

Domain

ASX ANNOUNCEMENT

Acquisition of CommercialView

Sydney, 17 December 2018: Domain Holdings Australia Limited [ASX:DHG] (“**Domain**”) announces that on Friday 14 December 2018 its commercial real estate business (“**Commercial Real Estate**”) entered into an agreement with shareholders of Commercialview.com.au Limited (“**CommercialView**”) to acquire 100% of the issued share capital in CommercialView.

The acquisition will occur through a subsidiary of Domain, Commercial Real Estate Media Pty Limited (“**CREM**”), which is currently approximately 70% owned by Domain and 30% owned by members of the commercial real estate industry including leading international brands.

The consideration for the proposed transaction is between \$4.2 million and \$17.2 million, contingent on targets relating to the future financial performance of the CREM and CommercialView businesses. On-target consideration is \$10.2 million, which is equivalent to four times the projected increase in EBITDA from the transaction for calendar year 2020, including synergies.

The maximum consideration for the acquisition is \$17.2 million of which a maximum of \$2 million is payable in cash. The remainder is payable in newly issued shares in CREM.

CommercialView is a commercial property digital listings platform that is owned and supported by some of Australia’s leading commercial real estate agencies in Victoria and New South Wales. The transaction aligns the interests of commercial real estate agents and CREM in strategically important markets. By operating both businesses, CREM will be even better positioned to continue growing market share and earnings.

Domain Group CEO Jason Pellegrino said: “Commercial Real Estate has seen tremendous growth in the last three years, benefiting its customers, shareholders and the broader industry. The unanimous support for the transaction from CommercialView shareholders is a strong vote of confidence in the upside potential of our Commercial Real Estate business.”

Completion of the proposed transaction is targeted to occur on 21 December 2018.

The consideration is payable in three tranches, partially contingent on targets relating to the future financial performance of the CREM and CommercialView businesses, as follows:

- a payment of \$4.2 million to be paid at completion as a combination of cash and CREM shares, amounting to approximately a 3.7% equity interest in CREM;
- a second payment payable in early 2020, in the range of \$0 to \$5 million to be paid as a combination of cash and CREM shares; and
- a third payment in early 2021, in the range of \$0 to approximately \$8 million payable in CREM shares.

Ends

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