

ASX Market Release
31 August 2021

**PropTech Group Limited delivers strong results in FY2021
with over 25% growth in ARR¹**

The PropTech Group Limited (ASX: PTG) ("**Company**" or "**PropTech Group**"), a leading investor in and operator of PropTech companies in Australia, the United Kingdom, and New Zealand, is pleased to release its full year results for the financial year ended 30 June 2021 ("FY2021")

PropTech Group continued to grow its revenue with a 29% increase from \$4.9m in the first six months of FY2021 ("1H FY2021") to \$6.3m in the second half of the financial year ("2H FY2021").

Financial highlights for FY2021 include:

- Total revenue and other income of **\$11.6m** (note this only includes 8 months of the legacy Real Estate Investar business revenues due to reverse take-over accounting treatment – see Financial Results section);
- Underlying EBITDA of **\$1.9m** resulting in an Underlying EBITDA margin of **17%**;
- **\$2.3m** in positive Underlying Net Operating Cashflow;
- **\$6.7m** in cash on hand as of 30 June 2021; and
- ARR (Annualised Recurring Revenue) as at 30 June 2021 of **\$12.4m**, up **25%** from December 2020.

Corporate highlights for FY2021 include:

- Acquired market-leading real estate sales CRM MyDesktop and next-generation sales CRM VaultRE through the special purpose vehicle Real Estate CRM Pty Ltd ("**RECRM**");
- Successfully raised \$10.6m in capital via oversubscribed broker and priority offers;
- Retired historical operational payables through a combination of equity and cash payments;
- Successfully re-complied with Chapter 1 and 2 of the ASX listing rules to be reinstated on the ASX in November 2020;
- Acquired Website Blue (JMCG Pty Ltd) including the Designly product, a core add-on module to VaultRE, which enables agencies to deploy and manage marketing assets and campaigns. The acquisition also adds a full-service web design business to the Group's product range, the first step towards the PropTech Group's single integration system approach for real estate agencies; and

¹ ARR (Annualised Recurring Revenue), growth from 30 December 2020.

- Acquired H1, a full-service real estate sales CRM that was first developed by Harcourts in 1998. Today over 650 Harcourts franchise offices use H1 to operate their businesses with over 600 being in Australia and New Zealand.

Operational highlights for FY2021 include:

- A new exclusive 2-year agreement with Ray White Group, the largest real estate franchise group across Australia and New Zealand. Transitioning their franchisees from MyDesktop to VaultRE with an increase in total revenue;
- A preferred supplier agreement was signed with Harcourts, the number 2 franchise group across Australia and New Zealand with over 600 agencies. The agreement includes a strong incentive as part of the H1 acquisition to transition at least 80% of the franchise network to VaultRE;
- Signed Century21 in the United Kingdom to use VaultEA (the UK version of VaultRE);
- Enhanced its leadership team hiring a number of highly experienced industry executives;
- Implemented a new centralised sales and marketing structure for the Group which resulted in an increase of 65% in sales in Q4 FY21; and
- Increased market share for real estate agencies that use at least one PropTech Group product to 34% as at 30 June 2021, an increase from 30% market share as at 31 December 2020.

Subsequent event highlights for FY2021 include:

Subsequent to the end of the financial year, the PropTech Group:

- Acquired Eagle Software Pty Ltd (“Eagle”) which was completed in July 2021. Eagle is a modern real estate CRM, website and marketing solution focused on boutique and small multi-office real estate agencies with over 800 agency offices across Australia and New Zealand. Growing the market share of real estate agencies using at least one PropTech Group product to 40%; and
- In July 2021, the Company completed a capital raise of \$15.5 m (before share-issue costs) by the issue of 21,536,664 fully paid ordinary shares at an issue price of \$0.72 each.

Results Overview**Basis of Preparation – Statutory**

The acquisition by the Company (the legal parent) of Real Estate CRM Pty Ltd (‘RECRM’) (the legal subsidiary) is deemed to be a reverse acquisition under the principles of AASB 3 “*Business Combinations*” since the substance of the transaction is such that the former shareholders of RECRM are deemed to have effectively acquired the Company. As a result of the reverse acquisition treatment, RECRM is considered the accounting acquirer, and the Company is deemed to be the accounting acquiree.

Therefore, the Financial Information in the Appendix 4E and the full year financial report for the period ended 30 June 2021 has been prepared according to AASB 3. This means RECRM has been accounted for 1 July 2020 – 30 June 2021, while the Company has been consolidated from 1 November 2020 to 30 June 2021. For the financial year 2020 the basis of preparation

relates to RECRM accounts as a private entity and for the period of 13 February 2020 to 30 June 2020.

Financial Results for Continuing Operations

During FY2021, PropTech Group total revenues and other income was \$11,630,378, with a loss for the consolidated entity after providing for income tax amounting to (\$1,001,353).

	30-Jun-21 \$
Consolidated profit or loss and other comprehensive income	
Total revenue & other income	11,630,378
Total expenses	(12,465,379)
Net finance costs	(5,665)
NPBT	(840,666)
Income tax	(160,687)
NPAT	(1,001,353)
Foreign currency translation differences	(5,651)
Total comprehensive profit for the period	(1,007,004)

The Group had an Underlying EBITDA for the period of \$1,927,000, which excluded any non-operating items.

	Half Yearly Performance			Full Year Performance		
	31-Dec-20	30-Jun-21	Change	FY20	FY21	Change
	\$'000	\$'000	%	\$'000	\$'000	%
SaaS revenue	4,488	5,479	22%	2,649	9,967	276%
Other operating revenue	384	822	114%	212	1,206	469%
Total operating revenue	4,872	6,301	29%	2,861	11,173	291%
Cost of Sales	(471)	(716)	52%	(309)	(1,187)	284%
Gross profit	4,401	5,585	27%	2,552	9,986	291%
Gross profit margin %	90%	89%		89%	89%	
Other income	159	298	87%	141	457	224%
Operating (expenses)	(3,146)	(5,370)	71%	(2,171)	(8,516)	292%
Underlying EBITDA	1,414	513	(64)%	522	1,927	269%
Underlying EBITDA margin %	29%	8%		18%	17%	-

The above numbers should be read in conjunction with the full year accounts.

CEO Joe Hanna said “Financial year 2021 was a transformative one for the PropTech Group. Since re-listing in November 2020 PropTech Group has made several strategic acquisitions and

extended our leading market share of real estate agencies using our CRM SaaS products in Australia and New Zealand.

“We have doubled our team since re-listing in November growing from 51 to 103 as of June 30 with a strong focus on expanding the product and technology teams along with sales and marketing personnel. Our newly formed centralised business development, account management and marketing teams are working closely with our customers to help them navigate the PropTech landscape utilising best in breed technology to help streamline their business and maximise profitability.

“The Company achieved a 29% growth in total operating revenue, 25% growth in ARR, and 22% growth in SaaS revenues in the second half the financial year compared to the first half driven by increasing ARPA and expanding our market share. We ended the 2021 financial year strong with annualised monthly recurring revenue of \$12.4 million.

Looking ahead the Company will continue to drive strong growth through a combination of organic and inorganic initiatives.”

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Release of market announcement authorised by Joe Hanna, CEO and Managing Director.

Contact Details

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About the PropTech Group

The PropTech Group is an Australian listed company that focuses on investing in and operating PropTech companies that primarily serve the Australian, United Kingdom, and New Zealand real estate markets.

Key assets include the market leading real estate sales CRM software VaultRE, Eagle Software and MyDesktop in Australia and New Zealand, Real Estate Investar, VaultEA in the United Kingdom, Website Blue, Designly and Rent Find Inspector.

Major customers include Ray White, Harcourts and Raine and Horne in Australia and New Zealand, and Century 21 in the United Kingdom.