

ASX ANNOUNCEMENT

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Investor Presentation – Strategy Update Commentary

Melbourne, Australia: PEXA Group Limited (**PEXA Group**), a world-leading digital property exchange platform and property insight solutions business provides an update on the PEXA Group strategy.

Accompanying commentary from Group Managing Director and Chief Executive Officer Glenn King, Chief Financial and Growth Officer Scott Butterworth, Chief Customer and Commercial Officer Les Vance, Founder .ID Ivan Motley, CEO UK Joe Pepper and Chief Technology Officer, Eglantine Etienne.

General Manager Investor Relations, Hany Messieh

Welcome to all of you who are attending PEXA's 2023 investor day, both here in person in Melbourne and those of you on-line wherever you may be. As always, we welcome and appreciate your interest in our company and in its progress.

Slide 1

I also draw your attention to the important notices that are set out on slide 1 of today's presentation materials.

I will now handover to Glenn King, PEXA's Group CEO and Managing Director.

Glenn King, Group CEO and Managing Director

Slide 2

Thank you, Hany. Before we start proceedings, I want to acknowledge the Traditional Owners of the land on which we are meeting. I pay my respects to their Elders, past and present, and the Aboriginal Elders of other communities who may be here today.

Slide 3

I join Hany in thanking you for joining us today.

As you can see on slide 3, our objective is to provide you with an update on our Australian and UK businesses, and our technology investment.

In doing so, I am delighted that I am being joined by several of my executive colleagues who will present with me today. Please let me introduce them to you:

- Les Vance is our Chief Customer and Commercial Officer who leads our Australian Exchange business, and our distribution channels. Les is a highly experience financial services executive including his time as an c-suite executive with Westpac Group covering reg, technology, operations. Les will cover how we are growing and enhancing our leading Australian Exchange Business.
- Ivan Motley, founder of the .id Group. Ivan is a leading geographer, insights who has grown the successfully developed, grown, and commercialised the .id Group. Ivan and Scott Butterworth will provide more context of our extension into Digital Growth products and services.
- Joe Pepper, our new UK PEXA Group Country Head who is leading our UK businesses. Joe has considerable expertise in property and financial services, including his previous role as CEO of the TMP Group, one of the UK's leading providers of title search and other related property information. Joe will provide his own personal reflections and update on the PEXA expansion into the UK.
- Eglantine Etienne, our PEXA Group Chief Technology Officer. Eglantine has held senior technology executive roles in Australia and internationally working across multiple organisations and sectors. Eglantine will provide an overview of our technology strategy and investments in support of our Australian, UK and rapidly evolving company as a leader in property tech and data platform business.
- I am also joined by Scott Butterworth, our Group Chief Financial and Growth Officer. Many of you will know Scott, who prior to joining the PEXA Group, was a senior executive in the UK and Australia for financial services and legal firms. Scott will provide an update on the financial outlook and the progress we have made with our PEXA productivity enhancement program.

In addition to the team presenting today we have executive colleagues Alice Morrison and Sabina Sopov, who are leading our Legal, Governance, Risk, People functions and are experienced executives who bring depth to the PEXA Group through their expertise from previous positions at other leading businesses.

Once we are through the agenda, I will provide some closing comments and we will allow time for some questions of myself and my colleagues.

Slide 4

But, before we start, I want to provide some reflections on the overall position of our company.

Slide 5

I am sure that you will agree with me that there are very significant trends impacting property markets globally.

Given the origins of our company, we are well placed to provide solutions to the issues these markets face.

In Australia, despite the short-term issues created by higher interest rates, favourable demographic trends should continue to underwrite good levels of demand for property over the mid-term.

With a current TAM of ~\$300m, as Australia's number one Electronic Lodgement Network Operator, we are well positioned to profit from the transactional flows arising from property market growth.

However, at the same time, discontinuities including climate change, disruptions to supply chains, limitations on the availability of land, and on-going changes to property use in the post-Covid era, are creating additional volatility and risk for property market stakeholders.

We can already see the impact of these discontinuities, with Australian governments providing billions of dollars of investment to address housing shortages and the like.

In a fast-growing market with a current TAM of \$500m, we have assembled a leading set of capabilities in our Digital Growth business to help property stakeholders deal with the risks, and create value from, these changes to the property market, and allow us to grow our business with existing and new customer segments.

Further, affordability and cost of living strains are putting pressure on governments and other stakeholders to reduce the frictions and delays experienced across many property markets. Our unique Exchange-capability solves many of these issues and puts us in a strong position to create value from resolving these detriments, starting in the UK. Across the UK, NZ, and Canada, we estimate the TAM to be around \$750m.

Slide 6

Slide 6 sets out the simple, purpose-led, strategy that we are following to take advantage of these trends:

- Our strategic priorities start with Enhancing the Australian Exchange business, which Les will discuss with you.
- We are Extending our reach into logical adjacencies with Digital Growth, which as Scott and Ivan will note, provides us with access to new value pools whilst strengthening our relationship with existing customers.
- As Joe and I will discuss, we are also Expanding internationally to create additional opportunities to monetise our market-leading IP - starting with the UK.
- Supporting these efforts, as Eglantine will overview, we continue to Evolve not only our technology platforms, but the other capabilities required to effectively support and sustain our growth and efficiencies.

Slide 7

As set out on slide 7,

- The effect of this strategy is that we are expanding our customer reach far beyond the provision of the Exchange to Fis, Governments, Property Developers and Practitioners.
- Of course, we continue to serve these customers, but with our broader business, we are now able to solve more of their problems, more effectively.
- At the same time, these new offerings are allowing us to appropriately build our influence and connection with other key property market stakeholders, opening new revenue opportunities for the Group in Australia and overseas.

Slide 8

Turning now to slide 8.

Of course, the execution of our strategy must take regard of the economic environment in which we operate.

- Our current view is that the economic outlook in Australia and the UK is mixed.
- As Les will describe shortly, Australian Exchange transaction volumes have lifted from the low point in 3Q23. However, the outlook for per capita GDP growth remains flat to negative.
- The Reserve Bank has flagged that it expects inflation to remain higher for longer, with a consequential impact on interest rates.

- As a result, we remain cautious about housing market prospects and transaction volumes as we move into calendar 2024.
- Similar comments can be made about the outlook for the UK.

Slide 9

I turn now to slide 9.

This perspective on the external environment, and our activities of the past few years as we have moved to become a leading Property Exchange and Digital solutions business in Australia and progress sustainable growth in the UK.

We have a clear strategic position. Our focus over the next year is on continuing to execute this strategy with disciplined pace and a focus on efficiency to create sustainable long-term value for our owners and other stakeholders.

Slide 10

I am now going to hand over to Les to talk about the 'enhance' component of our strategy.

Les Vance, Chief Customer and Commercial Officer

Slide 11

The PEXA Exchange now processes nearly 90% of all property transfers across the country and virtually all mortgage refinance transactions. It operates in all States and Territories other than Tasmania (which we expect to come online in FY25) and the Northern Territory.

We are connected to all banks in the country – from the four majors to small regional credit unions – to around 10,000 legal and conveyancing firms, as well as developers and a small number of corporate and government bodies.

That makes the Exchange important national infrastructure.

We recognise the responsibility that comes with that – both to our customers and the broader community.

This requires us to have ongoing focus on the key aspects that our customers care about which are:

- Coverage – we aim for full national coverage across all transaction types. It is inefficient for our customers to need different processes for different transactions – both nationally (for example banks don't want to have to have a separate process for Tasmania – so even though it is a small part of the overall transactions, it has a larger impact on banks' productivity) and within a State (where for example, a practitioner and bank can settle a purchase in Queensland through the PEXA Exchange if their client has two or more names, but currently have to revert to the old process if their client has only one name);
- Resilience, reliability, and security – it needs to work, reliably and consistently when you need it – and Eglantine will talk later more about how we maintain that;
- Regulatory compliance is an essential requirement; and
- Efficiency and integration.

Integration is critical to our strategy and our customer value proposition. Integrating the Exchange into the systems our customers use in their day-to-day operations adds value for our customers including by:

- Improving efficiency
- Reducing risk and improved quality

- Providing more timely and reliable management information and therefore control

Our approach to integration is to be ‘equal access’ – we will integrate with anyone (customer or a provider that supports our customers such as a supplier of Practice Management Software (PMS) or banking platforms) and will do so on equivalent terms for each class. This encourages reach and innovation and supports customer choice.

For PEXA integration deepens our connection with the customer and means that our customers value the Exchange more and are therefore less likely to consider moving to alternate providers.

Our continued focus on these aspects and the way we work with our customers provides strong customer satisfaction, which is important not only from the perspective of the Exchange itself but the deep understanding, credibility, and relationship we develop means our customers are open to our new “value added” offerings.

Slide 12

From the perspective of our Exchange segment, the key revenue drivers are the volume and mix of transactions.

As you can see from slide 12, transaction volumes hit the low point in March quarter of FY23, with quarterly volumes improving around 15% since then. Transaction volumes are currently comparable to 1H23.

As you can also see, we had been seeing an elevated volume of refinances, which is reflected in proportion of refinances increasing to 27% and 28% over the past 3 quarters. October has seen a significant reduction in refinance volumes – providing us with a more favourable transaction mix as transfers are higher margin for the Exchange.

Slide 13

We continue to observe a disciplined approach to investment in the Exchange, including in relation to maintenance, resilience and security, to meet regulatory requirements as well as to support integration and value-added activity and to provide critical capability to manage PEXA efficiently and effectively as reflected in the Evolve pillar of our strategy.

As set out on Slide 13, the \$37.5m of capital expenditure reported in FY23 in relation to the Exchange is broken down as follows:

- \$8.9 million on regulatory and compliance – on which I’ll provide more detail in a moment.
- \$16 million on the enhancement and maintenance of the Exchange, including matters such as resilience and security – which Eglantine will talk on soon – and features such as auto-balance which eliminates the need for banks to make manual adjustments to final settlement amounts on the day of settlement and therefore reduces the number of consumers whose home purchase is delayed as a result of that sort of late change – often very small amounts – in the financial settlement figures;
- \$5.5 million on the build of APIs and value-added offerings to support improved service to our customers and Growth revenue. The build of new APIs is demand-driven and is subject to assessment of business case for the investment; and
- \$7.1 million relates to building capabilities which support the Exchange and our wider activities such as the build of our new Group customer relationship management system and data management capabilities.

Slide 14

Inter-operability remains an incredibly complex and challenged program. After a number of years of effort, a pilot of two simple refinance transactions – one hosted on PEXA’s Exchange, the other on the other ELNO’s – was finally undertaken in September.

That pilot confirmed what has been apparent for some time – that:

- inter-operability is far more complex to design, execute and build than was represented and assumed at the start; and
- the original benefits were significantly overstated and the risk, costs and adverse impacts for stakeholders are significantly higher than represented.

Indeed, recent commentary from the Australian Bankers Association noted that:

- No loss of functionality to the banks was acceptable and inter-operability as designed would not meet that requirement; and
- ARNECC as a regulator did not regulate financial settlement which created risk in inter-operable transactions.

It is significant that other industry stakeholders are now beginning to actively speak up and identify the fundamental issues with the model for inter-operability and the governance of the program.

We remain of the view that the policy is flawed and that the pilot transaction provides a suitable point – still early in the overall program – to have a proper review of the policy.

However, unless and until there is a review and change of policy, PEXA will, and must, continue to deliver and to constructively participate in the inter-operability program.

In addition to the significant commitment required by inter-operability, slide 14 also shows the other elements of regulatory-driven investment being:

- The continued expansion of coverage – which reflects our commitment to our customers as well as the regulatory structure which required ELNOs to achieve national coverage.
 - In terms of new jurisdictions, we are on track to extend e-conveyancing to Tasmania in FY25 and have commenced engagement with NT.
 - We continue to increase our coverage in existing States, particularly WA and Queensland but also ancillary documents (such as easements, bankruptcy notifications and discharges) in NSW, VIC, SA, and ACT.
- We are operating in a regulated environment and our systems need to integrate with those of State land registries and Offices of State Revenue. There will inevitably be a continuing need to accommodate changes in regulatory policy, systems and data requirements – which is characteristic of any regulated industry.

Slide 15

So, turning to our priorities as outlined on Slide 15, which are aligned with our customer value proposition:

- Maintaining the resilience, robustness and security of the Exchange is paramount; and
- Regulatory compliance is an essential requirement.
- We will continue to expand coverage of the Exchange with the aim of full national coverage for all transaction types;

- We will be making it easy for our customers, and other providers such as PMS operators who also support our customers, to integrate with the Exchange and will do so on an equal access basis. Through that integration we will continue to look to add value to our customers and deepen and expand our customer relationships. For example, in addition to supporting our banking customers with efficiencies in their Operations teams:
 - the banks also need their frontline bankers to know the transaction status so they can manage customer expectations and interactions. We enable that through our Tracker offering – saving internal phone calls to the Operations team and improving customer experience;
 - banks that outsource their mortgage processing want their frontline bankers to know the transaction status just the same – it doesn't matter that to the banker that the process is outsourced. We enable that too through our Tracker offering;
 - and brokers also need to know the status of transactions – generating multiple calls on each transaction from the broker or aggregator to the bank checking up and following up. We are working with the brokers, aggregators and the banks to expand our Tracker offering further to connect them as well, providing reliable, consistent and timely updates on the transaction to all parties who need to know it from 'source of truth' and avoiding the friction/admin costs currently in the system as a result.
- We are focused on driving efficiency and productivity, including through our Productivity Enhancement Program which Scott will talk to. This includes tilting our customer engagement toward a greater use of digital channels, strategic workforce planning including refining the operating models for our customer facing teams. For example, in April we restructured our Practitioner team which reduced headcount by 25%, but through our revised operating model, greater use of data and digital channels we have maintained customer satisfaction and tilted our emphasis toward sales of our value-added offering such as SendFX to deliver Digital Growth revenue.
- The strong customer relationships and the credibility which have been built through the Exchange means customers are open to hearing from PEXA about our Digital Growth offerings. We are leveraging those extensive customer relationships and the deep understanding of our customers for our new Insights businesses. For example, Land Insight has leading data on environment and climate hazards. Our knowledge and relationships across financial institutions means we know that:
 - the major banks are likely to prefer to get data which they can apply their analytic capabilities to understand the risk in their portfolio. Our FI team and Land Insight, supported by our Technology team, have developed a data offering for those customers and proposals are under consideration.
 - on the other hand, small regional credit unions have a similar need to understand the environmental and climate risks but do not have the capability to analyse the data themselves. With Land Insight we have developed an offering to help these customers understand their risk and we're happy to have our first customer – from regional NSW – for that offering.

Slide 16

So, in summary:

With around 90% of all property transactions coming through the PEXA Exchange, it is now important national infrastructure, so we are focused clearly on the responsibility to our customers and the broader community that comes from that in terms of:

- Completing the national coverage for all transaction types.
 - The critical importance of the resilience, robustness and security of the platform.
 - Enabling integration on an equal-access basis to our customers and other service providers to connect the PEXA Exchange to the systems they use day-to-day in their businesses.
- We are focused on efficiency, productivity and disciplined investment choices; and
 - We are also conscious that the credibility and relationships we have with our broad customer-base provide the foundation of our ability to sell additional Digital Growth offerings to those customers and are now leveraging that position with our customers.

Slide 17

With that I'll pass to Scott to talk to the Digital Growth business in more detail.

Scott Butterworth, Chief Financial and Growth Officer

Slide 18

Thank you, Les. As we turn to slide 18, I want to talk about three things in relation to Digital Growth and the 'extend' leg of our strategy:

- Why PEXA is pursuing the Digital Growth strategy;
- Our game-plan for leveraging the Digital Growth opportunity; and
- The progress that we are making strategically and economically in executing the strategy.

Starting with the first of these questions, as described by Les, core to our business proposition in Australia is to deepen our relationships across our target segments of FIs, Practitioners, Government and Developers.

Providing Digital Growth solutions assists us with these objectives and leverages the strong capabilities we bring to the table, including distribution, unique regulated and unregulated data, and strong product capabilities.

As we progress the opportunity, we are gaining access to an estimated current TAM of circa \$500m, which we estimate will grow to circa \$1.1b by 2027. We also estimate that the fastest growing part of that market relates to value added solutions as stakeholders wrestle with the management of risk and value in a market being impacted by significant demand supply side discontinuities.

Slide 19

Slide 19 sets out the strategy by which we are building the business. As a starting observation, our objective is not to be a provider of raw, untransformed data – that is a relatively low margin, highly competitive activity.

Instead, we are focused on dealing with four key customer use cases, which we estimate will collectively account for around 80% of the fastest growing part of the land information market by 2027.

Firstly, as evidenced from the news flow over the last week, governments and other property market stakeholders are all wrestling with understanding where to invest resources for housing and other

infrastructure items. We are supporting customers in answering these questions through our ID business, which Ivan will talk about in a few moments.

Second, having decided where to invest, all investors need to determine how to optimise their investment to create value. Value Australia deploys award-winning, AI-based algorithms to do just that, with its ability to flex its core AVM technology to rapidly determine the impact of investment decisions on value – not only at the individual property level, but also at the whole-of-catchment level. This is important functionality for developers, and for governments who are wanting to fund infrastructure through value capture mechanisms.

Third, as demonstrated by the flood and bushfire events of recent years, any property investment needs to be cognisant of the increasing risks associated with climate change. Further, as we change land use as more land is provided for housing, understanding the hazards associated with those sites becomes imperative. Our Land Insights business, which has access to over 100 years of hazards and contamination data, as well as other environmental risk information, can help property owners manage the value risk downsides associated with climate change and other natural or man-made hazards.

Lastly, all stakeholders want to avoid the value erosion associated with high transaction costs and churn, and poor services. Our set of ‘home-grown’, workflow management, service add-ons and data solutions enable our customers to reduce friction and improve the service associated with transacting properties.

Slide 20

Slide 20 sets out the progress we have made in executing this strategy since we provided our last update in December 2022.

As you can see, our various businesses have made good sales progress under PEXA’s stewardship in 1Q24 relative to the prior comparative quarter. Pleasingly, we have also progressed well with commercialising Value Australia, and we have signed the contract for our first paid proof of concept, a little over a year since acquiring the business from UNSW and Frontier/SI. Additionally, to support Value Australia, we have significantly built out our property bureau, PEXA Place, which now has around 1b unregulated property records, and we have coverage of all Australian land parcels. We have also significantly expanded our product pipeline and increased our reputation in the market as a source of credible and unique property-related insights,

One of the many achievements I am pleased with is the on-going development of our ID business. I am now going to hand over to Ivan Motley, ID’s founder. Ivan is one of Australia’s foremost demographers and geographers. He is going to talk to you about the progress we have made to expand ID’s capabilities, and how we are starting to use those capabilities to underpin other Digital Growth products.

Ivan Motley, Founder, ID

Slide 21

ID stands for informed decisions. We are a data analytics business that brings deep, spatial insights to local governments and all businesses engaged in location decision making across Australia. We help our customers make high-impact location decisions such as:

- What is the magnitude and nature of change of demand for housing, infrastructure and services and where?
- How and where will the development of infrastructure add value in the property market?

- How are constraints impacting land supply across the nation right down to the neighbourhood level?
- How can we speed up the process of dwelling approvals?
- What are the factors driving the liveability of neighbourhoods across the nation?

As the founder of ID, I am delighted to bring together PEXA and ID as a means of accelerating the .id subscription and consulting business.

Not only has PEXA provided additional resources, but the combination of the PEXA businesses has provided us with new channels, extended marketing reach, new capabilities, and additional data opportunities.

Slide 22

This slide represents the .id's forecast tool (one of 7 products we have in the market), which we recently launched nationally. This solution consists of data sets that provide cohesive, robust, forecasts of land settlement patterns, dwelling forecasts and demographic demand patterns at the hyper-local level – for the nation. PEXA's support and capabilities has enabled us to build this solution into a national tool. This not only enables us to better serve our traditional local government clients but helps extend our client base to include national and state infrastructure agencies, national retailers, education providers, and planning and economic consultants to name a few verticals engaged in the essential activity of increasing Australia's housing supply.

Slide 23

Another example is .id's national LIVEABILITY data set.

.id's 'living in place' tool provides decision-makers and investors with subjective insights about what residents' value in terms of local amenity, and how they perceive that those liveability attributes are being met in their neighbourhood. This tool provides local government, regional development authorities and infrastructure agencies with a powerful evidence-base to guide community-centred, effective decision-making and resource allocation. Again, as a subscription tool, time series is of the essence. How is the liveability index changing year on year?

PEXA's support has meant that we have built this also into a national data set. A national asset for PEXA to deliver to the market. This means that location decision-makers not only understand the impact of their decision in their own context, but benchmark them across other areas of the nation. Since completing the build out earlier this calendar year, we have lifted sales of this product by 50%.

Not only has our PEXA relationship increased the velocity of our business into existing and new markets but enabled us to add value to other unique and valuable Digital Growth products across PEXA.

Slide 24

For example, Marketview 2.0 is a PEXA Group prototype product that leverages PEXA Group data and .id national forecasts. Marketview 2.0 is being developed in collaboration with existing customers and gives Financial Institutions a view of their mortgage market share, at a local level (connecting people to place). This tool provides a forecast of lending growth in the catchment area and is a powerful tool enabling Financial Institutions to plan their distribution footprint.

Thank you for your time and interest.

And now back to you Scott to wrap up on our Digital Growth Business.

Scott Butterworth, Chief Financial and Growth Officer

Slide 25

Many thanks Ivan, it's always a pleasure to hear about your enthusiasm for all matters PEXA and ID.

Turning now to slide 25.

In closing, I return to the questions that I posed at the start of this session:

- Digital Growth strengthens PEXA by enabling us to build our customer depth and reach by participating in a strongly growing market;
- To progress the opportunity our strategy is to leverage our unique data, distribution, and product propositions to create solutions which generate value for customers. In doing so, we have assembled a set of capabilities that are collectively pointed at resolving **the** major issues being encountered by stakeholders across the property market.
- Since we last updated you in December 2022, we have made significant progress. However, there is more to be done. In general terms, our priorities are to:
 - Continue the growth of each of our individual lines of business – we believe that each has good runway.
 - Create additional value by leveraging these businesses across the portfolio – we have made a start on this, but there is much more to be done.
 - Ensuring that the growth of these businesses is as cost and capital efficient as possible as we they begin to scale.

Slide 26

I'll now handover to Joe who will be talking to you about our other growth activities in the UK.

Joe Pepper, Chief Executive, UK

Thanks Scott.

Good afternoon, all, and it's great to be in person to share with you some initial thoughts the UK market and how we plan to develop the opportunity for us there.

Before I talk about the market, I thought it would be worth me provide you with a quick introduction to me, why PEXA hired me and why I think the opportunity for PEXA in the UK is so strong.

I have been developing, selling and delivering technology solutions to the UK Property Market for the last ten years, and prior to that I spent almost 15-years developing, selling and delivering business process reengineering solutions to the Financial Services and Professional Services sectors. The reason that I focused on the Property Market was the sheer level of disfunction in the UK, but I will come back to that shortly.

In 2013, working with EDM Group through a combination of organic growth and acquisition, I established a subsidiary business called EDM Mortgage Support Services, which focused on seeking to improve the Property Market through the establishment of a rules-based RPA technology called EDM PRISM, which we successfully to sold to several major UK lender, including Nationwide Building Society.

In 2017, I was approached by the three biggest Property Services businesses in the UK, namely Connells, Countrywide and LSL, and asked to take forward an ecommerce platform business for conveyancers called TM Group. I managed to double the size of the business, again through a

combination of organic growth, new product development and acquisition, and achieved the shareholders goal by selling the business to Dye & Durham for £91.5M in 2021. Unfortunately, Dye & Durham had chosen not to get pre-clearance from the UK Competition and Markets Authority which meant that I had to run the business on my own for 2-years under a CMA Enforcement Order, and I would eventually sell the business on behalf of Dye & Durham in July this year for a similar sum.

I was intending to take six months out, but I had always been aware of PEXA and the unique opportunity the business has to be a positive agent for change, and so I cut short my planned industry sabbatical when presented with the opportunity to lead the UK business.

Slide 27

So, what's the issue with the UK market? One look at this slide will tell you that there's something different around the challenges that we face, and it creates to my mind a major reason to change. The UK property transaction process is still largely based on the Legal Services Act of 1925, with additional modern obligation and regulation which pressurises it to the point of breaking. It's huge disaggregated, with over 4,500 conveyancing businesses communicating with 17,000 estate agents and over 20,000 mortgage brokers.

These are bluntly small businesses operating of basic process management tools which don't interact with other platforms, creating a layer of treacle which makes the process take even longer. 20-years ago it would take 4-6 weeks from me agreeing to buy a house to being able to complete the transaction and move in. Over the last 2-years however, the government and regulators have repeatedly heaped more work on conveyancers, and the impact on this highly people-driven industry is that we now see an average time sale to completion time of 150-days, i.e., over 5-months. The old adage of time-kills-deals is true here, and 30% of deals never transact, often as people bail out of the process due to the sheer complexity and stress, or due to life changes, including divorce and loss of work. This means that 30% of the activity in the market is frankly non-productive.

There's a further challenge created by these highly manual and unproductive processes, which is that in research I carried out last year with TM Group, a survey of 800 conveyancers showed that 30% intend to leave the industry within the next 5-years. The market massively struggled to deal with the uptick in volumes seen in the Stamp Duty Holiday of 2020/21, and there is no way that the market could handle an exit of 30% of practitioners. This is brought into further focus by the UK Leader of the Opposition making the building of 1.5M new homes a central plank of his strategy for a potentially incoming Labour government.

So how can PEXA help to change the market, and why should it?

Slide 28

Let's start with the why? The UK market is sizeable, even with its current headwinds, and can grow substantially if and when the economy can get back to long-term trends. Bluntly the UK economy offers a substantially bigger TAM than Australia.

Slide 29

Turning to the why, PEXA' solution offers substantial benefits to all the key stakeholders, facilitating key improvements to all. However, that probably isn't a unique statement. The problems of the way in which the UK property market fails to operate effectively has created literally hundreds of PropTech solutions being sold which address one or more of its failings. That in itself has created a degree of buyer-fatigue, where potential parts of the market feel like they are being sold so many different solutions that they don't know which one is going to succeed.

So why do I think PEXA is the one to get me excited?

Principally because it has a proven technology in a respected jurisdiction and is the only business which can be trusted to realistically sell its proposition, especially thanks to the progress made on getting a solution endorsed by the Bank of England. This creates a “saucer of milk” from which we can develop something compelling which attracts the cats rather forces us to “herd” them.

Slide 30

I am reassured to have joined a business where serious progress has already been made and there is a clear and sensible business strategy in place and ready to be executed upon.

The acquisition of a major remortgage business, Optima Legal, has been done to help us prove the value of the PEXA-technology, and we have made good progress lately in converting that into tangible wins for the lenders involved in the process. The longer-term goal is to create a proposition so compelling that Optima’s competitors will want to integrate with the PEXA-technology as well, increasing the market penetration well beyond that which Optima would ever be able to service.

I will touch on the planned acquisition of Smoove momentarily, but in essence the principle is the same, albeit in reaching the different marketplace which handles the bigger volume of transactions that occur in the property sale and purchase process.

There is a strong and developed product roadmap in place which is delivering the nuance to the core PEXA technology required to operate in the UK market, and I am delighted with the way that process is progressing.

The “so what” messaging has been developed upon, and we have verbal agreement from 2 of the top ten lenders to use the PEXA-technology to deliver a 24-to-48-hour remortgage product by the middle of 2024, subject to their own technology roadmaps. We expect that to provide them with a clear competitive advantage which will in turn drive the remaining lenders to seek to join the platform at the next available juncture. Each lender that joins the platform adds to the volume of milk in the saucer.

Slide 31

I mentioned Smoove, and there remains some degree of restriction around what we are allowed to say until that process completes, but I can share that Smoove are a business that I know well (they were a customer of mine at TM Gorup) and the logic behind the acquisition is sound. Effectively this creates another “proof-point” for the PEXA-tech, but this time in the Sale & Purchase market, with the ability to showcase the PEXA-experience to over 2,000 conveyancers.

Smoove bring a strong array of technical solutions, which we can integrate the core PEXA-platform with to create a truly industry-leading platform and make that saucer of milk even sweeter as well as potentially more volume if we can create a virtuous circle and help drive up the volume of customers that Smoove are able to attract as a result of the enhanced product offering.

Slide 32

Many of you are aware of our priorities in the UK, but in summary two months into the role and I am reassured and remain excited about the raw potential for PEXA to deliver change into a market which has a clear need for it. We have made good progress against a number of our key priorities in the strategic roadmap, and we are sharpening the pencil with the goal of making further progress over the course of the next 12-18 months.

Slide 33

You've heard mention the T-word repeatedly over the last few minutes, so it's right now that I hand over now to the cook who helps create PEXA's secret sauce, group CTO Eglantine who will provide an update on the progress the group is making in managing and developing our technology proposition.

Eglantine Etienne, Chief Technology Officer

Slide 34

Thanks Joe.

As you have just heard going through our enhance, extend and expand pillars, technology is critical to our success.

So today, I'm going to take you through our approach to technology across our 3 key area of focus:

- How we're keeping our exchange platform safe and secure.
- The modernisation of our platform to accelerate our ambition.
- And how we are evolving our operations for efficient growth.

Slide 35

When Les described how our exchange platform is supporting our customers, he started by resilience and security. In tech, it remains our top priority.

Whilst we have lifted both our cyber and resiliency posture significantly over the past years, we remain humble and vigilant, acknowledging that things evolve rapidly in that space and that only by constantly challenging ourselves and learning from the best, we will be able to maintain the required standards.

Concretely, what does that look like:

First, we have the lowest risk appetite in that space, which translates in strong standards, accreditations, and secured resources allocation.

In the past year we have:

- Maintained our SOC2 and ISO27001 compliance.
- We have successfully completed internal audit and experts review without major findings.
- We have improved our cyber posture by significantly reducing our data exfiltration risk and uplifting our security operations.
- And improved our resilience posture as well by implementing a leading resiliency framework, investing in Observability and chaos engineering.

We are keeping ourselves vigilant and honest by leveraging an advisory committee, a thorough audit plan and live tests led by internal and external industry experts; In the past year we have increased the number of external reviews and brought new industry leaders in our advisory committee, directly influencing our roadmap.

Whilst we have been growing our internal capability, we also partner with the best-in-class to provide tool and expertise: AWS, Mandiant, Splunk, OKTA, Palo Alto amongst others.

Finally, as Les touched on, when looking at resilience and security, it is critical for us to work with our ecosystem- Financial Institutions, practitioners, and Land registry offices.

In the past year, we have launched industry workgroup to codesign prevention, continuity plan and recovery processes in the event of outages.

We have as well extended our Cyber tools and trainings to our partner Practitioners, helping small businesses reducing their cyber exposure.

As a result, we've had 0 critical cyber incident in the Exchange. It is a particularly strong outcome considering the evolution of our threat surface – an illustration of the is the blocked attempt which have increased from 6k to 55k blocked in the past year. Another positive data point is our phishing test results, a key indicator of cyber risk, which is remaining between 3-5%: a strong outcome compared to the global benchmark of 29%.

Equally encouraging, we have had no Severity 1 incident since June 2022 and our exchange platform remained 100% available, superseding the regulatory requirements of 99.8%. This is a first for us at that level of transactions.

In summary cyber and platform resilience are paramount to us, and with an increasing risk driven by our own evolution and the sophistication of bad actors, we need to relentlessly continue to focus on our posture.

Slide 36

Our second priority is to ensure that our platforms have modern, modular architecture enabling speed, efficiency, and accelerating our acquisitions' integration.

As a first principle, we build our tech strategy across our portfolio of companies and focus on an architecture supporting ease of integration. Joe presented earlier how, by integrating PEXA GO, our international platform, and Optima, we could accelerate our market penetration: We are fast-tracking this integration with Optima using reusable modules and removing 6 months from the critical path of development.

This is underpinned by modular architecture, where our functionalities are contained in modules or Lego blocks, easy to connect and to reuse. This accelerates delivery as well as contains our capital spend and will reduce over time tech obsolescence and cost of ownership.

We have estimated that build in International Platform will enable up to 80% code reuse in any Exchange business. Demonstration of that efficiency dividend has been noted in modules such as Doc Management or Subscriber notifications which were created in a jurisdiction and are replicated in another. As a direct result, we'll avoid 6 months of build time for squads, or approx. 3MAUD.

Another aspect of our modernisation is enabling connectivity through APIs. Les spoke about an open-access basis to our customers and other service providers to connect the systems they use day-to-day in their businesses. This is enabled by our new API platform and roadmap, which creates an easy to manage, secure access to our platform.

The third principle of our architecture is the need to provide strongly governed and easy to access data, enabling internal insights and customer value as you would have heard in Scott and Ivan's presentation.

Our new Enterprise data platform, internally referred to as One Data, enables us to remain compliant with the regulations while delivering high-quality real-time data. We have chosen snowflake as the core solution for its ease and speed of integration into customers.

The most recent example of this is the Land Insight integration: we could rapidly integrate Land Insight reports directly with the customers using our One Data platform, delivering this new revenue source in weeks instead of months.

Using snowflake as our core solution, we have also commercially negotiated a position where increasing scale reduces our subscription cost by an estimate of ~24% over five years as opposed to linear growth in license costs with consumption, as is usual.

That is a perfect segway for our next topic which is efficient growth.

Slide 37

Growing efficiently is our third priority; it is about ensuring that we have the right resources, the right partners, and can scale efficiently.

Our workforce plan is focuses on building key competencies inhouse, outsourcing for scale and focusing on diversity.

In the past year, we have:

- Built career and learning pathways through the PEXA academy providing clear growth opportunities and lifting competencies.
- Provided clarity on roles requiring internal IP and outsourcing opportunities.
- We have increased our intake our graduates and interns through universities and reskilling programs with Vic Uni and Holberton university amongst others.
- and grown our Ladies in Tech community.

As a result, we have been able to positively impact gender diversity, moving from 21 to 30% of female representation in tech, positively impact attrition which has seen a reduction from 11 to 6%, and our exchange and PEXA go platform are built by resources largely offshore, in Philippines and India.

Our second imperative is a more structured approach our suppliers' portfolio, required to get the right thought leadership and tools at the right cost.

By streamlining and structuring our relationship with key suppliers, we have been able to establish longer-term partnership, and to reduce our delivery costs by 30% in key area.

Cost saving have been reinvested in strategic initiatives such as our UK growth, One Data, Resilience and Cyber initiatives.

Another aspect of embedding continuous productivity is leveraging new technology.

We've recently been focusing on AI particularly, providing our engineers with AI enabled developer experience using GitHub Copilot. This is expected to improve our developer's productivity up to 20% productivity in coding, testing and technical documentation.

In summary, we have a long-term approach to the technology operations, ensuring that we continuously improve of workforce profile and engagement, that we leverage the best partners for our success and grow efficiently.

Slide 38

So, these are the three priorities we are executing currently.

We are confident that we are making the right strides as we have achieved critical outcomes like:

- 0 Critical Cyber incident and 100% uptime in the Exchange,
- a highly reusable platform creating value across our pillars,
- Controlled spend management through workforce planning, strategic partnership, and technology.

Slide 39

I'll now pass over to Scott to cover the last part on our presentation.

Scott Butterworth, Chief Financial and Growth Officer

Slide 40

Many thanks Eglantine.

Turning now to slide 40, we flagged during our year-end update that we would be accelerating our productivity improvement activities during this half, as a prudent response to the economic uncertainties which Glenn flagged earlier today.

As you can see from this slide, we have been actively managing down our work force during this half, leveraging the work done by Les, Eglantine, Joe, and others. This has included responding to lower re-mortgage volumes in the UK and taking advantage of opportunities to streamline our processes and overheads in Australia. The impact of these changes has been to reduce our workforce by around 12%, with annualised cash benefit of around \$8-10m pa.

This is not the end of our productivity enhancement activities for this financial year. During 2H24 we will continue to re-shape our operating model to deliver further efficiencies, whilst also taking advantage of the various opportunities outlined earlier by Les and Eglantine.

Slide 41

Turning now to slide 41, I want to touch on the guidance that we gave during our FY23 results update.

As you will recall, our guidance was for an Exchange Operating EBITDA Margin in the range of 50-55%, Group Operating Margin of better than 35%, Digital Growth Operating EBITDA breakeven in June 2024, and \$70-80m, of cash spend in our growth businesses.

At this stage, our view of the economic outlook for 2024 suggests that there is some downside volume risk in the second half of the current financial year.

Whilst these revenue declines would obviously impact earnings, at this stage, given the impacts of the PEP program, we believe that the previous operating EBITDA margin guidance for the Group remains appropriate. Our views of the cash spend and other guidance relating to our growth businesses remains unchanged.

Nonetheless, we remain cognisant of the downside risks in the economic environment, and their potential impacts on volumes and the consequential impact on profitability given the operating leverage in our business. Of course, if required, we will provide further updates on any material impacts arising from these risks.

I note that these guidance points exclude the impact of the Smoove acquisition which, as Glenn and Joe described, we expect to settle before the end of December 2023. We will provide a further update on Smoove as part of our 1H24 results announcement.

Slide 42

I am now moving to slide 42 to provide you with some additional information about specified items and other items contributing to our statutory profits in 1H24:

- We are estimating specified items of around ~\$15-16m, with \$5m relating to the acquisition of Smoove plc, and ~\$4m of restructuring costs. We are also expecting Optima integration costs of around \$2.5-3m in the first half as it moves from the various Capita TSAs; these costs

should reduce substantially past the first half. Other items are expected to be similar to the outcomes experienced in 2H23.

- Net interest expense is expected to increase marginally over 2H23, with the increase in interest expense associated with reference rates and Smoove debt being partially offset by increased earnings on our source account.
- Organic amortisation is expected to be at around the same level as experienced in 2H23, as a result of the flow through impacts associated with recent acquisitions and capital expenditures.

Slide 43

I will now pass over to Glenn to provide some final reflections before commencing the Q&A part of today's update.

Glenn King, Group CEO and Managing Director

Slide 44

Thanks Scott. Before closing, I want to turn to slide 44.

As you would have seen, there is a significant amount of activity being delivered and executed across our company.

Today, you have heard from several of the members of our team – highly experienced executives - Les, Ivan, Joe, Eglantine, Scott who are leading this strategy and implementation.

However, as you can see from this slide, the team is supported by a diverse and experienced set of executives who are helping us to deliver and lead our businesses and strategy.

All of them are highly committed to our purpose, and our objective of growing the company to create sustainable long-term value for our shareholders, in accordance with our values.

Slide 45

I will now wrap up on slide 45 and to re-iterate some of the key messages we have discussed today:

- We have a business model that is aimed at profiting from the major trends impacting property markets in Australia and internationally.
- We are progressing a clear, purpose-led, and consistent strategy to leverage these trends, with a strong focus on execution.
- We remain on track with the guidance that we provided during our FY23 update, notwithstanding uncertainties in the macroeconomic environment do create some downside volume risks.
- We are committed to improving the operating leverage of the company by progressing a prudent program of productivity enhancements.
- Our business is made up of over 800 professionals, is an award-winning business across numerous dimensions, and is focused on sustainable long-term value for our shareholders, customers, and our people.

Slide 46

The team and I will now be happy to answer any questions you may have.

-Ends-

This release was authorised by the Group Managing Director and Chief Executive Officer

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About PEXA Group Limited

PEXA is a world-leading ASX-listed digital property exchange platform and property insights solutions business. Since 2014, PEXA has facilitated more than 16 million property settlements through the PEXA Exchange in Australia, with 88% market reach, and in 2022 PEXA launched in the UK. The PEXA Group of companies, including .id (Informed Decisions), Value Australia and Land Insight, delivers digital insights and property solutions that help government, financial institutions, banks and property practitioners to unlock the future value of property.

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