

ASX Release
28 April 2022

MARCH QUARTER 2022 UPDATE & APPENDIX 4C¹

26% GROWTH IN REVENUE DRIVING \$1.0M OPERATING CASH FLOW

Highlights

The Agency Group	3Q FY22	Increase Y-on-Y
Total Revenue (M)	\$18.8	+26% (3Q FY21: \$14.9M)
Gross Commission Income (M)	\$25.4	+27% (3Q FY21: \$20M)
No. of Properties Sold	1,421	+15% (3Q FY21: 1,232)
Value of Properties Sold (Bn)	\$1.4	+17% (3Q FY21: \$1.2Bn)
No. of Agents	376	+25% (3Q FY21: 300)

- Positive Operational Cash flow of \$1.0M for March quarter and \$3.4M in the 9 months to 31 March 2022.
- Cash and cash equivalents as at 31st March 2022 of \$8.0M
- Agent numbers to 376 at 31 March 2022, an increase of 67 from 308 agents at 30 June 2021

National real estate company The Agency Group Australia (ASX:AU1) (“The Agency” or “the Company”) is pleased to announce positive operational and financial results across its business for the March Quarter 2022 as it further accelerates its growth across Australia.

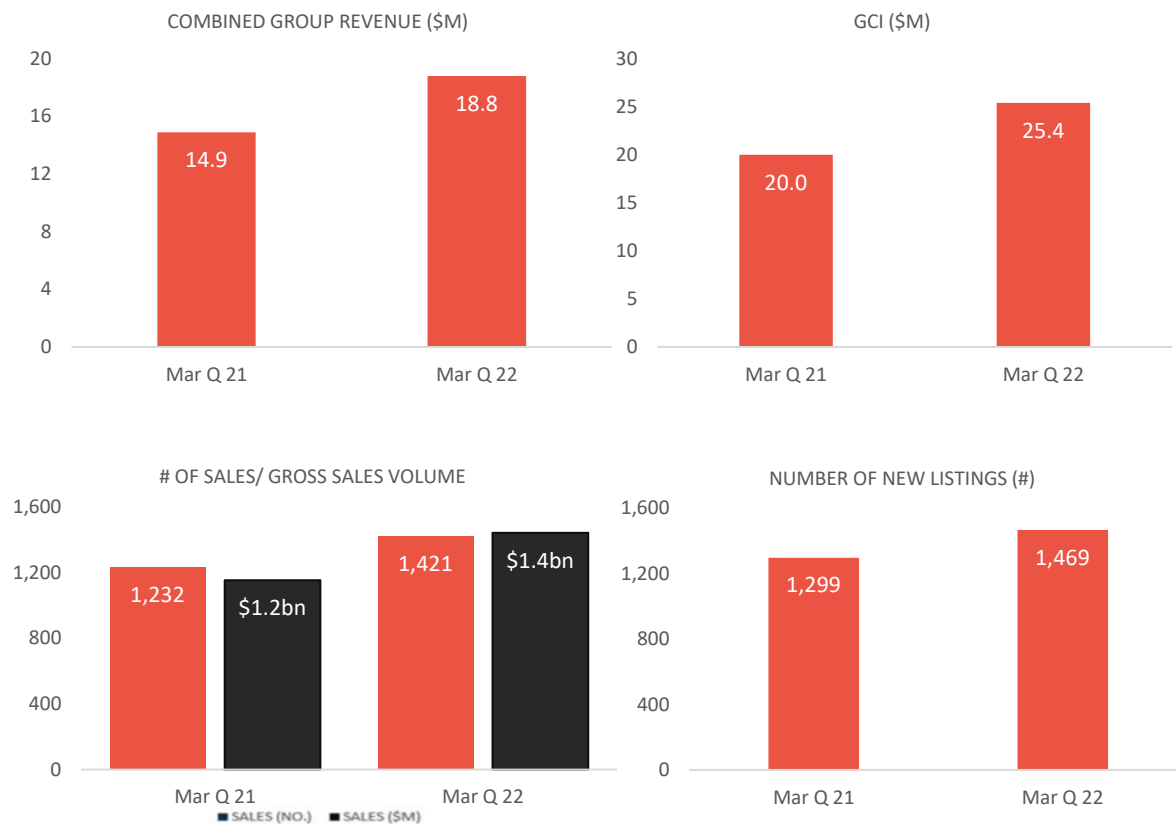
Commenting on the results, The Agency Group’s Managing Director and CEO Geoff Lucas said:

“We are pleased with the 26% revenue growth achieved in the March quarter, continuing the momentum achieved in the first half of the year. We continue to generate strong operating cash flows, with \$1.0m operational cash flow in the quarter which further continues to strengthen our balance sheet position. We hold a healthy cash balance with around \$8.0 million in cash and cash equivalents, positioning us well to participate in organic and inorganic accretive opportunities.

The March quarter saw our entry into 3 new geographical areas in Manly on the Northern Beaches of Sydney, Toowoomba in Queensland, as well as Canberra in the ACT. Agent recruitment remains strong with an increase in agent numbers to 376 at quarter end, an increase of 67 from 308 agents at 30 June 2021. The continued growth reflects increasing awareness in our brand and our direct engagement model with agents.”

¹ Revenue figures provided in this announcement are unaudited and EBITDA provided in this announcement is pre-adoption of AASB16

March Quarter Key Metrics



Combined group revenue for the March quarter was \$18.8m, compared to previous corresponding period's revenue of \$14.9m.

Gross Commission Income (GCI) for the period was \$25.4m, compared to March quarter 2021 GCI of \$20.0m. GCI was based on 1,421 exchanges across the group.

The Agency sold a combined \$1.4 billion worth of property, compared to \$1.2 billion during the March quarter 2021.

The pipeline for future sales remains strong with the combined group reporting 1,469 listings for the March quarter.

Cash flow commentary

The Agency Group reported cash flows from Operating Activities of \$988,000 for the March Quarter 2022.

Receipts from customers of \$23.5m for the three-month period, an increase of \$6.0m from the \$17.5m achieved in March quarter 2021. Receipts are slightly below the December quarter primarily due to the seasonal nature of underlying GCI.

During the quarter, the Company invested \$385,000 in the redevelopment of our Neutral Bay (NSW) and Claremont (WA) hub locations. The \$486,000 cash receipt relates to the final retention funds received from the disposal of the WA rent roll which was settled in October 2020.

Cash and cash equivalents as at 31st March 2022 were \$7.96 million.

ENDS

Announcement authorised for release by the Board of The Agency Group Australia Limited.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

The Agency Group Australia Limited (ASX: AU1)

ABN

52 118 913 232

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,486	68,418
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(16,924)	(49,345)
(c) advertising and marketing	(305)	(949)
(d) leased assets	(4)	(26)
(e) staff costs (incl. govt grants or incentives)	(2,995)	(8,484)
(f) administration and corporate costs	(2,211)	(6,382)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(59)	(178)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) – See commentary as attached	-	384
1.9 Net cash from / (used in) operating activities	988	3,442

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(385)	(930)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities (sale of WA Rent Roll)	-	-
(b) businesses	486	486
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	(70)
2.4 Dividends received (see note 3)	-	-
2.5 Commission advance/loans to other entities	(31)	(631)
2.6 Net cash from / (used in) investing activities	70	(1,145)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(16)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	(29)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	(45)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	6,904	5,710
4.2 Net cash from / (used in) operating activities (item 1.9 above)	988	3,442
4.3 Net cash from / (used in) investing activities (item 2.6 above)	70	(1,145)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(45)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,962	7,962

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	7,338	6,265
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantees)	624	639
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,962	6,904

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – directors fees and salaries	305
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	5,000	5,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	3,559	3,559
7.4	Total financing facilities	8,559	8,559
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<ol style="list-style-type: none"> 1. \$5m loan from Macquarie Bank, secured by 1st ranking charge over all group companies, Interest margin rate 3.75% repayable on 4-Jan 2023. 2. \$3.56M Convertible Note, secured by 2nd ranking charge over all group companies, (Conversion at \$0.027 per share and interest rate 8% with a maturity date of 31 March 2023) 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	988
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,962
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,962
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 28 April 2022

Authorised by: The Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.