

ASX/Market Release  
31 January 2017

## **Real Estate Investar Achieves 250,000 Member Milestone**

Highlights of the December 2016 Quarter include:

- Membership increased to 250,124 members as at 31 December 2016, a 64.1% year on year growth;
- Cash receipts grew by 7% over the previous corresponding period to \$1.0m;
- Net cash outflows used in operating activities improved to \$0.2m, significantly reduced from net outflows of \$1.6m in the previous corresponding period and \$0.9m in the September 2016 Quarter; and
- Real Estate Investar commenced promotion of a new Premium Membership focused on assisting members to purchase investment grade properties and generate property sales commission revenues.

Real Estate Investar Group Limited (“**REV Group**” or “**Company**”) (ASX:REV), a leading provider of online services to Australian and New Zealand property investors, has released its Appendix 4C statement for the 3 months to the end of December 2016.

Receipts from customers for the 3 months to the end of December 2016 grew 7% over the previous corresponding period to \$1.0m. Net cash used in operating activities for the quarter was \$0.2m representing a significant improvement over both the \$1.6m net outflows from the previous corresponding period and the \$0.9m net outflows from the September 2016 Quarter.

During the December 2016 Quarter the REV Group grew its member base to 250,124 and achieved its IPO forecast of 250,000 members as at 31 December 2016. Member numbers grew 64.1% year on year, and more importantly the profile and engagement data collected on these members increased by 218% year on year.

The strong increase in members, along with the data collected about these members, provides a strong platform to drive the transition of the business to sales commissions using this data to match investment grade properties to quality purchasers.

In December 2016 the Company launched a new Premium Membership focused on assisting members to purchase investment grade properties based on their engagement and profile data. REV Group expects that this new membership will drive strong growth in property sales commissions in the second half of FY 2017.

**Clint Greaves, CEO of Real Estate Investar commented:** “The highlight of the last quarter was exceeding our IPO forecast of 250,000 members along with the significant increase in member engagement and detailed data about our members and their property investment intentions. This provides us with a strong platform to help more people invest better and to grow our property transaction revenues through the second half of the financial year.

“During the quarter, we launched a new outcome focused membership to ensure everything we do is aligned with assisting members to purchase investment grade properties that meet their individual criteria. Our new Premium Membership is designed to assist first time and existing property investors through every step of the process, from setting buying criteria to obtaining finance pre-approvals and ultimately identifying individual properties that are most likely to meet the outcome each member desires.

Mr Greaves continued, “With our new membership offering and key partnerships in place, we are looking forward to a strong second half to FY 2017 where we will continue to increase our engagement with our significant member base and most importantly increase revenue from commissions associated with the direct sale of investment property.”

### **Key Initiatives in FY 2017**

Following the achievement of our prospectus forecast for FY 2016 and strong growth in members past 250,000 at 31 December 2016, the focus for the REV Group is now to drive revenue growth with a strategy based on the following key activities:

1. Increase the number of members using REV Group products and services;
2. Increase the volume of engagement and profile data captured around each member to allow for better matching of investment grade property;
3. Convert high quality members into Premium Membership customers;
4. Grow sales of investment grade property to all members to increase commission revenues;
5. Extract complimentary property investing related services revenues; and
6. Look for further Australian and New Zealand organic and acquisitive expansion opportunities.

**\*\* ENDS \*\***

### **Background**

The Real Estate Investar Group Limited is a leading provider of online services and direct investment property opportunities to Australian and New Zealand property investors to help simplify their acquisition and management of residential investment property.



The Company 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 providing them with subscriptions for advanced tools, selling investment grade property and through the sale of additional products and services.

### **Contact Details**

#### **Real Estate Investar**

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Real Estate Investar Group Ltd

**ABN**

39 141 276 959

**Quarter ended ("current quarter")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,025	2,245
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(454)	(1,164)
(c) advertising and marketing	(73)	(271)
(d) leased assets	-	-
(e) staff costs	(525)	(1,174)
(f) administration and corporate costs	(176)	(565)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(203)</b>	<b>(926)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	(382)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(65)	(163)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(65)</b>	<b>(545)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	(1)	(3)
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1)</b>	<b>(3)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,067	2,272
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(203)	(926)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(65)	(545)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1)	(3)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>798</b>	<b>798</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	308	131
5.2	Call deposits	490	936
5.3	Bank overdrafts	-	
5.4	Other (provide details)	-	
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>798</b>	<b>1,067</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
64
-

Director fees paid for the quarter total \$33,752. The Group paid \$30,000 for data licencing fees and \$467 for conference fees to entities controlled by a director.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(650)
9.3 Advertising and marketing	(75)
9.4 Leased assets	-
9.5 Staff costs	(520)
9.6 Administration and corporate costs	(170)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,415)</b>

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10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary)

Date: 31 January 2017

Print name: Lee Mitchell

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.