

REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

ASX MARKET RELEASE

31st October 2018

September Quarter 2018 Update

Highlights

The Agency (West Coast)

- The Agency Group (WA) – total revenue of \$5.3m for September Quarter 2018
- Total revenue up more than 50% for same period last year
- The Agency WA (for The Agency & SLP real estate commissions only) – revenue \$3.9m for September Quarter 2018
- Total real estate commission up more than 100% for same period last year
- The Agency and SLP continue to rank as top offices in WA – July, August and September

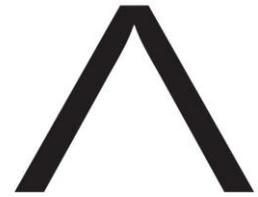
Top Level Acquisition

- Amended Option Agreement to acquire Top Level Real Estate executed on 19 September
- Firm commitments received to raise \$8.4 million via a share placement
- Notice of General Meeting lodged post quarter end for EGM to approve Top Level acquisition and other resolutions ancillary to the acquisition
- EGM to be held at 10am on 15 November at 68 Milligan Street, Perth.
- Additional acquisition opportunities nationally also being explored

The Agency Group Australia (ASX: AU1) (“The Agency” or “the Company”), continues to achieve its stated goal of being the fastest growing real estate brand nationally following yet another stellar quarter.

Traditionally, the winter quarter is lower and this year sales have been lower across Western Australia as a whole. However, we are still the leading office for sales for the September quarter. The Agency real estate sales posted gross commission income of \$1.9 million while SLP posted \$2 million totalling \$3.9 million of commission income for the September Quarter. This was slightly lower than the previous quarter in line with a drop in transaction sales for the state.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



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The Agency Property Management reported quarterly income of \$0.3million, with the rent roll now increased to 603 managements.

Mortgage and Financial Solutions Australia posted over \$47 million in loan lodgements and revenue of \$0.7 for the quarter.

Landmark Settlement recorded 260 settlements for the quarter, bringing in just over \$0.25million.

SLP – Achieves Strong Quarter

In its second full quarter since acquisition in March 2018, Sell Lease Property delivered robust results of 173 properties settled and 180 listings.

Top Level Acquisition Proceeding

The Company has exercised its option to acquire high-growth east coast real estate firm Top Level Real Estate – operating as The Agency East Coast - under an amended and restated option agreement (as announced on 19 September 2018) and is now proceeding to completion of the acquisition.

To complete the transaction, the Company is seeking shareholder approval to the acquisition and other resolutions associated to the transaction at an Extraordinary General Meeting to be held at 10am on 15 November at 68 Milligan Street, Perth.

The company has received firm commitments to raise \$8.4 million. This capital raising strengthens the Company's balance sheet, providing The Agency with the funds to progress the Top Level acquisition and expand Sell Lease Property nationally.

In addition, the Company will also be well positioned going forward with a 1-for-30 share consolidation providing a tighter capital structure and stronger balance sheet with a \$5 million reduction in Top Level debt via a debt-to-equity conversion.

The Agency also plans to make a bonus issue to all shareholders to reward them for their continued loyalty and ongoing support.

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The bonus issue will result in the issue of 13,675,861 new Shares (following consolidation of the Company's issued capital on a 30:1 basis).

The Board of the Company is fully committed to the Top Level transaction and looks forward to the value accretion which it believes will be created by this transaction.

Below is the indicative timetable as included in the Notice of Meeting dispatched on 17 October 2018.

Event	Indicative Timing*
Dispatch of Notice of Meeting (Completed)	17 October 2018
General Meeting of Shareholders ASX notified whether Shareholders' approval has been granted for the Resolutions	15 November 2018
Capital Raising completed	30 November 2018
Subject to Directors' satisfaction that the conditions precedent in Amended and Restated Option Agreement are satisfied (or waived in accordance with its terms), Settlement, of the Acquisition including issue of the Shares contemplated by this Notice	4 December 2018
Commencement of trading of Shares on ASX	5 December 2018

* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

Awards

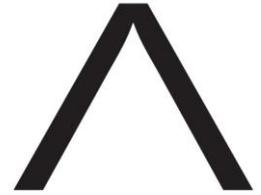
The Agency was awarded Top Office for Listings Sold and Top Office by Value Sold in Western Australia for 2018 at the annual REIWA.com Awards in September.

The Company reported 667 sales worth over \$400 million for the past 12 months, which was 200 more sales and over \$50 million more property sold than second place.

The Agency also finished fourth in project market sales for the year. Sell Lease Property (SLP) would have come in second place for Listings Sold with 659 sales for the year, however were ineligible due to the change in ownership.

The Agency continues to top the REIWA monthly rankings recently taking out top office for listings sold and for value sold for September 2018.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

The Agency Group Australia Limited

ABN

52 118 913 232

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,919	5,919
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,959)	(3,959)
(c) advertising and marketing	-	-
(d) leased assets	(12)	(12)
(e) staff costs	(1,502)	(1,502)
(f) administration and corporate costs	(248)	(248)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(37)	(37)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	161	161

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(100)	(100)
(b) businesses (see item 10)	-	-
(c) investments	(285)	(285)
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Cash acquired on acquisition of businesses	-	-
2.6 Net cash from / (used in) investing activities	(385)	(385)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (over subscriptions share placement)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,022	1,022
4.2 Net cash from / (used in) operating activities (item 1.9 above)	161	161
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(385)	(385)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	798	798

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	798	1,022
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	798	1,022

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000

47

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director salary \$42k
Director fees \$5k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

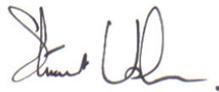
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(4,000)
9.3 Advertising and marketing	(20)
9.4 Leased assets	(12)
9.5 Staff costs	(1,700)
9.6 Administration and corporate costs	(350)
9.7 Other (Bank Guarantee and Rental deposit)	-
9.8 Total estimated cash outflows	(6,082)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Nil	Nil
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.



Sign here:
Company Secretary

Date: 31 October 2018

Print name: Stuart Usher

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.