

ASX Release  
28 January 2022

## HY FY22 UPDATE & APPENDIX 4C<sup>1</sup>

### ROBUST FINANCIAL & OPERATIONAL RESULTS

#### Highlights

The Agency GROUP	1Q FY22	2Q FY22	Increase Q-on-Q	HY22	Increase on HY21
Total Revenue (M)	\$16.1	\$19.7	+22%	\$35.8	+23% (\$29.1M: HY21)
Gross Commission Income (M)	\$24.5	\$28.4	+16%	\$52.9	+39% (\$38.1M: HY21)
No. of Properties Sold	1,344	1,566	+17%	2,910	+21% (2,407: HY21)
Value of Properties Sold (Bn)	\$1.4	\$1.7	+21%	\$3.1	+41% (\$2.2Bn: HY21)
No. of Agents	334	345	+3%	345	+16% (298: HY21)
Listings	1,441	1,609	+12%	3,050	+25% (2,449: HY21)

- Positive Operational Cashflow of \$2.5M for HY22 and \$1.2M for December Quarter
- Receipts from Customers of \$44.9M for HY22 and \$24.4M for Dec QTR
- Cash and cash equivalents at 31<sup>st</sup> December 2021 of \$6.9M
- Current Group CEO Geoff Lucas appointed Managing Director and CEO of The Agency Group effective 28 January 2022
- Company founder Paul Niardone appointed Executive Director, focussed on continuing to grow Western Australian business, national growth of emerging SLP business, expansion of financial services division and advancing a range of technology focused Proptech opportunities

National real estate company The Agency Group Australia (ASX:AU1) (“The Agency” or “the Company”) is pleased to announce significant HY22 financial and operational results across its business as it further grows its presence now in five states and territories.

Commenting on the results, The Agency Group’s outgoing Managing Director Paul Niardone said:

*“The HY22 and December Quarter results continue to vindicate The Agency business model, especially amidst the ongoing volatility brought on by COVID-19 nationally.*

*While it has been an extremely busy half year, we have remained focussed on growth and quality results and have developed a strong pipeline into CY22.*

*Cashflow continues to strengthen, and a \$6.9 million cash balance underpins our healthy balance sheet. This financial strength coupled with award-winning excellence in essential services and support to our agents and customers will enable us to deliver value to shareholders in the years ahead.*

<sup>1</sup> Revenue figures provided in this announcement are unaudited



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*Lastly, with the vast industry experience of Geoff Lucas as Managing Director and CEO, I am confident the Company is in a safe pair of hands as we focus our efforts on rapidly accelerating our business and successfully driving growth on the East Coast.”*

Combined group revenue for HY22 was \$35.8 million, up 23% on HY21’s group revenue of \$29.1 million. Group revenue for the December Quarter was \$19.7 million, eclipsing the previous quarter’s record of \$16.1 million.

Gross Commission Income (GCI) for 1HY22 was \$52.9 million which is 39% above 1H21. GCI for the December Quarter was \$28.4 million, up 32% on the prior corresponding quarter to December 2020.

GCI for the HY22 was based on 2,910 exchanges across the group while for the December Quarter there were 1,566 exchanges.

The Agency sold a combined \$3.1 billion worth of property in the HY22, up from \$2.2 billion in HY21, a 40% growth. The total value of property sold in during the December Quarter was \$1.7 billion.

The pipeline for future sales remains strong with the combined group reporting 1,609 listings for the December quarter.

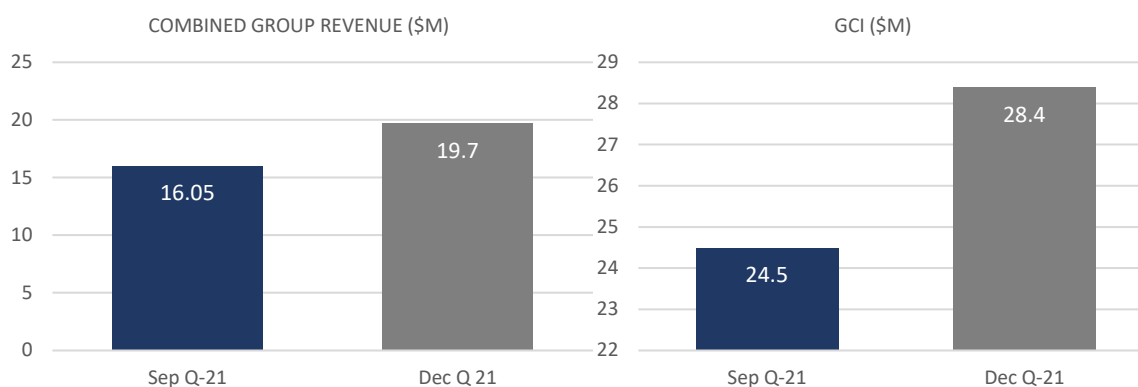
The Agency’s east coast operations reported a total management portfolio of 3,551 PuM at the end of December 2021.

### Agent Recruitment Across New Markets

As at 31st December 2021, the Company consisted of 345 agents, a 16% increase on the 298 agents as at 31st December 2020.

Importantly, since 31st December 2021, The Agency has further accelerated its recruitment drive adding four new agents in the ACT, seven new agents in NSW, seven new agents in QLD and four new agents in WA.

### December Quarter Graphs



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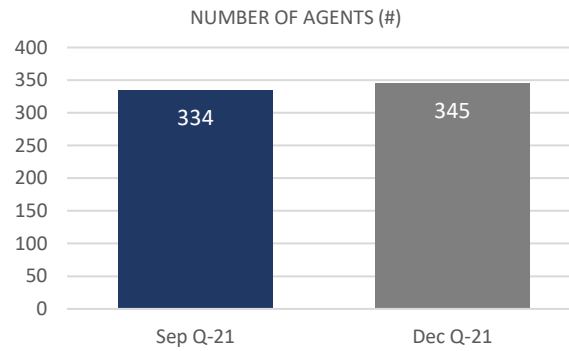
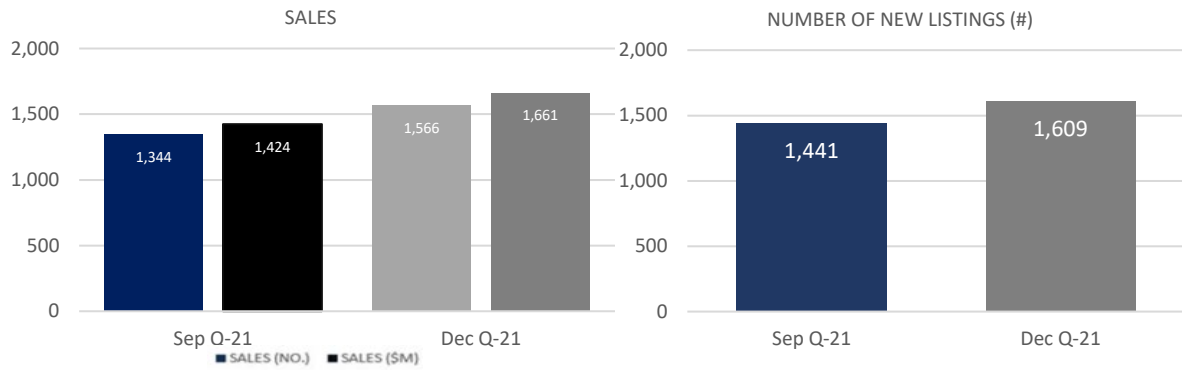
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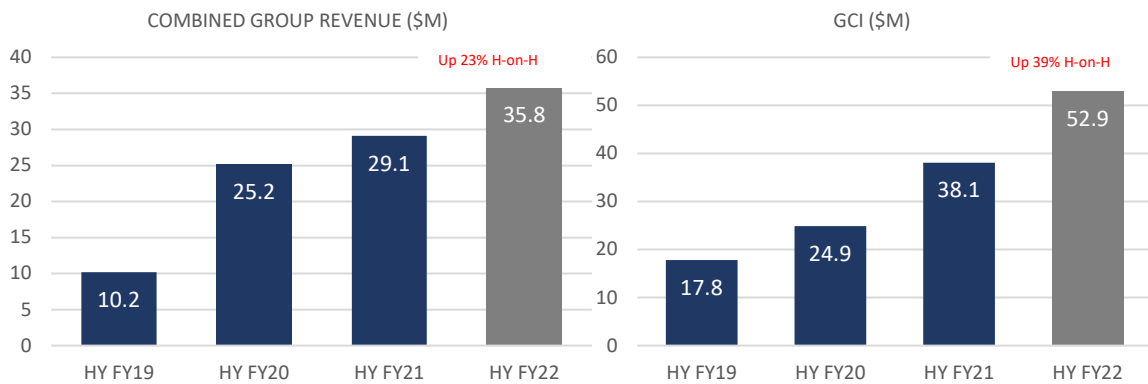
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### Half Year Graphs



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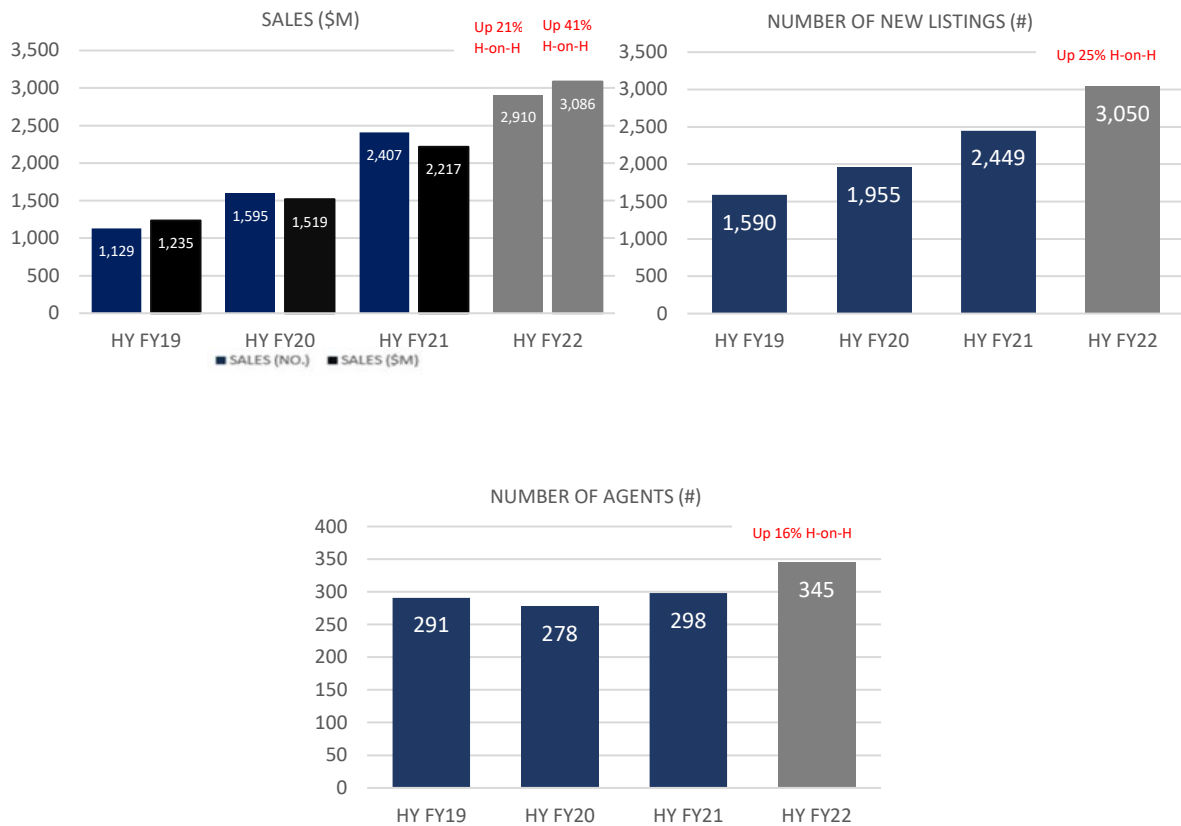
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## Cashflow commentary

The Agency Group reported Receipts from Customers of \$44.9 million for the half year period, a 32% increase on the previous half year's \$34 million. Cash and cash equivalents as at 31<sup>st</sup> December 2021 were \$6.9 million.

Cashflows from Operating Activities for the Half Year were \$2.5 million and \$1.2 million for the December Quarter 2021, the third consecutive quarter of positive operational cash flow for The Agency.

In Payments to related parties of the entity and their associates (refer to 6.1), the \$629,000 payment refers to Executive salaries (\$224,000), Executive cash bonuses of (\$59,000), Non-Executive salaries (\$13,000), consulting fees paid (\$33,000) and Commissions advanced of (\$300,000).

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Under Cashflows from Operating Activities, Item 1.8 (Other: \$384,000) refers to the \$400,000 deposit placed with the Federal Court's trust. As the legal matter with Magnolia Capital Pty Ltd has now been finalised, the deposit has now been returned to The Agency net of legal fees.

### **Appointment of Geoff Lucas as Managing Director & CEO<sup>2</sup>**

In December, The Agency announced the appointment of current Group CEO, Mr Geoff Lucas, to the position of Managing Director and CEO, effective 28 January 2022.

Mr Lucas, who has held the position of Group CEO of The Agency since 23 March 2021, has significant executive experience across several industries, including two periods with an eastern seaboard listed real estate company.

The appointment reflects the focus of The Agency on further growing its market share in Australian eastern states markets with its unique business model.

Company founder and outgoing Managing Director Paul Niardone has been appointed Executive Director, focussed on continuing to grow Western Australian business, national growth of the emerging SLP business, expansion of the Company's financial services division and advancing a range of technology focused Proptech opportunities.

**ENDS**

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

### **If you require further information, please contact:**

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<sup>2</sup> Refer to ASX announcement dated 29<sup>th</sup> December 2021.

## 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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	24,438	44,932
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(18,499)	(32,421)
(c) advertising and marketing	(309)	(644)
(d) leased assets	(11)	(22)
(e) staff costs (incl. govt grants or incentives)	(2,687)	(5,489)
(f) administration and corporate costs	(2,083)	(4,171)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(59)	(119)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) – See commentary as attached	384	384
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,176</b>	<b>2,454</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(463)	(545)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities (sale of WA Rent Roll)	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	(670)
2.4 Dividends received (see note 3)	-	-
2.5 Commission advance/loans to other entities	(600)	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1,063)</b>	<b>(1,215)</b>

<b>3. Cash flows from financing activities</b>		
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)	(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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(16)</b>	<b>(45)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,807	5,710
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,176	2,454
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,063)	(1,215)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	(45)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,904</b>	<b>6,904</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,265	6,194
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantees)	639	613
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,904</b>	<b>6,807</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	629
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>		



<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	3,489	3,489
<b>7.4 Total financing facilities</b>	<b>8,489</b>	<b>8,489</b>
<b>7.5 Unused financing facilities available at quarter end</b>		
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"> <li>1. \$5m loan from Macquarie Bank, secured by 1<sup>st</sup> ranking charge over all group companies, Interest margin rate 3.75% repayable on 4-Jan 2023.</li> <li>2. \$3.49M Convertible Note, secured by 2<sup>nd</sup> ranking charge over all group companies, (Conversion at \$0.027 per share and interest rate 8% with a maturity date of 31 March 2023)</li> </ol>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,176
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,904
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,904
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<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 January 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.