

ASX/Market Release
27 November 2019

Chairman's Address to AGM

Dear Shareholders

Thank you for your continued support of Real Estate Investar Group Limited.

Over the last 12 months, the Board has focused on five key initiatives in an effort to improve the overall performance of the business. The results are starting to be seen with the company being operationally cash flow positive for the last two quarters.

These five initiatives were:

- 1) Improving corporate governance through restructuring the Board and management;
- 2) Undertaking a strategic review and capturing significant operational cost savings;
- 3) Successfully completing a \$1.4 million capital raise to retire debt and finance working capital;
- 4) Turning around the operational performance of the SaaS business unit; and
- 5) Actively pursuing acquisition opportunities.

I will now outline the progress made in each of these initiatives.

Improving Corporate Governance

In response to shareholder feedback at the last AGM, we have restructured the Real Estate Investar Board.

Clint Greaves, the former Managing Director, has left the business having resigned both his Board and management positions. In addition, Non-Executive Director Ian Penman has also left the Board.

For personal use only

In January this year, Sam Plowman was appointed to the Board. Sam has extensive experience in the prop tech and fin tech industries. He is the former General Manager of Domain, he headed up online banking at both the ANZ and NAB, he was the CEO at fin tech company Sandstone, and he is currently the CEO at Payment Logic.

Fellow Director Joe Hanna has taken on the role of Executive Director and is now responsible for the day to day operations of the business. Joe has extensive experience in prop tech where he has worked with both the Mitula Group and Fairfax Digital, and has also founded, scaled and exited a number of PropTech start-ups.

The Directors continue to explore ways to strengthen the Board.

Completed Strategic Review and Captured Cost Savings

During the year, the business completed a full strategic review.

The key finding is that the Real Estate Investar business is operating in an increasingly challenging macro-economic environment. There is downward pressure on property investors as investment properties become less attractive due to decreasing home prices in some markets and a tightening of credit.

The outcome of the review was the closure of the Property Transaction business and the focusing of resources on the SaaS business unit.

The company also restructured its cost base resulting in \$2.0 million in annualised savings. In FY 2019, the company reduced expenses by 52 percent and achieved a 76 percent reduction in its EBITDA losses.

More importantly, the June and September 2019 quarters we both operationally cash flow positive.

As at the end of September, the company had \$0.3 million cash on hand and approximately \$0.8 million in commissions receivable at settlement.

For personal use only

Successful Capital Raise

During the year, the company conducted a \$1.4 million capital raise. The proceeds of the capital raise were used to reduce debt and fund working capital.

Ongoing Improvements to Operational Performance of SaaS Business Unit

After rightsizing the SaaS team, focus has been on rebuilding the user base and strengthening the product offering. In the second half of FY 2019, the number of paid subscribers to our SaaS products grew for the first time in three years. This positive trend has continued into FY 2020.

The product offering has been enhanced through best of breed partnerships with the likes of Price Finder, Core Logic and Archistar. Real Estate Investar paid subscribers enjoy access to these important and valuable tools at prices significantly below RRP.

Actively Pursuing Acquisition Opportunities

Throughout the year, the Board has continued to actively pursue acquisition opportunities that leverage our strong set of assets that Real Estate Investar has built over years. The opportunities we are exploring will reduce our reliance on the property investor segment of the market.

We are continuing to actively engage in exploring acquisition opportunities and will update the market if and when appropriate.

In summary, the last year has been one of significant change for the business. We have listened to you, our shareholders, and have implemented major improvements to ensure that the business will survive and, more importantly, grow over the medium to long term.

On behalf of the Board, I would like to thank our shareholders and our employees for your continued support and belief in transitioning Real Estate Investar into a leading Australian Prop Tech company.

**** ENDS ****

For personal use only

Background

The Real Estate Investar Group Limited (ASX: REV) is a leading prop tech company that provides investment property analysis, tracking and SaaS services to Australian and New Zealand property investors.

Real Estate Investar 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 monetises this base via its SaaS offering by providing members with paid memberships for advanced tools and services.

The Company is proactively looking for opportunities to leverage its assets, including its database of property investors, to secure investment in Australian and New Zealand prop tech companies.

Contacts

Investors

Joe Hanna, Executive Director
joe@realestateinvestar.com.au

Simon Baker, Chairman
sbaker@cavig.com