

ASX Announcement

Market Update

- **Real Estate Software Division (RES) trading to expectations**
- **Development of Console SaaS platform on track for Mid FY17 release**
- **Sale of Consumer Online Division (COD) completed for \$3M**
- **Forecast cash position has improved by \$3.2m.**
- **Macquarie Consortium discussions continuing**

Wednesday 11 May 2016: Onthehouse Holdings Limited (ASX:OTH) today provides an update to shareholders as follows.

Real Estate Software Division (RES) trading to expectations

The RES division continues to trade to expectations with revenue in line with budget.

Commenting on the Real Estate Software Division's Q3 HY16 financial performance, CEO Chris Meehan said "the investment in account management and support staff to improve service levels has reduced churn and improved customer satisfaction."

"In addition, our strategy to grow revenue via third party integrations is progressing to plan. We have recently launched two new integration partnerships to deliver improved efficiency for our customers. The first provides a solution that enables customers to better manage their invoices. The second is with a new maintenance manager Application (APP) that delivers improved communication between tradespeople, agent and tenants."

Development of Console SaaS platform

The rebuild of the Console SaaS platform remains the priority of the business and continues to be an important element of RES's overall strategy to increase its share of the real estate software market. Mr Meehan commented that, "As stated at the half year results, the Console SaaS platform commenced coding the new software platform in March and a Beta launch date of mid FY17 is anticipated."

Sale of Consumer Online Division (COD) for \$3m to CoreLogic.

OTH today reached agreement for, and simultaneously completed the sale of, the Consumer Online Division (Onthehouse.com.au, Residex and REAN) to CoreLogic for \$3m in cash.

As a result of the sale of COD, Onthehouse Group's management team and strategy is now 100% focused on growing the revenue and profitability of its Real Estate Software division. The board believes the business is now funded to grow Console's real estate software products market share and leverage new revenue opportunities through integrating or building other services to real estate agents and their clients.

Forecast cash position has improved by \$3.2m.

Following the sale of COD the Company's cash position has materially improved through the sale of COD plus lower COD exit costs. The estimated cost announced in February to close the business was \$1.7m. The estimated cost to the Company to exit COD has now been revised to \$1.5m which

includes professional fees on the sale of COD. As a result the Company's cash position is \$3.2m better off than previously expected under a COD shutdown scenario.

Macquarie Consortium Due Diligence Completed

On 9 March 2016 the Independent Board Committee announced that it had decided to allow the Macquarie Consortium to undertake confirmatory due diligence, in order for them to present a binding proposal. Discussions with the Consortium are continuing.

Onthehouse will continue to keep the market informed in accordance with its continuous disclosure obligations.

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About Onthehouse Holdings Limited

Onthehouse Holdings Limited (ASX: OTH) is an ASX-listed Australian company headquartered in Brisbane. The Company provides an integrated platform for office administration, property sales and management applications, online advertising solutions and other business performance tools for real estate agents, other property professionals and financial institutions.