



REAL ESTATE
FINANCE
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ASX MARKET RELEASE

12 June 2018

Record Month Disrupting The Franchise Model

Highlights

The Agency (West Coast)

- The Agency Group (WA) – total revenue of \$13.5m YTD May 2018, on target for approx. 45% growth year-on-year
- The Agency Group posted a revenue record of \$2m for May 2018
- The Agency WA (real estate commissions only) – revenue \$7.55m YTD May 2018, on track for 66% year-on-year growth
- The Agency and SLP set a record of \$9m in Gross Commission Income YTD May 2018
- Property Management posted a record month with revenue of \$116,000 and a net gain of 96 properties
- Mortgage and Finance Solutions Australia posted a record month with over \$20m of loans lodged for May 2018
- Landmark Settlements also edged over \$100,000 of income for the month completing just over 100 settlements for May 2018
- The Agency and SLP ranked #1 and #2 respectively by REIWA for top office in WA for January, February, March and April 2018

Corporate

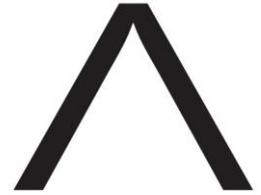
- Secures \$1.1m loan to be used for Working Capital purposes

The Agency (East Coast)

- 104 agents recruited, over \$11 million of sales and \$16 million in group revenue

The Agency Group Australia (ASX: AU1) (“The Agency” or “the Company”) is pleased to provide an update for year-to-date (YTD) May 2018 for its Western Australian operations, a period in which the Company continued to significantly disrupt the traditional franchise model.

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All core business units posted yearly records for the month of May 2018 and further highlights The Agency is achieving its stated goal of being the fastest growing real estate brand nationally.

The Agency real estate sales posted gross commission income of \$7.55 million while SLP posted \$1.5 million (March – May), totaling \$9 million of commission income for YTD May 2018.

The Agency Property Management reported monthly income of \$116,000 for May and added 96 new property managements.

Mortgage and Financial Solutions Australia posted a record month of \$20 million in loan lodgments while the loan book grew 9.5% against a drop of 18% in the Western Australian lending market.

Landmark Settlement recorded 103 settlements for the month of May bringing in just over \$100,000.

Commenting on the results, The Agency Managing Director Paul Niardone said:

These are exceptional results for our Western Australian operations, especially when considering the market is still down 1.8% in dwelling values to May 2018 and sales turnover, for the same period as last year, was down 5%. The numbers also demonstrate that the referral of clients into other business units is working.

The results illustrate we have a proven model that is disrupting the traditional franchise model by giving power back to the real estate agent and providing a significant value proposition to agents.

The traditional model has had its time and The Agency has proven this by showing that, combined with Sell Lease Property, we are knocking on the door of claiming number one ranking in WA for number and value of sales.

The table below provides key metrics for each of the entities (including proposed acquisition of Top Level Real Estate) for YTD May 2018:

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THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX: AU1



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The Agency Group Australia (ASX:AU1)				
The Agency (West Coast)		SLP (Nationally)	The Agency (East Coast – Top Level)	Combined Total
Group Revenue	\$12m	\$1.5m	\$16.1m	\$29.6m
Recruited Agents	73	111	104	288
No. of Settlements	647	115	506	1268
Property Mgmts.	590	-	3379	3969
Loan Book	\$1.185b	-	-	\$1.185b

Please note: Unaudited figures / SLP revenue figures only from March 2018 / The Agency East Coast figures from 1st April 2017.

SLP Acquisition – Significant benefits being realised

Sell Lease Property (SLP) continues to deliver strong results since being acquired in March 2018, recording 115 properties settled and 324 listings for the two months to May 2018.

In May 2018, The Agency and Sell Lease Property combined ranked fifth in Western Australia for \$ value and fourth in number of sales.

In April 2018, The Agency and SLP in Western Australia ranked first and second respectively for top office in the state and in the top five as a marketing group in the state (REIWA Numbers) as has been the case in January, February and March. March figures as shown in the table below:

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April 2018	WA Office ranking # of sales	Number of Sales	Value of Sales
The Agency	1 st	66	\$37.3m
SLP	2 nd	63	\$29.7m
Total Combined Group Sales	5th in \$ value, 4th in # of sales	129	\$67m
Top Group in WA Comparison	Sales	157	\$66.4m
	\$ value	95	\$77.6

The table also highlights that – as a combined group – the Company is closing in on claiming number one ranking in WA for number and value of sales when compared with the top groups in the state.

Aggressive acquisition strategy

The Company is currently evaluating a number of potential opportunities from a strategic perspective, which will increase its agent numbers and contribution to EBITDA.

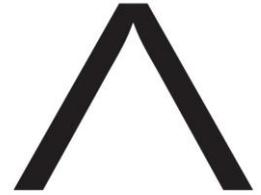
The Agency's acquisition strategy is to take advantage of a rapidly changing real estate market.

With both principals and agents under large franchise chains or independent models looking at moving away from these traditional models, agents are forcing change as they want far greater value for their efforts, higher revenue splits and a much broader value proposition in acknowledgement of their results.

Success of The Agency model is based on addressing the needs of the agents and providing them with the opportunities not currently offered in traditional real estate structures.

The Agency is disrupting the traditional model by reducing structural layers and focusing on the agent rather than the brand - providing a significant value proposition compared to the traditional model.

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The Agency continues to receive enquiries from agents and real estate firms across Australia who are attracted to our model.

Secures \$1.1M Loan Facility

The Agency Group has secured a \$1.1 million loan on normal commercial terms to be used for general Working Capital purposes.

The Loan is secured pursuant to a general security deed, has an interest rate of 1.5% per calendar month and is to be repaid in three (3) months.

If you require further information, please contact:

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