

APPENDIX 4C AND QUARTERLY REVIEW FOR QUARTER ENDED 31 MARCH 2017

Highlights

- LiveOffer™ platform launched, signalling the start of commercial revenues
- Master Service Agreements signed with US property managers, Berger Rental Communities and EIMC, covering 8,045 apartments, with on-boarding to the LiveOffer™ platform having commenced prior to quarter end
- Century 21 Australasia Chairman and owner appointed as Chairman of Property Connect
- Australian pilot with select Century 21 owned offices in Victoria and Western Australia announced
- \$1.55 million successfully raised in an oversubscribed offer post quarter end, with strong support from new and existing professional and sophisticated investors

27 April 2017: Property Connect Holdings Limited (ASX: PCH) ('Property Connect' or 'the Company') today lodges its Appendix 4C for the quarter ended 31 March 2017 and is pleased to provide an overview of its progress during this period.

FINANCIAL UPDATE

Property Connect reported a cash balance of \$0.367 million at 31 March 2017. The Company's cash position was further boosted post quarter end, with the Company raising \$1.55 million before costs, with 140.9 million ordinary shares issued at a placement price of \$0.011.

For the March quarter, net operating cash flow was an \$0.521 million outflow, down from the previous quarter's outflow of \$0.675 million. Cash outflow for the quarter reflected ongoing investment in the LiveOffer™ platform and development of the Company's US product offering.

Cash outflows in the June quarter are expected to reflect an increase in development spend and operational sales activities as the Company focuses on continuing to grow its presence in the large US multifamily property market and progresses towards a trial of the platform with select Century 21 offices in Australia.

OPERATIONAL PROGRESS

Master Service Agreements signed

During the quarter, the Company signed Master Service Agreements ('MSAs') with US property managers Berger Rental Communities and EIMC, to commence using LiveOffer™ in their portfolios, collectively covering 8,045 apartments.

The management team continues to focus its sales and marketing efforts on converting the Company's pipeline of ~293,000 apartments already under Letters of Intent to MSAs, and pursuing further leads to continue to build the sales pipeline.

LiveOffer™ Platform Launched

Property Connect initiated customer deployment of the LiveOffer™ platform in March, with the commencement of on-boarding the apartments covered under the MSAs.

When a property is 'on-boarded', that property's details and photos are loaded onto Property Connect's proprietary platform, ready for the relevant community manager to initiate a LiveOffer™, as and when that property becomes available to rent. Property Connect's on-boarding of apartments has logically commenced with those apartments currently seeking new tenants.

The launch represents a significant milestone for Property Connect, signalling the first conversion and transactional fees (upfront conversion fee plus a percentage of the rent) for each LiveOffer™. Fees generated will be an ongoing function of utilisation by the property managers and successful execution of leases on the platform.

Management is committing resources to the continued on-boarding of properties, plus platform improvements to streamline the on-boarding process, as well as working with the parties to the MSAs to encourage penetration of LiveOffer™ across their portfolios and adoption by their letting staff.

Australian Trial with select Century 21 offices

The Company made significant progress positioning its offering to the Australian market, as a pilot of the LiveOffer™ platform with select Century 21 owned offices in Victoria and Western Australia was agreed in principle during the quarter.

The trial of the LiveOffer™ technology heralds the beginning of the Company's push into the Australian market. The management team continues to target other large real estate groups and property management businesses, to run additional trials of the technology with the view to converting these into commercial arrangements and becoming the industry standard for rent negotiation and optimisation.

CORPORATE UPDATE

Board strengthened by recent appointments

Mr Charles Tarbey

The Company was pleased to welcome Chairman of Century 21 Australasia, Mr Charles Tarbey in March 2017 to the board as Chairman of Property Connect. An industry leader, Charles has spent 45 years in the property industry and brings a deep level of experience and expertise in real estate, property management and leasing. In 2011, Charles purchased Wentworth Holdings, one of Australia's largest property management groups, with almost 8,000 residential, commercial and industry properties and is the owner of master franchises for Century 21 Australia, New Zealand and Papua New Guinea.

At the time of Charles' appointment, Mr Michael Langoulant stepped down from his role as Non-Executive Chairman and he remains on the board as Non-Executive Director.

Mr David Nolan

Property Connect was pleased to welcome Mr David Nolan to the board as Non-Executive Director and Company Secretary during the quarter. A commercial lawyer with over 20 years of experience, David was previously a partner at a number of leading Sydney law firms and a senior advisor on the London Stock Exchange. David brings valuable relationships in the advisory and regulatory community, and transactional and corporate governance expertise.

Mr Nolan replaced Ms Loren King in the role of Company Secretary.

Property Connect CEO Tim Manson comments:

"This has been an important quarter for Property Connect, with the achievement of a significant company milestone with the commercial launch of LiveOffer™ in March. With two US based property managers signed up to the platform, we have continued to see strong interest in our offering and are confident in our ability to continue to grow our customer base and add to the 8,045 apartments already committed to use LiveOffer™ as we continue to focus on our sales and marketing efforts.

"Furthermore, the appointments of Charles Tarbey and David Nolan to the board during the quarter have added additional expertise and experience, as well as bringing additional strategic relationships which are already proving to be invaluable to Property Connect."

-END-

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning PCH's potential business development, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions are forward-looking statements. PCH believes that its forward-looking statements are reasonable; however, forward-looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

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About Property Connect

Property Connect has developed the LiveOffer™ technology, designed to create an easy, fair and transparent system under which potential tenants can negotiate the best offer on a rental property. Founded in 2012 and based in Los Angeles, Property Connect enables leasing agents the opportunity to secure optimal leasing terms on each property.

The company is listed on the Australian Securities Exchange (ASX:PCH).

www.propertyconnect.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Property Connect Holdings Ltd

ABN

22 091 320 464

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(141)	(358)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(40)	(40)
(d) leased assets	(21)	(39)
(e) staff costs	(119)	(460)
(f) administration and corporate costs	(240)	(619)
1.3 Dividends received (see note 3)	-	
1.4 Interest received	-	
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	40	51
1.9 Net cash from / (used in) operating activities	(521)	(1,466)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	152	1,694
3.2	Proceeds from issue of convertible notes		-
3.3	Proceeds from exercise of share options		-
3.4	Transaction costs related to issues of shares, convertible notes or options	(31)	(132)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	121	1,562

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	768	271
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(1,466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	121	1,562

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	-
4.6	Cash and cash equivalents at end of quarter	367	367

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	367	768
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	367	768

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

119

-

Payments to directors plus superannuation for the quarter and payment of wages to directors in USA.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(210)
9.2 Product manufacturing and operating costs	(74)
9.3 Advertising and marketing	(117)
9.4 Leased assets	(35)
9.5 Staff costs	(238)
9.6 Administration and corporate costs	(136)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(810)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 28/4/17
(Company secretary)

Print name:David Nolan.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.