

ASX Release
6th November 2020

INVESTOR WEBINAR PRESENTATION

The Agency Group Australia (**ASX:AU1**) (“**The Agency**” or “**the Company**”) is pleased to announce its participation in the ShareCafe Webinar - Micro/Small Cap "Hidden Gems" Webinar to be held today (Friday 6TH November 2020) from 12:30pm AEDT / 9:30am AWST.

Managing Director Paul Niardone will provide an overview of the Company’s recent \$11 million funding package to underpin continued growth plans, strategic partnership with Managex (a private company chaired by Future Fund board member John Poynton), and record-breaking September Quarter 2020 results.

This webinar is able to be viewed live via Zoom over the internet and will provide viewers the opportunity to hear from, and engage with, a range of ASX-listed leading micro/mid cap companies.

To access further details of the event and to register (at no cost), please paste the following link into your internet browser: https://us02web.zoom.us/webinar/register/WN_oo4ctIueRPaNvN5ym_j0gw

A recorded copy of the webinar will be made available following the event and a copy of the investor presentation to be delivered during the webinar is attached.

This ASX release has been approved for release by the board.

ENDS

If you require further information, please contact:

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The Agency Group Australia Ltd

SHARECAFE “HIDDEN GEMS” WEBINAR

INVESTOR PRESENTATION

6TH NOVEMBER 2020

ASX:AU1



NOT AN OFFER

This presentation is for information purposes only. This presentation does not comprise a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law.

SUMMARY INFORMATION

This presentation does not purport to be all inclusive or to contain all information about the Company or any of the assets, current or future, of the Company. This presentation contains summary information about the Company and its activities which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to contain all the information which a prospective investor may require in evaluating a possible investment in the Company.

The Company does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
- may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements.

All forward looking statements contained in this Presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

EXECUTIVE SUMMARY

The Agency Group Australia (ASX:AU1) is one of Australia's fastest growing integrated real estate services companies.

- ✓ In just under 4 years since listing on the ASX, the Company has established a national presence across key metropolitan markets in Australia, led by an industry-leading management team.
- ✓ Cashflow positive, EBITDA positive and supported by a strong net asset balance sheet.
- ✓ Has built a fully serviced real estate firm creating an organisation designed to scale.
- ✓ The only Company to offer dual property sales business model, offering both premium (full-service) and independent brand offering underpins its strategy to reach leadership across Australia in terms of agent market share.
- ✓ Integrated services, from property sales, property management and ancillary services provides the Company with cross-sell opportunities, capturing revenue across the value chain.
- ✓ The traditional landscape of the real estate agency offering in the current economic environment provides great opportunities for The Agency Group to bring further consolidation to the industry.

FY2020 Highlights

\$2.66M
EBITDA^{1,2}
(FY19: \$4.25M
EBITDA loss)

\$41.86M
Revenue
(FY19: \$28.3M)

\$47.9M
GCI
(FY19: \$38M)

3957
New Listings
(FY19: 3430)

\$2.9B
Value of Exchanges
(FY19: \$2.4B)

\$27M
Group Total Assets
(Rent Roll &
Mortgage Book)³

1. Not including the impact of AASB16, which was applied during FY2020, EBITDA profit for the year came to \$711k which compares to an EBITDA loss of \$4.25 million for FY2019.

2. EBITDA was calculated by adding back in Depreciation & Amortisation (\$6.04 million) Interest & finance costs (\$1.77 million) as well as a one-off impairment of goodwill and other intangibles associated with the Top Level transaction (\$5.2 million).

3. The Agency's East Coast rent roll valued at in excess of \$23 million. Combined with mortgage book brings The Agency's total assets to in excess of \$27 million.

The Agency Group is comprised of four service categories, including property sales, property management, ancillary services and high-level support.

The Agency Group's divisions



Property Sales

Conducts sales of residential properties on behalf of property vendors.

Operates a unique agent recruitment model that delivers high growth to the company while generating value for customers.

Disrupting the Australian real estate brokerage market with its two differentiated offerings under the brands The Agency and Sell Lease Property (SLP).

THE AGENCY

Premium, full service offering



Value, SaaS support offering



Property Management

Manages residential properties on behalf of property owners.

Operates a unique agent incentive model that encourages agent performance and in turn generating stable, recurring revenue for the business.

The Agency Group's property management division operates under The Agency brand.

THE AGENCY



Ancillary Services

Provision of ancillary services provides cross-sell opportunities

- Mortgage financing services: mortgage loan book with ~\$3m in annualised trail income ⁽¹⁾
- Conveyancing: settlement services
- Financial planning: provision of risk products and advice to clients undertaking new mortgages



High-Level Support

Superior support provided via:

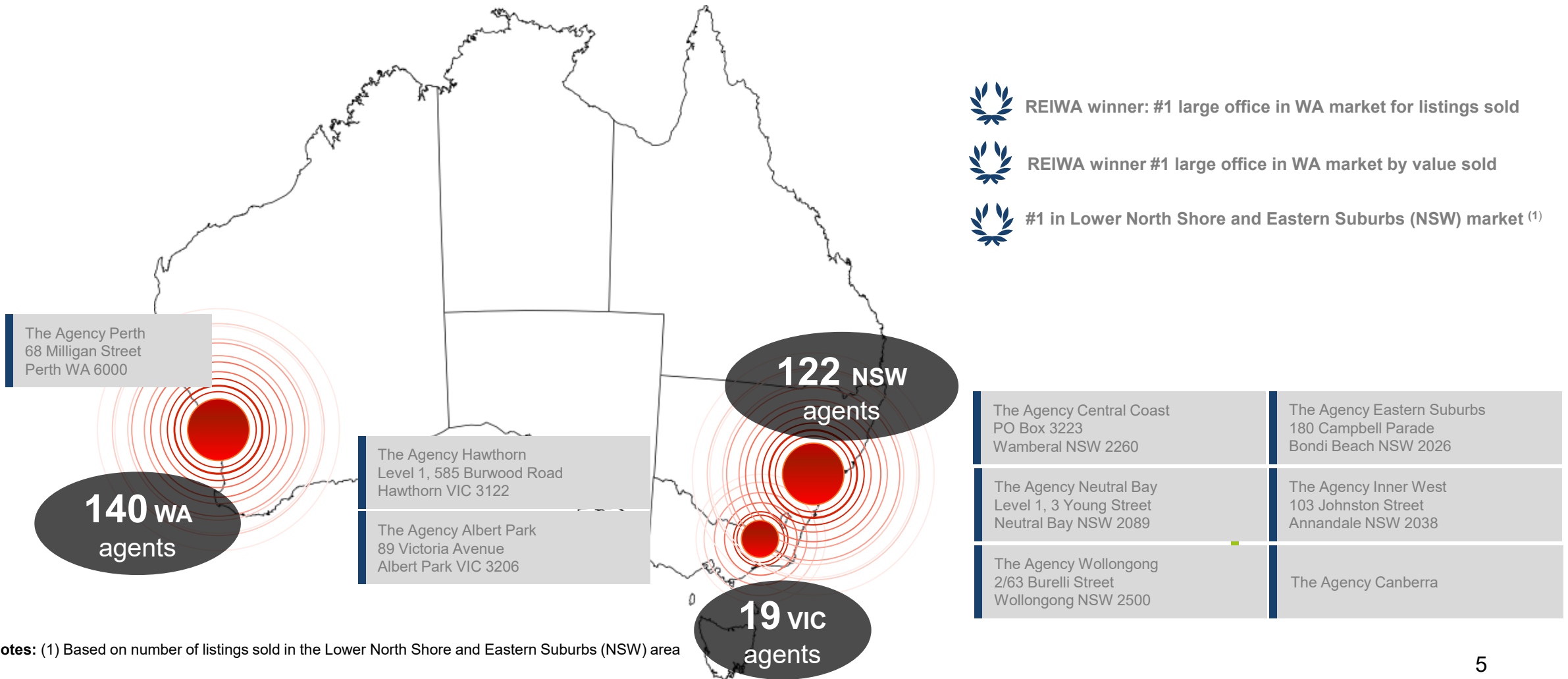
- Agent's own admin team that assist throughout the whole process from listing to settlement
- Centralised office and hubs
- Cloud-based platform.

Instead, the traditional models burden agents with significant overhead costs and administrative costs which impacts on their profits.

Notes: (1) Calculated from September 2020 monthly trail income.

ACCELERATING NATIONAL PRESENCE

Since listing on the ASX in late 2016, the Company has established a national presence with 10 hubs across key metropolitan markets in Australia. Led by an industry-leading management team, The Agency has achieved and continues to capture Australia's prominent property sales.



FY 2020 & 1Q 2021 RESULTS



FY 2020 HIGHLIGHTS – DEMONSTRATED STRONG GROWTH

Despite uncertain market conditions brought on by COVID-19 impact in the latter months of FY2020, The Agency experienced strong year-on-year growth across key operating metrics. This highlights that in tough markets, agents are drawn to our enhanced fee offering, reduced risk and the high-level of support compared to high fees and costs associated with franchises or running a small business.

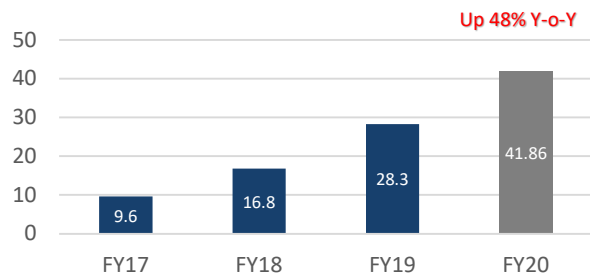
+ EBITDA

FY2020 EBITDA profit of ~\$2.66 million^{1,2}

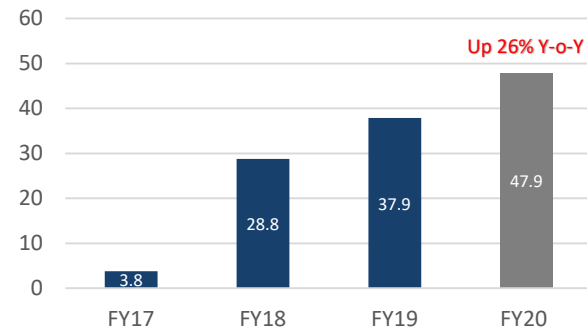
STRONG SALES PIPELINE

Uptick as COVID-19 restrictions eased in key markets. Results flowed through to the Sept Q (1Q 2021) with momentum continuing in West Coast and parts of East Coast with a strong sales pipeline to Christmas.

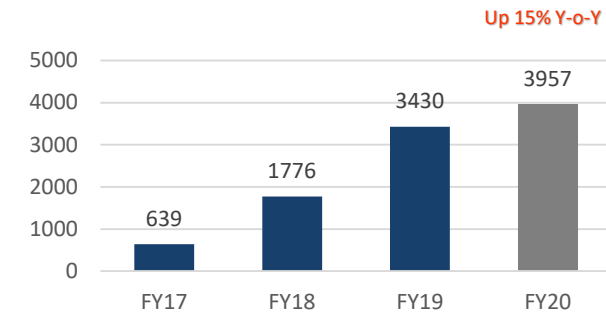
ANNUAL GROUP REVENUE (\$m)



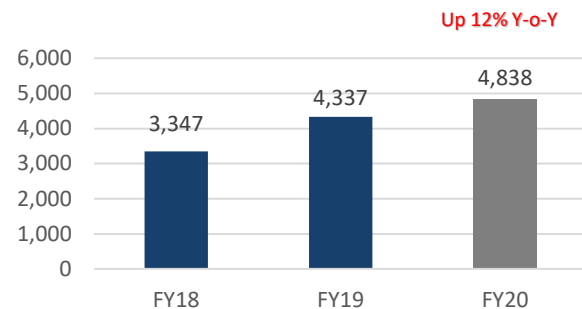
GROSS COMMISSION INCOME (\$m)



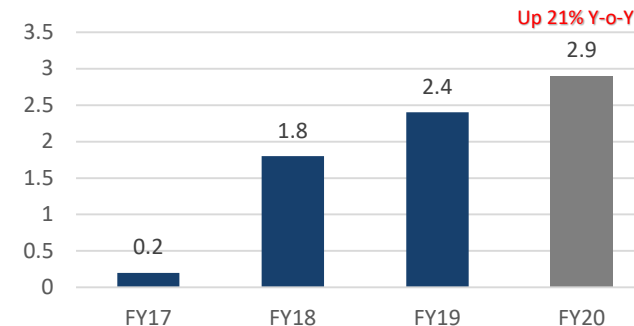
NUMBER OF NEW LISTINGS (#)



NUMBER OF PUM (#)



VALUE OF EXCHANGES (\$B)



1. Not including the impact of AASB16, which was applied during FY2020, EBITDA profit for the year came to \$711k which compares to an EBITDA loss of \$4.25 million for FY2019. 2. EBITDA was calculated by adding back in Depreciation & Amortisation (\$6.04 million) Interest & finance costs (\$1.77 million) as well as a one-off impairment of goodwill and other intangibles associated with the Top Level transaction (\$5.2 million).

SEPTEMBER QUARTER 2020 – RECORD-BREAKING QUARTER

The Agency experienced a record-breaking September Quarter 2020 as markets rebounded in the months post easing of COVID-19 restrictions with strong buyer activity and reduced sales stock on West Coast and East Coast. Continued growth in revenue and key metrics is expected into CY21 on back of improving market conditions.

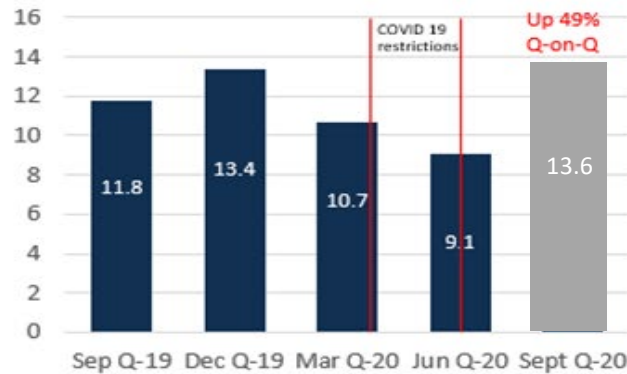
+ EBITDA

Unaudited EBITDA profit of \$723,000 (pre-adoption of AASB16)¹

STRONG SALES PIPELINE

Strong sales pipeline (1,240 new listings in September Quarter) has flowed through to the December Quarter with momentum continuing in West Coast and parts of East Coast as COVID-19 restrictions eased.

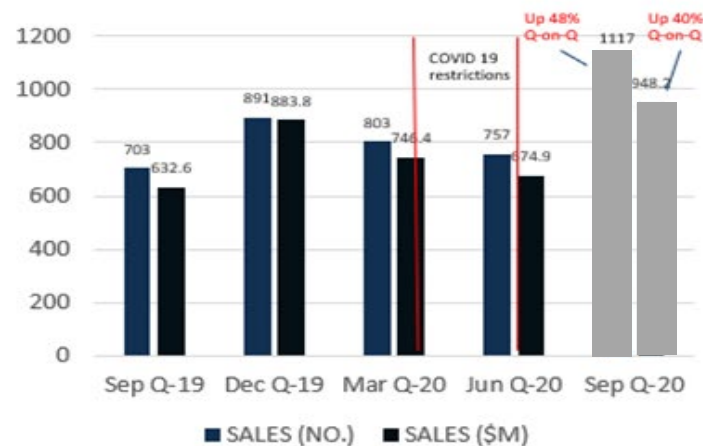
COMBINED GROUP REVENUE (\$m)



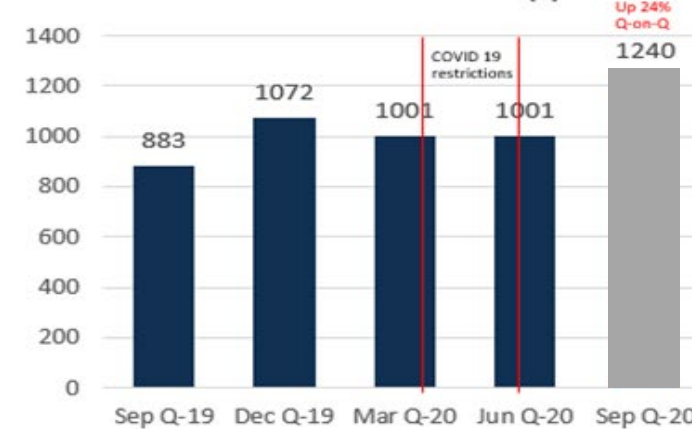
GCI (\$m)



SALES



NUMBER OF NEW LISTINGS (#)



1. Excludes Government incentives received in the 1st Quarter 2021

RECENT MAJOR EVENTS



LONG-TERM \$11M FUNDING PACKAGE

| The Agency Group | Audited | Debt restructured | Con Note Conversion |
|--|----------------------|--------------------------|----------------------------|
| Pro Forma Balance Sheet¹ | Actual | Pro Forma | Pro Forma |
| | 30-Jun-20 | 30-Sep-20 | 30-Sep-20 |
| | \$'000 | \$'000 | \$'000 |
| Current Assets | | | |
| Cash and cash equivalents | 2,724 | 3,903 | 3,903 |
| Trade & other receivables | 7,192 | 7,844 | 7,844 |
| | <u>9,916</u> | <u>11,747</u> | <u>11,747</u> |
| Non-current assets | | | |
| Fixed Assets | 6,685 | 6,722 | 6,722 |
| Intangible assets | 30,376 | 26,550 | 26,550 |
| | <u>37,061</u> | <u>33,272</u> | <u>33,272</u> |
| TOTAL ASSETS | <u>46,977</u> | <u>45,019</u> | <u>45,019</u> |
| Current liabilities | | | |
| Payables and provisions | 14,040 | 13,309 | 13,309 |
| Borrowings | 13,843 | 750 | 750 |
| | <u>27,883</u> | <u>14,059</u> | <u>14,059</u> |
| Non-current liabilities | | | |
| Borrowings | - | 11,000 | 5,000 |
| Deferred tax/Leases/Provisions | 7,483 | 7,720 | 7,720 |
| | <u>7,483</u> | <u>18,720</u> | <u>12,720</u> |
| TOTAL LIABILITIES | <u>35,366</u> | <u>32,779</u> | <u>26,779</u> |
| NET ASSETS | <u>11,611</u> | <u>12,241</u> | <u>18,241</u> |
| Equity | | | |
| Issued capital | 39,396 | 39,396 | 45,396 |
| Reserves | 929 | 929 | 929 |
| Accumulated losses - current | (28,713) | (28,084) | (28,084) |
| TOTAL EQUITY | <u>11,611</u> | <u>12,241</u> | <u>18,241</u> |

1. Based on management accounts and for reporting purposes only
2. Refer to ASX announcement dated 29th October 2020
3. Refer to ASX announcement dated 15th May 2020

- Secures a long-term funding package to underpin continued growth plans²
- Funding package made up of:
 - \$5 million in Convertible Notes to be issued to Peters Investments Pty Ltd – private investment business headed by prominent Australian businessman Bob Peters
 - \$1 million of Convertible Notes previously issued to Peters Investments³
 - An extended \$5 million Macquarie Bank primary secured debt facility (down from \$12 million and subject to shareholder approval of the Convertible Notes)
- Provides greater funding certainty across the business and an improved cash position.
- Continued support from current primary funder and leading banker to the property industry Macquarie Bank at a reduced debt position and at an extended repayment period of 24 months.

STRATEGIC PARTNERSHIP WITH MANAGEX

- Strategic partnership with Managex, a private company chaired by Future Fund board member John Poynton with Kim Slatyer as managing director.¹
- AU1's West Coast property management portfolio (1,165PuM at 30th Sept 20) sold to Managex for ~\$3.5 million – doesn't include sale of East Coast property management business.
- Funds used to reduce debt position and for working capital requirements.
- Reciprocal referral agreement whereby all sales leads from Managex are referred in first instance to The Agency while all WA property management leads from The Agency will be referred to Managex.
- Proactively work together to identify future acquisition opportunities.
- Strategic partnership will drive sales team recruitment and additional property sales from the Managex acquired rent rolls to The Agency.



1. Refer to ASX announcement dated 9th September 2020

KEY MANAGEMENT

Senior management



Paul Niardone
Managing Director

Previously Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in the State until he sold the business to WPP. Experience in marketing and strategic planning for clients in both Government and the private sector and over 15 years experience with public companies.



Matt Lahood
Chief Executive Officer – The Agency

More than 30 years in real estate sales; 2,000+ property sales worth over \$2bn. Previously Director of Sales for McGrath Real Estate, responsible for market entry strategies and management of 22 company owned offices and more than 250 people.



Andrew Jensen
Chief Operating Officer

Andrew, formerly CFO of Ray White, has extensive knowledge in the management of all aspects of finance with strong commercial, strategic, M&A, and change management experience. He has financially led companies engaged in various fields including real estate and ancillary services sectors globally. Fellow of IPA and member of the AICD.



Maria Carlino
Director of Property Management

Over 27 years of real estate experience in key markets incl. Sydney, Brisbane and the Gold Coast. Previous senior roles at RUN Property, Ray White and McGrath Real Estate where she was responsible for the management and growth strategies of the rental portfolio and team across all company owned offices.



Arjan van Ameyde
Chief Financial Officer

Arjan has over 25 years' experience in senior finance roles in listed companies and SME. He has previously founded short-term lending and insurance businesses and established the treasury for a listed multinational group. Most recently he was Chief Operating Officer/Chief Financial Officer(Australia and UK) of ASX listed Ensurance Limited (ASX: ENA).

Board of directors



Paul Niardone
Managing Director



Matt Lahood
Chief Executive Officer – Real Estate



Adam Davey
Non-Executive Director

Adam is Director, Private Clients and Institutional at Patersons Securities. His expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisitions, ASX listings, asset sales and purchases, transaction due diligence and director duties.

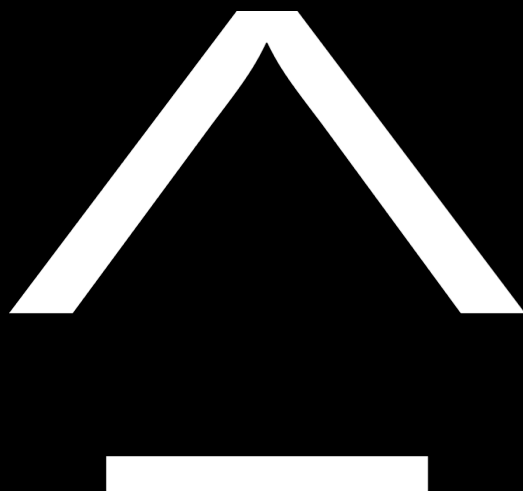


Andrew Jensen
Interim Executive Chairman

OUR INVESTMENT PROPOSITION

- ✓ One of Australia's fastest growing integrated real estate services companies
- ✓ Established a national presence across key metropolitan markets in almost 4 years since listing
- ✓ Led by an industry-leading management team
- ✓ Built a fully serviced real estate firm creating an organisation designed to scale
- ✓ Only Company to offer dual property sales business model, offering both premium (full-service) and independent brand offering - underpins strategy to reach leadership across Australia in terms of agent market share
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- ✓ Traditional landscape of the real estate agency offering in the current economic environment provides great opportunities for The Agency Group to bring further consolidation to the industry





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