



ABN 23 629 193 764 | PEXA Group Limited

ASX ANNOUNCEMENT

ASX: PXA

19 November 2021

2021 Annual General Meeting – Chair and Group Managing Director and CEO Addresses

PEXA Group Limited will hold its Annual General Meeting (AGM) virtually at 10:00am (AEDT) today.

Attached is a copy of the addresses to be given by the Chair and the Group Managing Director and CEO at the AGM.

The release of this announcement was authorised by the Board of PEXA Group Limited.

Yours faithfully

Andrew Metcalfe
Company Secretary

Chair's Address – Mark Joiner

The 2020/21 year was a highly significant one in PEXA's history, not least because of the high degree of interest amongst potential investors in the company and eventual listing as a public company.

The IPO was a significant distraction for the senior management team, and I am proud of them and their ability to sustain the strategic and financial development of the company at the same time. I am also proud of all our loyal team members and thankful to our other key stakeholders, be they financial institutions, conveyancers, regulators, or other such contributors who together have brought the company to this important point.

Indeed, the year under review was a record for transactions over the PEXA Exchange, penetration of key State markets, and so for revenue and earnings. Customer satisfaction remains at very high levels, as does staff engagement. You may have noticed recently that one survey ranked PEXA third in Australia for the most attractive place to work and we are certainly seeing that play out as we look to attract new talent.

We have emerged with a new, diverse and appropriately skilled board. We also enjoy excellent relationships with our two major shareholders who are both constructive in their approach and supportive of the company's strategic agenda.

Our priorities now fall broadly into two groups.

Firstly, to continue the maturation of the Australian exchange business by deepening market penetration, investing to improve the customer experience and so loyalty, helping to evolve and mature the regulatory regime, and keeping the platform cyber secure against the rise in online threats.

All this will be done while we proactively cooperate with government-led efforts to encourage new entrants and ensure interoperability. We have been clear in our view that it would be unwise to rush the implementation of interoperability given the criticality of the service to the smooth operation of the Australian property market and wider economy. We do not fear competition and know that it will inevitably emerge in some form and at some stage.

While that is all vitally important, our bigger challenge now is to realise the commercial potential that the pivotal role of the exchange in Australia and the valuable accumulated intellectual property will bring. As many of you will have seen in our prospectus, we see considerable potential to establish operations in some international markets, either alone or with suitable partners, and to establish businesses around the unique data we have access to and our position in the property value chain, again potentially with partners.

While we are all keen for these opportunities to be captured, your board is conscious of the need for a prioritised and disciplined approach to them. At the moment, outside of the further development of the exchange itself, efforts to set up in the UK are the main priority, although work in other areas is progressing well.

At PEXA, everything we do is viewed through the lens of Environmental, Social and Corporate Governance. For us ESG is about taking proactive action to positively impact the lives of our people, our communities, and our planet.

From an environmental perspective, we consider our impact across waste management, energy consumption and greenhouse gas emissions. Our clear ambition is for PEXA to become a net zero emission company by 2025.

In terms of social impact, we collaborate with community-based partners to positively shape the lives of those in our communities who need it most. To that end, PEXA's first shared value partnership is with Homes for Homes.

And lastly, in terms of governance, by having the right processes, policies and procedures in place, PEXA ensures that it continuously meets its obligations, is trustworthy and responsible, and is respectful of regulation.

Thank you for your interest in and support for PEXA. I look forward to further opportunities to update you on our progress.

I will now pass to our Group Managing Director and CEO, Glenn King, to comment in a little more detail on our results and development activities.

Group Managing Director & CEO's Address – Glenn King

- Thank you Mark.
- I am delighted to present the Managing Director and Group CEO's address at PEXA's first Annual General Meeting following our successful IPO and listing on ASX.
- I'd like to welcome all of the new shareholders joining us today, including those in our practitioner/member family and among our hard-working team.
- Like our Chairperson, I would like to thank all our stakeholders for their efforts and support in helping to bring PEXA to market.
- These days, when Australians buy or sell a house, chances are the property settlement will happen online.
- That's because back in 2010, PEXA began a journey that would ultimately change the way Australians buy and sell property.
- Today with more than 10 million transactions completed, PEXA helps approximately 20,000 homebuyers and sellers a week to safely settle on their home.
- The PEXA Exchange is one of the only platforms in the world that lets you lodge documents with the land registry, and pay settlement funds at the same time.
- Robust, secure and fast, our superior digital property settlement experience is trusted by more than 9,400 legal and conveyancing firms and 160 financial institutions and underpinned by a culture of innovation, collaboration, and momentum.
- PEXA Exchange now handles approximately 80% of all property transfers in the jurisdictions we're active, with particularly strong growth in the newer markets of Queensland and South Australia.
- FY21 was a significant year in the history of PEXA, culminating in our successful listing on the ASX on July 1.
- Throughout the entire process, and despite the challenges of COVID lockdowns, the PEXA team has remained focused on the business, ensuring our continued performance.
- A lot happened in FY21 and it was without a doubt a defining year for our business.
- The markets we operate in continued to grow and increase usage of the PEXA Exchange.
- Since the end of FY21 we have hit two more milestones, having processed \$1.8 trillion of property transactions on the PEXA Exchange since inception across 10 million transactions.
- Our technology innovation and approach to workplace engagement were recognised by several awards, and our strong employee and customer engagement is evident from the 80 out of 100 Culture Amp employee engagement survey and +50 customer Net Promoter Score.
- As a result of all this, we exceeded our key FY21 Prospectus forecasts, our multiple growth initiatives are progressing as planned, and today we have been able to again reaffirm FY22 Prospectus forecasts.

- At both a financial and operational level, we have matched or exceeded our FY21 Prospectus forecasts
 - Group revenue was up 42% year on year
 - PEXA Exchange transactions were up 37% year on year
 - PEXA Exchange EBITDA was up 114%, with our EBITDA margin up 17pts to 50%.
- As you can see from this slide, revenue and EBITDA were ahead of Prospectus FY21 forecasts, and exhibited strong growth from the prior year.
- The pleasing Group results were underpinned by strong growth in the PEXA Exchange.
- Over the past couple of years, as an organisation and executive we evolved our purpose, values, and strategy to ensure we continue to focus and deliver for our customers, people, partners, community and all our stakeholders.
- Our purpose is enhanced and centres on Transforming the Property Experience for everyone.
- We have started and we can do more together with all our stakeholders. Our commitment is to deliver and to deliver in accordance with our purpose and our values:
 - Innovate for Good (e.g. our partnership with Homes 4 Homes);
 - Making it Happen and Making it Count (e.g. continued growth of PEXA Exchange across Australia); and
 - Better Together (e.g. our customers have seen over 100 service enhancements this year and we have a NPS +50, and a people engagement score of 80 out of 100). We are passionate. I am extremely proud of all my PEXA team and colleagues, and what has been delivered so far against our strategy.
- A strategy based on:
 - Continuing to grow and enhance our PEXA Exchange – we listen to our customers and partners, and we will continue to grow and enhance our service to meet customer needs.
 - Extend our services through PEXA Insights and PX Ventures to appropriately expand in the sector ecosystem including through innovation and partnerships to meet the needs of our customers and the community.
 - Replicate our services into certain international jurisdictions starting with the UK.
- Our commitment is to Transform the Property Experience for everyone and to do this as per our values – Innovate for Good, Making it Happen and Making it Count, and by being Better Together.
- Buying a home is one of the most important purchases many people will make in their lifetime.
- It is PEXA’s role to make that experience as efficient, safe and reliable as possible, increasing certainty to industry participants, homebuyers, and sellers alike.

- Momentum for digital transactions continues to accelerate, and PEXA processed 3.3 million property transactions over FY21.
- These transactions included 2.3 million Transfers and 650,000 Refinances processed through the PEXA Exchange in FY21, up 51% and 11% respectively from prior year.
- The PEXA Exchange has now processed over 10 million property transactions since the platform's inception.
- We saw continued growth of PEXA Exchange across Australia:
 - We saw total market volumes grow 19%; with PEXA volumes growing 37% on the back of strong Transfer performance; and
 - Transfer market share grew from 66% in FY20 to 80% in FY21.
- In addition to the overall performance of the Australian property market, there are several levers that will drive growth in FY22 and beyond, for example:
 - Firstly, increasing adoption of digital settlements in new jurisdictions, with the ACT now underway. In September, PEXA was granted approval by the ACT Registrar General to operate an electronic lodgement network in the territory, and in October our first standalone transaction occurred.
 - Secondly, greater digital enablement in jurisdictions will increase the number of transactions that can be handled on the platform; and
 - Thirdly, economic growth.
- Our innovation and ongoing enhancements to the PEXA Exchange have ensured the digital enablement of property settlements in jurisdictions, meaning more transactions can be completed via the PEXA Exchange, for example:
 - Over 99% of all property transactions are now completed electronically in New South Wales; and
 - 97% of all property transactions are now completed electronically in Victoria.
- Combined with ongoing enhancements and innovation, we continue to reinforce the trust we have built up with our customers – the lawyers and conveyancers and financial institutions who use the PEXA Exchange every day.
- Our NPS score remains as a leader with +50 NPS and MES; numerous innovation awards and strong engagement across all our customer segments from Practitioners, Property Developers, Banks and the broader industry.
- In response to customer feedback, we made more than 100 enhancements to the PEXA Exchange in FY21. The enhancements implemented on the PEXA Exchange in FY21, including PEXA Projects and PEXA Key, further enhanced the platform's efficiencies and security, two key attributes most important to the stakeholders we support.
- The strength of our ongoing enhancements is reflected in our strong brand trust score of 8.7 out of 10, up from 7.9 in FY20.

- Throughout FY21 we continually strengthened our partnership and engagement with governments and industry bodies to support the property sector and to deliver on industry reforms. For example we:
 - Supported South Australia in its expedited transition to digital settlements during COVID-19;
 - Supported ACT for the start of e-conveyancing; and
 - Expanded the roll out of a full catalogue of property transactions across States.
- We have proactively shaped a revised interoperability model and have been an active participant in interoperability working groups, bringing leadership and expertise.
- PEXA supports the first test transaction moving from December 2021 to September 2022.
- We will of course continue to advocate for an approach that preserves the integrity of property transactions without introducing new complexities or risk.
- The regulator has outlined a CY2023 go-live date for full interoperability.
- Based on the complexity of the task and multiple parties involved, PEXA believes that is not feasible without causing considerable risks for consumers, practitioners, banks and the broader economy.
- For example, the original estimate of 26 required APIs, or technology platform interfaces, has proven inaccurate and the ARNECC working groups now believe more than 80 APIs will be required.
- Interoperability is not simple and given the importance of the property sector, and the limited benefits of interoperability, we need to progress with a well-considered plan. Other larger industries and countries have stepped away from the risks and complexities.
- Interoperability changes must not cause increased cyber security and other associated risks for the consumer, businesses, sector and the economy.
- Notwithstanding, we and the technical experts within the working groups, believe that 2024 is more realistic yet still very challenging.
- As a result, and based on our experience, we have suggested that a review of an interoperability timeline should occur at some stage next year to track progress and that government/regulators independently audit the readiness of all participants to ensure timelines are realistic.
- PEXA supports competition – competition that is fair, transparent and delivers benefits that outweigh risks.
- With any form of competition, you win on service and the experience you provide, and we're very confident our PEXA will deliver on both as evidenced by our current customer performance.
- Our continued focus on innovation and customer experience are the key to success in a competitive environment.

- Likewise, our PEXA track record of transparency and delivery serves to deepen trust among our member-base. As mentioned, our brand research affirms that PEXA is the number one trusted provider by an order of magnitude and we will continue leading and supporting the industry through this transition.
- The property sector is worth trillions and we are appropriately looking to extend our services, through PEXA Insights and PX Ventures, into the property sector through new innovations and partnerships so as to meet needs our customers and the community with new services and to capture a share of the broader sector.
- PEXA Insights represents an opportunity to build a new revenue stream, in partnership with others, from PEXA's appropriate access to real-time property data and insights.
- Scott Butterworth recently commenced as our Chief Data & Analytics Officer, and oversees a team of over 40 talented individuals, including our data specialists building out the new Insight service.
- This year we have commenced testing new data and insight services with our customers such as MyView and Mortgage Collateral Monitor.
- PEXA Insights has released new Property and Mortgage Insights reports, providing unique insights into property settlement and mortgage trends across the east coast, with the east coast end-of-financial year report, released in June 2021. These reports have received significant media coverage.
- And we have developed, delivered and rolled out data and insight services – as part of the Exchange such as PEXA Tracker and PEXA Planner.
- We also look forward to the acceleration and development of commercial relationships with our various stakeholders so to share and deliver data insights services about the property market more broadly so as to improve outcomes for all stakeholders.
- PX Ventures is already active in the property ecosystem, with a highly skilled advisory board in place.
- Through PX Ventures we will pursue partnerships to expedite our expansion and leverage our expertise.
- We have already released our PX Ventures launchpad and via the launchpad considering 3 prop tech innovations that will enhance our platform service and revenue generation.
- PX Ventures has already partnered and released our partnership Business Advantage service. A service that deepens support for our practitioner customers and their businesses.
- PX Ventures is already actively evaluating opportunities in the consumer and government sector – services for which PEXA is well placed to partner and provide.
- The exploration of these opportunities is being supported by our active engagement with a highly skilled Advisory Board that has considerable digital, data, sector, and international expertise.

- Our expectation is that both PEXA Insights and PX Ventures will enhance our PEXA Exchange service and allow us to grow and extend further into the broader Australian property sector worth trillions. I am confident the momentum will accelerate.
- PEXA International targets certain Torrens Title markets where there is an opportunity to use our expertise to lead the shift from paper-based to digital settlements – a shift accelerating worldwide as a result of COVID.
- We are making good progress in the UK:
 - We have a blended UK, Australian and Indian team of 75 people supported by an expert Advisory Board;
 - We have an excellent build partner in ThoughtWorks and the technology build is underway;
 - Positive engagement with the Bank of England, Her Majesty’s Land Registry and a pilot group of banks that have been confirmed for pilots in FY22 as part of the critical Bank of England integration; and
 - We are seeing strong momentum and have agreements in place with key public service / government agencies and regulators including the Bank of England and Her Majesty’s Land Registry.
- Given the critical role played by the PEXA Exchange in the property industry, it is important for PEXA to continue building and maintaining a culture of trust and community.
- Having one of the most trusted brands in the sector, and we don’t take this for granted, we embrace our purpose of Transforming Property Experiences for Everyone, and delivering this through our values of Innovate for Good; Better Together; and Making it Happen / Make it Count.
- And in FY21 the PEXA team has demonstrated our purpose and values. For example, during FY21 we continually illustrated innovate for good and we:
 - Were awarded the 2020 AFR most innovative companies – Best Service Innovation Award;
 - Were awarded HRD Innovative HR Teams 2020 for Best Workplace Flexibility Program;
 - Launched PX Ventures to foster innovation;
 - Utilised prototyping to test over 100 innovations; and
 - Partnered with Buy Local to support SMEs throughout COVID.
- At PEXA we live our value of being Better Together every day. This value has come through even more strongly during the past two years. At PEXA we:
 - Have 400+ talented employees across Australia and UK;
 - Were rated Top #3 in the 2021 Best Place to Work Awards;

- Are a diverse and inclusive workplace including certified as a Family Friendly Workplace;
- Achieved an employee engagement score of +80 out of 100 under the 2020 and 2021 Culture Amp surveys; and
- Today 94% of employees say that they feel trusted to work in a way that suits them and their team, and they are able to arrange time out of work when they need to.
- And in FY21 we certainly did demonstrate how we Make it Happen and Make it Count. We:
 - Achieved strong financial and customer performance;
 - Grew market share to 80%;
 - Expanded into new services and markets;
 - Maintained a strong Brand Trust with score of 8.7 / 10 (number 1 against Peers);
 - And received the CSIA Australian Service Excellence Awards “2020 service champion” and “2020 service winner”.
- PEXA is a proud member of The Global ESG Benchmark for Real Assets, or GRESB. We complete a GRESB assessment each year to ensure PEXA’s progress is reviewed against global sustainability standards and we are consistently building on our ESG commitments.
- Ranking second within our global peer group, PEXA achieved a score of 92/100 in the most recent GRESB, up from 84 last year.
- Our approach to ESG is underpinned by UN Sustainability development goals.
- We make inroads on ESG initiatives every day, and I’d like to focus on a small number of them now to highlight the results we are achieving:
 - We partnered with Homes for Homes to create sustainable and affordable housing for our most vulnerable;
 - Our net zero by 2025 commitment was formalised and embedded into our strategy. This sees an immediate 10% reduction targeted for FY22, with environmental baselining finalised;
 - The SisterWorks mentoring program was launched; and
 - We have introduced enhancements to a number of policies in support of our commitments.
- Continuing our growth trajectory, the positive start to FY22 has continued.
- The Australian property market strength has continued, notwithstanding extended COVID-19 lockdowns in Sydney and Melbourne over the first 4 months of this financial year.
- 1.36 million billable transactions were processed through the PEXA Exchange for the first 4 months of FY22, up 40% on the prior year.

- So we're delighted again to reaffirm the Prospectus FY22 forecast revenue, EBITDA and NPAT. The strong start to the year has increased our confidence in achieving the Prospectus FY22 forecast. We commit to our forecast noting:
 - As we progress from lockdowns and gain greater clarity on market behaviour;
 - Low interest rates; and
 - Economic indicators.
- I'll now hand back to our Chairperson for Q&A.