1H FY2024 Investor Presentation

THE AGENCY

22 February 2024

1H FY24 Key Takeaways

$557K

Underlying EBITDA[1]
(1H FY23: -$947K)

$43.9M

Revenues from Ordinary Activities
(1H FY23 : $37.5M)

$3.3B

Gross Value of Properties Sold
(1H FY23 : $2.6B)

3,115

No. of Properties Sold
(1H FY23 : 2,847)

$56.9M

GCI[2]
(1H FY23 : $45.7M)

411

No of Agents
(30 June 2023: 399)

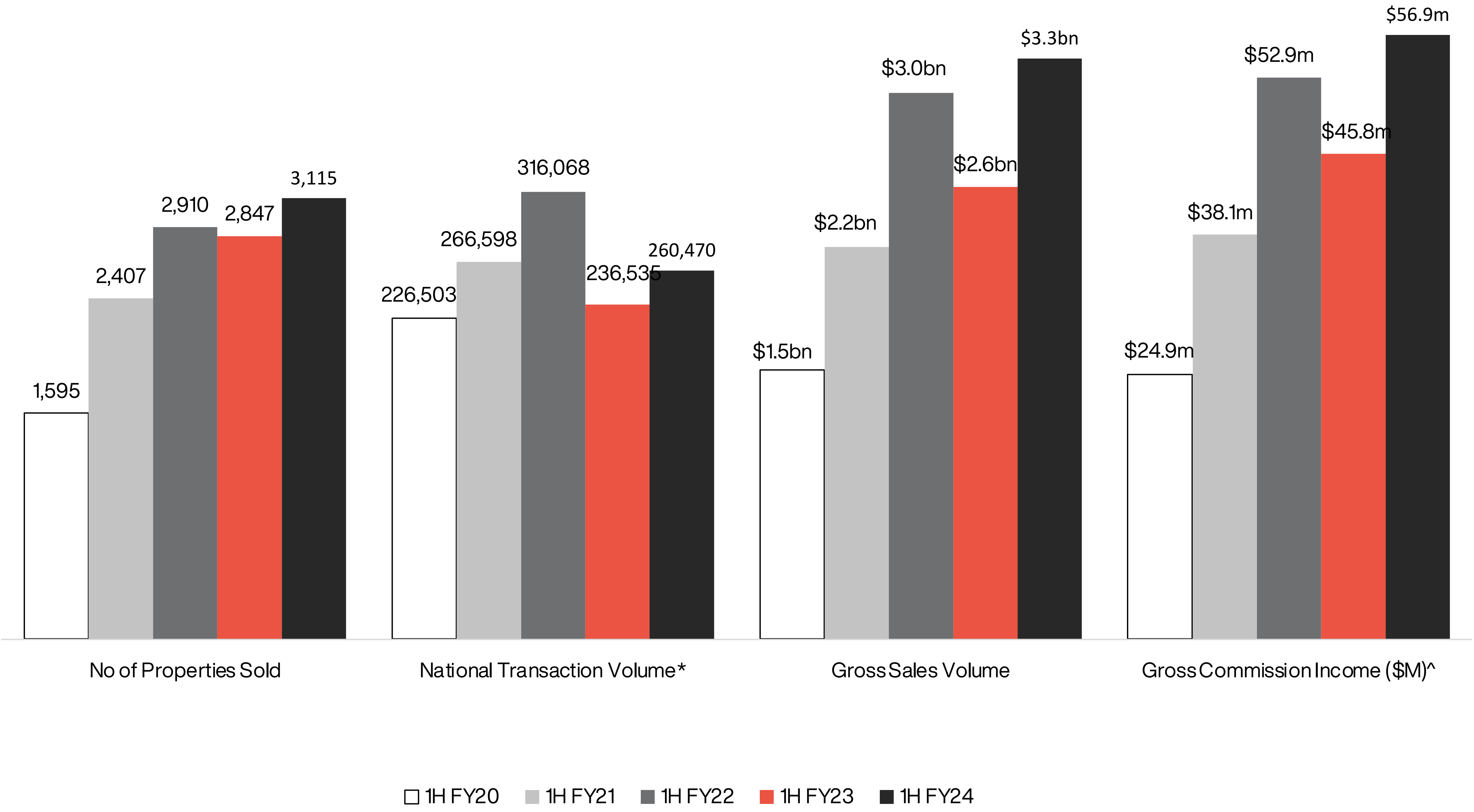
1. Underlying adjusted for the impact of AASB16 Leasing Standard, Gain on Sale and other one off items.
2. Gross Commission Income ("GCI") is the fees the vendor pays for the sale of a property.

Record transaction volume underpinned growth in other metrics

Record six month result of 3,115 transactions under pinned record Gross Sale Volume and Gross Commission Income level.

Improved transaction contributions from East Coast states assisted the growth in Gross Sales Volume.

NSW Average Sale Price in the period was +17.1% in 1H FY24, while WA Average Sale Price was +11.6% which were both above the Australian market average growth of 8.1%*.



* Source: CoreLogic Economist Park (Dec 2023).
^ Gross Commission Income ("GCI") is the fees the vendor pays for the sale of a property.

A growing brand with 411 agents with presence across six states and territories.

The Agency has continued to expand its presence during 2022 and 2023, adding additional geographical areas to its operations. The Agency is also focused on building depth in existing markets to increase overall national market share.

Over 10,000 investment properties managed by The Agency

As at 31 December 2023, The Group managed 10,092 (31 Dec 2022: 5,868) properties with an asset value of some $9bn. The property management business is comprised of 5,089 (31 Dec 2022: 4908) that are owned by the Agency and 5,003 (31 Dec 2022: 960) externally owned management rights. Management's estimated value of it's 5,089 management rights and its Mortgage Book as at 31 December 2023 was $29.31m.

Since its announcement, MDC Trilogy Group have deployed nearly $25m in purchasing rent roll assets across NSW and Queensland. These purchased rent roll assets comprise of over 4,000 properties under management which are now managed by The Agency under a services arrangement.

Combined, the 10,000 plus managed properties collected $135m of rent in the six month period on behalf our landlords and represent an estimated $9 billion of Australian's property investors wealth. Our national footprint enables Landlords with a geographically dispersed portfolio the opportunity to have all their properties managed by a single company. The increased portfolio scale enables greater cost synergies across The Agency owned portfolio.

Financial Highlights

Business Performance Update

A disciplined approach to expenses enabled the cost of doing business in the half to materially reduce to 32.8% of revenue with further reductions targeted.

($M)	1H FY24	UNDERLYING[1] 1H FY23	Change
GCI	**56.9**	**45.7**	**24.5%**
Revenue[2]	43.92	37.49	17.2%
Gross Profit	14.61	12.21	19.7%
Other Income	0.37	0.32	-0.5%
Operating Expenses	(14.43)	(13.47)	6.7%
Cost of Doing Business[3]	**32.8%**	**35.9%**	-310 basis points
EBITDA	**0.56**	**(0.95)**	**n/a**

1. Underlying adjusted for the impact of AASB16 Leasing Standard, Gain on Sale and other one off items.
2. According to accounting standards, recognition of revenue is dependent on the engagement mechanism of the Agent. A sale by a payroll agent will result as revenue equal to GCI, with an agent commission expense in Cost of Sales. A sale by a non payroll independent contractor agent, revenue is equal to The Agency share GCI. There is no cost of sale expense for a non payroll agent.
As a general rule, Western Australia agents are predominantly Payroll agents, while East Coast agents are predominantly non payroll agents.
3. Operating Expenses Pre AASB16 Leasing Standard as a percentage of revenue

Record six month GCI result

1H FY24 GCI of $56.9m was a record GCI for the company, growing from $49.8m in 2H FY23.

Agent Mix

During 1H FY24, a higher percentage of sales by independent contractors resulted in Revenue growth below GCI growth[2].

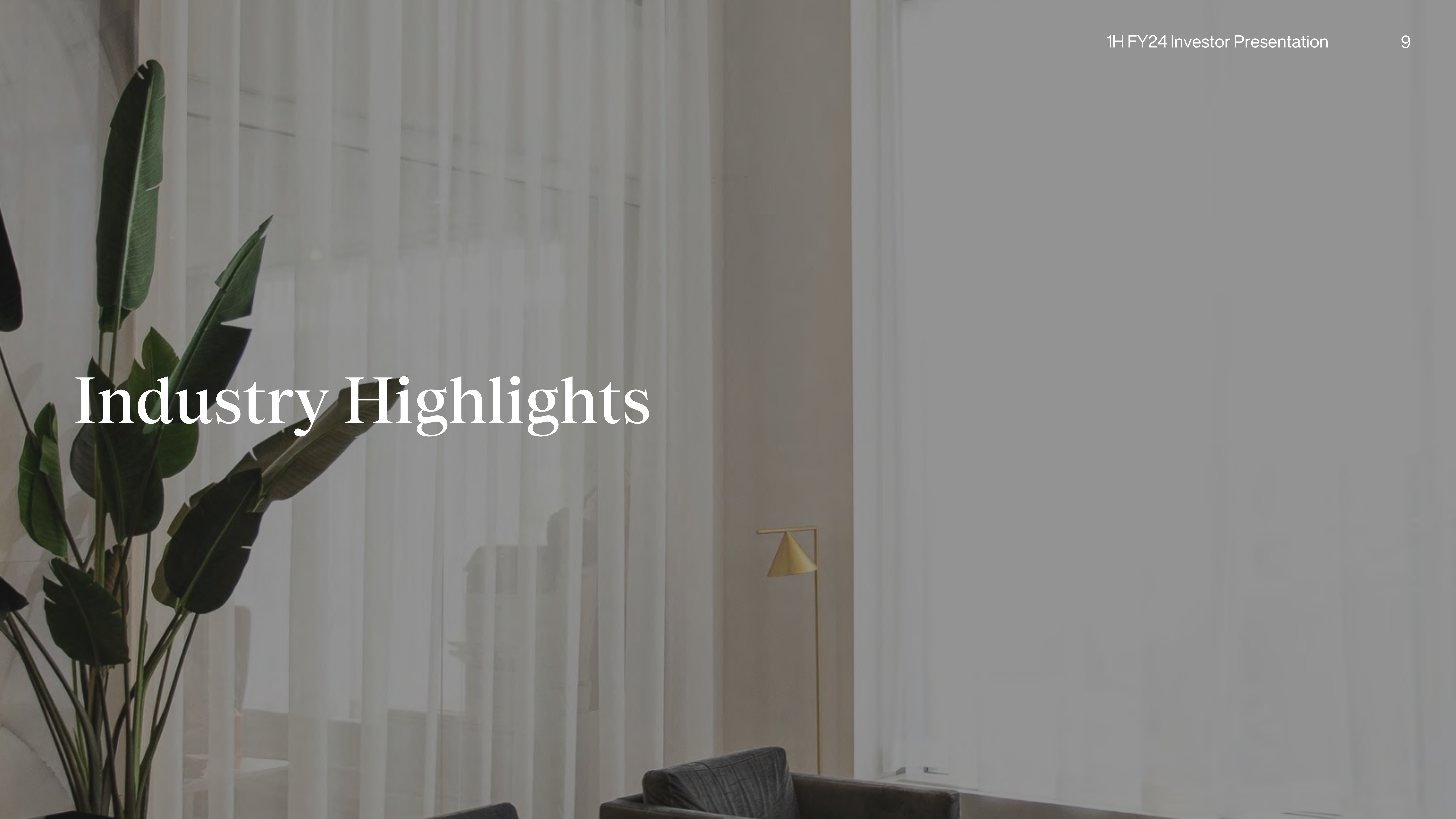
Fractionalising Cost Base

As The Agency continues to scale GCI and revenue, management remains committed to reducing the Cost of Doing Business Ratio and taking advantage of economies of scale as our agent population and sales revenue grows.
1H FY24 Cost of Doing business ratio was 32.8%, materially below 1H FY23 result of 35.9%.

Significant shareholder value held off Balance Sheet

($M)	31 December 2023	STATUTORY 30 June 2023	Change
Cash at Bank	4.70	4.63	+1.5%
Net Assets	9.64	12.54	-23.1%
Assets not on balance sheet	19.96	16.56	+20.5%
Estimated Shareholder Net Assets	**29.59**	**29.11**	**+1.6%**

+ The value attached to internally generated Property Management and remaining Mortgage book is not recorded in the balance sheet. Despite the value of the property management portfolio increasing in the period, under the accounting standard rules, the Profit & Loss statement for the six month period includes an amortisation charge of the externally purchased property management assets held as an intangible asset. This amortisation charge has resulted in a reduction of Statutory Net assets and results in an increase in assets not recognised in the balance sheet.
+ Management valuation of the Property Management portfolio is calculated on a blended valuation multiple of 3.35x on Q2 FY24 Annualised Property Management fees and 2.25x Net Trail Income relating to the remaining Mortgage Book The estimated combined value of these assets as at 31 December 2023 was $29.31m ($27.67m at 30 June 2023.).
+ Only $9.35m of this value is held on the Balance Sheet as an intangible asset as at 31 December 2023 ($11.30m as at 30 June 2023), leaving $19.96m of shareholder value off balance sheet at 31 December 2023 ($16.56m at 30 June 2023).
+ Adjusting for these off balance sheet assets, Estimated Shareholder Net Assets has increased 1.6% to $29.59m ($29.11m at 30 June 2023).
+ In conjunction with the settlement of Bushby Property Group, The Agency entered into a Primary lender banking facility with Macquarie Bank, with a facility limit of $8.40m for a 3 year term expiring on 20 July 2025.

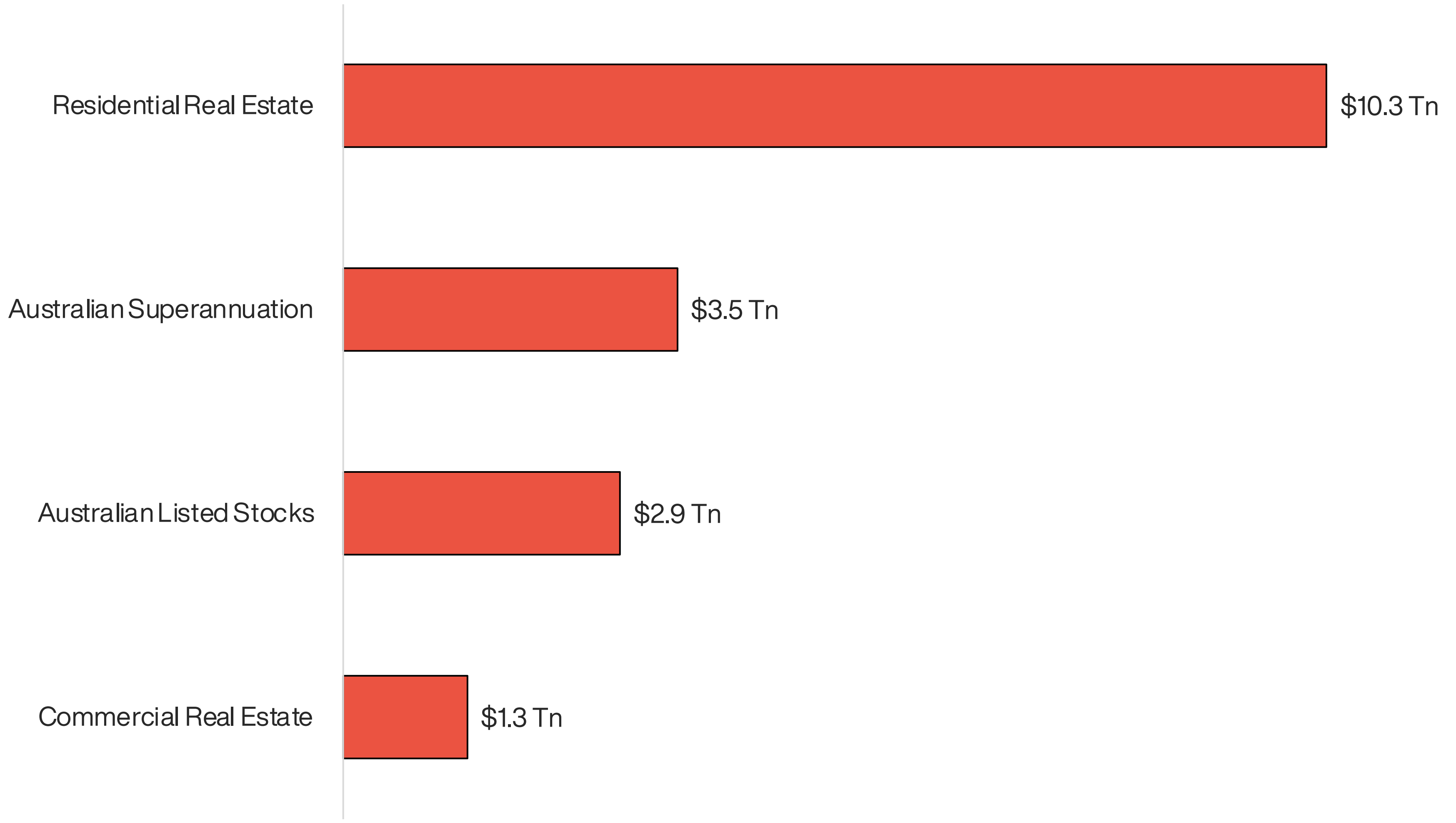


Industry Highlights

Market Update.

56.7% of Australian Household Wealth is held in Residential Housing with a $6.2 Billion annual addressable sales commission market.

Source: CoreLogic, RBA, APRA, ASX
* Assessed at 1.50% Average Commission Rate of Gross Sales Volume of $400.9Bn.



488,898
Sales in CY23

$416.1Bn
Gross Value of Sales in CY23

$6.2 Bn
CY23 Total Annual Addressable Market* (GCI)

3.25M
Number of investment properties in Australia

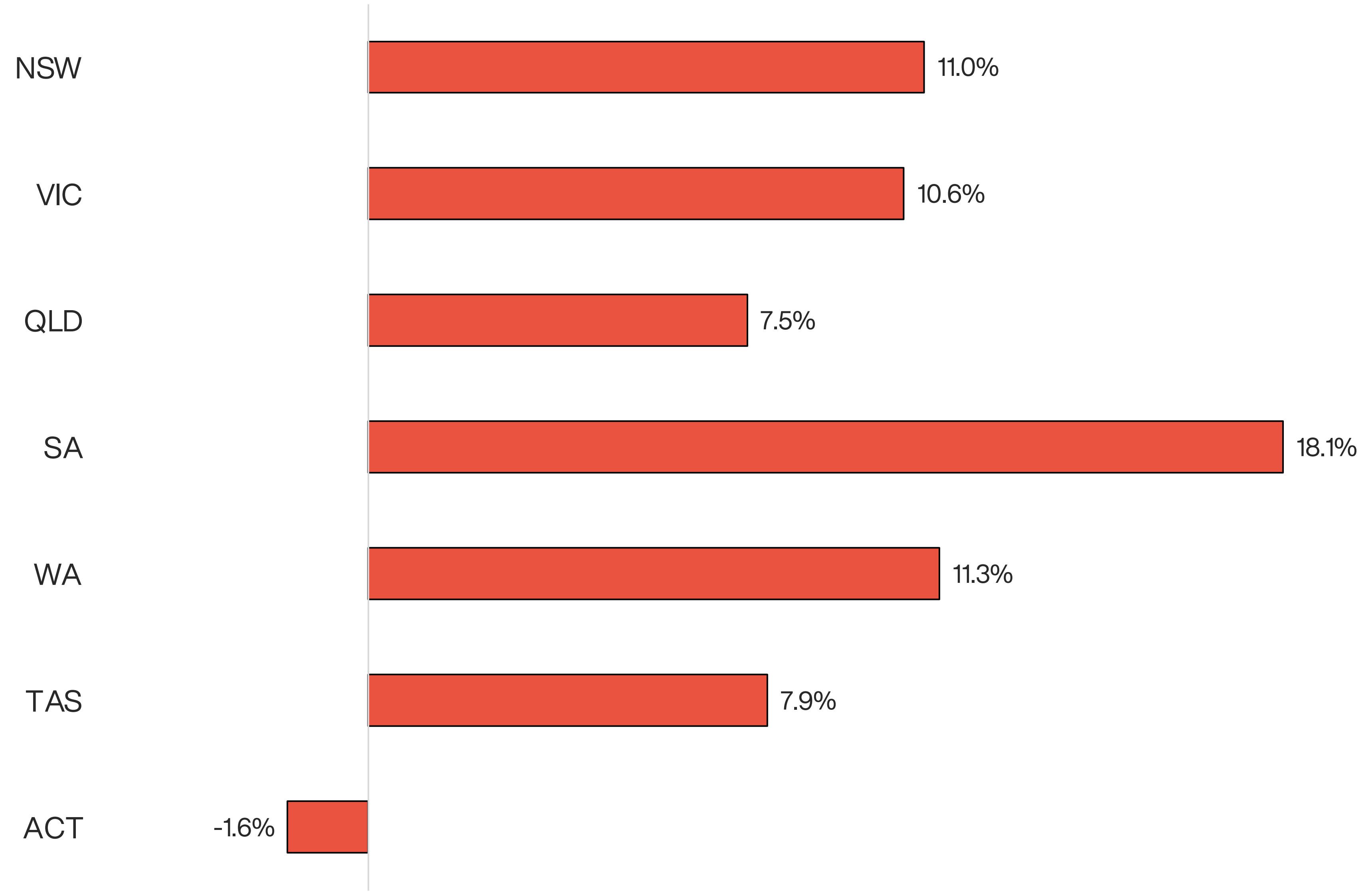
$3Tn
Estimated Value of investment properties in Australia

1H FY24 Market Sales Volume

In the six months to 31 December 2023, Australian market volumes have increased 10.1% from 1H FY23 levels.

Source: CoreLogic

Change in sales volumes, six months to Dec 2023



+10.1%
Australia

+5.0%
Combined Regionals

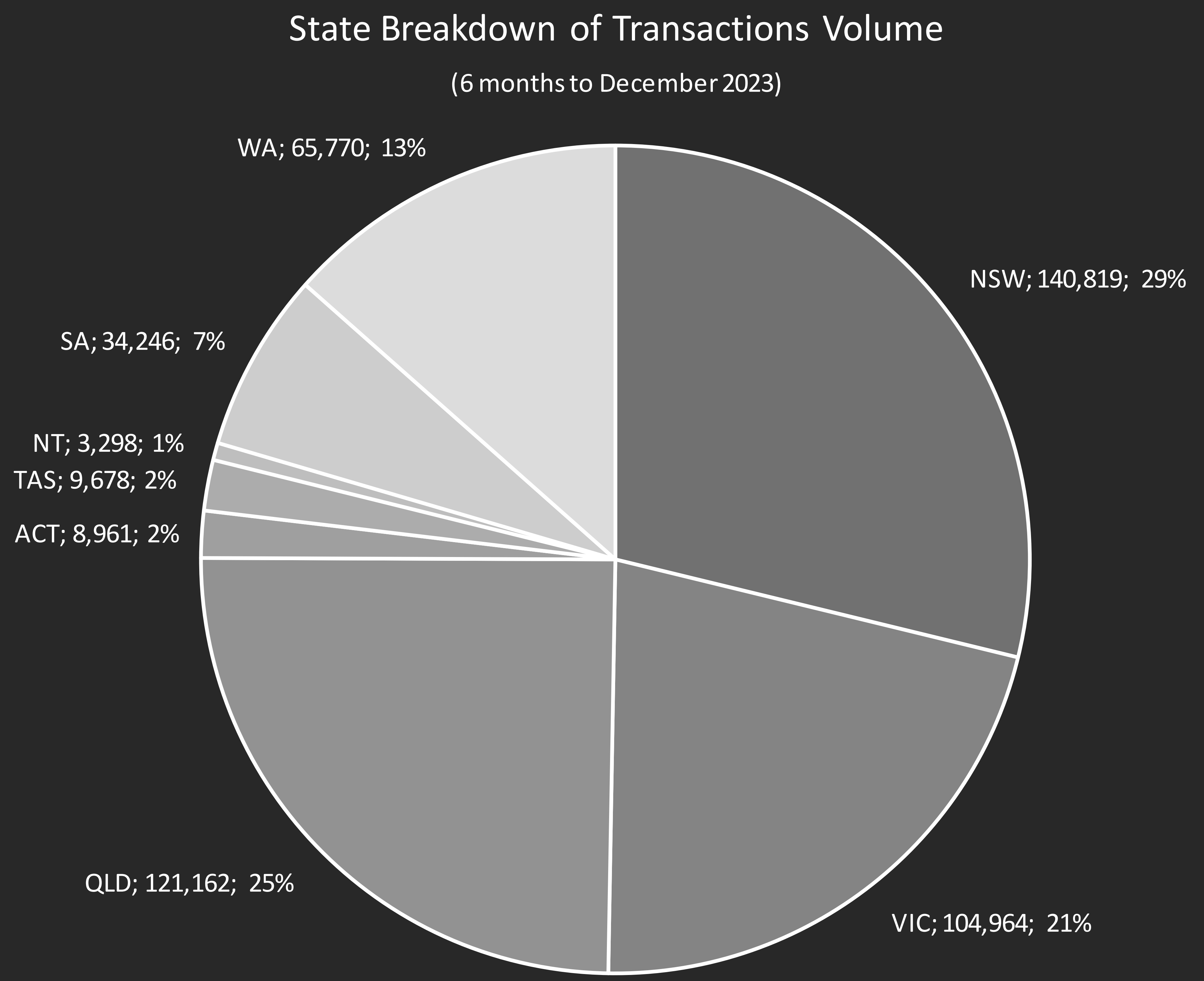
+13.1%
Combined Capitals

State Breakdown of Sales.

In the six months to 31 December 2023, NSW represented 29% of the national sales volume, followed closely by Queensland at 25% and Victoria at 21%.

Combined these 3 states represent three quarters of the nationals sales volume. Increased organic agent recruitment and MDC Trilogy Group capital deployment will improve The Agency's market share in these key growth markets.

Source: CoreLogic



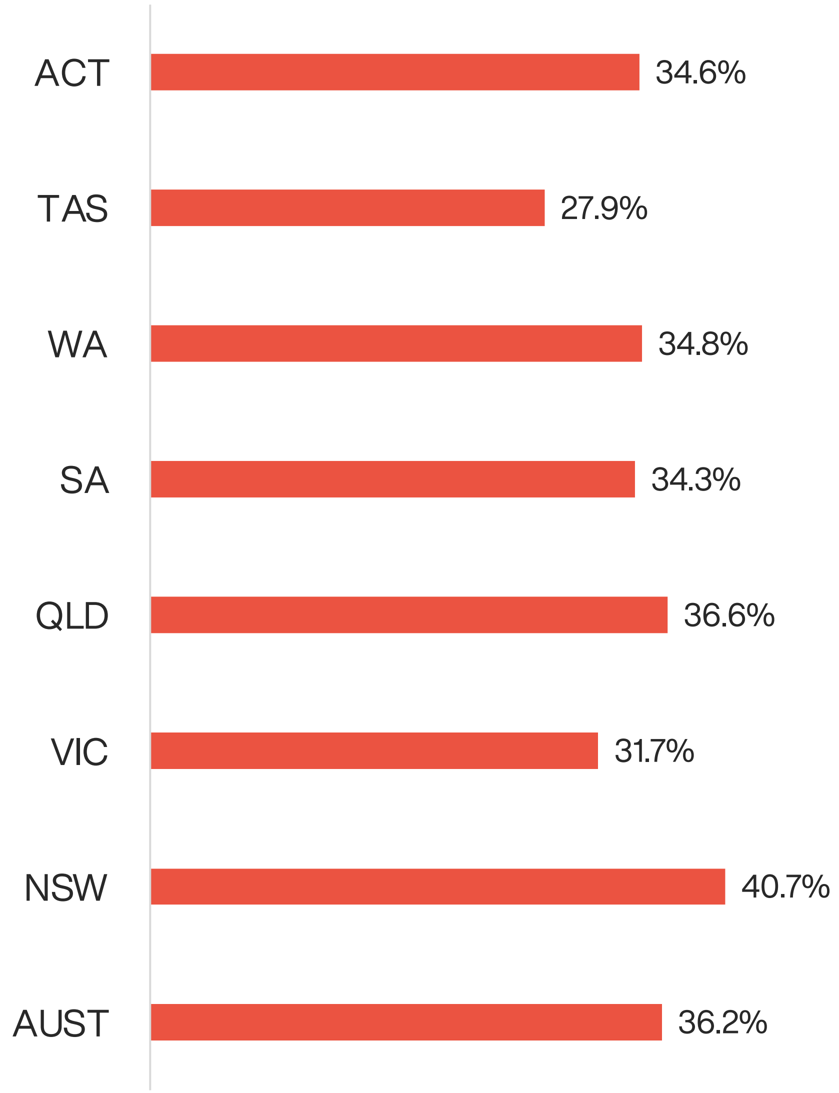
Investor Participation

Investor Participation at 36.2% is marginally above the decade average of 34.1%.

NSW is the state with the highest investor participation with 40.7% of lending to investors, while WA has grown to 34.8% in December 2023. The Agency has growing property management rights in both of these key investor markets.

Portion of new lending for investment housing (excluding refinance)

Investors as a % of housing finance commitments by state (Dec'23)

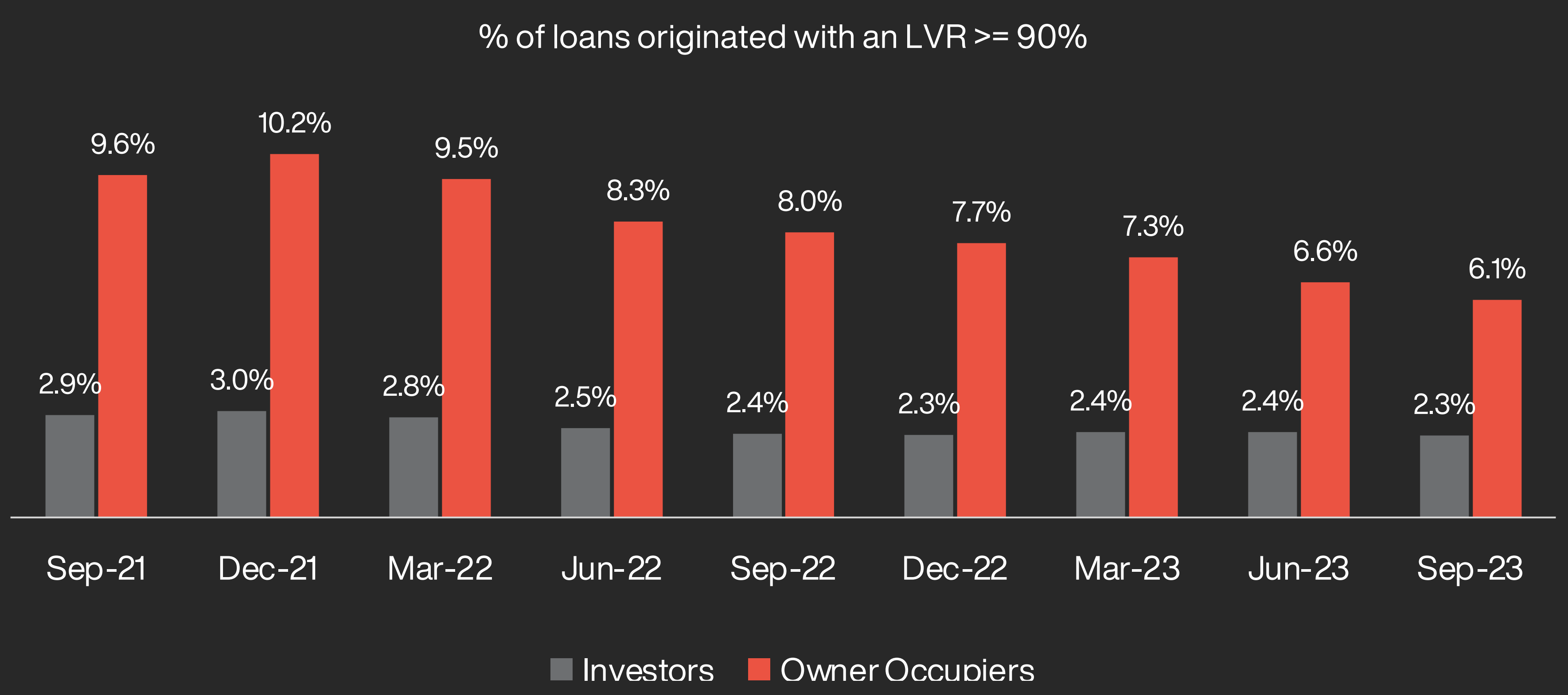


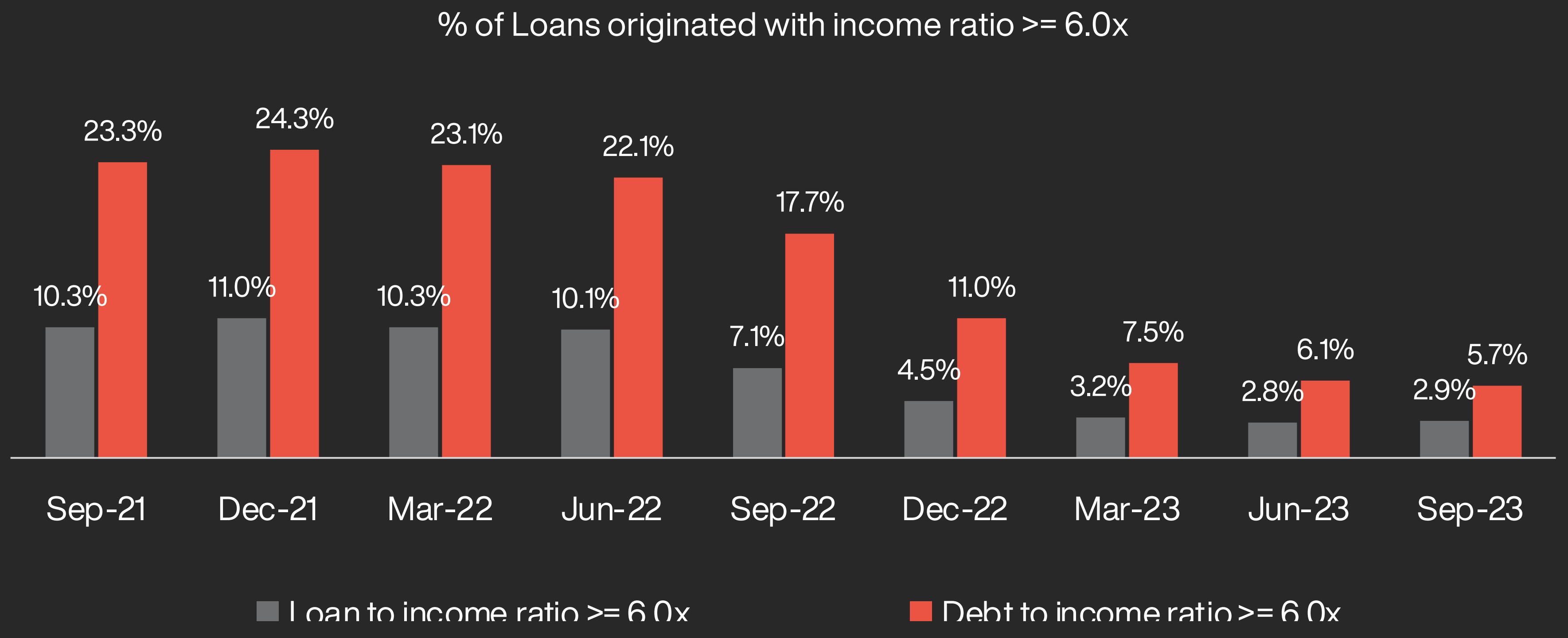
Source: CoreLogic, ABS

Cautious lending improving quality of loans.

Mortgage originations for 'risker' types of lending trended notably lower through 2022 and throughout 2023.

Furthermore, as increased interest rates were incorporated into new mortgage application assessments, the percentage of loans with a loan to income ration of greater than 6.0x reduced to 2.9% in the Sep 2023 quarter, down from a peak of 11.0% in the December 2021 quarter.





Source: CoreLogic, APRA

Outlook

CY2024 Outlook

Volume increases expected.

Across CY24, states are expected to transact around their above decade average volume levels.

Greater price stability.

Following the expectation that interest rates are at or very near the terminal rates, CY24 is expected to see a period of price stabilisation across the country. However it may be a 2-tier market, with more listings in lower value properties potentially causing price falls, while higher value properties may experience price increases.

Shift towards larger agent teams.

Super Agent Teams to continue to grow as inexperienced agents continue to leave the industry.

Market consolidation to continue.

Market Consolidation continues as smaller independents and franchisees look to access operating efficiencies. The MDC Trilogy Group alliance means we are well placed to capitalise on this trend in a capital light way.

Mixed consumer sentiment.

1H CY24 consumer sentiment to remain broadly at currently levels. A rebound in consumer sentiment during 2H FY24 as economic data supports interest rate reductions.

Appendix

Profit and loss statement.

($M)	UNDERLYING[1]			STATUTORY		
	1H FY24	1H FY23	Change	1H FY24	1H FY23	Change
Revenue	**43.93**	**37.49**	**17.2%**	**43.93**	**37.49**	**17.2%**
Cost of Sales	(29.31)	(25.29)	15.9%	(29.31)	(25.29)	15.9%
Gross Profit	**14.61**	**12.21**	**19.7%**	**14.61**	**12.21**	**19.7%**
Other Income	0.37	0.32	+15.6%	0.37	0.37	-0.5%
Operating Expenses	(14.43)	(13.47)	7.1%	(13.30)	(12.44)	6.9%
EBITDA	**0.56**	**(0.95)**	**n.m**	**1.69**	**0.14**	**n.m**
Depreciation and Amortisation	(2.45)	(2.32)	5.6%	(3.35)	(3.20)	4.7%
Share-based payments expense	(0.22)	(0.26)	-15.4%	(0.22)	(0.26)	-15.4%
Fair Value Gain on Financial Asset	-	-	n.a.	(0.11)	-	n.a
One off legal fees[2]	-	-	n.a.	(0.32)	-	n.a
Acquisition of business costs	-	-	n.a.	-	(0.07)	n.a
Profit/(Loss) on Sale of Asset	-	-	n.a.	0.05	1.51	n.m
EBIT	**(2.11)**	**(3.52)**	**40.1%**	**(2.26)**	**(1.88)**	**n.m**
Net Finance Income (Expense)	(0.56)	(0.62)	9.6%	(0.76)	(0.78)	-2.6%
Embedded derivative non-cash finance gain/(cost)	-	-	n.a.	(0.50)	0.76	n.m
Net Profit/(Loss) Before Tax	**(2.67)**	**(4.14)**	**n.m**	**(3.52)**	**(1.91)**	**n.m**
Income Tax Expense/(Benefit)	0.40	0.24	n.m	0.40	0.24	n.m
Net Profit After Tax	(2.28)	(3.91)	n.m	(3.12)	(1.67)	n.m

1. Underlying adjusted for the impact of AASB16 Leasing Standard, Gain on Sale and other one off items.
2. Legal costs associated with The Agency Group's intellectual property action against the company H.A.S. Real Estate, the registered owner of The North Agency.
n.a – Not Applicable / n.m – Not Meaningful

Balance Sheet.

($M)	31 Dec 2023	UNDERLYING[1] 30 June 2023	Change
Cash at Bank	4.70	4.63	+1.5%
Other Current Assets	14.43	13.24	+9.0%
Non Current Assets	29.34	31.85	-7.9%
Total Assets	**48.47**	**49.72**	**-2.5%**
Total current liabilities	(23.20)	(21.66)	+7.1%
Total Non current liabilities	(15.64)	(15.52)	+0.8%
Total Liabilities	**(38.84)**	**(37.18)**	**+4.5%**
Net Assets	**9.64**	**12.54**	**-23.1%**
Assets not on balance sheet[1]	19.96	16.56	+20.5%
Estimated Shaerholder Net Assets	**29.29**	**29.11**	**+1.6%**

1: Management valuation of the Property Management portfolio is calculated on a blended valuation multiple of 3.35x on Q4 FY23 Annualised Property Management fees and 2.25x Net Trail Income relating to the remaining Mortgage Book (combined value of $29.31m). Only $9.35m of this value is held on the Balance Sheet as an intangible asset, leaving $19.96m value off balance sheet.

Cashflow Statement.

($M)	1HFY24 (Underlying)* (Pre AASB16)^	1H FY24 (Statutory) (Post AASB16)	1H FY23 (Statutory) (Post AASB16)
EBITDA	**0.56**	**1.68**	**0.14**
Change in net working capital	0.19	0.46	(0.36)
Net interest Paid	(0.35)	(0.38)	(0.36)
Net Cashflow from Operating Activities	**0.40**	**1.76**	**0.58**
Purchase of property, plant and equipment	(0.21)	(0.21)	(0.35)
Purchase of intangibles	(0.11)	(0.11)	(0.54)
Deposit for bank guarantees	(0.00)	(0.00)	(0.04)
Net Loans to other entities	(0.06)	(0.06)	(0.06)
Net cash received on disposal of asset	(0.05)	(0.05)	(0.04)
Payment for acquisition of subsidiary, net of cash acquired	-	-	(4.37)
Net cash (used in) / received from investing activities	**(0.33)**	**(0.33)**	**(5.40)**
Payment of principal portion of lease liabilities	-	(1.36)	(1.20)
Proceeds of borrowings	-	-	3.40
Net cash used in financing activities	**-**	**(1.36)**	**2.20**
Net (decrease)/increase in cash and cash equivalents held	**0.07**	**0.07**	**(3.80)**
Cash and cash equivalents at the beginning of the year	4.63	4.63	8.22
Cash and cash equivalents at the end of the year	**4.70**	**4.70**	**4.41**

* Underlying adjusted for the impact of AASB16 Leasing Standard, Gain on Sale and other one off items.
^ This is a non A-IFRS measure
Note – may not add through due to rounding differences

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