

## APPENDIX 4D

PropTech Group Limited  
ABN: 39 141 276 959

Current reporting period: For the half-year ended 31 December 2021 ("31 Dec 21")

Previous corresponding period: For the half-year ended 31 December 2020 ("31 Dec 20")

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

| Key financial information                   |    | Change in value |      |    | 31 Dec 21 |      | 31 Dec 20 <sup>1</sup> |
|---|----|-----------------|------|----|-----------|------|------------------------|
|   |    | \$'000          | %    |    | \$'000    |      | \$'000                 |
| Total revenues from ordinary activities     | Up | 4,777           | 98   | to | 9,650     | from | 4,873                  |
| Net loss from ordinary activities after tax | Up | (447)           | 1277 | to | (482)     | from | (35)                   |
| Net loss attributable to members            | Up | (447)           | 1277 | to | (482)     | from | (35)                   |

## DIVIDENDS

There were no dividends declared or paid during the period.

## NET TANGIBLE ASSETS

|   |       | 31 Dec 21 | 31 Dec 20 <sup>1</sup> |
|---|-------|-----------|------------------------|
| Net tangible assets per ordinary security | Cents | 1.99      | 0.84                   |

## DETAILS OF ENTITIES OVER WHICH CONTROL WAS GAINED DURING THE PERIOD

|  |                        |
|--|------------------------|
| Name of entity   | Eagle Software Pty Ltd |
| Date of gain of control  | 1 July 2021            |
| Ownership interest acquired  | 100%                   |
| Contribution of such entities to the reporting entity's losses from ordinary activities before income tax during the period (\$'000) | \$352                  |

## DETAILS OF ASSOCIATE ENTITIES

| Name of associate        | Proportion of ownership interest and voting rights held by the group |           |
|--------------------------|--|-----------|
|                          | 31 Dec 21  | 31 Dec 20 |
|                          | %  | %         |
| RealPay Holdings Pty Ltd | 20%  | 0%        |

## AUDIT QUALIFICATION OR REVIEW

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the attached Directors' Report and the consolidated financial statements for the half-year ended 31 December 2021

<sup>1</sup> Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and RECRM Pty Ltd. Refer to Note 10 (a) "Measurement Period Adjustment" for further details.

# PropTech Group Limited (ASX: PTG)

ABN 39 141 276 959

## INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021



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# CORPORATE DIRECTORY

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## **DIRECTORS**

Simon Baker (Non-Executive Chairman)  
Georg Chmiel (Non-Executive Director)  
Sam Plowman (Non-Executive Director)  
Joe Hanna (Managing Director and CEO)  
Scott Wulff (Executive Director)

## **COMPANY SECRETARY**

Lee Mitchell

## **REGISTERED OFFICE**

Suite 810  
Level 8, 2 Queen Street  
Melbourne, VIC 3000  
Australia

## **PRINCIPAL PLACES OF BUSINESS**

Level 4, 271-281 Bourke Street  
Melbourne, VIC 3000  
Australia

## **SHARE REGISTER**

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney, NSW 2000  
Australia

## **AUDITOR**

RSM Australia Partners  
Level 21, 55 Collins Street  
Melbourne, VIC 3000  
Australia

## **SOLICITORS**

Nicholson Ryan Lawyers Pty Ltd  
Level 7, 416-420 Collins Street  
Melbourne, VIC 3000  
Australia

## **STOCK EXCHANGE LISTING**

PropTech Group Ltd is listed on the Australian Securities Exchange (ASX:PTG)

## **WEBSITE**

<https://proptechgroup.io/>

## **CORPORATE GOVERNANCE STATEMENT**

<https://proptechgroup.io/investor/>

**PropTech Group Limited**  
**Directors' report**  
**For the half-year ended 31 December 2021**

The Directors present their report, together with the interim financial statements, of the consolidated entity (referred to hereafter as the “**consolidated entity**”) consisting of PropTech Group Limited (referred to hereafter as the “**Group**”, “**PropTech Group**”, “**PTG**” or the “**Company**”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

## DIRECTORS

The following persons were Directors of PropTech Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Simon Baker (Non-Executive Chairman)  
 Georg Chmiel (Non-Executive Director) (Appointed on 3 August 2020)  
 Sam Plowman (Non-Executive Director)  
 Joe Hanna (Managing Director and Chief Executive Officer)  
 Scott Wulff (Executive Director) (Appointed on 19 November 2020)

## PRINCIPAL ACTIVITIES

PropTech Group invests in, develops, and sells PropTech related software and services to real estate agencies and investors via its various platforms, these products and services are offered mostly throughout Australia, New Zealand, and the United Kingdom.

Additionally, the Group continued to add PropTech products and services via a build, buy or partner strategy, which focus on offering services and products in a centralised platform to real estate agencies to assist them in their day-to-day operations.

## REVIEW OF OPERATIONS

During the half-year ended 31 December 2021, total operating revenue increased by 98% to \$9,649,682, with a loss for the Group, after providing for income tax, amounting to (\$482,116). The Group had an underlying EBITDA for the period of \$789,816.

*The Group's revenue and underlying EBITDA performance is listed below,*

|                                | Half-year performance |                        |              |
|--------------------------------|-----------------------|------------------------|--------------|
|                                | 31 Dec 21             | 31 Dec 20 <sup>1</sup> | Change       |
|                                | \$'000                | \$'000                 | %            |
| Recurring revenue              | 8,172                 | 4,488                  | 82%          |
| Other operating revenue        | 1,478                 | 384                    | 285%         |
| <b>Total operating revenue</b> | <b>9,650</b>          | <b>4,872</b>           | <b>98%</b>   |
| Cost of sales                  | (804)                 | (471)                  | 71%          |
| <b>Gross profit</b>            | <b>8,846</b>          | <b>4,401</b>           | <b>101%</b>  |
| Gross profit margin %          | 92%                   | 90%                    |              |
| Other income                   | 1                     | 159                    | (99%)        |
| Operating expenses             | (8,057)               | (3,146)                | 156%         |
| <b>Underlying EBITDA</b>       | <b>790</b>            | <b>1,414</b>           | <b>(44%)</b> |
| Underlying EBITDA margin %     | 8%                    | 29%                    |              |

<sup>1</sup> Adjusted for the retrospective application of “AASB 136 (84) Impairment of Assets” which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and RECRM Pty Ltd. Refer to Note 10 (a) “Measurement Period Adjustment” for further details.

**PropTech Group Limited**  
**Directors' report**  
**For the half-year ended 31 December 2021**

**Reconciliation between underlying EBITDA and statutory profits:**

|  | <b>31 Dec 21</b> | <b>31 Dec 20<sup>1</sup></b> |
|--|------------------|------------------------------|
|  | <b>\$'000</b>    | <b>\$'000</b>                |
| <b>Underlying EBITDA</b>                 | <b>790</b>       | <b>1,414</b>                 |
| Share of losses in associates            | (48)             | -                            |
| Share based payments                     | (272)            | (5)                          |
| Bad debts                                | (3)              | 10                           |
| Foreign currency translation differences | (11)             | 18                           |
| Transaction and relisting expenses       | (92)             | (64)                         |
| <b>EBITDA</b>                            | <b>364</b>       | <b>1,373</b>                 |
| Depreciation and amortisation            | (1,120)          | (1,219)                      |
| <b>EBIT</b>                              | <b>(756)</b>     | <b>154</b>                   |
| Net finance costs                        | (12)             | -                            |
| <b>Profit / (loss) before income tax</b> | <b>(768)</b>     | <b>154</b>                   |
| Income tax benefit / (expense)           | 286              | (189)                        |
| <b>Loss after income tax</b>             | <b>(482)</b>     | <b>(35)</b>                  |

<sup>1</sup> Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and RECRM Pty Ltd. Refer to Note 10 (a) "Measurement Period Adjustment" for further details.

**NON-IFRS FINANCIAL MEASURES**

To assist in the evaluation of the performance of the Group, certain measures are used, that are not recognised under AAS or IFRS. These measures are collectively referred to as "**non-IFRS financial measures**".

The non-IFRS financial measures and pro-forma results provide useful information about the financial performance of the Group, they should be considered as supplements to the financial statements that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way the Group has calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this financial report should therefore not place undue reliance on these non-IFRS financial measures.

The table below gives reference to non-IFRS financial measures that have been mentioned in this financial report:

| <b>Non-IFRS financial measure</b> | <b>Definition</b>   |
|-----------------------------------|---|
| EBIT                              | Earnings / (losses) before interest (net finance income) and taxation   |
| EBITDA                            | Represents earnings before interest, income tax expenses, depreciation, and amortisation.   |
| Other operating revenue           | Represents sources of revenue that are unpredictable and one-off transactions. These items include Mobile services, Setup and training fees, and consultancy.   |
| Recurring revenue                 | Represents stable, predictable, and regular sales that occur at regular intervals. These items include Software as a Service, website and other subscriptions.  |
| Underlying EBITDA                 | Underlying EBITDA has been adjusted to eliminate the effects of interest, tax, depreciation and amortisation, fair value adjustments, impairment expenses, loss on disposal on assets and any other non-operating items (share base payments, bad debts, share of losses in associates, transaction and relisting costs and foreign currency translation differences) |

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

### *Capital Raise*

During July 2021, the Company completed a capital raise of \$15.5 million (before share-issue costs) by the issue of 21,536,664 fully paid ordinary shares at an issue price of \$0.72 each.

### *Acquisition of Eagle*

In July 2021 the Company acquired 100% of the ordinary shares in Eagle Pty Ltd ("**Eagle**"). The total consideration for this acquisition is up to \$15.0 million (including contingent consideration of \$7.5 million) settled by a combination of cash and equity interests of the Company.

Eagle Software is an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies. It is currently used by more than 1,000 agency offices across Australia and New Zealand.

The acquisition of Eagle Software re-enforces PropTech Group's objective to own, operate and invest in high-quality property technology businesses that primarily focus on the Australian, New Zealand and United Kingdom residential and commercial real estate markets.

## **EVENTS SINCE THE END OF THE FINANCIAL YEAR**

No matter or circumstance has arisen since 31 December 2021, that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future periods.

## **ROUNDING OF AMOUNTS**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' report.

This report is made in accordance with a resolution of the Directors of PropTech Group Limited.



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Simon Baker  
Chairman

16 February 2022

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of PropTech Group Ltd and its controlled entities for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**  
Partner

Melbourne, Victoria  
16 February 2022

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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**PropTech Group Limited**  
**Condensed consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

|  | Notes | Consolidated<br>Half-year ended |                                   |
|--|-------|---------------------------------|-----------------------------------|
|  |       | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020 <sup>1</sup><br>\$ |
| <b>Revenue</b>   | 3     | 9,649,682                       | 4,872,620                         |
| Other income   |       | 1,166                           | 158,996                           |
| <b>Total revenue and other income</b>  |       | <b>9,650,848</b>                | <b>5,031,616</b>                  |
| <b>Expenses</b>  |       |                                 |                                   |
| Employee benefits  |       | (5,848,183)                     | (1,873,854)                       |
| Operating costs  |       | (3,253,471)                     | (1,735,580)                       |
| Depreciation and amortisation  |       | (1,120,487)                     | (1,218,810)                       |
| Other expenses   |       | (137,127)                       | (49,147)                          |
| Share of losses from associates  |       | (48,291)                        | -                                 |
| Net Finance costs  |       | (11,538)                        | (120)                             |
| <b>Profit / (Loss) before income tax expense</b>   |       | <b>(768,249)</b>                | <b>154,105</b>                    |
| Income tax benefit / (expense)   |       | 286,133                         | (189,206)                         |
| <b>Loss after income tax expenses for the half-year attributable to the owners of PropTech Group Limited</b> |       | <b>(482,116)</b>                | <b>(35,101)</b>                   |
| <b>Other comprehensive income, net of tax</b>  |       |                                 |                                   |
| <i>Items that may be reclassified subsequently to profit or loss</i>   |       |                                 |                                   |
| Foreign currency translation differences   |       | (9,605)                         | (18,715)                          |
| <b>Other comprehensive loss for the year, net of tax</b>   |       | <b>(9,605)</b>                  | <b>(18,715)</b>                   |
| <b>Total comprehensive loss for the half-year attributable to the owners of PropTech Group Limited</b>       |       | <b>(491,721)</b>                | <b>(53,816)</b>                   |
| <b>Earnings / (loss) per share</b>   |       | <b>Cents</b>                    | <b>Cents<sup>1</sup></b>          |
| Basic loss per share   |       | (0.32)                          | (0.04)                            |
| Diluted loss per share   |       | (0.32)                          | (0.04)                            |

<sup>1</sup> Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and RECRM Pty Ltd. Refer to Note 10 (a) "Measurement Period Adjustment" for further details

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**PropTech Group Limited**  
**Condensed consolidated statement of financial position**  
**As at 31 December 2021**

|  |              | <b>Consolidated<br/>Half-year ended</b> |   |
|--|--------------|---|---|
|  | <b>Notes</b> | <b>31 Dec<br/>2021<br/>\$</b>           | <b>30 Jun<br/>2021<sup>1</sup><br/>\$</b> |
| <b>Assets</b>                            |              |   |   |
| <i>Current assets</i>                    |              |   |   |
| Cash and cash equivalents                |              | 14,628,045                              | 6,581,850                                 |
| Trade and other receivables              |              | 464,286                                 | 527,260                                   |
| Contract assets                          |              | 226,381                                 | 256,626                                   |
| Other financial assets at amortised cost |              | 150,000                                 | 150,000                                   |
| Current tax asset                        |              | 195,663                                 | 137,560                                   |
| Prepayments and other assets             |              | 664,528                                 | 300,594                                   |
| <b>Total current assets</b>              |              | <b>16,328,903</b>                       | <b>7,953,890</b>                          |
| <i>Non-current assets</i>                |              |   |   |
| Plant and equipment                      |              | 170,044                                 | 137,034                                   |
| Right-of-use assets                      |              | 799,577                                 | 287,865                                   |
| Intangible assets                        | 4            | 44,522,184                              | 29,401,782                                |
| Deferred tax assets                      |              | 241,850                                 | 373,952                                   |
| Investment in associates                 |              | 101,709                                 | -   |
| <b>Total non-current assets</b>          |              | <b>45,835,364</b>                       | <b>30,200,633</b>                         |
| <b>Total assets</b>                      |              | <b>62,164,267</b>                       | <b>38,154,523</b>                         |
| <b>Liabilities</b>                       |              |   |   |
| <i>Current liabilities</i>               |              |   |   |
| Trade and other payables                 |              | 2,220,208                               | 1,472,032                                 |
| Accrued expenses                         |              | 658,535                                 | 1,184,027                                 |
| Contract liabilities                     |              | 271,262                                 | 251,932                                   |
| Vendor payables                          | 5            | 8,015,472                               | 3,375,000                                 |
| Lease liabilities                        |              | 291,323                                 | 84,126                                    |
| Employee benefits                        |              | 693,551                                 | 484,921                                   |
| <b>Total current liabilities</b>         |              | <b>12,150,351</b>                       | <b>6,852,038</b>                          |
| <i>Non-current liabilities</i>           |              |   |   |
| Vendor payables                          | 5            | 675,000                                 | 675,000                                   |
| Lease liabilities                        |              | 524,387                                 | 209,402                                   |
| Employee benefits                        |              | 65,603                                  | 40,722                                    |
| Deferred tax liabilities                 |              | 1,219,450                               | 1,467,613                                 |
| <b>Total non-current liabilities</b>     |              | <b>2,484,440</b>                        | <b>2,392,737</b>                          |
| <b>Total liabilities</b>                 |              | <b>14,634,791</b>                       | <b>9,244,775</b>                          |
| <b>Net assets</b>                        |              | <b>47,529,476</b>                       | <b>28,909,748</b>                         |
| <b>Equity</b>                            |              |   |   |
| Issued share capital                     | 7            | 49,226,095                              | 30,300,043                                |
| Reserves                                 |              | 190,216                                 | 14,424                                    |
| Accumulated losses                       |              | (1,886,835)                             | (1,404,719)                               |
| <b>Total equity</b>                      |              | <b>47,529,476</b>                       | <b>28,909,748</b>                         |

1 Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited), RECRM Pty Ltd and JMCG Pty Ltd ("Website Blue"). Refer to Note 10 (a) "Measurement Period Adjustment" for further details.

*The above statement of financial position should be read in conjunction with the accompanying notes*

**PropTech Group Limited**  
**Condensed consolidated statement of changes in equity**  
**For the half-year ended 31 December 2021**

| Consolidated – Half-year ended 2020   | Note | Issued capital<br>\$ | Reserves<br>\$  | Accumulated losses<br>\$ | Total equity<br>\$ |
|---|------|----------------------|-----------------|--------------------------|--------------------|
| <b>Balance as at 1 July 2020</b>  |      | <b>16,159,312</b>    | <b>14,589</b>   | <b>(131,581)</b>         | <b>16,042,320</b>  |
| Effect of retrospective adjustment for the valuation of goodwill <sup>1</sup> |      | -                    | -               | (253,000)                | (253,000)          |
| <b>Balance as at 1 July 2020 - restated</b>                                   |      | <b>16,159,312</b>    | <b>14,589</b>   | <b>(384,581)</b>         | <b>15,789,320</b>  |
| Loss after income tax expense for the half-year <sup>1</sup>                  |      | -                    | -               | (35,101)                 | (35,101)           |
| <i>Other comprehensive income for the year, net of tax</i>                    |      |                      |                 |                          |                    |
| Exchange difference on translation of foreign operations                      |      | -                    | (18,715)        | -                        | (18,715)           |
| <b>Total comprehensive loss for the period</b>                                |      | <b>-</b>             | <b>(18,715)</b> | <b>(35,101)</b>          | <b>(53,816)</b>    |
| <i>Transactions with owners in their capacity as owners:</i>                  |      |                      |                 |                          |                    |
| Contributions of equity, net of transaction costs                             | 7    | 13,245,978           | -               | -                        | 13,245,978         |
| Share-based payments expense  |      | -                    | 4,702           | -                        | 4,702              |
| <b>Balance as at 31 December 2020</b>   |      | <b>29,405,290</b>    | <b>576</b>      | <b>(419,682)</b>         | <b>28,986,184</b>  |

| Consolidated – Half-year ended 2021   | Note | Issued capital<br>\$ | Reserves<br>\$ | Accumulated losses<br>\$ | Total equity<br>\$ |
|---|------|----------------------|----------------|--------------------------|--------------------|
| <b>Balance as at 1 July 2021</b>  |      | <b>30,300,043</b>    | <b>14,424</b>  | <b>(1,385,934)</b>       | <b>28,928,533</b>  |
| Effect of retrospective adjustment for the valuation of goodwill <sup>2</sup> |      | -                    | -              | (18,785)                 | (18,785)           |
| <b>Balance as at 1 July 2021 – restated</b>                                   |      | <b>30,300,043</b>    | <b>14,424</b>  | <b>(1,404,719)</b>       | <b>28,909,748</b>  |
| Loss after income tax expense for the half-year                               |      |                      |                | (482,116)                | (482,116)          |
| <i>Other comprehensive income for the year, net of tax</i>                    |      |                      |                |                          |                    |
| Exchange difference on translation of foreign operations                      |      | -                    | (9,605)        | -                        | (9,605)            |
| <b>Total comprehensive (loss) for the period</b>                              |      | <b>-</b>             | <b>(9,605)</b> | <b>(482,116)</b>         | <b>(491,721)</b>   |
| <i>Transactions with owners in their capacity as owners:</i>                  |      |                      |                |                          |                    |
| Contributions of equity, net of transaction costs                             | 7    | 18,839,464           | -              | -                        | 18,839,464         |
| Share-based payments expense  |      | 86,588               | 185,397        | -                        | 271,985            |
| <b>Balance as at 31 December 2021</b>   |      | <b>49,226,095</b>    | <b>190,216</b> | <b>(1,886,835)</b>       | <b>47,529,476</b>  |

1 Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and RECRM Pty Ltd. Refer to Note 10 (a) "Measurement Period Adjustment" for further details.

2 Adjusted for the retrospective application of "AASB 136 (84) Impairment of Assets" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investor Group Limited) and JMCG Pty Ltd ("Website Blue"). Refer to Note 10 (a) "Measurement Period Adjustment" for further details.

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**PropTech Group Limited**  
**Condensed consolidated statement of cash flows**  
**For the half-year ended 31 December 2021**

|   | Note | Consolidated<br>Half-year ended |                      |
|---|------|---------------------------------|----------------------|
|   |      | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020<br>\$ |
| <b>Cash flows from operating activities</b>                     |      |                                 |                      |
| Receipts from customers (inclusive of GST)                      |      | 10,736,841                      | 5,191,601            |
| Payments to suppliers and employees (inclusive of GST)          |      | (9,181,941)                     | (5,045,692)          |
| Government assistance received                                  |      | -                               | 54,447               |
| Interest received   |      | 1,166                           | 710                  |
| Interest paid   |      | (3,482)                         | (830)                |
| Income taxes refunded / (paid)                                  |      | 110,783                         | (318,406)            |
| <b>Net cash from / (used in) operating activities</b>           |      | <b>1,663,367</b>                | <b>(118,170)</b>     |
| <b>Cash flows from investing activities</b>                     |      |                                 |                      |
| Payments for purchase of business, net of cash acquired         | 5,10 | (6,794,624)                     | 319,423              |
| Payments for plant and equipment                                |      | (34,904)                        | (15,991)             |
| Payment for intangible assets                                   |      | (1,258,764)                     | (302,689)            |
| Acquisition of investment in associates                         |      | (150,000)                       | -                    |
| Payment for security deposits                                   |      | (77,866)                        | -                    |
| <b>Net cash from / (used in) investing activities</b>           |      | <b>(8,316,158)</b>              | <b>743</b>           |
| <b>Cash flows from financing activities</b>                     |      |                                 |                      |
| Proceeds from issue of shares                                   | 7    | 15,506,401                      | 10,600,000           |
| Share issue transaction costs                                   | 7    | (721,967)                       | (768,095)            |
| Repayment of lease liabilities                                  |      | (65,125)                        | -                    |
| <b>Net cash from / (used in) financing activities</b>           |      | <b>14,719,309</b>               | <b>9,831,905</b>     |
| Net increase in cash and cash equivalents                       |      | <b>8,066,518</b>                | <b>9,714,478</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b> |      | <b>6,581,850</b>                | <b>2,474,815</b>     |
| Effects of exchange rate changes on cash and cash equivalents   |      | (20,323)                        | 17,758               |
| <b>Cash and cash equivalents at the end of the period</b>       |      | <b>14,628,045</b>               | <b>12,207,051</b>    |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## 1. SIGNIFICANT ACCOUNTING POLICIES

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The PropTech Group Limited is a for-profit entity for the purpose of preparing the financial statements.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### SIGNIFICANT JUDGEMENTS

The preparation of the interim financial report required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying the consolidated entity accounting policies were the same as those applied to the annual financial report for the year ended 30 June 2021.

## 2. SEGMENT REPORTING

### *Identification of reportable operating segments*

The Consolidated entity is organised into two operating segments based on differences in services provided: business to business, and business to consumer. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the corporate costs of the Consolidated entity.

The CODM reviews underlying EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements for the year ended 30 June 2021.

The information reported to the CODM is on a monthly basis.

### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

|                              |   |
|------------------------------|---|
| Business to business ('B2B') | Customer Relationship Management ("CRM") platforms for Residential and Commercial Property sales and Property management along with additional products and services such as website development and marketing tools. |
| Business to consumer ('B2C') | Property investor Software as a Service   |

### *Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### *Major customers*

The Directors assessed there were no major customers.

## 2. SEGMENT REPORTING (CONTINUED)

### Operating segment information

|  | B2B<br>\$        | B2C<br>\$      | Other<br>segments<br>\$ | Total<br>\$    |
|--|------------------|----------------|-------------------------|----------------|
| <b>Consolidated – Half-year ended 31 December 2021</b> |                  |                |                         |                |
| Operating revenue                                      | 8,760,403        | 889,279        | -                       | 9,649,682      |
| Other income   | 644              | -              | 522                     | 1,166          |
| Cost of Sales  | (563,600)        | (240,308)      | -                       | (803,908)      |
| Operating expenses                                     | (4,773,795)      | (928,708)      | (2,354,621)             | (8,057,124)    |
| Intercompany charges                                   | (2,070,405)      | 450,360        | 1,620,045               | -              |
| <b>Underlying EBITDA</b>                               | <b>1,353,247</b> | <b>170,623</b> | <b>(734,054)</b>        | <b>789,816</b> |

|  | B2B<br>\$        | B2C<br>\$     | Other<br>Segments<br>\$ | Total<br>\$      |
|--|------------------|---------------|-------------------------|------------------|
| <b>Consolidated – Half-year ended 31 December 2020</b> |                  |               |                         |                  |
| Operating revenue                                      | 4,647,152        | 225,468       | -                       | 4,872,620        |
| Other income   | 158,382          | -             | 614                     | 158,996          |
| Cost of Sales  | (397,422)        | (74,489)      | -                       | (471,911)        |
| Operating expenses                                     | (2,883,537)      | (124,667)     | (137,397)               | (3,145,601)      |
| Intercompany charges                                   | (48,501)         | 12,501        | 36,000                  | -                |
| <b>Underlying EBITDA</b>                               | <b>1,476,074</b> | <b>38,813</b> | <b>(100,783)</b>        | <b>1,414,104</b> |

### Reconciliation from segment reporting to net profit/(loss) before tax

|  | Consolidated<br>Half-year ended |                      |
|--|---------------------------------|----------------------|
|  | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020<br>\$ |
| <b>Underlying EBITDA</b>                         | <b>789,816</b>                  | <b>1,414,104</b>     |
| Depreciation and amortisation                    | (1,120,487)                     | (1,218,810)          |
| Finance costs (net)                              | (11,538)                        | (120)                |
| Share based payment                              | (271,985)                       | (4,702)              |
| Share of losses in associates                    | (48,291)                        | -                    |
| Other expenses                                   | (105,764)                       | (36,367)             |
| <b>Profit / (Loss) before income tax expense</b> | <b>(768,249)</b>                | <b>154,105</b>       |

### Depreciation and amortisation by segment

|                      | Consolidated<br>Half-year ended |                      |
|----------------------|---------------------------------|----------------------|
|                      | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020<br>\$ |
| Business to business | 1,013,438                       | 1,171,630            |
| Business to consumer | 92,628                          | 46,415               |
| Other segments       | 14,421                          | 765                  |
|                      | <b>1,120,487</b>                | <b>1,218,810</b>     |

## 2. SEGMENT REPORTING (CONTINUED)

### Geographical information

|               | Sales to external customers<br>For the half-year ended |                      | Geographical non-current<br>assets as at |                      |
|---------------|--|----------------------|--|----------------------|
|               | 31 Dec<br>2021<br>\$                                   | 31 Dec<br>2020<br>\$ | 31 Dec<br>2021<br>\$                     | 30 Jun<br>2021<br>\$ |
| Australia     | 8,766,038  | 4,230,814            | 45,355,922                               | 29,816,420           |
| Rest of world | 883,644  | 641,806              | 135,883                                  | 10,261               |
|               | <b>9,649,682</b>                                       | <b>4,872,620</b>     | <b>45,491,805</b>                        | <b>29,826,681</b>    |

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

## 3. REVENUE

|  | Consolidated<br>Half-year ended |                      |
|--|---------------------------------|----------------------|
|  | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020<br>\$ |
| <i>Revenue from contracts with customers</i> |                                 |                      |
| Recurring revenues                           | 8,171,817                       | 4,488,410            |
| Mobile services                              | 569,415                         | 269,751              |
| Set-up and training fees                     | 235,765                         | 110,365              |
| Consultancy and other revenues               | 672,685                         | 4,094                |
|  | <b>9,649,682</b>                | <b>4,872,620</b>     |

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| Consolidated – Half-year ended 31 December 2021 | B2B              | B2C            | Other<br>segments | Total            |
|---|------------------|----------------|-------------------|------------------|
|   | \$               | \$             | \$                | \$               |
| <i>Major service lines</i>                      |                  |                |                   |                  |
| Recurring revenues                              | 7,307,747        | 864,070        | -                 | 8,171,817        |
| Mobile services                                 | 569,415          | -              | -                 | 569,415          |
| Set-up and training fees                        | 235,765          | -              | -                 | 235,765          |
| Consultancy and other revenues                  | 647,476          | 25,209         | -                 | 672,685          |
|   | <b>8,760,403</b> | <b>889,279</b> | <b>-</b>          | <b>9,649,682</b> |
| <i>Geographical regions</i>                     |                  |                |                   |                  |
| Australia                                       | 7,919,495        | 846,543        | -                 | 8,766,038        |
| Rest of world                                   | 840,908          | 42,736         | -                 | 883,644          |
|   | <b>8,760,403</b> | <b>889,279</b> | <b>-</b>          | <b>9,649,682</b> |
| <i>Timing of revenue recognition</i>            |                  |                |                   |                  |
| Services transferred over time                  | 8,158,544        | 864,037        | -                 | 9,022,581        |
| Services at a point in time                     | 601,859          | 25,242         | -                 | 627,101          |
|   | <b>8,760,403</b> | <b>889,279</b> | <b>-</b>          | <b>9,649,682</b> |

### 3. REVENUE (CONTINUED)

| Consolidated – Half-year ended 31 December 2020 | B2B<br>\$        | B2C<br>\$      | Other<br>segments<br>\$ | Total<br>\$      |
|---|------------------|----------------|-------------------------|------------------|
| <i>Major service lines</i>                      |                  |                |                         |                  |
| Recurring revenues                              | 4,262,942        | 225,468        | -                       | 4,488,410        |
| Mobile services                                 | 269,751          | -              | -                       | 269,751          |
| Set-up and training fees                        | 110,365          | -              | -                       | 110,365          |
| Consultancy and other revenues                  | 4,094            | -              | -                       | 4,094            |
|   | <b>4,647,152</b> | <b>225,468</b> | <b>-</b>                | <b>4,872,620</b> |
| <i>Geographical regions</i>                     |                  |                |                         |                  |
| Australia                                       | 4,022,785        | 208,029        | -                       | 4,230,814        |
| Rest of world                                   | 624,367          | 17,439         | -                       | 641,806          |
|   | <b>4,647,152</b> | <b>225,468</b> | <b>-</b>                | <b>4,872,620</b> |
| <i>Timing of revenue recognition</i>            |                  |                |                         |                  |
| Services transferred over time                  | 4,644,052        | 221,265        | -                       | 4,865,317        |
| Services transferred at a point in time         | 3,100            | 4,203          | -                       | 7,303            |
|   | <b>4,647,152</b> | <b>225,468</b> | <b>-</b>                | <b>4,872,620</b> |

### 4. INTANGIBLE ASSETS

|                                | Consolidated<br>Half-year ended |                      |
|--------------------------------|---------------------------------|----------------------|
|                                | 31 Dec<br>2021<br>\$            | 30 Jun<br>2021<br>\$ |
| Goodwill                       | 35,748,716                      | 20,835,885           |
| Less: Impairment               | -                               | -                    |
|                                | <b>35,748,716</b>               | <b>20,835,885</b>    |
| Software and web platform      | 6,214,882                       | 4,977,700            |
| Less: Accumulated amortisation | (2,472,274)                     | (1,929,718)          |
|                                | <b>3,742,608</b>                | <b>3,047,982</b>     |
| Patents and trademarks         | 12,916                          | 12,916               |
| Less: Accumulated amortisation | (6,746)                         | (6,055)              |
|                                | <b>6,170</b>                    | <b>6,861</b>         |
| Customer contracts             | 6,607,000                       | 6,607,000            |
| Less: Accumulated amortisation | (1,582,310)                     | (1,095,946)          |
|                                | <b>5,024,690</b>                | <b>5,511,054</b>     |
|                                | <b>44,522,184</b>               | <b>29,401,782</b>    |



#### 4. INTANGIBLE ASSETS (CONTINUED)

##### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated                                      | Goodwill          | Software and web platform | Patents and trademarks | Customer contracts | Total             |
|---|-------------------|---------------------------|------------------------|--------------------|-------------------|
| <b>Balance as at 1 July 2021</b>                  | <b>21,070,565</b> | <b>2,861,851</b>          | <b>6,861</b>           | <b>5,470,833</b>   | <b>29,410,110</b> |
| Retrospective adjustment due to valuation         | (234,680)         | 186,131                   | -                      | 40,221             | (8,328)           |
| <b>Balance as at 1 July 2021 – restated</b>       | <b>20,835,885</b> | <b>3,047,982</b>          | <b>6,861</b>           | <b>5,511,054</b>   | <b>29,401,782</b> |
| Additions   | -                 | 1,237,182                 | -                      | -                  | 1,237,185         |
| Additions through business combinations (note 10) | 14,912,831        | -                         | -                      | -                  | 14,912,831        |
| Amortisation expense                              | -                 | (542,556)                 | (691)                  | (486,364)          | (1,029,611)       |
| <b>Balance as at 31 December 2021</b>             | <b>35,748,716</b> | <b>3,742,608</b>          | <b>6,170</b>           | <b>5,024,690</b>   | <b>44,522,184</b> |

##### Eagle goodwill assessment

The directors and management have considered the impact the acquisition of Eagle Software Pty Ltd (“Eagle”) has had on the recoverability of goodwill. Goodwill acquired through business combination of Eagle has been allocated to the Business-to-business (B2B) cash-generating unit

Directors and management have considered and assessed reasonably possible changes to the key assumptions and have not identified any instances that could cause the carrying amount of the B2B cash generating unit (“CGU”) to exceed its recoverable amount.

#### 5. VENDOR PAYABLES

|                                  | Consolidated<br>Half-year ended |                      |
|----------------------------------|---------------------------------|----------------------|
|                                  | 31 Dec<br>2021<br>\$            | 30 Jun<br>2021<br>\$ |
| <b>Current</b>                   |                                 |                      |
| Contingent consideration payable | 8,015,472                       | 3,375,000            |
|                                  | <b>8,015,472</b>                | <b>3,375,000</b>     |
| <b>Non-current</b>               |                                 |                      |
| Contingent consideration payable | 675,000                         | 675,000              |
|                                  | <b>675,000</b>                  | <b>675,000</b>       |

Payable to the following vendors based on specific conditions:

##### Commerce Australia Pty Ltd (“MyDesktop”)

Contingent consideration (Current) \$2.86 million cash paid for the retention of a key franchise group licensing MyDesktop, during August 2021. The qualification for this hurdle required that the customer extended the contract (migrating to VaultRE) for a minimum term of 2 years beyond the contract expiry date of 1 July 2021 for Australia and New Zealand.

The remaining \$140,472 payable is tied to the extension of the same franchise group independently for the region of Indonesia.

## 5. VENDOR PAYABLES (CONTINUED)

|  |   |
|--|---|
| <i>H1</i><br>Contingent consideration<br>(Non-current)                 | An amount of \$300,000 to be paid to the vendor only when the following conditions are met: <ul style="list-style-type: none"><li>at least 80% of both the Seller's Australian and New Zealand franchisee network (defined by the number of offices but allowing for the potential consolidation of office numbers of multi-office franchisees) having migrated to one of the Buyer's PTG CRM's, as contemplated by the Supply Agreement (Migration); and</li><li>the Migration being completed within 18 months from 'Product Readiness' otherwise agreed between the parties in writing (Migration Period).</li></ul> |
| <i>JMCG Pty Ltd</i><br>Contingent consideration (1)<br>(Current)       | Up to \$375,000 and will be on or around March 2022, paid in equity or cash at the discretion of the buyer which will be issued at a VWAP of 1 month. The qualifications for this hurdle are: <ul style="list-style-type: none"><li>JMCG Pty Ltd.'s annual SaaS revenue does not fall below its current amount which will be confirmed during the Due Diligence and mutually agreed; and</li><li>The Designly product is supported and maintained to a standard that is in line with its service-level agreement.</li></ul>   |
| Contingent consideration (2)<br>(Non-current)                          | Up to \$375,000 and will be on or around March 2023, paid in equity or cash at the discretion of the buyer which will be issued at a VWAP of 1 month. The qualifications for this hurdle are: <ul style="list-style-type: none"><li>JMCG Pty Ltd.'s annual SaaS revenue does not fall below its current amount which will be confirmed during the Due Diligence and mutually agreed; and</li><li>The Designly product is supported and maintained to a standard that is in line with its service-level agreement.</li></ul>   |
| <i>Eagle Software Pty Ltd</i><br>Contingent consideration<br>(Current) | Up to \$7.5 million payable to the vendor on or around August 2022. The qualification for the hurdles is dependent on the annual recurring revenue (ARR) growth rate achieved and calculated (refer to Note 10).  |

## 6. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

The fair value of the non-current portion of contingent consideration is estimated to be materially the same as their nominal value.

No financial assets or liabilities are readily traded on organised markets in standardised form.

## 7. ISSUED SHARE CAPITAL

|   | Consolidated<br>Half-year ended |                          |                           |                              |
|---|---------------------------------|--------------------------|---------------------------|------------------------------|
|   | 31 Dec<br>2021<br>Shares        | 30 Jun<br>2021<br>Shares | 31 Dec<br>2021<br>\$      | 30 Jun<br>2021<br>\$         |
| Ordinary shares - fully paid  | 150,822,420                     | 123,540,696              | 49,226,095                | 30,300,043                   |
| <i>Movements in ordinary share capital</i>  |                                 |                          |                           |                              |
| <b>Details</b>  | <b>Date</b>                     | <b>Shares*</b>           | <b>Issue price<br/>\$</b> | <b>Issued capital<br/>\$</b> |
| <b>Balance as of 1 July 2021</b>  | <b>1-Jul-2021</b>               | <b>123,540,696</b>       |                           | <b>30,300,043</b>            |
| Issue of shares to retail and institutional investors   | 8-Jul-2021                      | 18,179,278               | 0.72                      | 13,089,080                   |
| Issue of non-renounceable rights to retail and institutional investors                                | 22-Jul-21                       | 3,357,386                | 0.72                      | 2,417,308                    |
| Issue of shares for consideration of purchase of Eagle Software Pty Ltd (refer to Note 10)            | 23-Jul-21                       | 4,508,104                | 0.75                      | 3,393,750                    |
| Issue of shares to Key Management Personnel in consideration for services performed (Refer to note 9) | 23-Dec-21                       | 797,826                  | 0.53                      | 422,848                      |
| Issue of shares to Key Management Personnel in consideration for services performed (Refer to note 9) | 23-Dec-21                       | 439,130                  | 0.53                      | 232,740                      |
| Share transaction costs, net of taxes   |                                 |                          |                           | <b>(629,684)</b>             |
| <b>Balance as of 31 December 2021</b>   | <b>31-Dec-21</b>                | <b>150,822,420</b>       |                           | <b>49,226,095</b>            |

\*Per AASB 3, the equity structure (i.e., the number of ordinary shares issued) reflects the equity structure of PropTech Group Limited (the accounting acquiree)

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The Consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from prior year.

## 8. EARNINGS PER SHARE

|   | Consolidated<br>Half-year ended |                      |
|---|---------------------------------|----------------------|
|   | 31 Dec<br>2021<br>\$            | 31 Dec<br>2020<br>\$ |
| Loss after income tax   | 482,116                         | 35,101               |
| Loss after income tax attributable to the owners of PropTech Group Limited                | 482,116                         | 35,101               |
|   | Number                          | Number               |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 148,016,925                     | 78,081,505           |
| <i>Adjustments for calculation of diluted earnings per share:</i>                         |                                 |                      |
| Options over ordinary shares  | 294,100                         | 151,092              |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 148,311,025                     | 78,232,597           |
|   | Cents                           | Cents                |
| Basic loss per share  | (0.32)                          | (0.04)               |
| Diluted loss per share  | (0.32)                          | (0.04)               |

Potential shares comprising options over ordinary shares have not been considered in the calculation of weighted average number of ordinary shares for diluted earnings per share as they are anti-dilutive in nature.

As required by AASB 133 *Earnings Per Share*, the weighted average number of ordinary shares outstanding during the current and previous period has been adjusted for consolidation of ordinary shares as if the event had occurred at the beginning of the previous period.

## 9. SHARE BASED PAYMENTS

### *Performance rights for executive staff*

At the 2021 Annual General Meeting 1,754,702 performance rights were granted. All performance rights have a nil exercise price and will vest subject to the attainment of various performance conditions (market and non-market) and continuous employment.

The number of rights to be granted is determined based on the currency value of the individuals short ("STI") and long ("LTI") term incentives divided by the weighted average price at which the company's shares are traded on the Australian Stock Exchange during a period determined by the Directors.

#### *a) Performance rights with market conditions*

During the period, there were two separate tranches of incentives with market conditions issued under the Plan which were linked with an increase in share price from the grant date (29 November 2021: \$0.53):

- Employee Equity Plan 1 ('EEP-1') - Achievement of 90-day VWAP of the Company's ordinary shares as at 30 June 2023 being \$1.25 or higher
- Employee Equity Plan 2 ('EEP-2') - Achievement of 90-day VWAP of the Company's ordinary shares as at 30 June 2024 being \$2.47 or higher

## 9. SHARE BASED PAYMENTS (CONTINUED)

### Performance rights for executive staff (continued)

#### a) Performance rights with market conditions (continued)

The fair value of the incentives was determined using the Binomial option model using the following inputs as at 31 December 2021:

|  | EEP-1     | EEP-2     |
|--|-----------|-----------|
| Share price at measurement date  | \$0.53    | \$0.53    |
| Measurement period end date  | 30-Jun-23 | 30-Jun-24 |
| Expected volatility (%)  | 75%       | 75%       |
| Dividend yield (%)   | 0%        | 0%        |
| Risk-free interest rate (%)  | 1.46%     | 1.46%     |
| Numbers of performance rights granted under the Employment Equity Plan with market conditions as at 31 December 2021 | 748,000   | 542,119   |

#### b) Performance rights with non-market conditions

During the year, 464,583 performance rights were granted with non-market conditions. The fair value of the rights at grant date (\$0.53) was estimated by taking the market price of the company's shares on that date less the present value of expected dividends that will not be received by the executives on their rights during the two-year vesting period.

The weighted average contractual life of the performance rights outstanding as of 31 December 2021 is 0.66 years.

#### Options for executive staff

Under the Employee Option Plan, participants may be granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

When exercisable, each option is convertible into one ordinary share. The exercise price of options may be based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during an agreed period to and including the date of the grant.

#### Other share-based payments

A grant of short-term incentives was issued for the achievement of key performance hurdles related to non-market condition and the successful capital raising and re-compliance listing on the Australian Stock Exchange. These bonuses were consideration for the extraordinary time and commitment expensed by the executives.

The issue of incentives for the Chief Executive Officer were approved in the 2021 Annual General Meeting, and other executive rights approved by the Board of Directors.

Initial recognition was on cash settled based payment, as the executives had not elected on a method of settlement. Subsequently it was agreed with the executives that the consideration would be settled with the issue of shares.

|  | 31 Dec<br>2021<br>\$ |
|--|----------------------|
| Issue of shares for achievement of key performance hurdles                   | 655,588              |
| Less: Initial recognition of cash settled based payments converted to shares | (569,000)            |
| <b>Expenses arising from share-based payment transactions</b>                | <b>86,588</b>        |
| <b>Number of issue of shares</b>   | <b>542,119</b>       |

## 9. SHARE BASED PAYMENTS (CONTINUED)

### *Other share-based payments*

#### *Expenses arising from share-based payments*

|  | <b>31 Dec<br/>2021</b> | <b>31 Dec<br/>2020</b> |
|--|------------------------|------------------------|
|  | <b>\$</b>              | <b>\$</b>              |
| Performance rights for executive staff | 160,227                | -                      |
| Options for executive staff            | 25,170                 | -                      |
| Other share-based payment transactions | 86,588                 | -                      |
|  | <b>271,985</b>         | <b>-</b>               |

## 10. BUSINESS COMBINATIONS

### ***Business combinations for the half-year ended 31 December 2021***

#### *Eagle Software Pty Limited*

On 1 July 2021, the Group acquired 100% of the ordinary shares of Eagle Software Pty Limited for a total consideration of \$15,000,000, which consists of 2 tranches:

- Initial Consideration - \$7,500,000 consisting of \$4,106,250 paid in cash and \$3,393,750 paid in PropTech Group shares at a 30-day trading VWAP from date of signing of the Share purchase agreement, less working capital adjustment paid to PropTech Group for the amount of \$96,582; and
- Subsequent earn out – \$7,500,000 to be issued in cash or shares at PropTech Group’s discretion, provided specific hurdles are met, assessable on or about August 2022

Eagle is an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies. Currently, it is used by more than 1,000 agency offices across Australia and New Zealand. The acquisition of Eagle advances PropTech Group’s objective to own, operate and invest in high-quality property technology businesses that primarily focus on the Australian, New Zealand and United Kingdom residential and commercial real estate markets.

The goodwill of \$14,912,831 represents the expected future economic benefits from the business-to-business tools, a consumer base, and the experienced management and development team that developed and operated Eagle software.

The acquisition as at 31 December 2021 is accounted for on a provisional basis. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

The acquired business contributed revenues of \$2,000,441 and profit before tax of \$352,156 to the consolidated entity for the period from 1 July 2021 to 31 December 2021.

## 10. BUSINESS COMBINATIONS (CONTINUED)

### *Business combinations for the half-year ended 31 December 2021 (continued)*

#### *Eagle Software Pty Ltd (Continued)*

Details of the acquisition are as follows:

|   | <b>Eagle Software<br/>Pty Ltd<br/>Fair value<br/>\$</b> |
|---|---|
| Cash and cash equivalents   | 74,572  |
| Trade and other receivables   | 90,976  |
| Contract assets   | 7,500   |
| Other current assets  | 51,238  |
| Trade and other payables  | (74,273)  |
| Accrued expenses  | (25,121)  |
| Contract liabilities  | (27,850)  |
| Employee provisions   | (105,123)   |
| Income tax liabilities  | (1,332)   |
| Net assets acquired   | (9,413)   |
| Goodwill  | 14,912,831  |
| <b>Acquisition-date fair value of the total consideration transferred</b> | <b>14,903,418</b>                                       |
| Representing:   |   |
| Cash paid or payable to the vendor  | 4,106,250   |
| Equity of PropTech Group Limited (issued on 23 July 2021)                 | 3,393,750   |
| Contingent consideration payable  | 7,500,000   |
| Add: Payment from vendor for working capital adjustment                   | (96,582)  |
|   | <b>14,903,418</b>                                       |
| Acquisition costs expensed to profit or loss                              | 88,751  |
| Cash used to acquire business; net of cash acquired:                      |   |
| Acquisition-date fair value of the total consideration transferred        | 14,903,418  |
| Less: Consideration provided in Equity of PropTech Group Limited          | (3,393,750)   |
| Less: Cash and cash equivalents acquired                                  | (74,572)  |
| Less: Deferred and contingent consideration payable                       | (7,500,000)   |
| <b>Net cash used as at 31 December 2021</b>                               | <b>3,935,096</b>  |

## 10. BUSINESS COMBINATIONS (CONTINUED)

### *Business combinations during the previous year*

#### *PropTech Group Limited (reverse acquisition)*

On 19 November 2020, PropTech Group Limited completed the acquisition of 100% of the ordinary shares in Real Estate CRM Pty Ltd ('RECRM') and its wholly owned subsidiaries ('Acquisition'). PropTech Group issued 64,900,048 shares to the former shareholders of RECRM which resulted in RECRM's former shareholders holding a majority share interest in PropTech Group Limited.

The Acquisition was accounted for using the principles for reverse acquisitions in AASB 3 *Business Combinations*, as a result of the Acquisition, the former shareholders of RECRM (the legal subsidiary entity) obtained accounting control of the Company (the legal Parent entity).

The deemed consideration transferred by RECRM under the principles of AASB 3 is \$2,915,077.

The fair values of the identifiable net assets acquired in PropTech Group on reverse acquisition are as follows:

| <b>Assets</b>                | <b>PropTech Group<br/>Fair value<br/>\$</b> | <b>Measurement<br/>period<br/>adjustment<br/>Note (a)<br/>\$</b> | <b>Post<br/>measurement<br/>Fair value<br/>\$</b> |
|------------------------------|---|--|---|
| Cash and cash equivalents    | 319,423                                     | -  | 319,423   |
| Trade and other receivables  | 6,654                                       | -  | 6,654   |
| Accrued income               | 314,375                                     | -  | 314,375   |
| Prepayments                  | 97,294                                      | -  | 97,294  |
| Plant, and equipment         | 2,664                                       | -  | 2,664   |
| Intangible assets – Software | 204,284                                     | 80,200   | 284,484   |
| Trade and other payables     | (2,096,601)                                 | -  | (2,096,601)                                       |
| Employee benefit liabilities | (74,977)                                    | -  | (74,977)  |
| Goodwill                     | 4,141,961                                   | (80,200)   | 4,061,761   |
| <b>Net assets acquired</b>   | <b>2,915,077</b>                            | <b>-</b>   | <b>2,915,077</b>                                  |

#### *JMCG Pty Limited (trading as "Website Blue") acquisition*

On 6 March 2021, the Group acquired 100% of the ordinary shares of JMCG Pty Limited (trading as "Website Blue") for a total consideration of \$1,500,000, which consists of 3 tranches:

- Initial Consideration - \$750,000 consisting of \$150,000 paid in cash and \$600,000 paid in PropTech Group shares at a 30-day trading VWAP from date of signing of the Share purchase agreement, less working capital adjustment paid to PropTech Group for the amount of \$68,633;
- First Year Earn Out – \$375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 12 months from the acquisition date.
- Second Year Earn Out – \$375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 24 months from the acquisition date

Based in Brisbane, QLD, Website Blue offers real estate agencies a full-service web design package along with a product called 'Designly' which enables agencies to deploy and manage marketing assets and campaigns.

The Board believes this acquisition will provide synergies and strengthen the Group's current product offerings with the ability to leverage its current assets to excel the growth of the acquisition, along with the ability to extract synergies from a cost perspective.



## 10. BUSINESS COMBINATIONS (CONTINUED)

### Business combinations during the previous year (continued)

#### JMCG Pty Limited (trading as "Website Blue") acquisition (continued)

Details of the acquisition are as follows:

|   | JMCG Pty<br>Ltd<br>Fair value<br>\$ | Measurement<br>period<br>adjustment<br>Note (a)<br>\$ | Post<br>measurement<br>Fair value<br>\$ |
|---|-------------------------------------|---|---|
| Cash and cash equivalents   | 22,221                              | -   | 22,221                                  |
| Trade and other receivables   | 62,027                              | -   | 62,027                                  |
| Other assets  | 17,806                              | -   | 17,806                                  |
| Customer contracts  | -                                   | 42,000  | 42,000                                  |
| Internally developed software   | -                                   | 123,400   | 123,400                                 |
| Trade and other payables  | (42,041)                            | -   | (42,041)                                |
| Employee benefits   | (15,111)                            | -   | (15,111)                                |
| Deferred tax liability  | -                                   | (10,920)  | (10,920)                                |
| Net assets acquired   | 44,902                              | 154,480   | 199,382                                 |
| Goodwill  | 1,386,465                           | (154,480)   | 1,231,985                               |
| <b>Acquisition-date fair value of the total consideration transferred</b> | <b>1,431,367</b>                    | <b>-</b>  | <b>1,431,367</b>                        |
| Representing:   |                                     |   |   |
| Cash paid or payable to vendor  | 150,000                             | -   | 150,000                                 |
| Equity of PropTech Group Limited issued                                   | 600,000                             | -   | 600,000                                 |
| Contingent consideration payable <sup>1</sup>                             | 750,000                             | -   | 750,000                                 |
| Add: Payment from vendor for capital working adjustment                   | (68,633)                            | -   | (68,633)                                |
|   | <b>1,431,367</b>                    | <b>-</b>  | <b>1,431,367</b>                        |
| Acquisition costs expensed to profit or loss                              | 97,577                              | -   | 97,577                                  |
| Cash used to acquire business; net of cash acquired:                      |                                     |   |   |
| Acquisition-date fair value of the total consideration transferred        | 1,431,367                           | -   | 1,431,367                               |
| Less: Consideration provided in Equity of PropTech Group Limited          | (600,000)                           | -   | (600,000)                               |
| Less: Deferred and contingent consideration payable                       | (750,000)                           | -   | (750,000)                               |
| <b>Net cash used as at 31 December 2021</b>                               | <b>81,367</b>                       | <b>-</b>  | <b>81,367</b>                           |

<sup>1</sup>Deferred conditional consideration of \$750,000 ("Conditional Consideration") split into two tranches of \$375,000. Each payment conditional, which are to be distributed as follows:

- First Year Earn Out – \$375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 12 months from the acquisition date, if shares are elected, they will be issued at a VWAP of 1 month; and
- Second Year Earn Out – \$375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 24 months from the acquisition date, if shares are elected, they will be issued at a VWAP of 1 month

## 10 (A) – MEASUREMENT PERIOD ADJUSTMENT

In accordance with AASB 3, pursuant to finalisation of reverse acquisition accounting of PropTech Group Limited and JMCG Pty Ltd in the current year, the Group has recognised adjustments to the provisional amounts as if the accounting for the business combination had been completed at the respective acquisition dates. Thus, the Group has revised comparative information for prior periods presented in financial statements as needed, including making changes to amortisation effects recognised in completing the initial accounting. The following table shows the changes made to revise the comparative financial information pursuant to measurement period adjustments:

The following considers the adjustment for the retrospective application of “AASB 136 (84) *Impairment of Assets*” which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd (“Website Blue”):

| <b>Condensed consolidated statement of financial position</b> | <b>30 Jun 2021<br/>Current<br/>comparatives<br/>\$</b> | <b>30 June 2021<br/>Reported in prior<br/>year<br/>\$</b> | <b>Change<br/>\$</b> |
|---|--|---|----------------------|
| Intangible assets   |  |   |                      |
| Goodwill  | 20,835,885   | 21,070,565  | (234,680)            |
| Software  | 3,047,982  | 2,861,851   | 186,131              |
| Customer contracts  | 5,511,054  | 5,470,833   | 40,221               |
| Patents and trademarks  | 6,861  | 6,861   | -                    |
|   | <b>29,401,782</b>                                      | <b>29,410,110</b>   | <b>(8,328)</b>       |
| Deferred tax liabilities                                      | 1,446,698  | 1,457,156   | (10,458)             |
| Reserves / (Accumulated losses)                               | (1,404,719)  | (1,385,934)   | (18,785)             |

The following considers the adjustment for the retrospective application of “AASB 136 (84) *Impairment of Assets*” which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and RECRM Pty Ltd

| <b>Condensed consolidated statement of profit or loss and other comprehensive income</b> | <b>31 Dec 2020<br/>Current<br/>comparatives<br/>\$</b> | <b>31 Dec 2020<br/>Reported in prior<br/>Year<br/>\$</b> | <b>Change<br/>\$</b> |
|--|--|--|----------------------|
| Depreciation and amortisation expense  | (1,218,810)  | (535,571)  | (683,239)            |
| Profit / (Loss) before income taxes  | 154,105  | 837,344  | (683,239)            |
| Income tax expense   | (189,206)  | (314,866)  | 125,660              |
| Profit / (Loss) after income tax expense   | (35,101)   | 522,478  | (557,579)            |
| Total comprehensive profit / (loss) for the period                                       | (53,816)   | 503,763  | (557,579)            |

## **11. ASSOCIATES**

In November 2021 the Group received shares in RealPay Holdings Pty Ltd (“Rello”) which amounted to a 20% interest in the company. Rello is a Company incorporated in Australia and engaged to create the leading Marketplace for real estate related payments for businesses and consumers (owners and tenants).

As at 31 December 2021 the initial recognition of the investment in the associate was \$150,000. During the period for the half-year ended 31 December 2021 there was a share of losses in the associate to the value of \$48,291. Resulting in a closing balance as at 31 December of \$101,709 in the investment in associate.

## **12. CONTINGENT ASSETS AND LIABILITIES**

The Consolidated entity had no contingent assets or contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

## **13. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future periods.

**PropTech Group Limited**  
**Directors' declaration**  
**31 December 2021**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



\_\_\_\_\_  
Simon Baker  
Chairman

16 February 2022

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## INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of PropTech Group Limited

### *Conclusion*

We have reviewed the accompanying half-year financial report of PropTech Group Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PropTech Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**RSM AUSTRALIA PARTNERS**



**R J MORILLO MALDONADO**

Partner

Melbourne, Victoria  
16 February 2022