

## Due Diligence and Valuation Report

Arrowhead code:	75-05-01
Coverage initiated:	29-Jul-2021
This document:	29-Jul-2021
Fair share value bracket: (Blended Valuation)	CAD 1.42 to CAD 1.74
Share Price (28 July):	CAD 0.65

### Analyst Team

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### Market Data

52-Week Range:	CAD 0.125 – CAD 1.43
Average Daily Volume:	374k
Market Cap. on date:	CAD 296.7 million

### Financial Forecast (in CAD mn) (FY Ending – Dec)

	'21P	'22P	'23P	'24P	'25P
NI (mn)	4.9	18.1	41.2	66.9	89.7
EPS (CAD)	0.01	0.04	0.09	0.15	0.20

### Company Overview

Voxtur Analytics Corp. (“Voxtur” or “the Company”), previously iLOOKABOUT, is a Real Estate Technology (“RealTech”) Company which operates a proprietary web-based enterprise platform and database that improve cost and operational efficiency for real estate investors, lenders, government agencies, and servicers, by modernizing transaction processes and improving access to high-quality data and analytics.

Voxtur offers tech-enabled services and software solutions in three areas – Tax Assessment, Property Valuation, and Transaction Settlement (Title Services). It has one of the largest real-time property databases in North America and is working on further expanding its database as well as adding new functionalities to its platform by further leveraging the database.

Over the years, the Company has invested significantly in developing a promising suite of technology solutions and these solutions now enjoy significant market traction. The Company is now preparing for a major sales & marketing push to establish itself as a dominant player in the US market.

### Key Highlights

1. Voxtur is highly acquisitive, having completed five acquisitions since 2019, including three in 2021 alone. The Company has a healthy M&A pipeline and a strong cash position. It plans to continue making strategic acquisitions with the triple objective of expanding its database, adding complimentary technology solutions



Company:	Voxtur Analytics Corp.
Ticker:	TSXV: VXTR
Headquarters:	Toronto, Canada
CEO:	Jim Albertelli
Chairman:	Gary Yeoman
Website:	<a href="http://www.voxtur.com">www.voxtur.com</a>

to its portfolio, and generating lucrative cross-selling opportunities.

2. Current marketing conditions are favorable for the Company’s growth, with Real Estate players accelerating their adoption of innovative technology solutions to overcome inherent inefficiencies in property transaction processes.
3. Companies like Voxtur that earn a significant share of their revenue from property foreclosures are also expected to benefit from the impending moratorium withdrawal on certain categories of Real Estate loans in the US. The imposition of this moratorium in the aftermath of the COVID-19 outbreak adversely impacted several similar businesses. But with the moratorium likely to be lifted on July 31, 2021, the volume of foreclosure-related work, such as property valuation, is likely to increase sharply.

### Key Risks

Voxtur benefits from its staunch technology base, a strong management team, and a highly conducive macroeconomic environment. However, it operates in an industry with rapidly evolving technology where companies can quickly lose their competitive advantage. Voxtur’s customer risk has traditionally been high since it has over-relied on a couple of customers. The Company has recently signed service contracts that lower its revenue concentration. However, this lower customer concentration cannot be considered sustainable until new customers settle in and start generating stable, predictable revenues. We, therefore, believe that Voxtur’s risk profile is medium.

### Valuation & Assumptions

Based on its due diligence and valuation estimates, Arrowhead believes that Voxtur’s fair share value lies in the CAD 1.42 to CAD 1.74 bracket, which has been calculated using a blended valuation method; with 50% weighting to a DCF method and 50% weighting to a Comparable Companies Valuation method. Our DCF model suggests a fair value of CAD 1.72, while a relative valuation provides a fair value of CAD 1.44.

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## **Investment Thesis**

Arrowhead is initiating equity research coverage of Voxtur Analytics Corp. ("Voxtur") with the following investment highlights:

### ***Strong technology platform with one of the largest property databases at its core***

At the heart of Voxtur's offering is one of the largest real-time property databases in North America, combined with advanced analytics and artificial intelligence ("AI") capabilities. The database comprises imagery and information on the properties' structural characteristics, valuation history, taxation etc., obtained from several public and private data sources. Voxtur's initial offering was the GeoViewPort™ ("GVP") desktop review tool, which generates customized portals for assessment professionals to view multiple elements related to a property. The Company has added a wide range of functionalities to its platform through constant organic research and development ("R&D") and aggressive business acquisitions.

Voxtur has acquired five businesses in quick succession for technological capabilities that leverage or complement its proprietary database. These acquisitions include Appraisal Now (April 2021) that runs the only major real estate appraisal platform (Anow) in North America. The Company's inorganic and organic initiatives in recent years have helped it build a comprehensive database and a technology platform with wide-ranging tax assessment, property valuation, and transaction settlement capabilities. In addition to continue adding capabilities for real estate intermediaries and government agencies, the Company also plans to add solutions for homeowners over the coming years.

### ***US moratorium withdrawal a major tailwind***

An expected rise in real estate defaults in the US in the aftermath of the Covid-19 outbreak would have been favorable for Voxtur since its business depends significantly on valuation work from default cases. However, the imposition of a moratorium on certain property foreclosures slowed down default-related workflow and ended up having a greater-than-expected negative impact on the Company's business. With the moratorium likely to be lifted on July 31, 2021, and be replaced by certain safeguards for property owners from August 31, 2021, the backlog of foreclosures created by the pandemic is likely to start flowing in, resulting in a strong increase in the Company's valuation workflow. This would position the Company favorably to achieve its \$100 million revenue target for 2021, which is approximately 5x its 2020 revenue, and continue generating strong revenue growth over several upcoming quarters.

### ***Major Sales & Marketing push to establish dominant position in the US***

Voxtur has already built a platform that offers high-potential solutions with visible market traction. Although the Company plans to continue strengthening its technology as well as add more solutions to its platform, it now requires a massive Sales & Marketing push to scale up and become a dominant player in its market. The Company plans to engage with more large prospects in the coming quarters and is already in talks with some large prospects for licensing its valuation software and white labelling its technology tools. Simultaneously, the Company also plans to imminently roll out solutions that will allow it to directly serve assessors, property owners, and other end users, instead of serving them only through institutional licenses. To implement these initiatives, the Company would need to develop a large Sales & Marketing team endowed with adequate skills and resources for B2B, B2G, and B2C marketing.

## ***R&D to focus on deepening database and developing new capabilities***

Voxtur's long-term vision is to overhaul the real estate appraisal process and remove its inherent inefficiencies by completely digitizing it. The Company aspires to democratize data access by developing affordable solutions for lenders, government agencies, assessors, homeowners, and other participants in the real estate transaction process. It already has one of the largest real-time property databases in North America and the only major real estate appraisal platform in North America (Anow). It is now working towards making the database more comprehensive by obtaining property photographs, videos, ownership details, amenity details, arial images, location details (latitudes and longitudes) etc. with date and time stamps for most properties in the US, directly from property owners and third-party sources.

Voxtur's immediate R&D priorities are deepening its database and adding new technological capabilities that leverage or complement its database and current suite of solutions. In addition to further improving the value proposition for existing client groups, this will allow the Company to serve more client categories. The Company is already working on some solutions along these themes and is likely to commit more resources to the development of such solutions going forward.

## ***Focus on inorganic growth to continue***

In addition to focusing on R&D to deepen its database and add more technological capabilities, the Company is also likely to work towards these objectives through business acquisitions, as it has done until now. The Company has a healthy M&A pipeline with companies at various stages of the process, as well as a healthy cash position to finance these acquisitions. Many of the Company's recent M&As have been at least partly motivated by adding more customers through cross-selling opportunities. More acquisitions along this theme are also likely in the near term as the Company looks to establish itself as a dominant player in the US. The Company might also look at acquisitions that help it become a more integrated solutions provider by expanding forward or backward in the value chain, for example, by acquiring a technology business with strengths in lead generation for real estate transactions to complement Voxtur's transaction execution technologies.

## Company Presentation

Voxtur Analytics Corp. (“Voxtur” or “the Company”), previously iLOOKABOUT, operates a proprietary web-based enterprise platform and database that improve cost and operational efficiency for real estate investors, lenders, government agencies, and servicers, by modernizing the transaction processes and reducing process inefficiencies. The Company is based in Toronto, Canada, and serves clients in the US and Canada. Voxtur’s common shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol VXTR, and on the US OTCQB under the symbol VXTRF.

At the heart of Voxtur’s offerings is one of the largest real-time property databases in North America, combined with advanced analytics and artificial intelligence (“AI”) capabilities. The database is comprised of imagery and information on properties’ structural characteristics, valuation history, taxation etc., obtained from several public and private data sources. Voxtur’s initial offering was the GeoViewPort™ (“GVP”) desktop review tool, which generates customized portals for assessment professionals to view multiple elements related to a property.

Voxtur’s data has several use cases in property appraisals, taxation, and valuation. The Company claims that consolidating several key data points on a property on its platform helps appraisers appraise several properties in a day instead of just one or two. This significantly improves turnaround times and costs associated with appraisals for both appraisers and lenders. Voxtur’s platform has an advantage over competing databases because it is built on more sophisticated technology and allows a higher level of automation.

Voxtur has added a wide range of functionalities to its platform through constant organic research and development (“R&D”) and aggressive business acquisitions. Voxtur has acquired five businesses in quick succession for technological capabilities that leverage or complement its proprietary database. The Company’s inorganic and organic initiatives in recent years have helped it build a comprehensive database with wide-ranging tax assessment, property valuation, and transaction settlement capabilities.

Voxtur uses its core technologies and platforms to provide Software and Data Licenses, Technology-Managed Services, and Settlement Services, as described below.

### 1. Software and Data Licenses

- a. Appraisers and Enterprises:** Voxtur’s software offering for appraisers and enterprises includes order tracking, job assignment, collaboration, scheduling tools, and mobile apps, aimed at automating and digitizing the appraisal process. The offering leverages a North American nationwide repository of public, third party, and proprietary data.
- b. Assessors and Governments:** Voxtur offers a desktop review software that generates customized portals to provide users a wide range of graphical and analytical information on a property, including street level imagery, aerial imagery, outline sketches, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics. This architecture supports a wide range of add-on modules and services, including workflow management, sketching software, and mobile functionality.
- c. Predictive Valuation:** Voxtur offers a software that analyzes the accuracy of property assessments by leveraging multiple property data sources to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. Public entities can better manage property assessment appeals by integrating this platform with Voxtur’s proprietary appeal management module.

- d. Data Commercialization:** Vixtur helps clients commercialize their data by delivering standardized reports and individual data requests through secure ecommerce transactions or by account. The Company also offers an assisted fulfillment process for clients who require customized reports.

## **2. Technology-Managed Services**

Vixtur provides real estate valuation solutions by leveraging its proprietary technology to deliver the full spectrum appraisal and broker price opinion services.

The provision of property tax solutions utilizing the Company's property tax analysis and appeal management platform and sketch software to support clients that require a facilitated experience with the Company's technology and databases.

Services for clients seeking to outsource property-related services to benefit from the efficiencies the Company can provide using its proprietary technology. The provision of real estate technology and non-legal default services.

## **3. Settlement Services**

Vixtur's Settlement Services suite includes full-service title, escrow, and closing services. These services are extensions of the Company's platform capabilities and are offered only to its platform subscribers for additional billing. Vixtur provides most of the services in its Technology-Managed Services suite through the Company's BrightLine, InfoEx, MTAG Paralegal Professional Corporation ("MTAG PPC" or "MTAG"), and Oversight brands.

**Company Milestones**

<b>Year</b>	<b>Event</b>
2007	<ul style="list-style-type: none"> <li>Formed in Ontario, Canada, as iLOOKABOUT Corp.</li> <li>Signed Master Services Agreement for relicensing iLOOKABOUT StreetScape data</li> </ul>
2008	<ul style="list-style-type: none"> <li>Entered into agreement to license iLOOKABOUT StreetScape visual data intelligence product to utility and municipal government sectors and with Vision Appraisal to license its StreetScape imagery for an assessment project for the City of Bridgeport, Connecticut</li> <li>Selected as Visual Data Supplier to Ontario Realty Corporation</li> <li>Entered a multi-year services agreement with the City of Hamilton, Ontario, to provide a complete visual data set of images</li> </ul>
2009	<ul style="list-style-type: none"> <li>Entered services agreement for supply of StreetScape images with CTV Inc. and City of Coquitlam, British Columbia and with PowerStream Inc. for full coverage of PowerStream's distribution territory with StreetScape visual intelligence and software</li> <li>Entered a partnering agreement with Patriot Properties, Inc. for full integration of iLOOKABOUT StreetScape with Patriot's AssessPro Computer Assisted Mass Appraisal ("CAMA") application</li> <li>Entered into agreements with SCM Risk Management Services ("RMS"), JLR Recherche immobilière ("JLR"), and City of Vineland, New Jersey to provide a complete visual data set of StreetScape images</li> <li>Awarded five-year contract for StreetScape imagery and visual data intelligence services to Westminster City Council, London, U.K.</li> </ul>
2010	<ul style="list-style-type: none"> <li>Delivered a complete visual data set of StreetScape images to Wood County, OH</li> <li>Entered partnership agreements with DMTI Spatial Inc. ("DMTI") for access iLOOKABOUT's StreetScape imagery database, AGSI for access to its GO360™ Location Warehouse™, and Zaio Corporation to license its image capture technology and processing software to assist with Zaio's data capture and processing efficiencies</li> </ul>
2011	<ul style="list-style-type: none"> <li>Launched its Automated Valuation Model ("AVM") Comparable Report for residential property valuations through the Company's GeoViewPort™ application</li> <li>The Company integrated its Visual Automated Market Valuation solution and Syndicate Mortgages</li> <li>Entered into agreement with Pictometry International to provide StreetScape imagery to Jefferson County, Kentucky and with the Association of Ontario Land Surveyors ("AOLS") to build, convert and host their next generation Survey Record Index ("SRI")</li> <li>Delivered its first phase of imagery collection for the Metropolitan Government of Nashville and Davidson County, Tennessee</li> </ul>

2012	<ul style="list-style-type: none"> <li>Entered a multi-year services contract with the Municipal Property Assessment Corporation ("MPAC") for digital imagery and related spatial products and services</li> <li>Entered into an agreement with City of Hamilton to provide access to iLOOKABOUT's StreetScape imagery for Hamilton and the surrounding area</li> </ul>
2013	<ul style="list-style-type: none"> <li>Entered a multi-year agreement with the MPAC to license certain property information regarding properties located in the Province of Ontario</li> <li>Entered a multi-year service delivery contract with MPAC, enabling MPAC's delivery of real property related data to its clients within the real estate vertical</li> </ul>
2014	<ul style="list-style-type: none"> <li>Launched new software Real Property Tax Analytics ("RPTA") and Realty Tax Management ("RTM") on a Software ("SaaS")</li> <li>Entered into a technology asset purchase agreement to purchase certain technology assets from Yeoman &amp; Company Paralegal Professional Corporation ("YCP") and Ontario Inc.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Entered into a services agreement with MPAC to channel delivery of its Municipal Connect™ 2.0 platform to MPAC's municipal clients in the Province of Ontario</li> <li>Entered a multi-year Verification Services Agreement with the Miami-Dade County Property Appraiser's Office</li> </ul>
2017	<ul style="list-style-type: none"> <li>Renewal of a multi-year services contracts with MPAC for the provision of digital imagery, spatial information, and software application services, as well as to host and manage MPAC's Municipal Connect platform for Ontario municipalities and Propertyline™ application for the Toronto Real Estate Board</li> <li>Expanded the number of municipal clients to license its RPTA software. The Cities of Newmarket, Port Hope, Toronto, Waterloo and Greater Sudbury joined to the list</li> <li>Launched the GeoViewPort ("GVP") Mobile Appraiser</li> </ul>
2018	<ul style="list-style-type: none"> <li>Investment in Cherre, an AI real estate data company</li> <li>Development of ReBloc data validation Marketplace</li> </ul>
2019	<ul style="list-style-type: none"> <li>Closed Clarocity acquisition</li> <li>Closed credit facility with Bank of Montreal ("BMO")</li> <li>Launched Fusion OMS -web-based platform for valuation solutions</li> </ul>
2020	<ul style="list-style-type: none"> <li>Closed Apex software acquisition</li> </ul>
2021	<ul style="list-style-type: none"> <li>Corporate name change to Voxel Analytics and ticker to VXTR</li> <li>Closed Voxel Technologies and Apex Now acquisition</li> <li>Added CAD 23 million to credit facility with BMO and closed CAD 35 million private placement.</li> </ul>

## Corporate Strategy and Future Outlook

Over the past few years, Voxtur has focused extensively on building its core technology and database, as well as leveraging these to create well-integrated platform solutions that deliver high value to real estate intermediaries. The Company has consistently added new functionalities to its platform through organic technology development as well as aggressive acquisition of technology businesses. While we expect the Company to continue adding complementary capabilities to its platform – both organically and inorganically – we expect it to focus more on expanding its database, scaling the platform, and adding more users through a major sales and marketing push over the next few periods.

**US Moratorium Withdrawal a Major Tailwind:** An expected rise in real estate defaults in the US in the aftermath of the Covid-19 outbreak would have been favorable for Voxtur since its business depends significantly on valuation work from default cases. However, the imposition of a moratorium on certain property foreclosures slowed down default-related workflow and ended up having a greater-than-expected negative impact on the Company's business.

With the moratorium likely to be lifted on July 31, 2021 and be replaced by certain safeguards for property owners from August 31, 2021, the backlog of foreclosures created by the pandemic is likely to start flowing in, resulting in a strong increase in the Company's valuation workflow. This would position the Company favorably to achieve its \$80 million revenue target for 2021, which is 4x its 2020 revenue, and continue generating strong revenue growth over several upcoming quarters.

**Continued R&D Efforts to Expand Database and Offerings:** Voxtur's core strength is its large data pool and the AI-based analytics capabilities it has combined with its data to produce an industry leading technology platform. Over the next few years, the Company plans to focus its R&D efforts on further expanding its data pool and developing new functionalities and products through the innovative use of newer technologies.

The objective underlying its R&D activities would continue to be removing inefficiencies from the real estate transaction process and making analysis quicker, more accurate, and more cost effective with automation. However, the Company will also focus on developing products for end users as it plans to serve them directly in addition to serving them through institutions. It is already in the process of developing a solution that will reduce RPTA costs for end users and is planning to roll it out imminently. Other B2C offerings that the Company is likely to roll out in the coming quarters by leveraging its database include instant property analysis reports and tax assessment verification. These offerings can be rolled out quickly and with little development expenditure. They are highly scalable offerings that could significantly improve the Company's margins since they have negligible manual servicing requirements and other associated variable costs. These are also likely to bring Voxtur closer to its vision of being a pure SaaS company by improving its SaaS / Managed Services revenue ratio, which currently stands at 41% / 59% based on FY'20 numbers.

Among the Company's most promising potential offerings in the B2B and B2G segments is assurance-wrapped valuations. The Company is currently running a pilot with Fannie Mae for assurance-wrapped mortgage valuations. Fannie Mae and Freddie Mac have stringent valuation and due diligence procedures for their bulk mortgage purchases. Voxtur's valuation and appraisal technologies can potentially automate a significant percentage of this process to save time and cost, as well as provide a valuation that bears its guarantee. Assured valuations also have significant scope in the B2B segment, such as in cases where property buyers legally challenge valuations and claim misrepresentation.

**Indications of More Potential Acquisitions in Near Term:** Inorganic initiatives have been a critical component of Voxtur's growth in recent years. The Company has made five acquisitions since 2019 and

three acquisitions in 2021 alone (see table below). We expect the Company to make more acquisitions over the next few quarters, since the Company has clearly identified M&A priorities, a strong cash position, and healthy M&A pipeline with companies at various stages of the process.

In the short to medium term, we expect the Company to continue focusing on acquiring businesses that could help deepen its data pool (e.g. Benutech), expand the bouquet of capabilities on its platform (e.g. Clarocity and Appraisers Now), and accrete revenue through cross-selling (e.g. Brightline and JEA). The Company might also explore acquisition opportunities that could help it integrate forward or backwards in the value chain, such as by generating leads in addition to providing valuation, tax, and settlement solutions.

## Recent Acquisitions

Company	Date	Description
<b>Benutech, Inc.</b>	June 2021	Voxtur signed a non-binding letter of intent ("LOI") to acquire Benutech, Inc., a data solutions and technology applications developer for real estate professionals. Benutech's data repository would further expand the depth and breadth of Voxtur's data store, making it one of the most comprehensive real property data stores.
<b>Appraisers Now Ltd.</b>	April 2021	Voxtur completed the acquisition of Appraisers Now Ltd ("Anow"), which is an automated appraisal workflow management platform for the global appraisal market, with significant market share in the US and Canada. The acquisition is a strategic step to bolster recurring revenues and accelerate the development of the Company's data ingestion engine.
<b>Voxtur Technologies Inc. Brightline Title LLC James E. Albertelli, P.A.</b>	February 2021	Voxtur acquired 100% of the issued and outstanding shares of Voxtur Technologies Inc. ("Voxtur Technologies"), 100% of the membership interests of Bright Line Title, LLC ("Brightline Title"), and certain technology and non-legal assets of James E. Albertelli, P.A. and some of its affiliates ("JEA"). The acquisitions would help integrate Voxtur's proprietary data, analytics, and technologically enhanced services to reduce the costs caused by imperfect information, enabling Voxtur to offer a set of complementary services.
<b>Starcap Marketing, LLC (Apex Software)</b>	October 2020	Voxtur acquired the operating assets of Starcap Marketing, LLC which constituted the acquisition of Apex Software ("Apex"). Apex licenses its real estate sketch software and provides associated professional services, primarily in the US. The acquisition added key functionality to Voxtur's desktop valuation platform and enables it to cross-sell its products to 2,200+ Apex clients in the US.
<b>Clarocity Inc.</b>	July 2019	Voxtur acquired 100% of the issued and outstanding shares of Clarocity Inc. and its subsidiaries ("Clarocity"). Clarocity provides real estate valuation solutions and platform technologies designed to address the housing market, primarily in the US. The acquisition allowed Voxtur to expand its operations and offerings in the US, and to expand the Company's real property focused product and service offering to serve clients across sectors.

**Expansive Sales & Marketing Push Require to Build Dominance in the US:** Voxel plans to make a major Sales & Marketing push in the US followed by other markets now that it has a promising technology platform with significant market traction. Two of the Company's business acquisitions since 2019 were partly motivated by building its client base in the US and creating cross-selling opportunities. The Company now needs to build a sizeable sales team and invest in Sales & Marketing initiatives to increase organic sales in the US and establish Voxel as a dominant Real Estate technology solutions provider. We expect Voxel to significantly expand its Sales & Marketing team over the next three to five years as it prepares to scale up.

Voxel plans to accelerate efforts to acquire more large national lenders, insurance companies etc. in the US, especially for its valuation platform, in the next few quarters and is already in advanced discussions with some of them. The Company also has considerable potential to market its versatile software and data to other customer categories that it has not sufficiently penetrated yet, such as credit unions and regional banks, loan servicers, due diligence firms, mortgage insurance companies, rating agencies, and private investment funds. There is significant opportunity to white labeling to these customers.

The Company is also developing offerings for end users so that it can directly reach them instead of serving them through enterprise licenses. As these offerings roll out, Voxel will require a marketing strategy with a dual focus on enterprise as well as retail clients since the capabilities and resources required for marketing to retail clients can be significantly different from those required for corporate clients.

Voxel will need to significantly expand its fulfillment bandwidth for assisted services to keep up with the potential high growth in volumes due to the Covid-19 moratorium withdrawal and its additional Sales & Marketing efforts. However, we do not expect this to significantly impact the Company's hiring plans because the Company entirely offshores its fulfillment to an India-based outsourcing partner.

## **News**

### [Voxtur Executes Letter of Intent to Acquire Benutech](#)

*June 09, 2021*

Voxtur announced that it has signed a non-binding letter of intent to acquire Benutech, Inc., a preeminent source of innovative data solutions and technology applications for real estate professionals. The strategic acquisition aligns with the Voxtur model of providing user-friendly SaaS tools designed to give real estate finance companies better control of their data.

### [Voxtur Valuation Express Appraisals Hits Major Milestone](#)

*April 30, 2021*

Voxtur's Anow hit a major milestone with 2,000 appraisals processed through its recently launched exclusive express order program that leverages AI combined with a patent-pending collaborative appraisal report generator tied to multiple data sources to result in significant acceleration in the completion timeline for an appraisal.

### [Voxtur Closes Acquisition of Anow](#)

*April 08, 2021*

Voxtur announced that it has received the approval for the acquisition of Appraisers Now Ltd. ("Anow") and the Company has completed the Acquisition. Total consideration for the Acquisition was approximately \$30.5 million, with \$20.5 million of the purchase price satisfied by the issuance of 28,571,428 common shares of Voxtur and \$10 million of which was comprised of a cash payment.

### [Voxtur Announces Non-Brokered Private Placement of \\$35,000,000 Is Fully Allocated](#)

*March 11, 2021*

Voxtur announced that the non-brokered private placement of common shares of the company for gross proceeds of \$35,000,000 has been fully allocated. The Offering consisted of the sale of 50,000,000 Common Shares at a price of \$0.70 per Common Share.

### [Voxtur Closes Acquisition of Voxtur Technologies](#)

*February 03, 2021*

Voxtur announced the execution of definitive agreements and has closed the acquisition of 100% of issued and outstanding stock of Voxtur Technologies, Inc. ("Voxtur Technologies"), 100% of membership interests of Bright Line Title, LLC ("Brightline Title"), and certain technology and non-legal assets of James E. Albertelli, P.A. and certain of its affiliates (collectively, "JEA").

### [Voxtur Closes Acquisition of Apex Software](#)

*October 01, 2020*

Voxtur announced the execution of the Asset Purchase Agreement with Starcap Marketing, LLC ("Apex Software") for the acquisition of all of the operating assets. Voxtur also expanded its existing credit facilities with Bank of Montreal's ("BMO") Technology & Innovation Banking Group for an additional \$4 million.

## [Voxtur Closes \\$8 million Private Placement](#)

*September 28, 2020*

Voxtur announced the closing of its non-brokered private placement of units of the company, for aggregate gross proceeds of approximately \$8 million. The private placement was completed in two tranches.

## [Voxtur Announces \\$5 Million Bought Deal Financing](#)

*April 27, 2017*

Voxtur entered into an agreement with a syndicate of underwriters led by Canaccord Genuity Corp. pursuant to which the underwriters agreed to purchase, on a bought deal basis, 20,000,000 common shares of the Company a price of \$0.25 per common share, for aggregate gross proceeds of \$5 million. In addition, the Company granted the underwriters an option to purchase up to an additional 3,000,000 Common Shares at the same offering price for a period of 30 days following the closing of the Offering.

## Listing Information

Voxtur Analytics Corp., headquartered in Toronto, Canada, is listed on the TSX ("Toronto Stock Exchange") Venture Exchange – (TSXV:VXTR)

## Contacts

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## Shareholding as on 16 April 2021 (in millions)

Management Shareholding	97.1 (26.8%)
Non-Management Shareholding	265.1 (73.2%)
<b>Basic Shares Outstanding</b>	<b>362.2</b>
<b>Other Potential Share Issuances:</b>	
Non-voting Shares	54.2
Warrants	34.5
Options	21.2
Restricted Share Units	6.8
Deferred Share Units	5.5
<b>Total Potential Share Issuances</b>	<b>122.3</b>
<b>Fully Diluted Shares*</b>	<b>484.5</b>

\*Capital injection of ~\$20 million on exercise of warrants and options  
Source – Voxtur's Investor Deck, June 2021

## Management and Governance

### **Gary Yeoman**

#### *Executive Chairman*

- Founded and served as CEO of Altus Group, a real estate software, data, and analytics company
- Led Altus through an IPO in 2005 and a 7-year growth period during which the company realized a 333% increase in revenues from \$75 million to approximately \$325 million
- An original board member of RealMatters (TSX: REAL), accredited member of the Institute of Municipal Assessors (IMA), and a Licensed Paralegal in Ontario
- Holds a fellowship designation in the Royal Institute of Chartered Surveyors (RICS)

### **Jim Albertelli**

#### *Chief Executive Officer*

- Built a multi-state creditors' rights law practice (ALAW) representing both institutional and private lenders throughout the loan lifecycle
- Built and sold two distressed asset auction website, PREO.com, and REDC.com, and a national title, escrow, and closing company, Brightline Title
- Developed multiple technology platforms that continue to support real estate investors and servicers, including InfoEx, Oversight, and BestX
- Member of the Florida Bar, the State Bar of Georgia, the US Supreme Court Bar

### **Marty Haldane**

#### *Director*

- President and founder of Appraisers Now, Ltd. o/a Anow, which was acquired by Voxtur in 2021
- Started career as a software developer, and joined his family's real estate appraisal firm in 2004, where he performed both commercial and residential appraisals for ten years
- Grew Anow to a platform that works with thousands of appraisers and manages millions of appraisal transactions in more than 60 countries

### **Grant Moon**

#### *Director*

- Extensive experience in management, sales, marketing, e-commerce, and strategic partnerships working in multiple roles at American Express and Hersha, a publicly traded Real Estate Investment Trust
- Started career serving in the US Army and worked in numerous leadership capacities achieving the rank of Major
- MS in Technology Management from Columbia University, MBA from Babson College, and a BS from Endicott College
- Veteran of the Global War on Terror and a Bronze Star Recipient
- Featured in HousingWire 2019 Rising Star

## **Christy Soukhamneut**

*Director*

- Currently the Senior Vice President, Chief of Staff, and Director of Mortgage Strategic Initiatives at Flagstar Bank. Previously led sales teams for a mid-sized IMB
- 20+ years of experience in the mortgage industry
- Served on a wide variety of committees for the Home Builders Association, The Board of Realtors, and the Mortgage Bankers Association
- Sits on the board of Beneath the Surface Foundation, an organization founded by special operations veterans dedicated to combating the negative impacts of combat on the mental health of those who served

## **James Kelsey**

*Director*

- 50+ years of diverse Financial Services industry experience, ranging from Retail Banking to Commercial Banking, and Corporate Finance at the C-Suite level
- Led the startup of the Corporate Finance Division for Bank of Montreal and most recently served as Vice Chairman, North American Commercial Banking, Bank of Montreal
- Sits on the Boards of two prominent private organizations

## **Joe Murin**

*Director*

- Chairman Emeritus of Chrysalis Holdings LLC and JJAM Financial Services LLC
- Co-founder former Chairman of The Collingwood Group LLC
- Former Chairman of The Collingwood Group LLP, which he co-founded with Brian Montgomery, the form U.S. Federal Housing Administration Commissioner
- Previously President of the Government National Mortgage Association ("Ginnie May")

## **Mike Harris**

*Director*

- Senior Business Advisor in the Corporate / Commercial and Government Relations & Ethics Groups at Fasken
- Serves as Director on several private and public boards
- President of his own consulting firm, Steane Consulting Ltd., and, in this capacity, acts as a consultant to various Canadian companies, including Fasken Martineau DuMoulin LLP
- Served as Member of Provincial Parliament for the riding of Nipissing, twenty-second Premier of Ontario, Chair of Magna International Inc., and a Director on several private and public boards, including Canaccord Genuity Group Inc., Chartwell Retirement Residences, and Route1 Inc.
- Sits on the advisory boards of several private equity funds, including EnerTech and Beringer Capital
- Received his ICD.D certification from the Institute of Corporate Directors and is a Senior Fellow with The Fraser Institute

## **Mark Volosov**

*Director*

- CEO of Sage Residential Management, LLC
- Previously a Managing Director and Portfolio Manager within the securitized assets investment team at a large asset manager, with a focus on structuring investments in non-agency mortgage securities, mortgage servicing rights (MSR's), mortgage loans, esoteric structured products and day-to-day operations of a REIT
- Spent six years as a Senior Vice President at Specialized Loan Servicing LLC, where he managed the full cycle of mortgage servicing rights acquisitions and sales, negotiated advance financing transactions and as a part of the business development team, was responsible for the day-to-day management of whole loan owners, monoline and various national bank clients

## **Ray Williams**

*Director*

- Financial services executive with 35+ years of experience in Global Capital Markets and expertise in debt capital markets
- Managing Director and Vice Chairman, Financial Markets at National Bank Financial, one of the top six investment dealers in Canada
- Held leadership roles in marketing, trading, risk advisory, and execution as well as securitization
- Serves on leadership boards for various organizations, including 100Strong Foundation, and is a Past and Founding President (2000) and continuing member of The Canadian Association of Urban Financial Professionals (CAUFP).
- Completed and obtained ICD designation (Institute of Corporate Directors certification) from the Institute of Corporate Directors in conjunction with The Rotman School of Management in 2012.

## Services

Voxtur's services support clients in three areas – Tax Assessments, Property Valuation, and Transaction Settlement (Title Services). A brief description of each of the Company's value proposition in each of these areas is as follows:

### Property Tax Assessment

Voxtur provides technology-driven property tax solutions for real estate municipalities throughout North America. The Company has been streamlining the property tax assessment landscape by integrating tools that use advanced data management & analytics and enhanced property visualization capabilities into the tax assessment process. These tools help clients identify property assessment inconsistencies, avoid overpayment of property taxes, and mitigate associated risks in real-time.

Voxtur also provides desktop and mobile solutions that make the appraisal process more convenient for appraisers by providing them access to all property related information and imageries in one centralized hub, thereby expediting the mass appraisal process. The Company's offerings also include the proprietary machine learning ("ML") application Real Property Tax Analytics ("RPTA") that ensures equitable tax assessment by identifying outliers through real-time analysis of tax assessments on comparable properties.

Voxtur also provides municipalities with the tools and expertise required for property assessment through the Company's related consulting entity MTAG. By leveraging on Voxtur's RPTA platform, MTAG offers a comprehensive portfolio of municipal finance consulting services with a particular focus on property appraisal and tax assessment. MTAG also provides low-cost mediation and representation for appeals / challenges of tax law and property assessment to municipalities within the Ontario region in Canada.

### Property Valuation

Voxtur's suite of tech-enabled property valuation solutions includes valuation models, broker price opinions, evaluations, property appraisal reports, traditional appraisals, and appraisal quality compliance. In addition to reducing analysis time through automation and improving analysis accuracy by leveraging the Company's large database, these solutions streamline multi-vendor workflows for intermediaries like appraisal management companies, lenders, and mortgage services firms. They are highly flexible and can be optimized and integrated into various third-party applications.

The Company's flagship offering for property valuation is the appraisal software Anow, which the Company acquired in April 2021. The platform has built-in features for automatic form filling, payment, distribution, order management, building outline, valuation report, and line of credit that allow users to dictate and conveniently manage their entire order flow.

Anow is integrated with Apex sketching software, which Voxtur acquired in October 2020. Apex helps develop real estate sketching and modeling software and provides real estate sketch aggregation, sketch conversion, sketch verification, sketch modification, sketch analysis, and software maintenance services to the property assessment, appraisal, and insurance companies.

### Transaction Settlement (Title Services)

Voxtur provides both traditional and non-traditional title products, as well as escrow and settlement services by leveraging its in-house technology to support the lending lifecycle. InfoEx is the Company's workflow technology that pulls and aggregates public data and provides it to title insurance companies/lawyers to perform settlement services, allowing them to close transactions in a lesser time frame. Voxtur also has Oversight platform, which performs property due-diligence and help in confirming the title of various properties.

Voxtur recently acquired Brightline Title in Feb 2020, which offers nationwide title, escrow, and settlement services with focus on security and compliance, to both residential and commercial sectors. The Company has the following product offerings:

- a. Insured Title Products:** This includes products like Owner's Title Policy, Mortgage Title Policy, Mortgage Modification Policy ("MMP") and Trustee Sale Guarantee ("TSG"). Title insurance protects purchasers and lenders against defects in title, including adverse ownership claims, documentation errors, fraud, forgery, liens, easements as well as other issues that may arise.
- b. Uninsured Title Products:** This includes a variety of complimentary title products such as Title Products and Title Curative Services for supporting all types of transactional requirements and expedite the process of curating the various issues that arise within a title.

Voxtur's software and data licenses services are billed as per the following two models:

- a. Subscription-based:** Revenue from subscription-based offerings is recognized ratably over the contract period that commences on the date at which an executed contract exists, with the customer having the access to the application. The billing terms of these subscriptions are typically in advance of service on a monthly / quarterly / annual basis. In addition, revenue from subscription-based arrangements that involve complex customization is recognized as a combined performance obligation and billed ratably over the remaining duration of the contract term, including any expected renewal periods.
- b. Usage-based:** Revenue from usage-based offerings is recognized at a point in time, most commonly when the customer takes control of the asset (i.e. the software application / platform) and Voxtur has no remaining current or future obligations to the customer. Usage-based revenue is typically billed on a monthly basis.

### Software and Data Licenses

Voxtur serves clients in the three service areas mentioned above through the following software and data licenses:

- a. FusionOMS:** A web-based platform that enables collaborative futuristic real property valuation solutions to enterprises by leveraging a US Nationwide repository of public record and multiple listing service data and providing high velocity automated workflows and interactive reporting.
- b. GeoViewPort™:** GeoViewPort™("GVP") is a web-based platform that empowers the real property assessment industry with a desktop review tool. GVP enables assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics, among others. GVP's architecture has been built to support a full suite of add-on tools and services, including workflow management and mobile functionality.

- c. Apex Sketch:** This software provides real property sketching and modeling solutions, primarily to serve the property assessment and appraisal professionals in the US. The resulting real property sketches can be integrated as an additional data point within GVP.
- d. Real Property Tax Analytics:** Real Property Tax Analytics ("RPTA") is a web-based platform that analyzes property assessments by leveraging real property data to deliver comparable modeling and predictive valuations using proprietary algorithms.
- e. Other Software Applications:** The Company has developed and/or supports web-based map applications that leverage much of the architecture and data rendering techniques utilized within GVP, to service constituents of the property tax assessment and appraisal process.
- f. Data Commercialization:** The Company has developed products and services for clients looking to commercialize their data through the delivery of reports and individual data requests to users through secure ecommerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.
- g. InfoEx and Oversight:** Voxel leverages its InfoEx platforms to deliver national end-to-end and modular default services and technology strategies. InfoEx has the following offerings:
  - **BK Block:** A product suite of automated solutions offering bankruptcy services
  - **Block Scrub:** An automated payment history analysis and acquisition support channel
  - **Block Claim:** An automation-driven proof of claim preparation and filing channel
  - **Block Ex:** An automated payment history analysis for quality control and archiving

InfoEx Servicing Suite combines with the other software to support a reduction in the costs and risks associated with the services of defaulted assets. In addition, the Company uses Oversight, which is a due diligence and data aggregating platform that helps in confirming property titles. Both InfoEx and Oversight pull and aggregate public data and provide the same to title insurance companies and lawyers to perform the required property settlement services, allowing them to close acquisitions in the shortest time possible.

## Professional Services

Voxel's professional services are billable value additions to its software and licenses, and are exclusively available to its software subscribers and license holders. The Company's professional services offerings for each of its areas are as follows:

- a. Valuation Management Solutions:** The Company has developed products and services for clients looking to commercialize their data through the delivery of reports and individual data requests to users through secure ecommerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.
- b. Property Tax Solutions:** Voxel provides property tax solutions utilizing the RPTA platform, including the APM program, and Apex Sketch software to support clients that require a facilitated experience with the Company's technology, and support services focused on the real property assessment sector.

- c. Other Services:** The Company also provides services to clients seeking to outsource real property related services to benefit from the efficiencies that Voxtur can provide using its proprietary technology.

Professional services revenue is typically billed monthly for services provided on a time and material basis and recognized over time as the services are performed. For professional services billed on a fixed-price basis, revenue is recognized over time based on the proportion of services performed and completed.

The services and products offered by Voxtur are also sold on a standalone basis or in a sales arrangement containing multiple performance obligations. Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated standalone selling price of each performance obligation in the contract. The standalone selling price of a service / product is estimated taking into account the available information relating to market conditions and company-specific factors.

## Industry Analysis

Real Estate Technology (“RealTech” or “PropTech”) companies develop innovative solutions using technologies like SaaS, AI, Big Data Analytics, Virtual Reality, and 3D Imaging, to increase the process efficiency, revenues, and profitability, of Real Estate industry players, such as buyers, sellers, brokers, property managers, lenders, and attorneys. These technologies have been improving outcomes across industries for several years but their ingress into the Real Estate industry is relatively recent.

Real Estate has traditionally been a low-tech industry where companies operate in siloes due to legacy technology infrastructure and inefficient processes. RealTech companies help reduce inefficiencies and improve outcomes by modernizing these processes. The market for Real Estate IT products and services was valued at USD 6.1 billion in 2019 and is expected to double to USD 12.1 billion by 2025, at an implied Compounded Annual Growth Rate (“CAGR”) of 11.9%.<sup>i</sup> Some of the key technologies revolutionizing the Real Estate industry are as follows:

### Technologies at the Forefront of RealTech

**SaaS:** SaaS has underpinned the technological evolution of most industries, including Real Estate, in recent years because it helps solution providers (such as Voxtur) develop and deliver software more efficiently and cost-effectively than traditional on-premise software, as well as effectively harness the potential of contemporary technologies such as AI and Big Data Analytics. The global SaaS market reached a size of USD 225.6 billion in 2020 and is expected to reach USD 272.4 billion by the end of 2021, at an implied annual growth rate of 20.7%.<sup>ii</sup>

Although both the number and userbase of SaaS applications for the Real Estate sector have increased significantly in recent years, Real Estate solutions is currently a very small segment of the SaaS market. With users experiencing the value that RealTech SaaS solutions can offer, uptake of these solutions is expected to increase further in the coming years and Real Estate solutions is likely to become one of the fastest growing segments of the SaaS market.

SaaS has democratized the access to data and analytics, especially for small businesses, in areas like appraisals, property management, insurance, tax assessment, and transaction settlement, where better analytics based on larger data sets can drastically influence decisions. It has also allowed small businesses affordable access to operational solutions such as property management software (“PMS”), automated valuation models (“AVMs”), and transaction management software, which only large businesses could buy earlier.

**Big Data Analytics:** Big data technologies allow businesses to take more informed decisions in quick time by gaining access to and analyzing large volumes of data at high speeds. Big Data Analytics has wide applications in Real Estate industry, especially in areas like valuation and tax assessment, since there is no active market or authentic price discovery (valuation) mechanism. With access to more datapoints and better analytics capabilities, valuation has become more reliable and tax assessments have become more verifiable. Some of the other ways big data analytics is helping Real Estate industry players are:

- More accurate prediction of risk for lenders
- Better premium calculations for insurance companies
- Targeted marketing for brokers and agents
- Deeper title verification for title agents and attorneys

Lenders are leveraging data analytics to gain a closer understanding of market dynamics as well as the actionable insights on the interplay of credit scores, Loan-to-value ratios (“LTV”), loan amounts, property characteristics etc. These knowledge helps mortgage lenders make more informed decisions to minimize the risk of loss.

Insurance companies offering services in real estate utilize big data analytics to effectively and efficiently decide the optimum insurance plan for customers based on different constraints like geographical region, type of property. Big data analytics provides access to large datasets from sources like public, government, municipalities, which can be analyzed for more accurate tax assessment of properties.

Lenders and insurers have increasingly started using alternative data sets to analyze risk and accordingly price their products. These alternative data sets include social media activity, online behavior, digital spending patterns, and credit history. These data sets combined with customer analytics and social listening capabilities also help brokers and real estate developers generate better returns on their marketing expenditure by clearly identifying high-potential prospects and reaching out to them in the most effective manner.

**AI and ML:** AI and ML applications are built on complex algorithms and predictive analytics that help them analyze situations and decide their course of action without human involvement. Some of the areas where AI and ML applications are being used in Real Estate industry are as follows:

- Increasing lead generations
- Managing workflow
- Simplifying and expediting properties valuation
- Automating documentation
- Virtualizing home tours

Websites related to real estate businesses are visited by plenty of potential leads. Deep learning techniques of AI and ML help these websites to identify the most frequent visitors who are most likely to become customers and do targeted marketing for them. Real estate transactions rely heavily on documentation work. AI and ML powered tools make reviewing of these documents fast and easy. The AI and ML tools can easily track and record any inaccuracy and inconsistencies in the transactions and help in streamlining the process. Through the use of AI and ML, estimating the value of properties becomes fast, accurate and easy. AI and ML are used to develop technological platforms that have the capability to access different types of data such as street imageries, geographical details, municipalities data etc. about properties which makes the valuation process faster and more accurate.

AI and ML help mortgage lenders in the underwriting process. AI and ML based algorithms have the potential to analyze the mortgage documents with speed and accuracy, thereby reducing the workload of underwriters and making the mortgage lending process fast and secure. Augmented Reality/Virtual Reality (“AR/VR”) based on AI and ML has proven to be constructive in the real estate industry specially during the COVID-19 pandemic. When the restrictions were in place, AR/VR proved to be great for virtual property tours for both customers and real estate agents. The market for AR/VR in real estate alone is expected to generate almost USD 2.6 billion by 2025. In 2021, it is estimated that about 130,000 real estate agents in the world will be using AR/VR technology to show properties with an annual spending of USD 5,000 each that is expected to grow by 10% each year.<sup>iii</sup> The property listings with virtual tours received 87% more views online as compared to property listings without virtual tours.<sup>iv</sup> Virtual tours have made the process of property buying faster, easier, and more convenient.

## Emerging Trends <sup>v,vi</sup>

Some of the key trends expected to drive RealTech's growth going forward are as follows:

### 1. US Moratorium Withdrawal a Boost for Foreclosure-Related RealTech Companies

In response to the health and financial crisis by the COVID-19 outbreak, the Federal and State governments have imposed a relief measure of the foreclosure moratorium which is a temporary halt in the initiation or continuation of foreclosure procedures for mortgage loans. Nearly 2 million homeowners in the US are still in some type of mortgage forbearance.<sup>vii</sup> Agencies like the Department of Housing and Urban Development ("HUD"), Department of Veterans Affairs ("VA"), and the United States Department of Agriculture ("USDA") have extended it further till 31 Jul 2021. Foreclosures will resume after the moratorium ends and will likely start with abandoned homes and mortgages that were already 120 days behind on their payments as on 1 Mar 2021, which will significantly increase the volume of business for property appraisers. This can be a growth driver for platforms that can provide valuation services much faster and with greater accuracy.

### 2. Mobile-First Trend Intensifying in RealTech

In recent years, there have been different mobile applications where users can buy, sell, browse properties, or find an agent. Buyers can virtually meet sellers and look out for properties that appeal to them. It saves time and effort and also makes all the processes transparent. While real estate mobile applications have been there for some time, 2021 is expected to see a surge in both experience and matching backed with big data and AI.

On-demand matching is connecting buyers with an agent in an Uber-like setting (often called "Uberization") which is likely to reduce the transition time from scheduling a visit to getting it done and give the user the option to immediately view that properties that they like in the neighborhood.

### 3. Use of 3D Virtual Tours and Virtual Staging Growing

Virtual Reality ("VR") in real estate makes the search and buying experiences more interesting as they provide a virtual tour of the property to the potential buyers that they can view remotely. With virtual reality implementation, real estate has entered into a new state of synthesis in technology usage. A customer can now remotely visit the property they are interested in through virtual tours. The COVID-19 era has further pushed VR acceptance, and today property buyers and sellers can make deals without meeting.

With the increasing popularity of 3D virtual tours, virtual staging is a technology that is being adopted by more and more users to beautify a home for a virtual open house. This helps sellers to snag buyer attention by showing them the full potential of what the property has to offer, while also cutting down on staging costs. Not only does virtual staging help sell the home, it also allows for easy customization to show the room with the potential buyer's tastes in mind.

### 4. Internet of Things Revamping Real Estate

The Internet of Things ("IoT") refers to smart devices and applications that are interconnected through the cloud, constantly exchanging information that can be used to solve potential problems in real estate management. IoT tools are being developed for use by appraisers, developers, construction managers, and real estate agents to make the property management process more cost effective and less time consuming. The data that is provided by these interconnected devices can be analyzed for better efficiency and assist in making the appraisal process more accurate.

## **5. Tech-Enabled Real Estate Specific CRMs Gaining Popularity**

One of the most important part of being successful in real estate lies in the relationship that one makes. Hence, it is crucial for agents and other real estate professionals to pay attention to engaging clients. Customer Relationship Management ("CRM") tools allow users to manage client relationships and interactions through a carefully organized database. As the adoption of technology in real estate continue to grow, with processes becoming more streamlined and data-backed, the increase in adoption of CRM tools in various capacities is likely to continue.

## **6. Blockchain Transactions Increasing**

Blockchain helps in securing digital records of property transactions. In the real estate appraisal business, blockchain can help in efficiently managing all appraisal-related documents. It can also help to securely access that data that can be customized as per various requirements. Blockchain can help in mortgage, property management, property registration, urban planning, real-time accounting etc. Blockchain-based smart contracts can automate the contract agreements and payment terms to enhance the financial management within the real estate sector.

## **Risk Profile Analysis**

### **1. MARKET RISK**

Voxtur operates in an environment characterized by high innovation, rapid technological change, and high competition. The Company needs to continuously invest in technology to maintain its competitive edge since its competitors have advanced research and development (“R&D”) programs, vast experience, an established supply chain, a strong financial position, and competitive human resources. The company needs to constantly spends on expanding and acquiring new technological capabilities. Consequently, we feel that Voxtur has a MID-HIGH market risk profile.

### **2. KEY PERSONNEL RISK**

Voxtur’s leadership team is knowledgeable and has decades of experience in areas such as Mortgages, Property Management, Banking, Analytics, and Information Technology. However, the Company currently depends heavily on a few key personnel and lacks depth of skill and experience compared to its competitors. The Company needs to lower its dependance on these key personnel by hiring the right talent and to continuously training and upskilling its employees. Consequently, we believe that the Company has MID-HIGH key personnel risk.

### **3. CUSTOMER RISK**

Voxtur has been overdependent on a few customers over the years. The Company earned 49% and 40% of its total revenue from two customers in 2019 and 2020, as mentioned in its Management Discussion and Analysis for 2020. This heavy reliance on a couple of customers has been a significant risk to the business since there is no guarantee that these customers will maintain / renew their contracts and remain engaged with the Company with the same rigor. A loss of these customers or a significant fall in business from them has been a significant threat to Voxtur’s business continuity. Voxtur has signed several service contracts with new customers recently that allay its business risk by lowering revenue concentration in the short term. The Company claims that after signing these contracts, no single customer contributes more than 5% of its revenue. However, the sustainability of this low revenue concentration cannot be guaranteed until these customers settle in and consistently generate predictable revenue. We, therefore, believe that Voxtur has a MEDIUM customer risk profile.

### **4. FINANCIAL RISK**

Voxtur has incurred considerable losses and negative cash flow from operations. Also, the Company has raised considerable debt in the last two years to meets its working capital requirement, marketing, and business overheads. If in the future the Company is unable to have sufficient revenue from the sale of its product and is unable to generate sufficient cash through its operations, the Company will further need to raise funds through equity or debt. If such financing is not arranged within the required time, Voxtur might struggle to continue operating. As such, we believe that the Company has a MEDIUM financial risk profile.

### **5. ECONOMIC RISK**

Voxtur is influenced by the macroeconomic environment of the US and Canada. Currently, the Covid-19 outbreak is the most material microeconomic challenge confronting the entire world economy. The pandemic has significantly affected the Company in 2020 due to the foreclosure moratorium period provided by the Government preventing foreclosures which impacted property appraisal market in the US. Once the moratorium is lifted, the volume of business for Voxtur is going to increase significantly. Since Voxtur provides services that are directly related to property valuations, we believe that in the current environment, the Company has a LOW-risk profile.

## Financial Analysis

**Revenue and Profitability:** Voxtur's revenue increased from CAD 8.8 million to CAD 20.5 million from 2016 to 2020, translating to a CAGR of 23.6%. The Company's gross profit grew from CAD 5.2 million in 2016 to CAD 9.3 million in 2020, at a CAGR of 15%, although its gross profit margin fell from 58.9% to 45.5% over the same period due to rising operating costs. The Company's revenue growth primarily came from its Professional Services business, which grew at a CAGR of 92.0% over this period. By contrast, Software & Data Licenses revenue grew at a much slower rate of 1.7% CAGR over this period. The revenue contribution of Software and Data License fell from 89.9% in 2016 to 41.1% in 2020.

Voxtur's Direct Operating Expenses increased from CAD 3.6 million to CAD 11.2 million from 2016 to 2020, at a CAGR of 32.7%. These expenses are projected to reach CAD 169.1 million in the year 2025, as the Company continues to invest more in R&D. The Company's Other Operating Expenses increased from CAD 5.6 million to CAD 15.1 million from 2016 to 2020, translating to a CAGR of 30.0%. These expenses are projected to reach CAD 102.6 million by 2025, primarily because we expect the Company to significantly increase its Sales & Marketing expenditure.

The Company had incurred net losses of CAD 0.5 million in 2016 which has sharply increased to CAD 6.1 million in 2020 because of the Company's high R&D and M&A related expenses. However, we expect the Company to become profitable by the end of 2021, with a significant increase in revenue from foreclosure-related valuation work.

We project a consistent increase in the Company's revenue and profitability until 2025 due to a conducive market environment and the Company's plans of rolling out new functionalities and expanding its Sales & Marketing efforts in the US. According to our projections, Voxtur's total revenue could reach CAD 412.5 million by 2025 at an implied 82.3% CAGR between 2020 and 2025, while its gross margins could reach 59.0%. We project the Company's Net Profit to increase to CAD 89.7 million by 2025.

**Capital Structure:** Voxtur's share capital increased from CAD 2.6 million to CAD 17.8 million from 2016 to 2020, translating to a CAGR of 61.9%. The Company had a healthy debt to equity ratio of 1x in 2016 which changed to about 1.1x in 2020, indicating a balanced capital structure. The Company's total long-term debt increased from almost nil in 2016 to CAD 3.6 million in 2020. We believe that this sharp increase in long-term debt has a low probability of recurring in the near future. Consequently, we have maintained long-term debt at these levels until 2025 in our valuation model. The Company has used convertible debentures as a source of capital in recent years. In the year 2016, the Company had no issued convertible debentures on its balance sheet but by 2020 it had convertible debentures worth CAD 7.6 million. We see the Company maintaining these levels in the near future.

We feel that the Company is currently well capitalized and should be able to support its operating and R&D expenses as well as finance its acquisitions over the next few years with its current cash reserves and future revenues. However, it may need to raise additional capital in the medium and long term if its growth plans continue to be aggressive. The Company has been able to raise equity capital periodically through a public offer and a series of private placements in the past because of investors' faith in its technology and vision. However, as it moves to its next lifecycle stage, it will need to give investors faith in its execution capabilities to raise further equity capital.

**Liquidity Position:** Voxtur has maintained a sound liquidity position since 2016, with a current ratio of about 1.4x. The ratio improved slightly to 1.2x in 2020, and we expect its current ratio to remain sound in the coming years. Voxtur's cash ratio declined from 2.5x to 0.8x from 2016 to 2020, indicating that the Company has more current liabilities than its cash and cash equivalents. We expect the cash ratio to decline further to 0.5x by the year 2025, as the Company makes organic and inorganic investments in the coming years. However, this is common among growing technology businesses, and we expect these investments to generate significant returns in the future.

**Cash Flow position:** Voxtur had a negative operating cash flow of CAD 0.1 million in 2017 and the negative cash flow increased to CAD 4.9 million in 2020. The steep decline in operating cash flow for the year 2020 is attributed to the COVID-19 impact on revenue and profitability. However, we expect the Company to recover and have a positive operating cash flow from 2021.

The cash flow from investing activities for the Company was positive for the year 2017 at CAD 0.2 million, which declined to a negative cash flow of CAD 6.7 million in 2020. The Company has made large investments in its software, Licenses, and trade names over the years to build its technology platform.

Voxtur had positive cash flow from financing activities in 2017 at CAD 4.8 million, which grew to CAD 14 million in 2020. Proceeds from shareholders equity have been a major contributor to the cash flow from financing activities, accounting for about 74% of the cash flow in 2020. We project the Company's cash flow from financing activities to be negative for the new few years as it utilizes its positive operating cash flows to finance activities and repays its obligations.

## Valuation

Equity Value of Voxtur stands between **CAD 603.5 million and CAD 737.6 million**

Equity Value per share for VXTR stands between **CAD 1.42 and CAD 1.74**

*(All figures in CAD thousands)*

Valuation Approach	Variance	Equity Value as on 27-Jul-2021	Price per Share (CAD)
Downside Case	-10%	603,464	1.42
Base Case	0%	670,515	1.58
Upper Case	10%	737,567	1.74

### Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent, depending on the sub-sectors in which the research is conducted. But all Arrowhead valuation research possess an underlying set of common principles and a generally common quantitative process.

With Arrowhead commercial and technical due diligence, Arrowhead researches the fundamentals, assets and liabilities of a company, and builds estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earnings ratios, indicated as applicable, are mainly for reference. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

We have presented the Discounted Cash Flow ("DCF") estimate approach for Free Cash Flow to Firm ("FCFF") valuation. We have also presented Comparable Company Analysis. The fair value bracket is built on the basis of these two methods.

### Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analyses such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a valuation tool.

In principle, an investor comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and, likewise, in terms of low estimates. The investor will also note the company intangibles to analyze the strengths and weaknesses, and other essential company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in investor's own analysis.

The bracket should be taken as a tool by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand that while on the one hand global capital markets contain inefficiencies, especially in terms of information, on the other, corporations and their commercial and technical positions evolve rapidly. This present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months).

## Estimation of Equity Value

Value of Voxtur's equity has been arrived at using two approaches – Listed Comparable Analysis and DCF Valuation Approach. The results have been summarized in the table below.

*(All figures in CAD thousands)*

Valuation Approach	Equity Value as on 27-Jul-2021	Price per share (CAD)	Weight (%)
<b>Listed Company Analysis</b>	657,697	1.44	50%
<b>DCF Valuation</b>	683,334	1.72	50%
<b>Weighted Average Equity Value</b>	<b>670,515</b>	<b>1.58</b>	<b>100%</b>

### 1. Listed Company Analysis

Listed Comparable Analysis method operates under the assumption that similar companies will have similar valuation multiples such as EV/Sales and EV/Employees. We have shortlisted companies similar in business with Voxtur based on parameters such as market size, region of operations etc.

A list of available statistics for the companies was completed, and the EV/Sales, EV/EBITDA, P/E, and EV/Employees multiples were calculated for each of the comparable companies. Since most of the data was not normalized, we have left outliers in our calculations. The weighted average of the resulting multiples was then calculated and used as benchmark for valuing Voxtur.

The weights allocated to the comparable companies were based on the degree of their business match with the subject company.

*(All figures in CAD thousands)*

Relative Valuation based on:	Weight	Equity Value as on 27-Jul-2021	Implied Share Price (CAD)
<b>EV/Sales</b>	60%	889,537	1.95
<b>EV/EBITDA</b>	10%	204,916	0.45
<b>P/E</b>	10%	175,769	0.44
<b>EV/Employees</b>	20%	429,528	0.94
<b>Weighted Average Equity Value</b>	<b>100%</b>	<b>657,697</b>	<b>1.44</b>

Stock Exchange	Ticker	Company Name	Business Match %	EV/Sales	EV/EBITDA	P/E	EV/Employees
Toronto Stock Exchange	REAL	Real Matters Inc.	80%	-	17.2	30.1	1,614.4
Nasdaq Stock Market	FTHM	Fathom Holdings Inc.	75%	-	-	-	9,419.7
New York Stock Exchange	INS	Intelligent Systems Corporation	60%	7.1	19.9	35.8	445.9
Nasdaq Stock Market	PDFS	PDF Solutions Inc.	60%	7.1	-	-	1,479.7
New York Stock Exchange	ECOM	Channel Advisor Corporation	70%	-	23.8	36.4	845.2
London Stock Exchange	WAND	Wandisco Plc	65%	17.7	-	-	1,037.2
OTC Markets	KLDI	KLDiscovery Inc.	60%	-	22.5	-	479.1
Nasdaq Stock Market	EGAN	eGain Corporation	70%	4.3	30.6	49.4	560.1
Nasdaq Stock Market	GTYH	GTY Technology Holdings Inc.	70%	8.2	-	-	4,756.7
<b>Median</b>				<b>7.1</b>	<b>22.5</b>	<b>36.1</b>	<b>1,037.2</b>
<b>Mean without Outliers</b>				<b>10.0</b>	<b>25.6</b>	<b>40.5</b>	<b>1,377.1</b>
<b>Weighted Average without Outliers</b>				<b>10.1</b>	<b>25.8</b>	<b>40.7</b>	<b>10.1</b>
TSX Venture Exchange	<b>VXTR</b>	<b>Voxtur Analytics Corp.</b>		<b>2.9</b>	<b>33.9</b>	<b>61.6</b>	<b>979.4</b>

## 2. Discounted Cash Flow (“DCF”) Approach

- **Valuation Methodology:** The Arrowhead fair valuation for Voxtur is based on the Discounted Cash Flow (“DCF”) analysis of all the Group’s business units.
- **Time Horizon:** The time period chosen for valuation is 5 years (2021 – 2025).
- **Terminal Value:** Terminal value is based on terminal growth rate of 5.0%

The following table calculates the cost of equity of Voxtur. The expected return on the market is assumed for the broader market. We have additionally assumed a company-specific risk to account for the risk involved in taking Voxtur’s business forward.

## Weighted Average Cost of Capital

Valuation	
Risk Free Rate (Rf)	2.0%
Beta	1.5
Expected Market Rate of Return	8.0%
Company Specific Business Risk	8.5%
<b>Cost of Equity</b>	<b>15.0%</b>
<b>Interest Rate Paid on Debt</b>	<b>5.0%</b>
Assumed Weight – Debt	5.0%
Assumed Weight – Equity	95.0%
<b>Weighted Average Cost of Capital (WACC)</b>	<b>14.4%</b>

The following table summarizes the Free Cash Flow to Firm (“FCFF”) computation for Voxtur, which is subsequently discounted by the Weighted Average Cost of Capital (“WACC”).

FCFF (All figures in CAD thousands)					
	2021	2022	2023	2024	2025
Net Income	4,962	18,087	41,159	66,877	89,709
Add: Depreciation and Amortization	3,075	3,085	3,099	3,115	3,132
Add: Interest Expense x (1-Tax Rate)	408	409	409	410	410
Less: CAPEX	3,160	3,170	3,180	3,190	3,200
Less: Increase in Net Working Capital	(6,351)	(5,872)	(3,437)	(17)	3,015
<b>Free Cash Flow to Firm (FCFF)</b>	<b>11,636</b>	<b>24,282</b>	<b>44,924</b>	<b>67,228</b>	<b>87,036</b>
<b>Terminal Value</b>					<b>971,176</b>
<b>Present Value of Free Cash Flow to Firm (FCFF)</b>	<b>10,170</b>	<b>18,551</b>	<b>29,998</b>	<b>39,237</b>	<b>44,400</b>
<b>Present Value of Terminal Value</b>					<b>495,425</b>

<b>Valuation</b>	
<b>Enterprise Value as on 31-Dec-2021 (CAD thousands)</b>	<b>637,780</b>
<b>Equity Value as on 31-Dec-2021 (CAD thousands)</b>	<b>631,020</b>
<b>Equity Value as on 27-Jul-2021 (CAD thousands)</b>	<b>683,334</b>
Number of Shares Outstanding (in thousands)	396,926
<b>Value per Share (CAD)</b>	<b>1.72</b>

The equity value of the Company is sensitive to cost of equity. The following table captures the sensitivity of Voxtur's value to these assumptions.

*(All figures in CAD thousands)*

<b>Cost of Equity</b>	<b>Equity Value</b>
10%	1,474,103
11%	1,207,932
12%	1,019,249
13%	878,634
14%	769,883
15%	683,334
16%	612,871
17%	554,433
18%	505,218
19%	463,231

## **Analyst Certifications**

We, Aditya Ahluwalia and Sudhanshu Agarwal, certify that all of the views expressed in this research report accurately reflect our personal views about the subject security and the subject company, based on the collection and analysis of public information and public company disclosures.

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## Appendix

### Glossary

TSXV	Toronto Stock Exchange – Venture Exchange
AI	Artificial Intelligence
GVP	GeoViewPort
R&D	Research & Development
MTAG PPC	MTAG Paralegal Professional Corporation
CAMA	Computer Assisted Mass Appraisal
AVM	Automated Valuation Model
AOLS	Association of Ontario Land Surveyors
SRI	Survey Record Index
MPAC	Municipal Property Assessment Corporation
RPTA	Real Property Tax Analytics
RTM	Realty Tax Management
SaaS	Software-as-a-Service
YCP	Yeoman & Company Paralegal Professional Corporation
BMO	Bank of Montreal
JEA	James E. Albertelli, P.A. and some of its affiliates
IMA	Institute of Municipal Assessors
RICS	Royal Institute of Chartered Surveyors
MMP	Mortgage Modification Policy
TSG	Trustee Sale Guarantee
RealTech	Real Estate Technology
CAGR	Compounded Annual Growth Rate
ML	Machine Learning
AR/VR	Augmented Reality/Virtual Reality
HUD	Department of Housing and Urban Development
VA	Veterans Affairs
USDA	United States Department of Agriculture
CRM	Customer Relationship Management
PMS	Project Management Software
TMS	Transaction Management Software
IoT	Internet of Things
ROI	Return on Investment
CAD	Canadian Dollar
USD	United States Dollar
DCF	Discounted Cash Flow
FCFF	Free Cash Flow to Firm
WACC	Weighted Average Cost of Capital

## Notes and References

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- <sup>i</sup> [www.businesswire.com](http://www.businesswire.com) 'The \$12+ Billion IT Market in Real Estate - Growth, Trends and Forecasts to 2025 ResearchAndMarkets.com'
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- <sup>iii</sup> [www.encora.com](http://www.encora.com) 'AR/VR Technology Benefits the Global Real Estate Market'
- <sup>iv</sup> [www.realtor.com](http://www.realtor.com) 'Living in the Age of Social Distancing Sparks Changes'
- <sup>v</sup> [www.forbes.com](http://www.forbes.com) '15 Technology Trends Disrupting Real Estate Today'
- <sup>vi</sup> [www.oxfordamc.com](http://www.oxfordamc.com) 'emerging-technologies-commercial-appraisal'
- <sup>vii</sup> [www.cnn.com](http://www.cnn.com) 'CFPB beefs up protections for struggling homeowners, but will not ban foreclosures'