

ASX/Market Release
31 August 2020

REV Group releases FY 2020 Results and dispatches Notice of Extraordinary General Meeting

Real Estate Investar Group Limited (“**REV Group**” or “**Company**”) (ASX: REV), a leading PropTech business and provider of investment property Software as a Service (“**SaaS**”) solutions to Australian and New Zealand investors, has released its unaudited FY 2020 financial results.

During FY 2020, the REV Group focused on:

- 1) stabilising the core business by reducing net churn, growing the subscriber base, and increasing the ARPU (Average Revenue Per User); and
- 2) identifying and finalising a transformational transaction within the PropTech industry that leverages the Group’s core assets.

FY 2020 was a challenging year as the growth of the business was impacted by COVID-19 and the fragile Australian property market. Even with these challenges, the Company was cash flow positive for the full year and delivered \$1,038,681 in revenue from ordinary activities. This was similar to FY 2019 when revenue from ordinary activities was \$1,070,795.

In addition to delivering solid financial results, the Company also:

- continued to operate the SaaS business unit profitably on a stand-alone basis;
- entered key partnerships with complementary businesses which has allowed members to get access to an enhanced suite of property investor tools;
- enhanced its Board through the appointment of Mr. Georg Chmiel as a Director; and
- entered into a transformational transaction that positions the Company to be a leader in the Australian / New Zealand PropTech industry.

Dispatch of Notice of Meeting for Transformative Transaction

The Company is also pleased to announce that it will hold an Extraordinary General Meeting at 10:30am on 30 September 2020 to consider, amongst other things, the transformation of the REV Group into a profitable, market leading, PropTech business in the Australia / New Zealand market with growth options into the UK.

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In particular, the main resolutions shareholders will be asked to vote on are:

- the acquisition of Real Estate CRM Pty Ltd – the owner of Australia’s leading real estate CRM software, MyDesktop, and the next generation real estate CRM software, VaultRE for the purposes of ASX Listing Rule 11.1.2 and 11.1.3.;
- a 20 for 1 share consolidation;
- the change of the Company’s name to PropTech Group Limited to reflect the Company’s new lines of business and growth options; and
- the approval to conduct an AUD 10.6 million capital raising as part of the ASX re-compliance process, including a priority offer to existing shareholders.

Once all resolutions have been approved, the Company will seek re-admission to the ASX to resume trading in its shares. The process and indicative timetable for seeking re-admission (and the steps that the Company will have to undertake) are all set out in the Notice of Extraordinary General Meeting.

The Notice of Extraordinary General Meeting and Independent Expert’s Report that is being made available to the Company’s shareholders has been issued today and is available on the ASX Market Announcements Platform.

The Board believes the acquisition of Real Estate CRM Pty Ltd, the capital raising, and the re-compliance listing on the ASX provides the best available option to maximise long term shareholder value. The key reasons include:

- the acquisition will transform the Company from a small loss-making SaaS business into a profitable, cash flow positive, diversified PropTech business with recurring monthly subscription revenues, strong gross margins, low churn, and highly scalable technology;
- the acquisition will create a wide range of PropTech related growth prospects, both domestically and internationally; and
- if successful, the acquisition and capital raising will provide increased liquidity and potential upside for all shareholders.

On a pro-forma basis, the combined business (Real Estate Investar, MyDesktop and VaultRE) had AUD 11.0 million revenues in FY 2019 with an EBITDA of AUD 2.9 million.

Simon Baker, the Chairman of the Real Estate Investar Group, commented; “The successful acquisition of Real Estate CRM Pty Ltd will transform the Real Estate Investar Group from a small loss-making SaaS business to a serious, profitable, PropTech player in the Australia / New Zealand market.

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We will own the market leading real estate CRM software, MyDesktop, as well as the next generation of real estate CRM software, VaultRE. Once combined, we will build on our almost 30 percent market share as well as continue our expansion into the UK market.

As part of the transformation, we are renaming the Company to the PropTech Group Limited and will actively seek out new acquisition opportunities to accelerate the growth of the business.”

**** ENDS ****

Approved and authorised by the Board of Real Estate Investar Group Limited

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.

The Company entered into a conditional Implementation Agreement to acquire 100% of scrip in Real Estate CRM Pty Ltd – the owner of Australia’s market leading CRM platform, MyDesktop, and VaultRE, the next generation of MyDesktop. The Implementation Agreement and re-compliance of the Company with ASX listing rules is expected to be completed in the first half of FY 2021.

Contacts

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