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For immediate release

11 September 2024

REA Group Ltd ("REA")

Update regarding Rightmove plc

This announcement is made in accordance with REA's obligations as a company whose shares are listed on the Australian Securities Exchange ("ASX").

Further to recent press speculation in relation to REA's possible offer for Rightmove plc ("**Rightmove**"), REA confirms that on 5 September 2024 it made a non-binding indicative proposal to the Board of Directors of Rightmove regarding a possible cash and share offer for the entire issued and to be issued share capital of Rightmove (the "**Proposal**"). REA was informed on 10 September 2024 that the Rightmove Board rejected the Proposal.

Under the terms of the Proposal, ordinary shareholders of Rightmove would receive for each Rightmove share:

305 pence in cash and 0.0381 new REA shares

Based on the closing share price of REA's shares of A\$205.51 and the A\$/£ exchange rate of 1.956 on 5 September 2024, being the date the Proposal was made to the Board of Directors of Rightmove, the Proposal implies **a total offer value of 705 pence for each Rightmove share** and values Rightmove's entire issued and to be issued ordinary share capital at approximately £5.6 billion.

The terms of the Proposal represent:

- a 27 per cent. premium to Rightmove's undisturbed share price of 556 pence on 30 August 2024 (being the last business day prior to the date of REA's possible offer announcement on 2 September 2024);
- a 29 per cent. premium to the Rightmove's 6-month volume weighted average share price of 548 pence;
- a 31 per cent. premium to the Rightmove's 12-month volume weighted average share price of 540 pence; and
- an enterprise value multiple of approximately 20.5x Rightmove's EBITDA for the twelve months ended 30 June 2024 of £272 million.

Under the terms of the Proposal, Rightmove shareholders would hold approximately 18.6 per cent. of the combined group's issued share capital following completion of the proposed transaction. The cash component of the Proposal is expected to be funded through third party debt and existing cash resources. Given the strong growth and high cash generation of both REA and Rightmove, REA expects the enlarged group will be able to rapidly delever, consistent with REA's track record.

REA intends to apply for a secondary listing of all of its ordinary shares in London, which would enable trading in REA ordinary shares on both the London Stock Exchange and the Australian Securities Exchange in a fully fungible manner. This would provide the opportunity for a wider pool of investors to gain exposure to a global and diversified digital property company on the London Stock Exchange.

The Proposal combines certainty of value, in cash, at a significant premium to recent trading while at the same time giving Rightmove shareholders the opportunity to benefit from the future value creation of the combined business.



RE A believes the Proposal represents a highly compelling proposition to:

- unlock value for both Rightmove and RE A shareholders by creating a global and diversified digital property company, with strong margins and significant cash generation, underpinned by number one positions in Australia and the UK;
- enhance customer and consumer value across the combined portfolio utilising RE A's globally leading capabilities and expertise;
- apply RE A's experience in investing in and growing adjacencies to support Rightmove in its ambition to accelerate expansion in these areas, while minimising execution risk;
- benefit from knowledge transfer, leading technical capabilities as well as support from targeted investment and innovation in a competitive market; and
- enhance the UK property experience for buyers, sellers, and renters, positively contributing to the property market ecosystem.

Under the terms of the Proposal, Rightmove shareholders would remain entitled to receive the 2024 interim dividend of 3.7 pence per share, as announced by Rightmove on 26 July 2024, without any reduction to the terms of the Proposal.

The Proposal is non-binding and subject to customary conditions, including completion of due diligence to the satisfaction of RE A. RE A reserves the right to waive in whole or in part any of the conditions to the Proposal.

There can be no certainty that an offer to Rightmove shareholders will be made by RE A or that any transaction will proceed. RE A shareholders do not need to take any action at this time.

In accordance with Rule 2.5(a) of the Code, RE A reserves the right to: (i) introduce other forms of consideration and / or vary the mix or composition of consideration of any offer; and (ii) to implement the transaction through or together with a subsidiary of RE A or a company which will become a subsidiary of RE A. RE A also reserves the right to make an offer for Rightmove at a lower value and/or on less favourable terms than those described in this announcement: (i) with the agreement or recommendation of the Board of Rightmove; (ii) if a third party announces a firm intention to make an offer for Rightmove; (iii) following the announcement by Rightmove of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If after the date of this announcement Rightmove declares, makes or pays any dividend or distribution or other return of capital to its shareholders, other than the previously announced interim dividend of 3.7p per Rightmove share declared on 26 July 2024, RE A reserves the right to make an equivalent reduction to the Proposal.

RE A will continue to keep the ASX informed in accordance with its obligations.

The release of this announcement was authorised by the Disclosure Committee.

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Important notices

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Sources of information and bases of calculation

- i. Any references to the issued and to be issued share capital of Rightmove are based on:
 - 788,750,604 basic ordinary shares as at 2 September 2024, based on Rightmove's Rule 2.9 disclosure;
 - plus 4,078,371 shares reflecting the dilutive impact of Rightmove share options and awards outlined in the Company's FY23 Annual Report based on the treasury stock method.
- ii. The enterprise value multiple of 20.5x is based on:
 - an enterprise value of £5.6bn. This is calculated as Rightmove's fully diluted equity value based on the Proposal terms adjusted for net cash and lease liabilities of £21m as at 30 June 2024;
 - an EBITDA of £272m for the 12 months to 30 June 2024. EBITDA defined as Rightmove's underlying operating profit plus depreciation and amortisation.
- iii. The Proposal value per Rightmove share has been calculated by reference to a closing price of A\$205.51 per REA share (being the last closing price on 5 September 2024, the date of the Proposal) and a GBP / AUD exchange rate of 1.956.
- iv. VWAPs are calculated with reference to the period ending 30 August 2024, being the last business day prior to the possible offer announcement on 2 September 2024.
- v. Certain figures included in this announcement have been subject to rounding adjustments.

Notice to US Rightmove shareholders

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, REA or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Rightmove shares outside the United States, other than pursuant to an offer, before or during the period in which an offer, if made, remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Deutsche Bank will continue to act as an exempt principal trader in Rightmove shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, www.londonstockexchange.com.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. Any securities referenced in this announcement have not been registered under the US Securities Act and may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. Any offer would be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

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Deutsche Bank AG, acting through its London branch ("Deutsche Bank") is acting as financial adviser to REA and no-one else in connection with the matters described in this announcement and will not be responsible to anyone other than REA for providing the protections afforded to clients of Deutsche Bank, nor for providing advice in connection with the subject matter of this announcement or any other matter referred to in this announcement.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on REA's website at www.rea-group.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into, and does not form part of, this announcement.

About REA Group Ltd (www.rea-group.com)

REA Group Ltd ACN 068 349 066 (ASX:REA) ("REA Group") is a multinational digital advertising business specialising in property. REA Group operates Australia's leading residential and commercial property websites – realestate.com.au and realcommercial.com.au – as well as the leading website dedicated to share property, Flatmates.com.au and property research website, property.com.au. REA Group owns Mortgage Choice Pty Ltd, an Australian mortgage broking franchise group, PropTrack Pty Ltd, a leading provider of property data services, Campaign Agent Pty Ltd, Australia's leading provider in vendor paid advertising and home preparation finance solutions for the Australian real estate market and Realtair Pty Ltd, a digital platform providing end-to-end technology solutions for the real estate transaction process. In Australia, REA Group holds strategic investments in Simpology Pty Ltd, a leading provider of mortgage application and e-lodgement solutions for the broking and lending industries and Arealytics, a provider of commercial real estate information and technology in Australia. Internationally, REA Group holds a controlling interest in REA India Pte. Ltd. operator of established brands Housing.com and PropTiger.com. REA Group also holds a significant minority shareholding in Move, Inc., operator of realtor.com in the US, the PropertyGuru Group, operator of leading property sites in Malaysia, Singapore, Thailand and Vietnam and Easiloan, a technology platform for end-to-end digital processing of home loans in India.