

ASX Release  
19 October 2021

## SEPTEMBER QUARTER 2021 UPDATE & APPENDIX 4C

### THE AGENCY DELIVERS STRONG FINANCIAL AND OPERATIONAL RESULTS

#### Highlights<sup>1</sup>

- Positive Operational Cashflow of \$1.3 million
- Group Revenue of \$16.05M - up 18% from \$13.6M in Q1 FY21
- Gross Commission Income (GCI) of \$24.5M - up 47.5% from \$16.6M in Q1 FY21
- 1,344 sales across the combined group valued at \$1.4B - 1,117 sales valued at \$948M in Q1 FY21
- 1,441 listings across the combined group – 1,240 listings in Q1 FY21
- Restructured debt with Macquarie Bank reducing interest rate margin from 4.75% to 3.75%
- Cash and cash equivalents as at 30<sup>th</sup> September 2021 of \$6.8M

Commenting on the September Quarter results, The Agency Group's Managing Director Paul Niardone said:

*"I am delighted with how The Agency has performed throughout the September quarter, hitting fresh records across GCI and other key metrics, particularly as they were achieved during a sustained period of severe lockdown restrictions as a result of COVID-19 in our key eastern state markets.*

*It is testament to our industry leading staff and property partners for this continuing growth despite the challenging conditions and all should be very proud of their efforts.*

*"With a strong pipeline of existing listings, a significant increase in sales agents and an easing of COVID-19 restrictions in key eastern states markets, we are anticipating delivering strong results in the coming quarter, a period that normally experiences a seasonal lull leading up to and over the Christmas holiday period."*

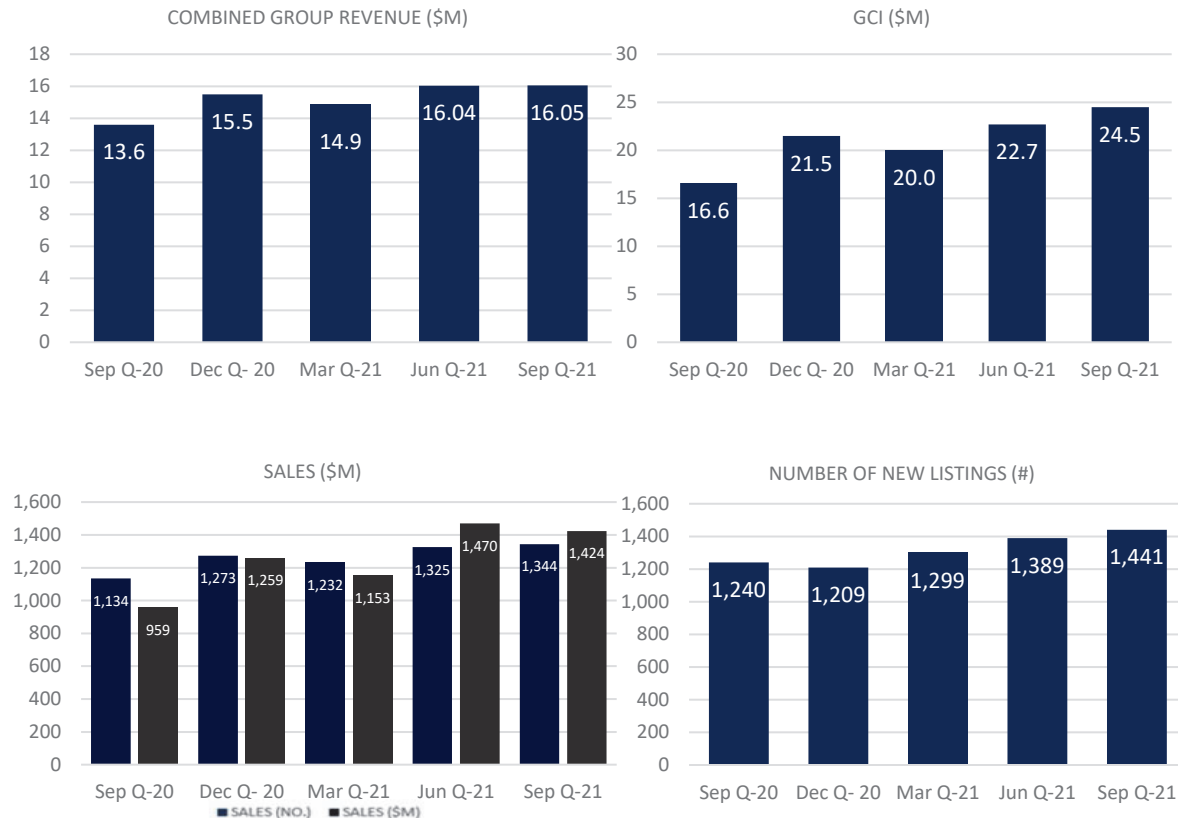
The Agency Group Australia (**ASX:AU1**) ("**The Agency**" or "**the Company**") is pleased to announce the September Quarter 2021 has further consolidated on the success of the previous two quarters, achieving records across key metrics including combined revenue, Gross Commission Income, sales and listings.

Gross Commission Income (GCI) was \$24.5 million, the highest quarter for GCI on record. GCI for the quarter was based on a record 1,344 exchanges across The Agency valued at \$1.4 billion.

The Agency delivered positive operational cashflow of \$1.3 million and combined group revenue of \$16 million for the period.

<sup>1</sup> Revenue and EBITDA figures provided in this announcement are unaudited and EBITDA provided in this announcement is pre-adoption of AASB16.

The combined group also reported a record 1,441 listings and 1,246 settlements for the three-month period. As at 30<sup>th</sup> September, The Agency was comprised of a combined 334 sales agents, up from 308 sales agents at end of previous period. Properties under Management (PuM) are 3,556 at the end of September 2021.



#### Appendix 4C Cashflow commentary

The Agency delivered positive operational cashflow of \$1.3 million and combined group revenue of \$16 million for the September Quarter. The Group reported receipts from customers of \$20.5 million for the quarter a slight reduction from the previous quarter's \$21.2 million in receipts. This was due to a number of sales that were still unconditional as at 30<sup>th</sup> September and will be reported in the December Quarter.

Cash and cash equivalents as at 30<sup>th</sup> September 2021 were \$6.8 million, up from \$5.7 million at the end of the previous quarter.

In Payments to related parties of the entity and their associates (refer to 6.1), the \$324,000 payment refers to Executive salaries (\$277,000) and non-Executive salaries (\$47,000).

#### Primary Secured Debt Facility

During the period, The Agency and Macquarie Bank entered into an Amendment Deed in respect of its primary secured debt facility with MBL.

The Facility was amended to, among other things:

- reduce the interest rate margin from 4.75% to 3.75%. (It is noted that the interest rate margin had previously been reduced from 8.50% p.a. to 4.75% p.a. on and from 1 April 2021).
- provide releases from both the Company and MBL in favour of five individuals named as personal guarantors of the Facility.
- provide for the Facility (subject to each party continuing to satisfy its obligations under the Facility) to end on 5 January 2023.
- introduce an interest cover ratio pursuant to which the Company's EBITDA must be at least 3 times its interest expense. It is noted that the definition of interest expense does not include financial indebtedness owed by the Company to Peters Investments Pty Ltd, in accordance with the convertible notes issued on 15 May 2020 and 4 January 2021, respectively.

The Company confirms that there are no other material changes to the terms of the Facility, other than those announced previously to the ASX or in its financial accounts.

**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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## 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")**

30 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	20,494	20,494
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(13,921)	(13,921)
(c) advertising and marketing	(335)	(335)
(d) leased assets	(11)	(11)
(e) staff costs (incl. govt grants or incentives)	(2,802)	(2,802)
(f) administration and corporate costs	(2,088)	(2,088)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(60)	(60)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material) – See commentary as attached	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,278</b>	<b>1,278</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	(82)	(82)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(70)	(70)
2.4 Dividends received (see note 3)		
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(152)</b>	<b>(152)</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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(29)	(29)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(29)</b>	<b>(29)</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	5,710	5,710
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,278	1,278
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(152)	(152)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	(29)
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>6,807</b>	<b>6,807</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	6,194	6,194
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantees)	613	613
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,807</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	324
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

<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)	3,420	3,420
<b>7.4 Total financing facilities</b>	<b>8,420</b>	<b>8,420</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. \$3.42M 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)	1,279
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,807
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,807
<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: 19 October 2021

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.