

REA Group announces JV to create the largest digital property marketplaces in Singapore and Indonesia

REA Group today announced it has entered into a binding agreement to establish a joint venture (JV) with 99.co, the Singapore headquartered digital property marketplace, to create the largest customer and listings footprint in Singapore and Indonesia.

The combined company will provide the most compelling property marketplaces in Singapore and Indonesia, while delivering the best digital platforms to property professionals to help them grow their businesses.

Core to the JV company will be harnessing the know-how and capability of REA Group, the clear number one Australian and South East Asian digital property company, with market leading destinations for property seekers across Australia, Malaysia, Hong Kong, and Thailand. In addition, the JV company will leverage the entrepreneurial expertise of 99.co, co-founded by CEO Darius Cheung in 2014. Under Cheung's leadership, 99.co has grown its total user base by 32 times in the past two years.

Prior to establishing 99.co, Cheung co-founded Singaporean mobile security start-up tenCube in 2005 which was later acquired by McAfee in 2010 in a S\$25 million deal.

REA Group, CEO Owen Wilson said: "The Singapore marketplace is ripe for disruption. Our customers in this market want a true industry partner who can deliver world leading products and experiences. Joining forces with 99.co creates the market leading presence in terms of customers and listings. Combined with our expertise and experience in other countries where we are the clear market leader, this presents a fantastic opportunity to rapidly increase our market share in these expanding growth markets."

REA Group, Chief Strategy Officer and CEO Asia, Henry Ruiz commented: "Over the past two years we've admired the innovation and speed that Darius and his team have brought to the marketplaces that they serve. The formidable combination of our talent, best of breed technology, digital expertise and customer relationships will supercharge our ability to compete and win in Singapore and Indonesia."

Darius Cheung, CEO 99.co commented: "This is a truly exciting opportunity to be joining forces with a global leader like REA Group, a company that also shares our customer centric, relationship driven approach. Our JV company sets the scene for us to create the number one place for property seekers in Singapore and Indonesia and in turn provide the best value for property professionals."

Transaction details:

The JV company will be established through the transfer of the existing businesses of 99.co and iProperty.com.sg and Rumah123.com located in Singapore and Indonesia. Existing 99.co shareholders, including the founding partners, Sequoia, Facebook co-founder Eduardo Saverin, Allianz X, MindWorks Ventures, East Ventures and 500 Startups will have shareholdings in the JV company totalling 73%. REA Group will be the largest shareholder with a 27% shareholding. REA Group will also contribute USD\$8 million in working capital to the joint venture.



The transfer of REA Group's Singapore and Indonesia businesses to the JV company will result in an immaterial profit on sale. It will also result in a small increase in EBITDA for the Asian segment as those businesses were in early investment stage. The JV company will be equity accounted as an associate.

Darius Cheung will become CEO of the JV company while Henry Ruiz and REA Group Chief Financial Officer, Janelle Hopkins will represent REA Group's interest as Non-Executive board directors.

The transaction, which remains subject to confirmatory due diligence, is anticipated to be completed in Q2FY20, while the new JV company will be fully operational across both Singapore and Indonesia in early 2020.

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About REA Group Limited (www.rea-group.com):

REA Group Limited ACN 068 349 066 (ASX:REA) ("REA Group") is a multinational digital advertising business specialising in property. REA Group operates Australia's leading residential, commercial and share property websites - realestate.com.au, realcommercial.com.au, flatmates.com.au – as well as Spacely, a short-term commercial and co-working property site. In Asia, REA Group owns leading portals in Malaysia (iproperty.com.my), Hong Kong (squarefoot.com.hk) and Indonesia (rumah123.com), and prominent portals in Singapore (iproperty.com.sg) and China (myfun.com), and a leading property review site in Thailand (thinkofliving.com). REA Group owns Smartline Home Loans Pty Ltd, an Australian mortgage broking franchise group, and Hometrack Australia Pty Ltd, a leading provider of data property services. REA Group also holds a significant shareholding in property websites Move, Inc. in the US and PropTiger in India.

About 99.co:

99.co is the fastest growing property platform in Southeast Asia. 99.co brings to market design centric innovations in real estate, merging geolocation and market data in helping end users and agents make the best property decisions. 99.co is headquartered in Singapore, and was founded by serial entrepreneurs Darius Cheung, Yan Phun and Conor McLaughlin. 99.co is backed by key investors East Ventures, Eduardo Saverin, Sequoia (India), Allianz X and Mindworks Ventures.