

## HALF-YEAR RESULT

### Strong operational progress Positioned for commercial launch in March 2017

#### Highlights

- First clients signed up to use LiveOffer™ to generate first commercial revenues from the platform
- Development of LiveOffer™ taken in-house and remains on-track for a March 2017 launch
- \$2 million of capital raised, with interest from new and existing sophisticated investors
- Management continues to focus on signing new clients, while considering opportunities for expansion

**28 February 2017:** Property Connect Holdings Limited (ASX: PCH) ('Property Connect' or the 'Company') is pleased to report its half-year results for the period ended 31 December 2016.

#### FINANCIAL UPDATE

Property Connect reported a net loss from continuing operations for the period of \$1,278,409, an increase of \$378,249 from the prior corresponding period's loss of \$900,160. The result was driven by an increase in expenses directly related to the development of the LiveOffer™ platform, which was taken in-house during the December 2016 quarter.

#### OPERATIONAL PROGRESS

##### First clients sign up to LiveOffer™ ahead of commercial launch

Subsequent to half-year end, the Company was pleased to sign its first two Master Service Agreements (the "**Agreements**") with Berger Rental Communities (Berger) and EIMC, bringing over 8,000 apartments to the LiveOffer™ platform. The Agreements are expected to generate the first commercial revenues for LiveOffer™ as each individual property is selected for rental optimisation via the LiveOffer™ platform and a new rental contract is successfully managed and negotiated.

Under the Agreements, apartments will be on-boarded to the LiveOffer™ platform from March, allowing the rental application process to commence. The Company will earn an upfront fee in addition to earning a transaction fee based on a percentage of the rent.

The Agreements are the first conversions of a healthy pipeline of signed Letters of Intent ("**LOI**") to commercial contracts, and the management team remains confident it will convert more of the ~293,000 apartments currently under LOI.

## LiveOffer™ launch on track for March 2017

During the period, LiveOffer™ platform development was taken in-house, in conjunction with the formal termination of the contract with Apmaspheric Pty Ltd (“**Apmasphere**”). Apmasphere was initially engaged to develop and build LiveOffer™, and distribute it via Apmasphere’s Halo platform. There were no associated development costs incurred under the agreement and no associated break costs have been incurred in relation to its termination.

With development now in-house, the Company is realising the benefits of complete control over the development timeline and functionality of the platform, and Property Connect remains on track for a commercial go-live in March 2017.

## **Corporate**

### \$2 Million of Capital Raised via Convertible Note

The Company successfully raised \$2 million by way of a private convertible note, which was issued to new and existing sophisticated investors on 24 October 2016. The note successfully converted into 333,333,333 fully paid ordinary shares at \$0.006 per share on the 6<sup>th</sup> of January 2017. The issue of shares followed the receipt of all necessary approvals at the Company’s Annual General Meeting held on 15 December 2016.

The capital raising was conducted by Wentworth Global Capital Partners; a well-respected and established firm, with over 25 years of corporate advisory and investment banking experience across a diverse range of industries and capital market transactions. Wentworth remains a shareholder and is a key supporter of the Company.

### Board Changes

In November 2016, the Board appointed Mr Darren Patterson as a Non-Executive Director. Bringing over 20 years of technology experience working for start-up and blue-chip companies, Darren has been responsible for overseeing the completion of the LiveOffer™ platform development since it was taken in-house late last year.

Mr Michael Langoulant, previously Company Secretary, was appointed Non-Executive Chairman at this time, to replace Mr Peter Friend who stepped down from the role for personal reasons. Mrs Loren King stepped into the role as Company Secretary.

## **OUTLOOK**

The Company remains on-track for a commercial launch of LiveOffer™ in March 2017, which enable the commencement of revenue generation by the Company. Management continues with its efforts to sign more clients up to the platform and has a strong pipeline of ~293,000 apartments currently under LOI.

Management remains focused on the large US multifamily property market and continues to look for expansion opportunities.

**-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](http://www.propertyconnect.com)