

UK update and proposed Smoove plc acquisition

Investor presentation

October 2023

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The purpose of the information from slide twenty onwards is to provide background information to assist you in obtaining a further understanding of the business of Smoove plc (Smoove), in connection with the recommended cash acquisition by Digcom UK Holdings Limited (Digcom), an indirect subsidiary undertaking of the Company, of the entire issued and to be issued share capital of Smoove (Acquisition). Digcom has made an announcement of its firm intention for the Acquisition under Rule 2.7 of the City Code on Takeovers and Mergers (the Code).

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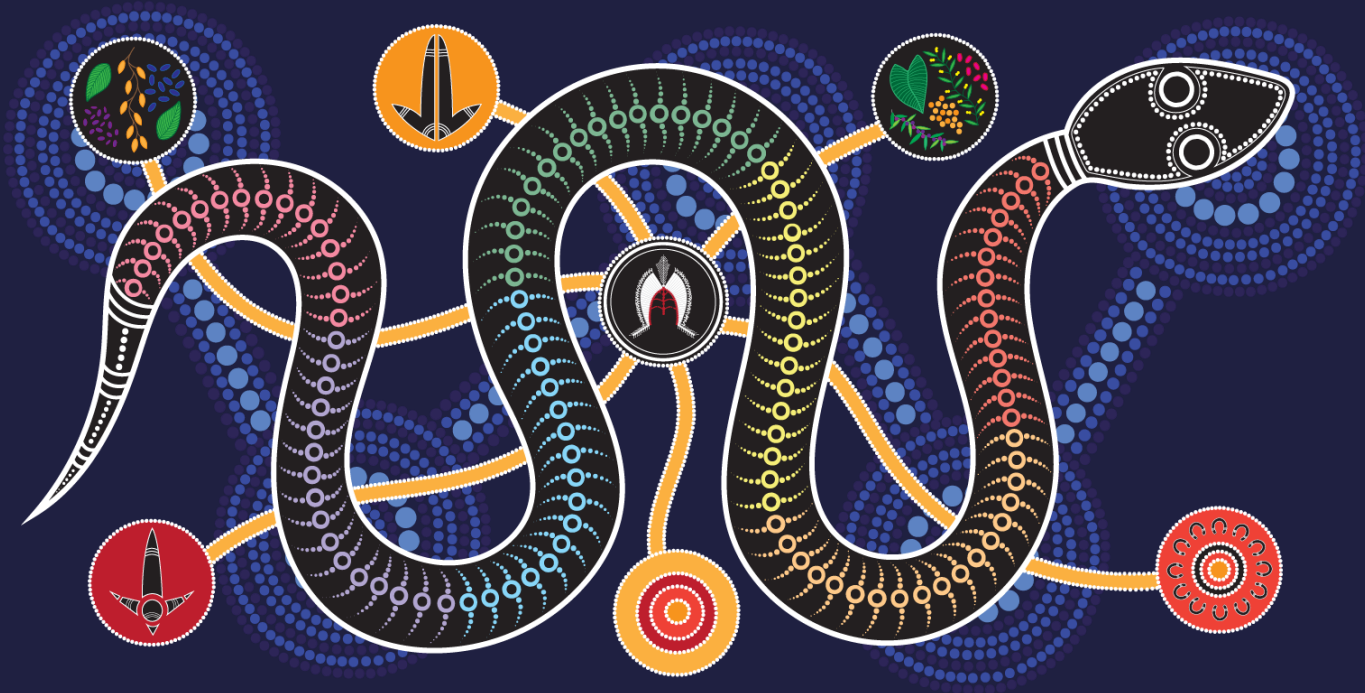
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In the spirit of reconciliation, PEXA acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

We accept the invitation to walk with First Nations Peoples, to a better future for us all, and invite you to join the movement.

For more details, go to UluruStatement.org



Speakers and agenda



Glenn King

Group Managing Director
and Chief Executive Officer



Scott Butterworth

Chief Financial and
Growth Officer



Joe Pepper

Chief Executive Officer UK

UK update

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Our strategy

PURPOSE

CONNECTING PEOPLE TO PLACE

PRIORITIES



ENHANCE

We will enhance the core Exchange in Australia to build deeper customer relationships



EXTEND

We will provide innovative insights and digital services for customers, using near real-time data



EXPAND

We will bring digital property solutions to international jurisdictions, leveraging PEXA's experience in Australia



EVOLVE

We will invest in our people, platform, and brand to sustain an innovative culture and reputation trusted by stakeholders

VALUES

Innovate for good



Better together



Make it happen
Make it count



ORGANISATION



People



Community/ESG



Resilience and security



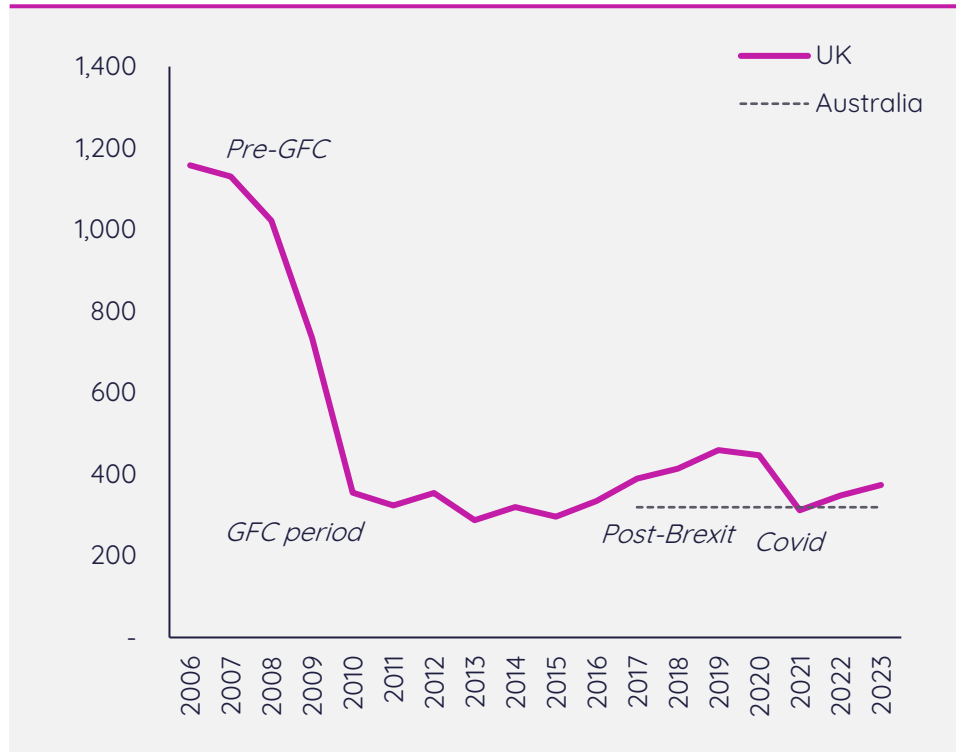
Data and privacy

BRANDS

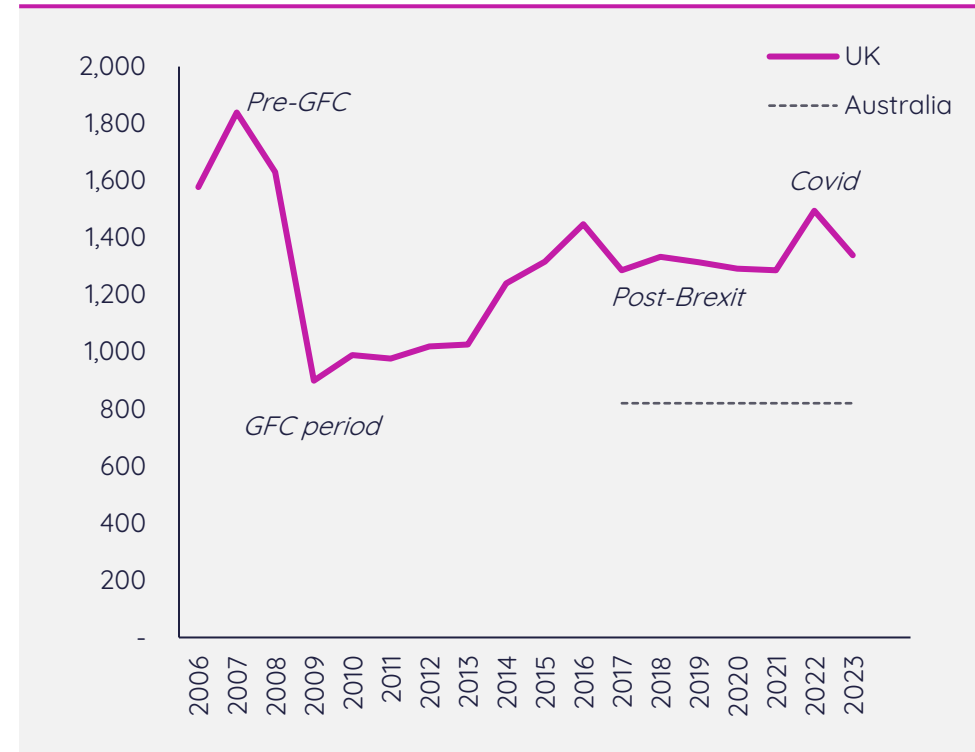


UK property transaction market is sizeable

Re-mortgage transactions (#'000 pa)¹



Sale and purchase transactions (#'000 pa)¹



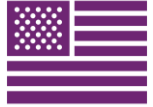



Note: numbers based on actual transactions

¹Based on Apr-Mar year. Australia Remo data is average of FY17-FY23. Australian transfer data based on average of FY20-FY22

Source: HMLR; UK Finance; PEXA

UK property processes perform poorly

Jurisdiction	Transaction fall through rate	Transaction completion time
 UK ¹	31%	12-24 weeks
 Canada	Very rare	~12 weeks
 US	4%	~9 weeks
 Australia	Rare	8-12 weeks

PEXA creates benefits for all UK stakeholders



Consumers

Today

81% of purchasers and 43% of remortgages suffer detriment
Unexpected costs > £1k for 63% of purchasers

Benefits with PEXA

Faster, cheaper, more transparent remo and S&P experiences



Lenders

Poor customer experiences, excess capital, funding, operating costs and regulatory exposure

Mortgage portfolio ROE uplift of 6-22bp, depending on lender size
Potential Consumer Duty benefit



Conveyancers

Inefficient, slow processes impact economics and poor consumer journeys

Annual cost saves of 2-12%, depending on size
Offset by loss of trust account interest



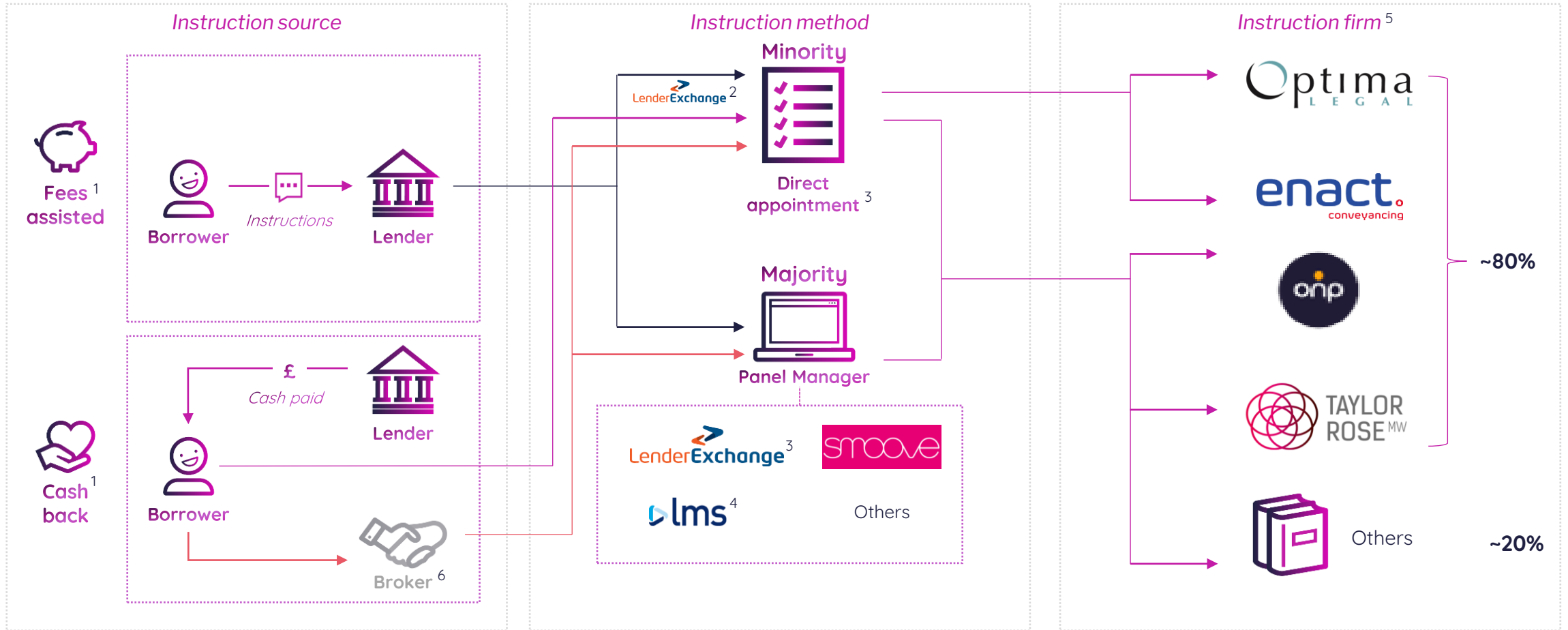
Regulators and government

Significant fragmentation inhibiting well-functioning housing market

Improved velocity and transparency, lower cost

Re-mortgage market instruction process

Indicative re-mortgage flows



~xx% Indicative share of flows

¹ Lenders will cycle between 'fees assisted' and 'cash back' offers

² Lenders will choose from their own panel of conveyancers. Instructions typically sent via Lender Exchange to lender's chosen conveyancer

³ Lender Exchange is owned by First American and Landmark, who also own Enact.

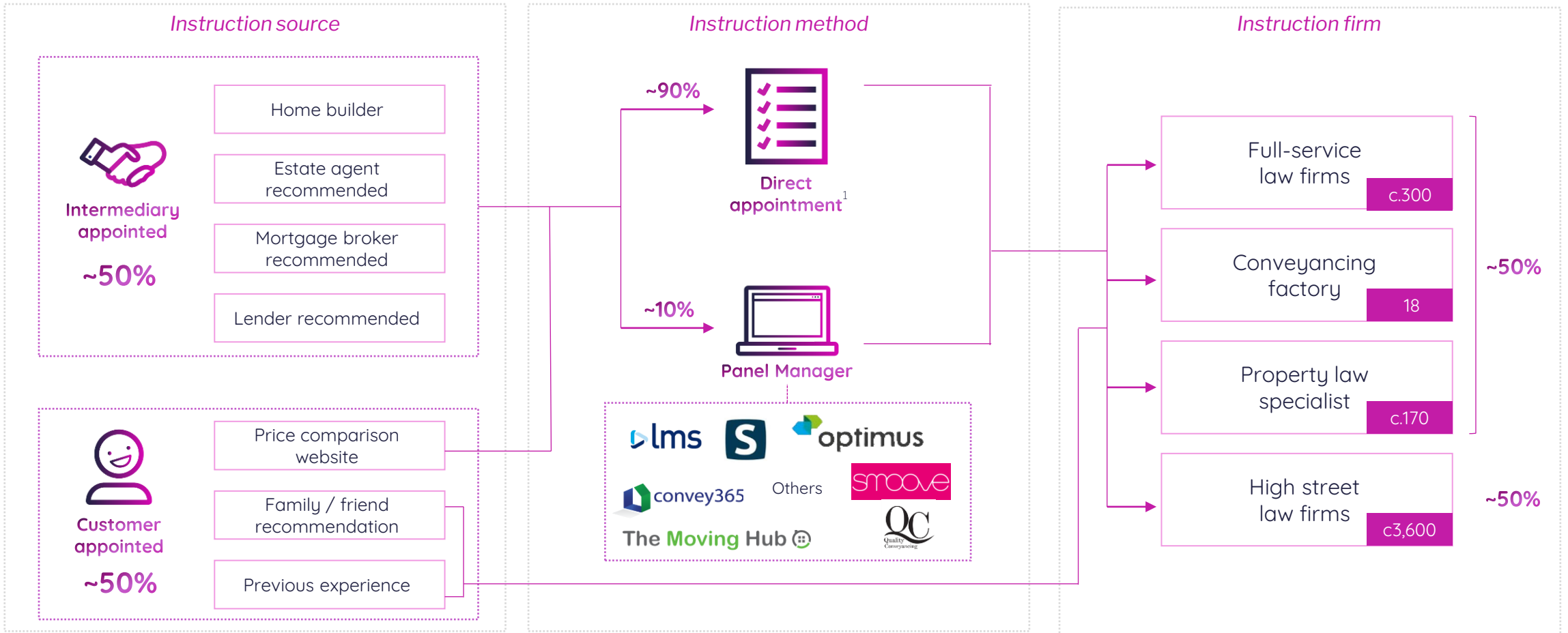
⁴ LMS owned by ONP Group and Connells Group (Estate Agents)

⁵ Optima does only 'fees assisted' re-mortgages. Market share sourced from Bank of England dataset LPMB4B3, 12 months to 31 March 2023.

⁶ If conveyancer selected by broker, they would choose the conveyancer via a panel manager or through their own panel

Sale and purchase instruction process

Indicative sale and purchase flows



xx

Number of firms ~xx% Indicative share of flows

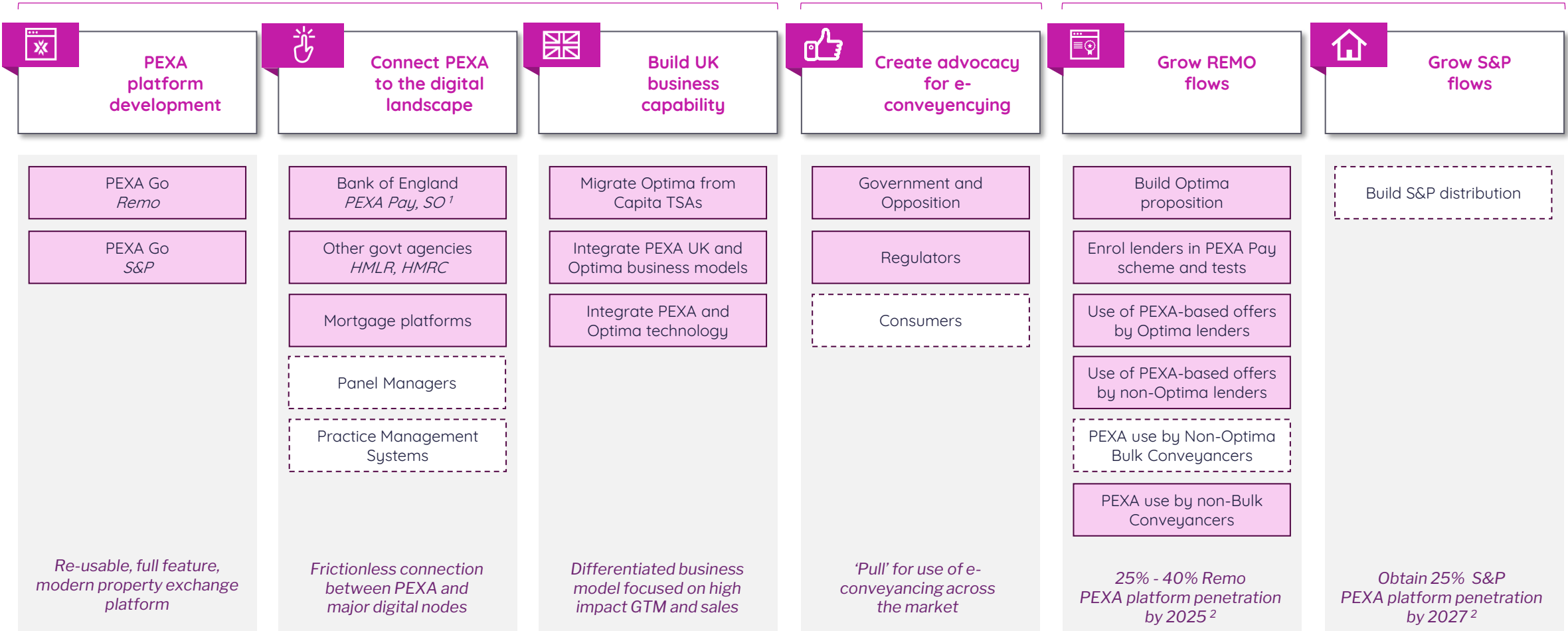
¹ Intermediary will choose from their own panel of conveyancers
Source: International Consulting Firm, qualitative survey and HMLR

Our approach to the UK

Create infrastructure

Generate demand

Monetise

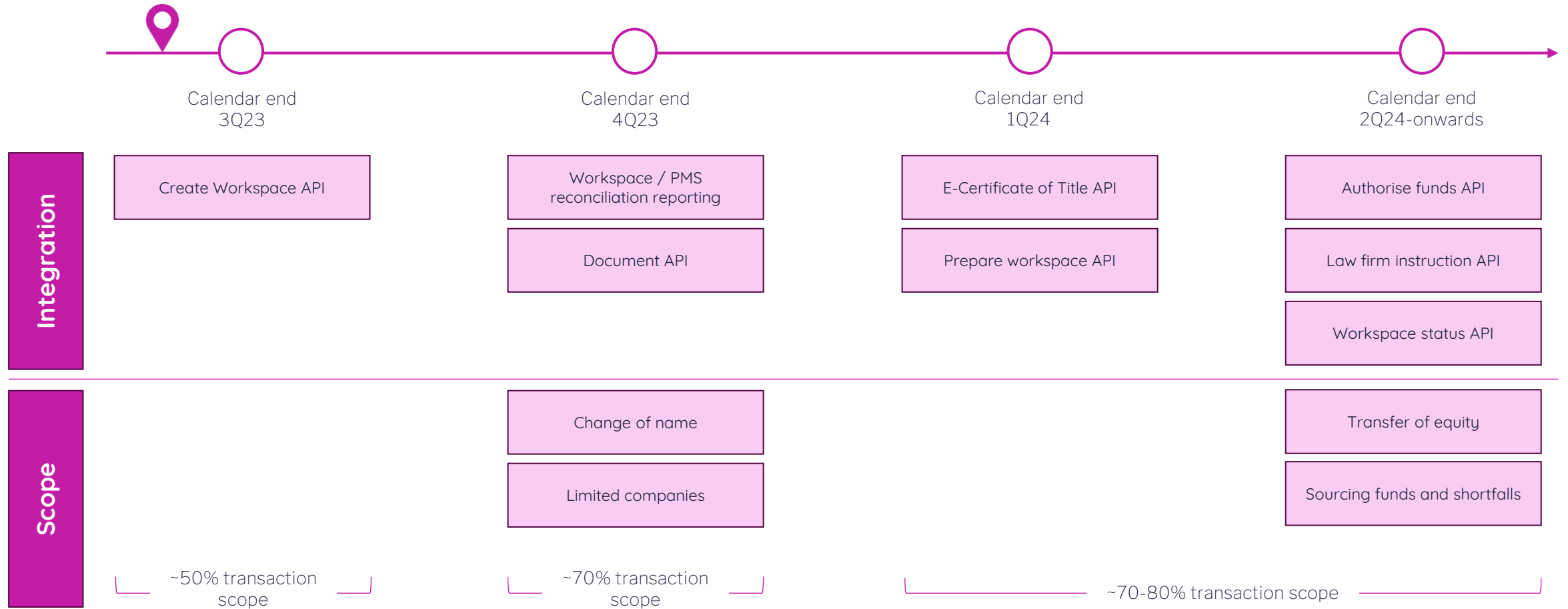


Underway
 To start

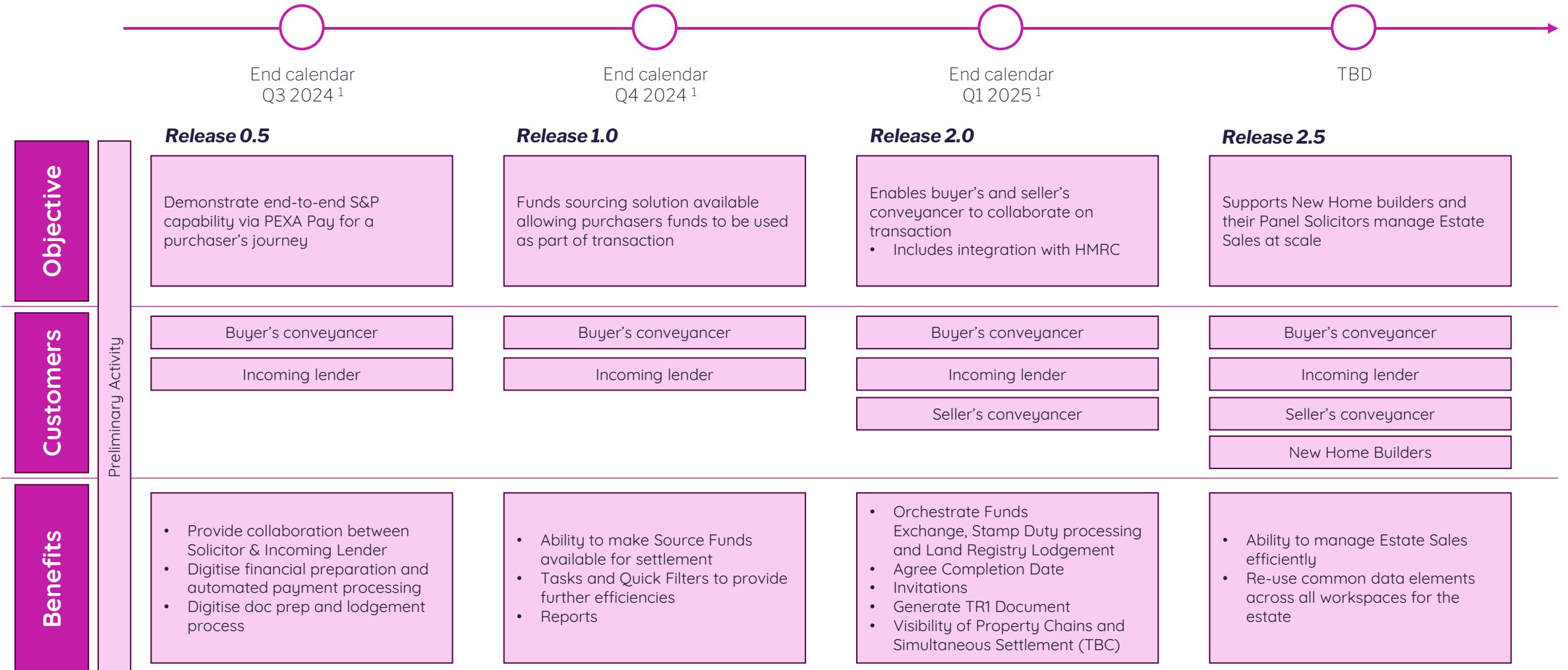
¹ Synchronous Operator

² Represents PEXA ambition for penetration of transaction settlement (note this differs from market share associated with performing conveyancing work itself). See Investor Day Presentation, 13 May 2022.

Remo platform becoming richer, and more integrated

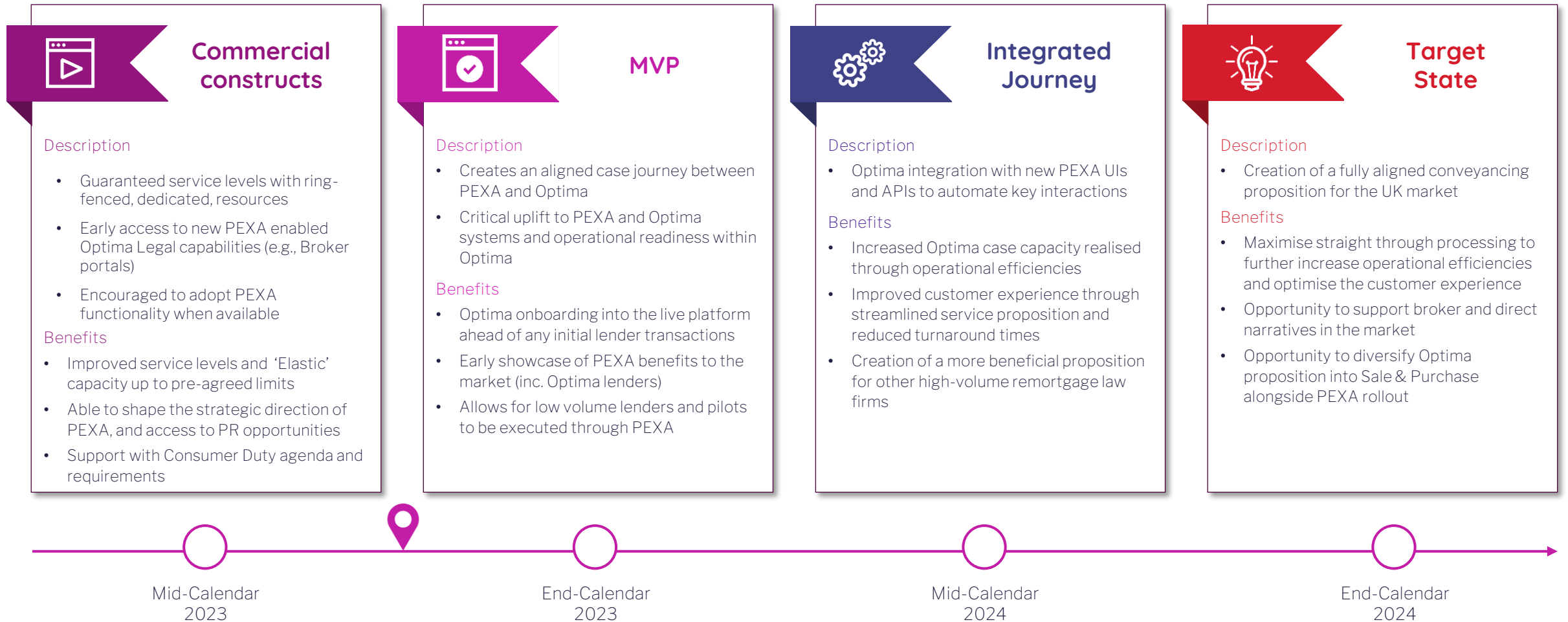


Aiming to launch S&P from Calendar Q3-2024



¹ Indicative

Integration of PEXA and Optima offers underway



Continued progress against the four lender focussed imperatives

Build Optima population

- Evolution of Optima Legal proposition developed and customer engagement underway
- Migration of Optima into PEXA Group and onto PEXA technology underway
- LBG tender won – 2 year contract, increased allocation of flow

Enrol lenders in PEXA Pay scheme and tests

- Eight lenders have tested with PEXAPay
- Additional four lenders enrolled to be tested by November 2023
- Continued engagement with BOE on RTGS renewal topics such as Synchronisation and Segregated Accounts

Drive uptake of PEXA-based offers by Optima lenders

- Active dialogues underway with Virgin Money and Nottingham Building Society and others to utilise PEXA technologies in addition to Optima Legal to support streamlining of Remortgage journeys
- Aspects of PEXA technology and capability supporting customer-centric Optima Legal services to be delivered in a higher quality, more scalable manner

Drive uptake of PEXA-based offers by Non-Optima lenders

- PEXA proposition live with HRBS and Shawbrook Bank. Work underway to increase volume throughput through new proposition development (HRBS) and new platform capabilities such as Ltd Co. lending (Shawbrook)
- Active dialogues underway with Metro Bank and others to utilise PEXA technologies to support streamlining of Remortgage journeys

Progress and milestones



Introduction to Joe Pepper



Joe Pepper
CEO UK



Chief Executive Officer
TM Group
2018- 2023



Managing Director – EDM Mortgage Support Services
EDM Group
2013- 2017



Business Development Director
RR Donnelly
2008-2013



Account manager, Operations manager, Business Manager
Williams Lea
2000-2008

25 years business process re-engineering executive experience across the financial, legal and property sectors – the last 10 years in delivering technology solutions to the UK conveyancing and lending markets.

Australian and UK takeover law differences

This transaction is operating under the UK takeover regime, which is different to takeover law in the Australian market.

The transaction is subject to the approval of Smoove shareholders, the approval of the UK Court and regulatory approvals which we are currently working through. We will update the market at the appropriate times as the transaction progresses.

Following completion PEXA intends to integrate Smoove into PEXA's existing UK business to further advance the offering of PEXA's digital settlement platform to lenders, conveyancers and consumers in the UK.

Smooove overview

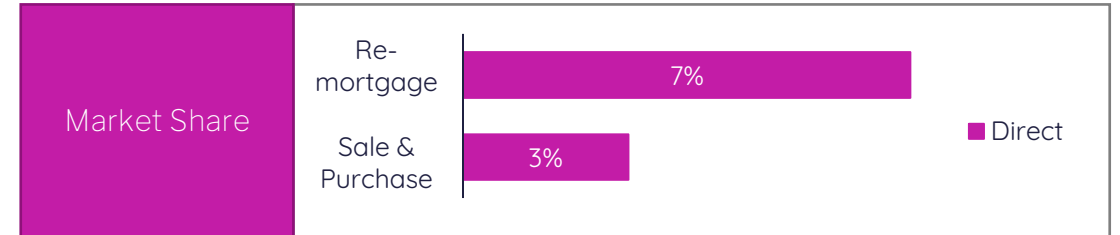
Business Description

- On-line conveyancing panel manager for S&P and Remos
- Provider of other digital platforms to assist home ownership journeys

Corporate information

Founded: 2003, as ULS Technologies
 HQ: Thame, Oxfordshire (1hr 20 mins to London)
 Staff: 120 as at March 2023
 Listing: 2014, London Stock Exchange, AIM ¹

	£m	2022a	2023a
Sales		19.2	20.6
Gross Profit		7.8	7.8
EBITDA ⁽⁴⁾		(3.8)	(4.8)
NPAT		(5.1)	(5.8)
Cash		20.0	10.1
Other assets		9.9	9.8
Liabilities		(5.2)	(4.4)
Net assets		24.8	15.5



PEXA platform opportunity⁵

Remo / Sale & Purchase

Opportunity to cross-sell the PEXA Pay platform to panel firms of Smooove

Other information

LLOYDS BANKING GROUP

- Relationship since 2007³
- S&P contract renewed in 2022

Mortgage Advice Bureau

- In June 2023, entered strategic partnership with MAB, the UK's largest mortgage intermediary brand

1m+

- Consumers assisted with buying, selling or remortgaging their home

75+
2,100

- 75 active panel firms
- 2,100 conveyancing firms via lender panels

Source: Company, Smooove Plc statutory financial statements

¹ Alternative Investment Market

² Calculated based on Smooove's FY23 S&P and remo completion volumes, Bank of England S&P transactions (Bank of England data set LPMB4B3) and Bank of England remo transactions (Bank of England data set LPMVTX)








³ Relationship started with HBOS in 2007 and continued subsequent to LBG's acquisition of HBOS in 2008

⁴ EBITDA presented on an underlying basis

⁵ Provides access to volumes outside of the Smooove platform.

Comprehensive product set

Smooove product overview

Product							
Description	Agent customer portal	Conveyancing panel	Customer on-boarding and communications portal	'White label' panel management	'Practice in a box' for conveyancers	Conveyancer	Practitioner compliance tools
Value chain stage	Transaction initiation	← Conveyancing →					Business management
Target segments	Customer Conveyancer Estate Agent	Customer Conveyancer Introducer / Broker	Customer Conveyancer	Conveyancer Lender	Customer Conveyancer Introducer / Broker	Customer Conveyancer Estate Agent	Conveyancer Estate Agent
Business dimensions	Over 30 branches ⁽⁴⁾	Over 75 active panel firms ¹	~85% digital move penetration ⁽⁵⁾	~2,100 conveyancing firms via lender panels	12 CCLs ² as at May-23	na	na
Business stage	Rollout	Established	Scaling	Established	Rollout	Established	Established
Revenue model	Completion fee Search fee	← Platform fees Component fees ³ →			Conveyancing fee less payment to conveyancer	Conveyancing fees	Service fee Subscriptions

Source: Smooove FY23 annual report, Capital Markets Day (Nov-22) presentation, 1HFY23 presentation (Nov-22); FY23 trading update report

¹ Active relationships with 1,450 individual conveyancers

² Consultant conveyancing lawyers

³ Fees for search, ID check, etc.;

⁴ Across 18 estate agency firms

⁵ See FY23 results

Long track record of innovation

Major industry awards achieved by Smoove: 2006 – 23



VR Vaidhi Ramesh
1 review @ GB



25 July 2022

Highly professional

Friendly and knowledgeable staff. They efficiently resolved my issue and gave me good advice.

Date of experience: 25 July 2022

NEST Anna Cooper
3 reviews



17 Aug 2022

I have been using Smoove/E-Conveyancer...

I have been using Smoove/E-Conveyancer for nearly 2 years now and I find it a great platform for the brokers to work with the solicitors. Very easy to quote and nice and easy system to use for the clients.

Our BDM Chantal Wright is an absolute gem! She is brilliant in communication and always helps us with any problems we may come across. Thank you Chantal for all your ongoing support!

I would highly recommend Smoove to any broker or at least try it to judge it yourself.

Date of experience: 17 August 2022

BE BECKI
9 reviews @ GB



Invited






24 Aug 2022

Excellent for me to keep control of the...

Excellent for me to keep control of the conveyancers we use, and keep our clients informed, providers on panel are always very good

Date of experience: 23 August 2022

Strategically attractive acquisition

<p>Builds scale and depth</p>	 <p>Re-mortgages</p>	<ul style="list-style-type: none"> • ~7% Remo market share¹ • Provides reach into the 'cash back' market segment not currently served by Optima Legal
<p>Smooove customers benefit from PEXA platform</p>	 <p>Sale & Purchase</p>	<ul style="list-style-type: none"> • ~3%¹ direct S&P share² through active panel management firms • Opportunity to cross sell the PEXA platform to Smooove panel firms⁴ • Growing conveyancer presence via Amity Law and SmoooveComplete
<p>Solves customer detriment</p>	 <p>Relationships</p>	<ul style="list-style-type: none"> • Long-standing Lloyds Banking Group relationship – largest lender in the UK³ • Over 75 conveyancers on eConveyancer platform and circa 2,100 conveyancing firms via lender panels • Access to PEXA's digital property platform
<p>Builds unique, strong & attractive business</p>	 <p>Product</p>	<ul style="list-style-type: none"> • Smooove products cover the end-to-end home moving experience • Expert input to develop PEXA's S&P platform • Potential PEXA product enhancements, eg, DigitalMove
<p>Builds unique, strong & attractive business</p>	 <p>People and Capability</p>	<ul style="list-style-type: none"> • Benefit from the skills and experience of Smooove's Management & employees • Shared business purpose – focused on removing friction from property transactions

¹ Calculated based on Smooove's FY23 S&P and remo completion volumes, Bank of England S&P transactions (Bank of England data set LPMB4B3) and Bank of England remo transactions (Bank of England data set LPMVTVX)

² Share associated with volumes transacted across the Smooove platform by active Smooove panel firms

³ As announced by Smooove on 19 August 2022, "Lloyds Banking Group Contract"

⁴ This provides access to volumes both on and outside the platform

Transaction overview

Price	54 pence per Smoove share in cash
Purchase premia & transaction acquisition multiples	69.3% to closing price of 31.9 pence per share on 21 April 2023 ¹ 74.1% premium to 1-month pre-offer period VWAP of 31.0 pence per share ² 43.9% premium to 3-month pre-offer period VWAP of 37.5 pence per share ³ ~1.0x Revenue and ~2.7x Gross Profit multiples within range of peer multiples ⁷
Enterprise Value	The Consideration values the entire issued and to be issued share capital of Smoove at approximately £30.8m (A\$58.6m), using an exchange rate of GBP:AUD 1.90 on a fully diluted basis. The consideration represents an Enterprise Valuation of £20.8m (\$A39.6m) ⁴
Transaction structure	Scheme of Arrangement under Part 26 of the <i>Companies Act 2006</i> (UK) Acquirer will be Digcom UK Holdings Limited, a wholly owned subsidiary of the PEXA Group Written Commitments provided by shareholders controlling 56% of Smoove's shares ⁵
Key conditions	Regulatory approval needed from the CLC ⁶ Customary conditions for a transaction of this nature including CLC approval and CMA process made in accordance with the UK takeover code
Specified items	A specified item charge of circa A\$5m relating to transaction costs is expected to be booked in 1H24 financial results An update on expected integration costs and their timing will be provided with 1H24 results

Note: References to pence and GBP refer to units of British currency

¹ Last business day before commencement of offer period

² VWAP based on the one-month period ending 21 April 2023, being the last business day before the offer period. Source: Bloomberg

³ VWAP based on the three-month period ending 21 April 2023, being the last business day before the offer period. Source: Bloomberg

⁴ Net of acquired cash of £9.2m as at 30 September 2023 and £0.8m received from the proceeds of exercised options

⁵ Shareholders have committed in writing to vote in favour of the proposed transaction, either through irrevocable commitments or letters of intent

⁶ Council for Licenced Conveyancers

⁷ FY23 (March) basis. Peer set includes UK small cap technology and legal services peers

Transaction impact on PEXA Group Balance sheet post completion

Sources and uses of funds (for the transaction)

Existing lending facility drawn down ¹	A\$35.0m
New lending facility drawn down ¹	A\$6.5m
Smooove cash on hand ²	A\$19.0m
Total sources	A\$60.5m
Acquisition of Smooove shares ³	A\$58.6m
Contingent transaction costs and fees ⁴	A\$1.9m
Total uses	A\$60.5m

- Transaction funded through cash currently held by PEXA, which has been drawn down under the existing facility and a newly established facility
- Excess funds to remain in UK to fund the business operations
- PEXA's balance sheet will remain strong post-transaction with a FY23 pro forma group net leverage ratio of 3.7x
- Similarly, PEXA's Interest Cover Ratio remains strong on a pro forma basis at 12x in FY23
- Expect to reduce group net leverage and Increase Interest Cover ratio as we work towards guidance previously given

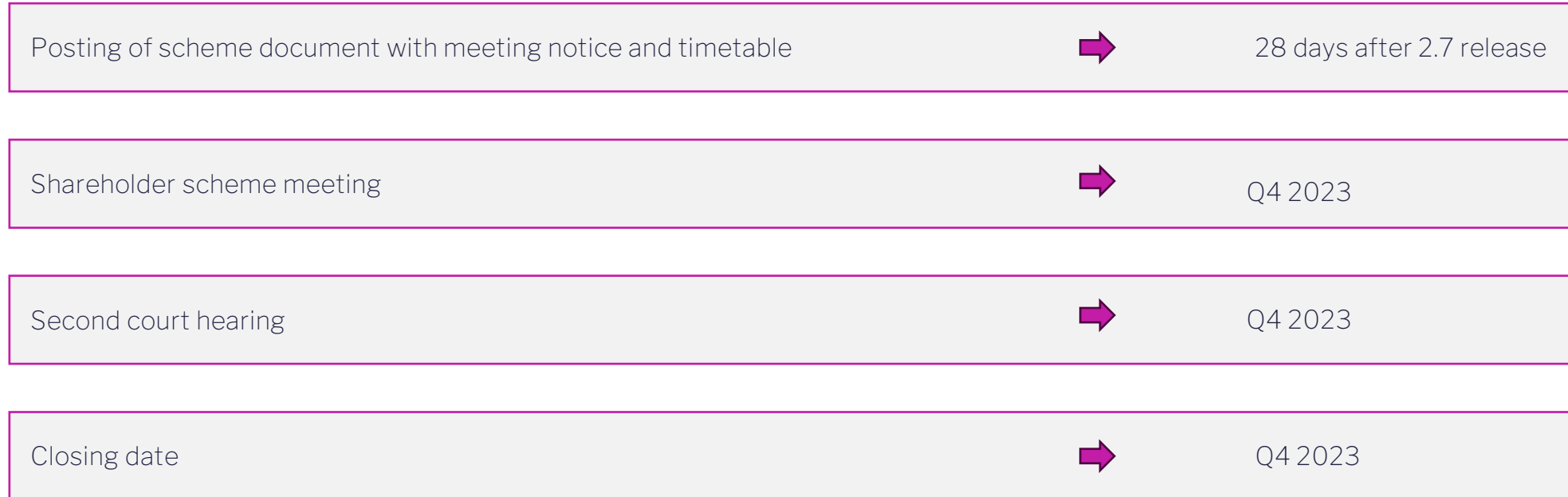
¹ Amount shown drawn in respect of the existing lending facility and new lending facility relate only to funds drawn in relation to the Acquisition and not any funds drawn by the wider PEXA Group for general purposes

² Smooove's cash balance at 30 September 2023 of £9.2 million and expected proceeds from options exercised of £0.8m translated at GBP:AUD 1.90,

³ 57,060,216 (diluted shares) acquired at £0.54, translated at GBP:AUD 1.90

⁴ Success-related transaction fees of £1.0 translated at GBP:AUD1.90

Indicative timeline



Note: timings are indicative only, are dependent on regulatory approvals and customary conditions and therefore subject to change.

