-quality opportunities that qualify to be REV approved investment grade. In February alone, the company identified 28 new REV approved investment grade projects. These opportunities are promoted in a highly targeted manner to both existing members based on advanced matching against profile data, and to the broader general public across multiple channels, mediums and initiatives. Marketing activities have increased significantly, with no corresponding increase in cost. February lead generation across direct property promotion, webinars and telesales was at an all-time high.

To date in February REV’s lead nurturing and qualification processes has delivered 59 qualified leads that will progress through to the sales closing process. Our sales closing team is focused on converting these high-quality leads and has pleasingly booked 4 sales in the past two weeks, along with a number of expressions of interest that create a positive outlook for March.

Sustainably lower cost base

The run-rate of annual fixed operating expense base is now ~\$2.4m p.a., following the completion of business optimisation initiatives spanning people, process and platform. The company now has an optimised business model in line with its transaction-focused strategy, whilst still maintaining much of its traditional SaaS revenue with a reduced cost base.

The new annualized fixed operating expense base is approximately 33% lower than the ~\$3.6m cost base in FY17.

Business structure overview

The Company is now structured around the four key functions involved in selling high quality investment property direct to its registered member base and the general public, and expects this to have significant benefits to efficiency and effectiveness:

- **Sourcing Listings:** Identify high quality investment opportunities by leveraging REV's expertise, channel relationships and market leading property investment analytical tools;
- **Marketing:** Continue profiling of the registered member base and the execution of a broad marketing plan to target existing members and the general public with high quality investment property opportunities;
- **Lead Management:** Coordinated approach to nurturing and managing all investment property transaction leads; and
- **Sales Closing:** Facilitate final investment between developer and high-quality leads to generate REV's transaction revenue.

REV's new organisational structure and focus is leading to a growing pipeline of highly qualified leads for the Sales Closing team to close.

**** ENDS ****

Background

The Real Estate Investar Group Limited (ASX:REV) is a leading data driven provider of investment property analysis, tracking and transaction services to Australian and New Zealand property investors.

REV offers property investors a comprehensive suite of free online services to grow its member base and increase its knowledge of members as they engage with these services. It then



monetises this base by selling investment grade property to its member base. It also monetises this base via its SaaS offering by providing members with paid memberships for advanced tools and services.

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