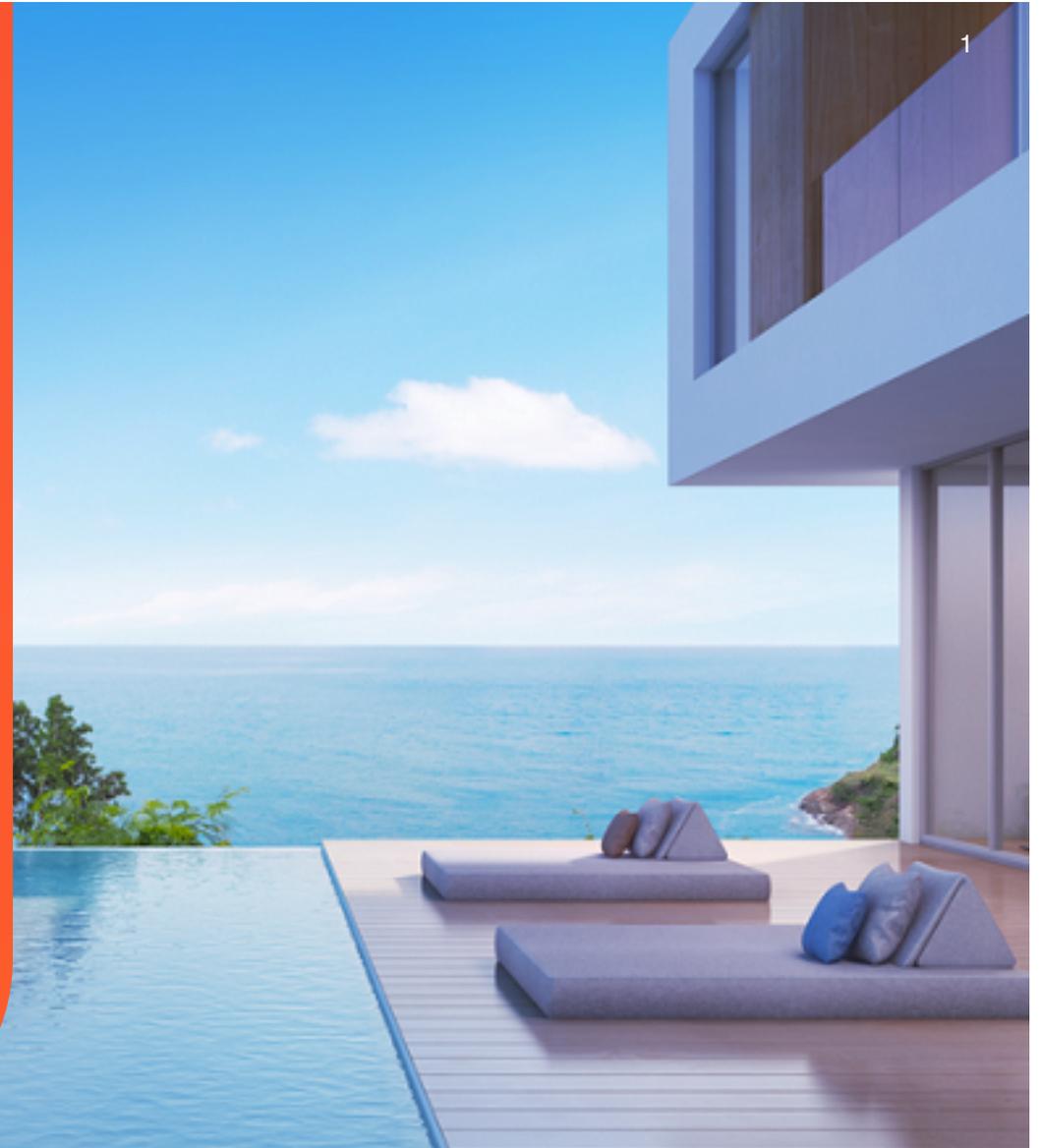




PROPERTY
CONNECT

DIGITISING PROPERTY TRANSACTIONS

February 2018 (ASX:PCH)
Innovating Real Estate



FORWARD LOOKING STATEMENTS

2

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- ✓ **LiveOffer Rental commercially launched and transacted in NSW, VIC & WA**
- ✓ **PCI (Property Connect International) legally dissolved**
 - No debts and liabilities other than wind up costs
- ✓ **Board and Management Refreshed**
- ✓ **Sustainable operational cash flow**
 - Quarter cash burn forecast circa \$120K
 - Current Cash \$340K, New Investment \$1.5M
- ✓ **Capital light operating model**
 - Rental platform build costs complete, partnerships for sales and distribution
 - Over 300 properties on the platform
- ✓ **Marketing & Sales activities begun**



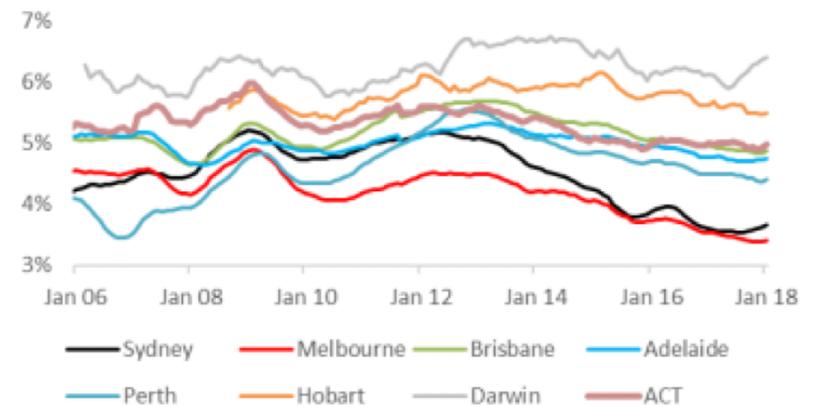
✓ **A third of all renters are long term renters** (Source: Australian Housing and Urban Research Institute)

✓ **31% of Australians Rent**
(Source: 2013-14 Choice Australian Rental Market Report)

✓ **Renters complain of discrimination & lack of transparency in the application process**

✓ **50% of renters are concerned about being 'blacklisted' making it difficult to secure leases in the future**
(Source: 2013-14 Choice Australian Rental Market Report)

Gross rental yields, dwellings



(Source: CoreLogic)



75%
of renters agree or strongly agree that competition amongst applicants for a rental property is fierce

61%
of renters have had an issue while searching for a property over the past five years

55%
of renters agree or strongly agree that they are concerned they'll have to offer extra money to secure a rental property

22%
of renters disagree or strongly disagree that the process of applying for a rental property is very transparent

14%
of houses hunters were promised things during application that never materialised



(Source: 2013-14 Choice Australian Rental Market Report)



- ✓ **Rental Platform re-design and build complete – only business as usual enhancements and customer customisations required**
- ✓ **Focus moves primarily to commercial success and scaling of rental platform**
- ✓ **November and December successfully transacted residential leases in Victoria and Western Australia, partnering with Century 21**
- ✓ **January and February successfully transacted residential leases in New South Wales, partnering with Mc Grath Lower North Shore**
- ✓ **Additional discussions ongoing with:**
 - Realestate.com.au
 - Inspect Real Estate
 - Local Agent Finder
 - Domain.com.au



“Where there was more than one applicant, engagement was competitive on price and terms, tenants were keen to secure properties and found the transparency and immediacy compelling, so much so that property managers couldn’t keep up”

Dean Mackie, Principal Mc Grath LWNS

Next steps:

- ✓ **Scale Sales**
- ✓ **Commercial Contracts**
- ✓ **Partnerships to effectively monetise**



LiveOffer™ Status

Draft Published (Active) Expired

LiveOffer™ Report

Rank	Date	Renter	Rent	Term	Move In Date
1	12/2/18 8:16 am	Bidder 1	\$735 (Weekly)	12 Months	26/2/18
2	12/2/18 8:16 am	Bidder 1	\$735 (Weekly)	12 Months	26/2/18
3	11/2/18 9:17 pm	Bidder 3	\$725 (Weekly)	12 Months	26/2/18
4	11/2/18 9:17 pm	Bidder 3	\$725 (Weekly)	12 Months	26/2/18
5	11/2/18 8:54 pm	Bidder 2 <input checked="" type="checkbox"/>	\$720 (Weekly)	12 Months	26/2/18
6	11/2/18 8:54 pm	Bidder 2 <input checked="" type="checkbox"/>	\$720 (Weekly)	12 Months	26/2/18
7	11/2/18 8:02 pm	Bidder 1	\$715 (Weekly)	12 Months	26/2/18
8	11/2/18 8:01 pm	Bidder 1	\$707 (Weekly)	12 Months	26/2/18
9	10/2/18 8:11 pm	Bidder 1	\$700 (Weekly)	12 Months	26/2/18
10	10/2/18 8:11 pm	Bidder 1	\$700 (Weekly)	12 Months	26/2/18
11	11/2/18 6:52 pm	Bidder 4	\$700 (Weekly)	12 Months	26/2/18
12	10/2/18 7:39 pm	Bidder 5	\$690 (Weekly)	12 Months	26/2/18
13	9/2/18 12:09 am	Bidder 1	\$685 (Weekly)	12 Months	26/2/18
14	9/2/18 11:18 am	Bidder 6	\$685 (Weekly)	12 Months	26/2/18
15	9/2/18 12:11 pm	Bidder 7	\$685 (Weekly)	12 Months	26/2/18
16	9/2/18 12:23 pm	Bidder 3	\$685 (Weekly)	12 Months	26/2/18
17	10/2/18 7:38 pm	Bidder 5	\$685 (Weekly)	12 Months	26/2/18
18	9/2/18 12:19 am	Bidder 7	\$670 (Weekly)	12 Months	26/2/18

\$735

4 Days

\$670

Learnings:

- ✓ Tenants bid multiple times
- ✓ Tenants responded quickly
- ✓ Tenants wanted to secure the property and pay their holding deposit before the landlord had made a decision
- ✓ Improving the tenant, property manager, landlord communication leads to better results for all parties, in a transparent and timely manner



In November 2017 we outlined to shareholders our strategic extension for the business moving forward – rentals to auction sales





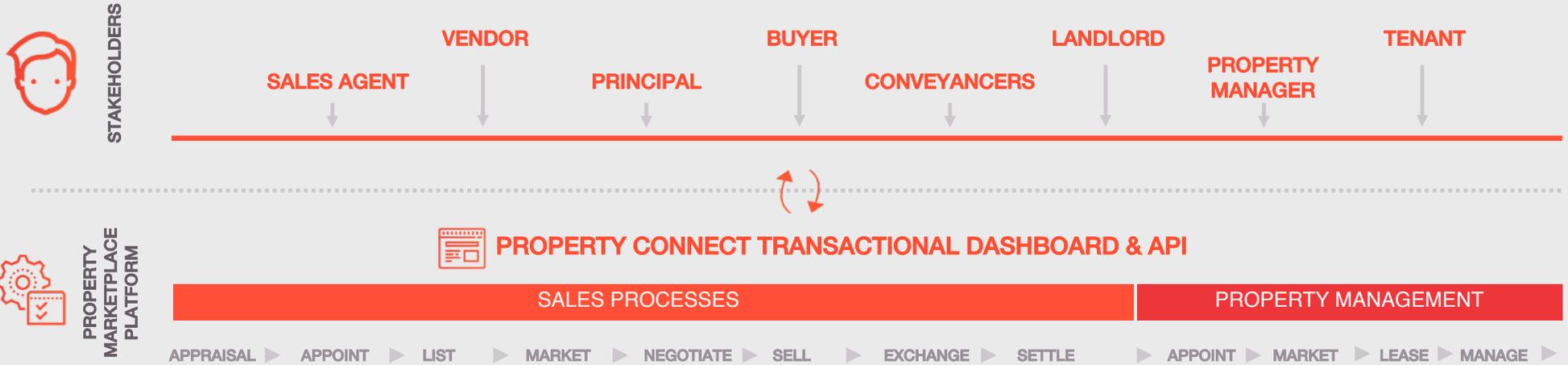
WHY AUSTRALIA?

- 3 million residential rental properties
- 500,000 sales transactions per year
- \$5.6 trillion of residential property (Core Logic)
- The property services sector is characterised by legacy and fragmented systems and practices ... ripe for disruption
- Tenants, agents, owners and governments all want a better solution for finding, managing and living in and buying residential property

We know this market, it is moving quickly and we can rapidly scale and initiate new products, which can then be exported to international markets

AUSTRALIA IS A REAL ESTATE TECHNOLOGY LEADER

MARKET OVERVIEW & OPPORTUNITY

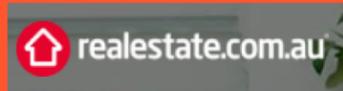


FRAGMENTED MARKET & SUB-SCALE





COMPETITIVE LANDSCAPE



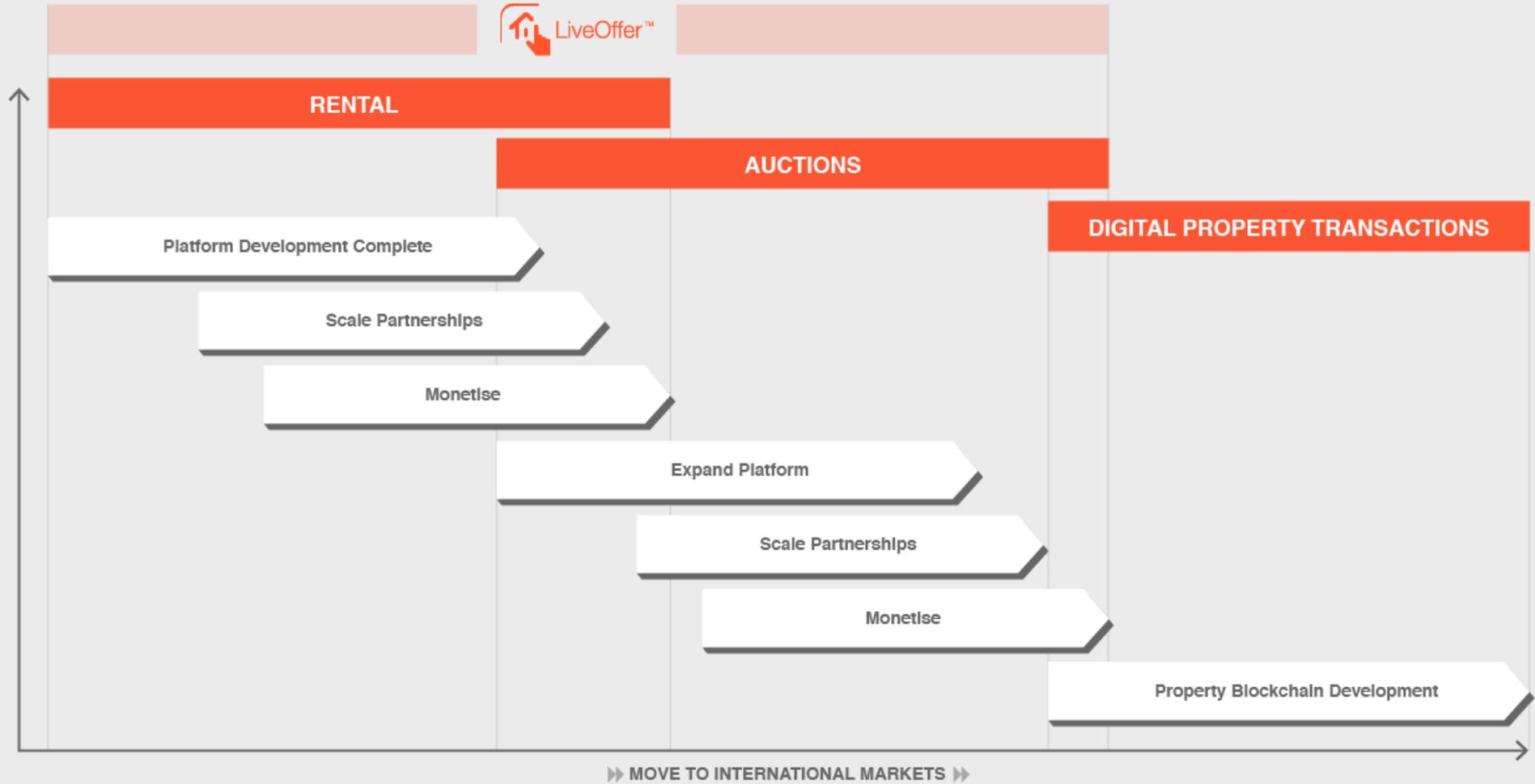
Legacy 1980's Business Model
Display Advertising
Dominated by two major players

Transaction Orientated
Engaging Multi-Product Marketplace
Agile



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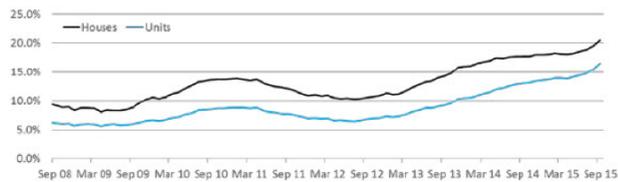
PRODUCT ROADMAP





✓ 500,000+ properties sold every year

Auction sales as a proportion of all dwelling sales, combined capital city regions



(Source: Core Logic)

- ✓ Online Digital Auctions provide a perfect way to disrupt traditional real estate agency models, beyond flat fee or reduced fee, fundamentally transform the process

Capital City Auction Statistics (preliminary)

City	Clearance rate	Total auctions	CoreLogic auction results	Cleared auctions	Uncleared auctions	Clearance rate (last year)	Total auctions (last year)
Sydney	74.3%	718	533	396	137	80.6%	856
Melbourne	70.7%	923	768	543	225	75.7%	1,091
Brisbane	48.9%	120	94	46	48	47.1%	117
Adelaide	67.3%	79	52	35	17	65.8%	87
Perth	22.2%	35	18	4	14	31.0%	42
Tasmania	12.5%	9	8	1	7	40.0%	6
Canberra	62.9%	79	62	39	23	80.2%	92
Weighted Average	68.1%	1,963	1,535	1,064	471	74.9%	2,291

(Source: Core Logic)



- ✓ **Auction Platform is an extension of the LiveOffer Rental Bidding Platform**
- ✓ **Development roadmap anticipates release by June 2018**
- ✓ **Leverage relationships built via rental platform**
- ✓ **Priority opportunities:**
 - Off the Plan residential
 - Apartment complexes
 - Commercial / industrial property
- ✓ **Obtaining Corporate Real Estate License, Director Licensed to conduct Auctions**
- ✓ **Exploring marketplace with developers, builders and promoters**
- ✓ **State Governments have legislated for electronic conveyancing - PEXA**



PRODUCT OFFERING

✓ **LIVEOFFER**

Online Sales Auctions, enabled by virtual reality tours for inspections and off the plan sales

- ✓ Distressed mortgagee in possession sales

✓ **CONVEYANCING THROUGH BLOCKCHAIN**

Taking the risk, cost and intermediaries out of the transaction

✓ **PAYMENTS**

Use cash or Bitcoin to buy a property, automatically and without any settlement risk and associated transactional costs – Lenders Mortgage Insurance & instant auction deposits



FUTURE OPPORTUNITIES

- ✓ **RESIDENTIAL REAL ESTATE IS UNIVERSALLY IDENTIFIED AS A PRIME AREA FOR BLOCKCHAIN DISRUPTION**

- ✓ **SETTLEMENT PROCESS**

Is time consuming and costly – It costs an average of \$1,200 for conveyancing in Australia, \$550 in searches, \$200 for ancillary fees, \$330 in bank fees

- ✓ **AUCTION FEES**

Agent 2-3% commission, Auctioneer \$700, Advertising \$5,000-10,000

- ✓ **MORTGAGE FEES**

1% commission loan value, LMI > \$10,000

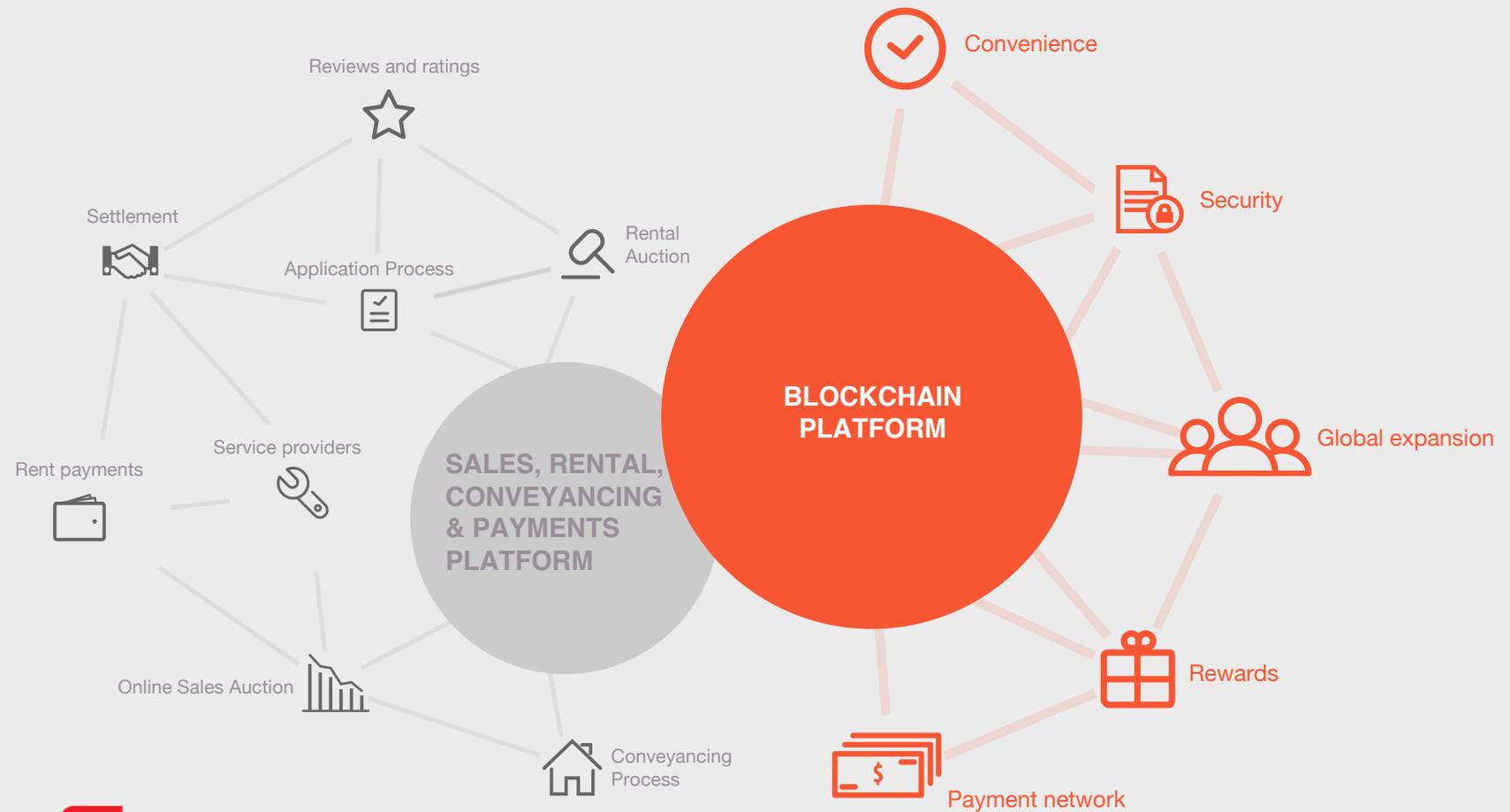
- ✓ **INSURANCE**

Property, Contents and Landlord

- ✓ **PARTNER WITH TO EXTEND LIVEOFFER PLATFORM**

- InfoTrack
- CBRE
- PEXA
- Realestate.com.au
- Clearmatch

BLOCKCHAIN FOR REAL ESTATE PLATFORM



PROPERTY SALES

- Uploads contract and disclosure documents
- Obtains valuation
- Lists property

- Reviews offers
- Negotiates and accepts offer
- Deposit released to vendor (Victoria)

- Seamless settlement and title transfer over blockchain
- Mortgage discharged surplus paid to Vendor



- Qualifies for finance
- Searches for property
- Inspects property

- Reviews Contract
- Obtains valuation
- Makes offer

- Seamless settlement and title transfer over blockchain
- Payment of rates, all parties notified.

PROPERTY RENTALS

- Reviews by tenants
- Property ratings
- On-time maintenance
- Security deposit policy
- Property history and condition
- Rental terms
- Move-in / Move-out rules
- Prompt communication



TENNANT

WANTS TO RENT-OUT A



PROPERTY



BLOCKCHAIN SETTELMENT



LANDLORD

WANTS TO RENT A



- Reviews by landlords
- Application information
- Social media profiles
- Bankruptcy records
- Credit Bureau data and scores
- Payment performance
- Eviction history
- Past due accounts

MORTGAGE LENDING

- Creates borrowing profile – one application for multiple lenders. Pushes request for finance into the network – Clearmatch API
- Easy, secure, one step loan signing
- Benefit from automation and improved customer service amongst lenders
- Reviews offers for finance and selects financier
- Seamless settlement over blockchain
- Equity position reviewed periodically with access to additional finance made available as needed



- Offers finance to borrowers that meet their specific lending criteria
- Automated valuation, document verification and due diligence
- Reduced customer acquisition costs and increased retention rates
- Borrowers automatically verified
- Seamless settlement over blockchain
- Smart contract technology automates loan repayment over the term of the loan

PROVEN INDUSTRY LEADERSHIP – BOARD & MANAGEMENT



MICHAEL CARTER
Chairman

- Over 30 years experience in financial services including Senior Executive roles at Macquarie Bank (now Macquarie Group), NRMA Insurance Group (now IAG) and Bridges Financial Services / IOOF Holdings.
- Currently Non-Executive Chairman at Sequoia Financial Group Limited (ASX: SEQ) and a Director of Qualia Financial Group Pty Ltd.
- Previously the Managing Director of Bridges Financial Services, a member of the IOOF Leadership Group and a Director of various joint venture entities with leading Australian Mutual Banks.
- Holds a Bachelor of Engineering (Mining) UNSW, Graduate Certificate in Marketing Practice UTS, Diploma of Financial Services and is a member of the Australian Institute of Company Directors.



DARREN PATTERSON
CEO & Executive Director

- Over 20 years' experience working with start-up and blue-chip technology companies spanning Australia, Europe, US and Asia.
- Experience includes telecoms, IT, digital media and venture capital as a leading senior executive
- Recently, CEO and Co-Founder of Australia's only regulated property investment platform, BrickX, and Managing General Partner of Alchemy Ventures, a venture capital firm.
- Holds an MBA with the University of Chicago, Booth School of Business and a Bachelor of Computer Science from the University of Technology, Sydney and is a graduate member of the Australian Institute of Directors Completed Real Estate License, including Auctions.



DAVID NOLAN
Non-Executive Director & Company Secretary

- Over 20 years' experience as a commercial lawyer and listed company director.
- Previously a partner at a number of leading Sydney law firms and senior adviser at the London Stock Exchange.
- Has valuable relationships in the advisory and regulatory community and a depth of transactional and corporate governance expertise.
- Currently a Non-Executive Director of Intra Energy Corporation Limited and Camilla Australia. Previously Chairman of Hastings Rare Metals and Non-Executive Director of Apollo Minerals and Winmar Resources.
- Holds a Bachelor of Laws (Hons) and Bachelor of Arts, Bond University.



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CONTACT US

Level 26, 1 Bligh St
Sydney, NSW, 200

+61 (02) 8226 8516
info@propertyconnect.com



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