

ASX/Market Release
31 July 2017

Real Estate Investar Cash Flow Positive in Q4

Real Estate Investar Group Limited ("**REV Group**" or "**Company**") (ASX:REV), a leading provider of data driven investment property analysis, tracking and transaction services to Australian and New Zealand property investors, has released its 4C statement for 3 months to 30 June 2017 ("**Q4 FY 2017**").

Key Highlights for Q4 FY 2017

- Cash receipts from customers grew to \$1.3m, a 27% increase over the Prior Comparable Period ("**PCP**");
- Positive cash flows of \$0.1m from operating activities, a \$0.6m improvement over the PCP;
- Reduced operating expenses in Q4 following organisational restructure which captured \$0.7m in annual cost reductions;
- Cash at end of quarter of \$0.6m;
- Commission based sales team expanded to accelerate the sale of Premium Memberships and investment grade properties; and
- Progressive profiling of 258k members has now generated 4.9m data points to drive better matching of investment grade properties to qualified purchasers.

Q4 Financial Performance

Cash receipts from customers for the fourth quarter grew 27% over the PCP to \$1.3m due to strong commission receipts from investment grade property sales.

This record level of receipts, combined with reduced operating expenses following a recent reorganisation, resulted in positive net operating cash flows for the quarter of \$0.1m. Operating cash flows for the quarter improved \$0.6m over the \$0.5m operating outflow in the PCP. The Company's cash balance at the end of the quarter was \$0.6m.

During the quarter, the REV Group increased its commission based sales team as it continues to focus on selling Premium Memberships that assist members to purchase investment grade properties based on their engagement and profile data. The Company now has Premium Membership sales people and Licensed Real Estate Agents in both Australia and New Zealand

and will continue to add additional commission based sales people in Sydney and Melbourne in the coming months.

As at 30 June 2017, the Company had 258,096 members, a 27% year on year increase. The focus for the REV Group has now shifted from growing its free member base to increasing its knowledge and engagement with existing members to progressively profile those that are most likely to become paid members.

Engagement and profile data collected on members has reached 4.9m records, an average of 19 data points per member. The Company uses this information to target members that are mostly likely to buy Premium Memberships and investment grade properties.

Clint Greaves, CEO of Real Estate Investar commented: “The last quarter provided a record level of cash receipts from customers helping the REV Group achieve a positive net operating cash flow position for the first time.

“During the quarter, the Company grew its commission based Premium Membership and investment property sales team with agents in both Australia and New Zealand. Engagement with members is up significantly with a focus on gaining a deeper understanding of our existing free member base so that we can align our Premium Membership offering to the right customers at the right time. This includes additional call based activity, live events and webinars in addition to the platform based profiling that has now generated almost 5 million data points that can be used to match high value members to investment grade properties.

“We continue to refine our Premium Membership and Property sales model and it is now being rolled out more aggressively with additional sales people being added each month. We are looking forward to a strong start to FY 2018, primarily built on revenues from commissions associated with the direct sale of investment property.”

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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 Group 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 memberships for advanced tools and



services, selling investment grade property and through the sale of additional products and services.

Contact Details

Real Estate Investar

Clint Greaves, CEO

clint@realestateinvestar.com.au

0435 759 109

Media Contact

James Lawrence

james.lawrence@realestateinvestar.com.au

0435 094 465