

ASX Market Release

16 March 2021

PropTech Group Limited Signs Letter of Intent with Harcourts International

The PropTech Group Limited (ASX: PTG) (“**Company**” or “**PropTech Group**”) has signed a non-binding letter of intent with Harcourts International Ltd (“**Harcourts**”) that is proposed to see VaultRE as the only endorsed CRM across the Harcourts’ Australasian network.

Established in 1888, Harcourts is the largest real estate group in New Zealand and one of Australia’s fastest-growing groups. It has over 900 offices in 9 countries, including over 600 across New Zealand and Australia, and a strong presence in South Africa, Indonesia, Fiji, China, the USA, and Canada.

In 1998, Harcourts launched their proprietary software platform called HarcourtsOne (“**H1**”). H1 contains specialist real estate CRM and other real estate business management functionality.

The letter of intent is non-binding and subject to due diligence and other conditions being met. The parties have agreed to announce the possible transaction to enable Harcourts to work with key stakeholders before finalising binding agreements.

Proposed Transaction Details

The key terms of the non-binding letter of intent include:

- the PropTech Group taking ownership of the H1 platform from completion, including receiving all associated revenues and continuing to provide operational support;
- the PropTech Group issuing Harcourts shares in consideration for taking ownership of the H1 platform;
- Harcourts and the PropTech Group jointly developing a migration plan to ensure efficient migration of over 600 New Zealand and Australian offices to the VaultRE CRM platform;
- Harcourts contributing to the operating costs of H1 for 12 months from completion; and
- the PropTech Group providing Harcourts with group-wide pricing incentives.

If successful, Harcourts, ANZ’s second-largest franchise group, will join Ray White, ANZ’s largest franchise group, and Raine and Horne, ANZ’s third-largest franchise group, as VaultRE customers increasing the PropTech Group’s ANZ market share to ~34%, further cementing its position as the clear market leader.

Steve Caradoc-Davies, Harcourts International CEO, commented: “The proposed partnership with PropTech Group to replace H1 CRM components with VaultRE continues Harcourts' long-standing commitment to industry leading innovation and best of breed technologies. VaultRE is the next evolution of H1 CRM, which was first established, boldly under Mike Green in 1998.”

Joe Hanna, CEO and MD of PropTech Group, commented: “It is a great honour to be given the opportunity to partner with Harcourts. The PropTech Group’s mission is to streamline inefficient workflows in high-performing real estate agencies by investing in product improvement, rapid innovation, and AI solutions. We look forward to bringing our market-leading tools to the Harcourts’ network to migrate their 600 plus offices in New Zealand and Australia to the VaultRE platform.”

A binding agreement, subject to meeting various conditions, will be executed upon completion of due diligence and final negotiations and is expected to occur before mid-April 2021.

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Release of market announcement authorised by Joe Hanna, CEO and Managing Director.

Contact Details

Joe Hanna
CEO and Managing Director
The PropTech Group
joe@proptech-group.com

About the PropTech Group

The PropTech Group is an Australian listed company that focuses on investing in and operating PropTech companies that primarily serve the Australian, United Kingdom, and New Zealand real estate markets.

Key assets include the market-leading real estate sales CRM software MyDesktop and VaultRE in Australia and New Zealand, Real Estate Investar, VaultEA in the United Kingdom, and Rent Find Inspector.

Significant customers include Ray White and Raine and Horne in Australia and Century 21 in the United Kingdom.