



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

ASX MARKET RELEASE

31st July 2018

June Quarter 2018 Update

Strong Quarter Results – Cash Receipts Up 60% for the Quarter

Highlights

June Quarter

- Cash receipts for June Quarter were up 60% from March Quarter to \$6.7m which includes first full quarter of SLP
- Annual Group revenue has grown over 60% for the year end to \$16m
- The Agency (Real Estate Group) on track for over 100% growth – excluding SLP
- Investment of \$642k has been used towards acquisitions such as Beaufort, Inglewood and SLP

The Agency (West Coast)

- The Agency Group (WA) – total revenue of \$5.5m for June Quarter 2018
- The Agency WA (gross sale commissions only) –\$2.3m for June Quarter 2018
- SLP (gross sale commissions only) - \$1.8m for June Quarter
- The Agency and SLP continue to rank as top offices in WA (REIWA to announce total annual in August)

Corporate

- Exclusive Option Agreement to acquire Top Level Real Estate extended until 11th October 2018
- Management teams working together on the structure of the transaction
- Negotiations progressing with top-tier advisers to raise additional funds
- Additional acquisition opportunities nationally also being explored

* Please note all revenue figures listed are unaudited

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The Agency Group Australia (ASX: AU1) (“The Agency” or “the Company”), is pleased to provide an update for the June Quarter 2018, another successful quarter in which the Company continues to achieve its stated goal of being the fastest growing real estate brand.

The Agency Group (WA) core business units posted strong results for the June Quarter. The Agency real estate sales posted gross sale commission income of \$2.3m while SLP posted \$1.8m totalling \$4.1m of gross sale commissions income for the June Quarter.

The Agency Property Management reported quarterly income of \$342k, up 25% quarter-on-quarter.

Mortgage and Financial Solutions Australia posted over \$31m in loan lodgements and revenue of \$680k for the quarter.

Landmark Settlement recorded 225 settlements for the quarter, bringing in just over \$261k.

WA Expansion Continues

During the quarter, The Agency acquired established Inglewood Real Estate which has a strong market share in Inglewood and surrounding area and adds approximately 80 property managements to The Agency Group.

SLP – Achieves Strong Quarter

In its first full quarter since acquisition in March 2018, Sell Lease Property delivered robust results during the June Quarter 2018 including 180 properties settled and 245 listings.

Full year results for Top Office in Western Australia are to be announced by REIWA in August.

National Expansion

During the June Quarter, The Agency announced an extension to the Amended and Restated Binding Option Agreement to acquire Top Level Real Estate Pty Ltd (refer to ASX announcement dated 12 February 2018 for further information).

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The Option Agreement has been extended for four (4) months from 11th June 2018 (the date on which the Deed of Variation was executed) until on or before 5pm AEST on 11th October 2018.

Under the terms of the Deed, the completion of a raising of no less than \$10m (A Condition Precedent under the Option Agreement) has been extended until 5pm AEST on 11th August 2018 or at a later date agreed to by all parties.

Management teams of both The Agency and Top Level are continuing to work together on the structure of the transaction.

Meanwhile, negotiations with top-tier fundraisers are progressing well in regards to a revised funding arrangement.

The Company will provide an update to shareholders imminent on the outcome of these discussions.

If you require further information, please contact:

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Media

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THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



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Financial Planning

THE AGENCY
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ASX: AU1

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

The Agency Group Australia Limited

ABN

52 118 913 232

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,660	18,141
1.2 Payments for		
(a) research and development	-	(17)
(b) product manufacturing and operating costs	(4,411)	(10,080)
(c) advertising and marketing	(32)	(157)
(d) leased assets	(4)	(85)
(e) staff costs	(1,825)	(8,105)
(f) administration and corporate costs	(357)	(1,609)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(49)	(49)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(17)	(1,956)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(104)	(826)
(b) businesses (see item 10)	-	-
(c) investments	(642)	(1,062)
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Cash acquired on acquisition of businesses	-	-
2.6 Net cash from / (used in) investing activities	(746)	(1,888)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,920
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	1,100	1,100
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (over subscriptions share placement)	-	70
3.10 Net cash from / (used in) financing activities	1,100	3,090

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,112	2,203
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(17)	(1,939)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(746)	(1,142)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,100	1,990
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,449	1,112

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,045	706
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (Bank Guarantees)	404	406
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,449	1,112

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
84
-

Director salary \$50k

Director fees \$34k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

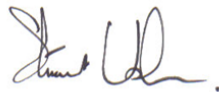
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(4,300)
9.3 Advertising and marketing	(30)
9.4 Leased assets	(6)
9.5 Staff costs	(1,900)
9.6 Administration and corporate costs	(410)
9.7 Other (Bank Guarantee and Rental deposit)	-
9.8 Total estimated cash outflows	(6,646)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 31 July 2018

Print name: Stuart Usher

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.