

THE AGENCY

— GROUP AUST LTD

ABN 52 118 913 232

and its controlled entities



APPENDIX 4D

Interim Financial Report

31 December 2024

Corporate directory

Current Directors

Andrew Jensen	<i>Executive Chairman and Chief Operating Officer</i>
Paul Niardone	<i>Executive Director</i>
Adam Davey	<i>Non-executive Director</i>
Michael Schaper	<i>Non-executive Director</i>

Company Secretary

Stuart Usher

Registered Office and Head Office

Street: 68 Milligan Street
PERTH WA 6000

Postal: PO Box 7768
Cloisters Square WA 6850

Telephone: +61 (0)8 9204 7955

Facsimile: +61 (0)8 9204 7956

Email: info@theagencygroup.com.au

Website: theagencygroup.com.au

Share Registry

Automic Pty Ltd

Street: Level 5, 126 Phillip Street
Sydney NSW 2000

Postal: GPO Box 5193
Sydney NSW 2001

Telephone: 1300 288 664 (within Australia)
+61 (0)2 9698 5414 (International)

Email: hello@automicgroup.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd

Street: 283 Rokeby Road
Subiaco WA 6008

Telephone: +61 (0)8 9426 0666

Securities Exchange

Australian Securities Exchange

Street: Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)

Telephone: +61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code: AU1

Solicitors

Steinepreis Paganin

Street: Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

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Results for announcement to the market

for the half-year ended 31 December 2024

1 REPORTING PERIOD (item 1)			
■ Report for the period ended:	31 December 2024		
■ Previous corresponding period is half-year ended:	31 December 2023		
2 RESULTS FOR ANNOUNCEMENT TO THE MARKET			
	Movement	Percentage	Amount
		%	\$'000
■ Revenues from ordinary activities (item 2.1)	<i>Increase</i>	10.04 to	48,339
■ Loss from ordinary activities after tax attributable to members (item 2.2)	<i>Decrease in loss</i>	26.32 to	(2,301)
■ Loss after tax attributable to members (item 2.3)	<i>Decrease in loss</i>	26.32 to	(2,301)
a. Dividends (items 2.4 and 5)		Amount per Security	Franked amount per security
		¢	%
■ Interim dividend		nil	n/a
■ Final dividend		nil	n/a
■ Record date for determining entitlements to the dividend (item 2.5)	n/a		
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):			
1. Revenue represents service revenue.			
2. EBITDA of \$1,893K, refer to section 2.3 <i>Financial Review</i> of the Directors' Report for details.			
3 DIVIDENDS (item 6) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS			
Nil			
a. Details of dividend or distribution reinvestment plans in operation are described below (item 6):	Not applicable		
4 RATIOS			
		6 months to 31 December 2024	6 months to 31 December 2023
		\$'000	\$'000
a. Financial Information relating to 4b:			
Earnings for the period attributable to owners of the parent		(2,301)	(3,123)
		31 December 2024	31 December 2023
		\$'000	\$'000
Net assets		5,589	9,636
Less: Intangible assets and deferred tax balances		(18,686)	(22,528)
Net tangible (liabilities)/assets		(13,097)	(12,892)
		No.	No.
Fully paid ordinary shares		439,575,921	428,575,921
		¢	¢
b. Net tangible (liability)/assets backing per share (cents) (item 3):		(2.979)	(3.008)

Results for announcement to the market
for the half-year ended 31 December 2024

5	DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)		
	a. Control gained over entities		
	■ Name of entities (item 4.1)	Nil	
	■ Date(s) of gain of control (item 4.2)	N/A	
	b. Loss of control of entities		
	■ Name of entities (item 4.1)	Nil	
	■ Date(s) of loss of control (item 4.2)	N/A	
	c. Contribution to consolidated loss from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 4.3).	N/A	
	d. Profit from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A	
6	DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)		
	■ Name of entities (item 7)	Westvalley Corporation Pty Ltd	
	■ Percentage holding in each of these entities (item 7)	20%	
		6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
	■ Aggregate share of profits (losses) of these entities (item 7)	27	Nil
7	The financial information provided in the Appendix 4D is based on the interim final report (attached), which has been prepared in accordance with Australian Accounting Standards.		
8	The report is based on accounts which have been reviewed by the Company's independent auditor (item 9).		

Directors' report

Your Directors present their report on the Group, consisting of The Agency Group Australia Ltd (**The Agency or the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2024 (**HY2025**).

The Agency is listed on the Australian Securities Exchange (ASX:AU1).

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

- Andrew Jensen Executive Chairman and Chief Operating Officer
- Paul Niardone Executive Director
- Adam Davey Non-Executive Director
- Michael Schaper Non-Executive Director *(appointed 1 December 2024)*
- Geoff Lucas Managing Director and CEO *(terminated 9 August 2024)*

(collectively **the Directors or the Board**)

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

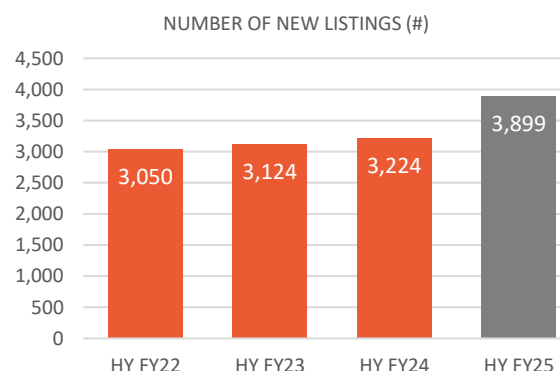
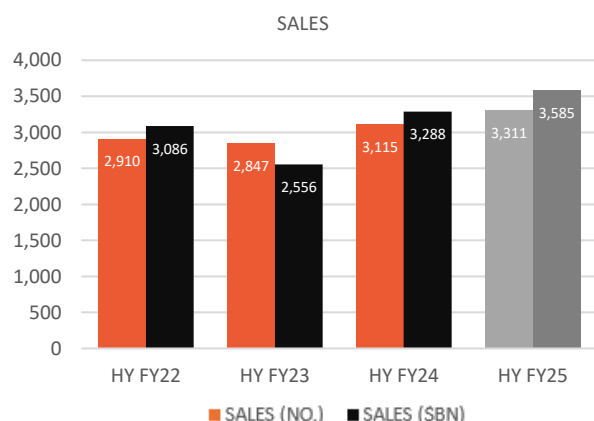
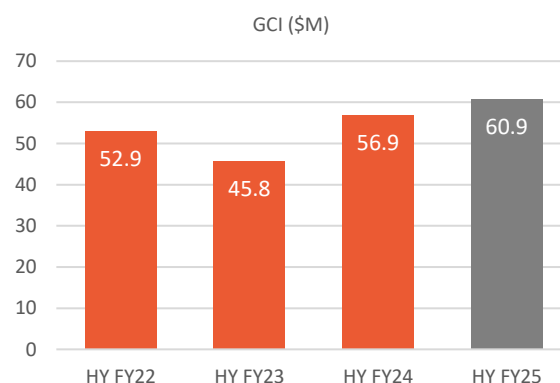
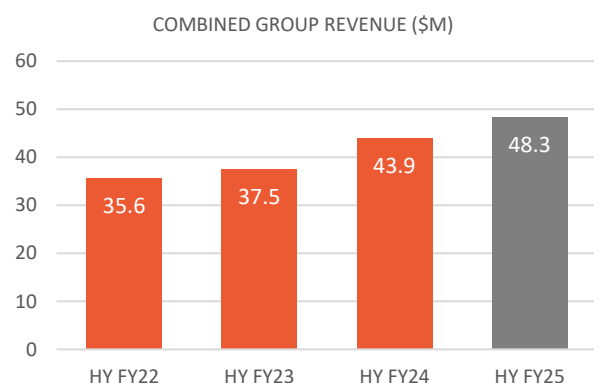
2. Operating and financial review

2.1. Nature of Operations Principal Activities

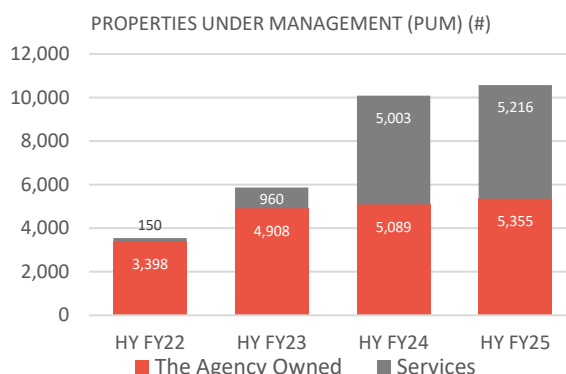
The principal activity of the Group for the half-year was real estate services and related activities. There were no significant changes in the nature of the Group's principal activities during the half-year.

2.2. Operations Review

a. Key Metrics



Directors' report



The Agency has delivered robust half yearly financial and operational results in HY2025 on the back of strong property prices nationally and a general improvement in stock volumes coming to market. Good agent recruitment and retention has solidified our growth and underpinned our market share.

This growth in sales has resulted in Gross Commission Income (GCI) for the six-month period of \$60.9 million, up 7% on HY2024's GCI of \$56.9 million. This figure was a result of 3,311 properties sold across the Group for HY2025 (3,115 in HY2024) from transacting in \$3.6 billion worth of property (\$3.3 billion in HY2024).

Group revenue for HY2025 increased to \$48.3 million, up 10% on HY2024's Group revenue of \$43.9 million, helped also by a 16% growth in revenue from property management to \$6.4 million (\$5.5 million in HY2024).

The pipeline for future sales commission is strong with the combined Group reporting 3,899 listings for the half-year period from 464 agents as at 31 December 2024 (3,224 listings from 411 agents at 31 December 2023). In the 6 months since 30 June 2024, The Agency has invested heavily in agent recruitment through the introduction of a new CRM and marketing campaign (focussed on agents), supported by the formation of a national recruitment division, which has now started to deliver results, evident in the increase in agent numbers.

The Agency reported a total management portfolio of 10,571 properties under management at the end of December 2024 (10,092 at 31 December 2023). The Agency owned 5,355 (5,089 at 31 December 2023) of these property under management rights located in NSW, Queensland, Victoria, Tasmania, and WA and The Agency has full profit and loss benefits on these managements. The remaining 5,216 (5,003 at 31 December 2023) properties under management are managed under service arrangements.

2.3. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

a. Financial performance

The Group generated a net loss after tax for the half-year of \$2.30 million (HY2024: \$3.12 million loss). This was primarily impacted by interest and finance costs (\$0.82 million), depreciation and amortisation (\$3.23 million), and embedded derivative non-cash financing costs (\$0.23 million).

For HY2025, the Group recorded EBITDA of \$1.89 million (HY2024: \$1.69 million). After adjusting for the AAB16 *Leases* impact, underlying EBITDA for HY2025 was \$0.69 million profit, representing a \$0.13 million improvement in underlying EBITDA.

(1) Non-IFRS information

The Company reports EBITDA in addition to the *Profit after Tax*. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the statutory profit under AAS adjusted for specific non-cash and significant items. The Company's Directors consider EBITDA to reflect the core earnings of the consolidated entity. A reconciliation between EBITDA and profit after income tax for the half-year ended 31 December 2024 is noted below.

Directors' report

EBITDA calculation	HY2025 \$'000	HY2024 \$'000	Change \$'000	Change %
Profit / (loss) after tax	(2,301)	(3,123)	+822	+26%
Income tax benefit	-	396		
Profit / (loss) before tax	(2,301)	(3,519)	+1,218	+35%
Interest income	(29)	(2)		
Depreciation and amortisation	3,230	3,346		
Embedded derivative non-cash financing (gains) / costs ¹	227	499		
Interest and finance costs	823	763		
(Loss) / gain financial assets at FVPL	-	113		
Profit on sale of assets and lease exit	(45)	(45)		
Valuation services	15	-		
Legal costs <i>non-recurring</i> ²	-	315		
Share of profit or loss from equity accounted investments	(27)	-		
Share-based payments expense	-	218		
EBITDA	1,893	1,688	+ 205	+12%
AASB 16 <i>Leases</i> impact ³	(1,203)	(1,131)		
EBITDA (pre-AASB16 <i>Leases</i> impact)	690	557	+ 133	+24%
Other key metrics:				
■ Revenue	48,339	43,927	+4,412	+10%
■ GCI	60,935	56,894	+4,041	+7%
■ Gross profit	15,781	14,614	+1,167	+8%

b. Financial position

The net assets of the Group have decreased from 30 June 2024 by \$2.30 million to \$5.59 million at 31 December 2024 (30 June 2024: \$7.89 million). Importantly, due to accounting standards, the value of internally generated property management assets is not recorded on the balance sheet. For the year ended 30 June 2024, the Company obtained an independent professional valuation of the rent rolls which indicated the market value of these assets to be around \$36.32 million. As a result of the valuation, there is significant shareholder wealth held off balance sheet (\$30.86 million), with only \$5.46 million of the \$36.32 million valuation being held on balance sheet. It is also pleasing that since 30 June 2024 when the valuation was obtained, the properties under management owned have increased from 5,255 to 5,355 as at 31 December 2024 meaning that the Directors are confident that this valuation is now higher.

The Group's cash and cash equivalents increased from 30 June 2024 by \$40,000 to \$4.94 million at 31 December 2024 (30 June 2024: \$4.90 million).

2.4. Environmental Regulations

The Group's operations are not subject to any significant environmental regulations in the jurisdictions it operates in.

2.5. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 9 *Events subsequent to reporting date* on page 19.

¹ Refer to note 2.1 of the financial statements.

² Legal costs associated with The Agency's intellectual property action against the company H.A.S. Real Estate, the registered owner of The North Agency.

³ AASB 16 *Leases* was adopted from 1 July 2019. The above demonstrates finance costs and amortisation, which prior to the adoption AASB 16 was recognised as rent expense.

Directors' report

2.6. Future Developments, Prospects and Business Strategies

The Agency continues to focus on growth opportunities and attracting real estate agents to its contemporary direct engagement business model. By contracting directly with agents, The Agency removes the "middle layer" which has created a more responsive, efficient and effective model for our agents as they are alleviated from the distractions and the administrative burden associated with operating an office.

Future growth will come from continued attraction of agents and growth in agent numbers across existing geographical regions, as well as further expansion across new regions in Australia. Further growth is expected from increased efficiencies driven by economies of scale and utilisation of best practice technological advances to ensure agents can maximise their productivity. The highly fragmented structure of the industry presents an opportunity for consolidation of smaller independents and franchisees looking to simplify their business which aligns with the strengths of our business model.

The Agency will also continue to work with its close partner MDC Trilogy in relation to the existing and future acquisitions of rent rolls, which will help us strengthen and grow The Agencies sales market share.

The Agency continues to assess a variety of strategic partnerships and adjacent revenue opportunities closely related to the activities of real estate sales transactions in addition to the existing property management, mortgage broking and conveyancing businesses already undertaken.

3. Rounding of amounts

The amounts contained in this report have been rounded to the nearest thousand dollars under the option available to the Company under Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

4. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2024 has been received and can be found on page 7 of the interim financial report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



ANDREW JENSEN

Executive Chairman and Chief Operating Officer

Dated this Friday, 28 February 2025



To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the Financial Statements of The Agency Group Australia Limited and its controlled entities for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 28th day of February 2025
Perth, Western Australia

Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2024

	Note	6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
<i>Continuing operations</i>			
Revenue	1.1	48,339	43,927
Cost of sales		(32,558)	(29,313)
Gross profit		15,781	14,614
Other income	1.2	404	305
Administrative and other expenses		(17,463)	(17,176)
Impairment losses		-	-
(Loss) / profit before tax and finance costs		(1,278)	(2,257)
Share of profit or (loss) from equity accounted investments	6.2.2	27	-
Interest and finance costs		(823)	(763)
Embedded derivative non-cash financing gains / (costs)	2.1	(227)	(499)
(Loss) / profit before tax		(2,301)	(3,519)
Income tax benefit		-	396
Loss from continuing operations		(2,301)	(3,123)
(Loss) / profit for the half-year		(2,301)	(3,123)
<i>Other comprehensive income, net of income tax</i>			
■ Items that will not be reclassified subsequently to profit or loss:		-	-
■ Items that may be reclassified subsequently to profit or loss:		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(2,301)	(3,123)
<i>Earnings per share:</i>			
Basic (loss) / earnings per share (cents per share)		¢ (0.53)	¢ (0.73)
Diluted earnings per share (cents per share)		N/A	N/A

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 31 December 2024

		31 December 2024 \$'000	30 June 2024 \$'000
	Note		
<i>Current assets</i>			
Cash and cash equivalents		4,944	4,904
Trade and other receivables		13,679	14,236
Other current assets		1,554	765
Total current assets		20,177	19,905
<i>Non-current assets</i>			
Trade and other receivables		550	631
Financial assets		896	896
Property, plant, and equipment		1,495	1,499
Right-of-use assets	4.2.1	7,664	3,166
Intangible assets	4.1	18,686	20,561
Investments accounted for using equity method	6.1	327	300
Total non-current assets		29,618	27,053
Total assets		49,795	46,958
<i>Current liabilities</i>			
Trade and other payables		19,932	19,413
Borrowings	3.1.1	8,400	-
Financial liabilities	3.2.1	3,662	3,258
Provisions		3,007	3,250
Leases	4.2.2	2,044	1,840
Total current liabilities		37,045	27,761
<i>Non-current liabilities</i>			
Borrowings	3.1.2	-	8,400
Provisions		428	335
Leases	4.2.2	6,733	2,572
Total non-current liabilities		7,161	11,307
Total liabilities		44,206	39,068
Net assets		5,589	7,890
<i>Equity</i>			
Issued capital	5.1.1	44,163	43,635
Reserves	5.4	50	937
Accumulated losses		(38,624)	(36,682)
Total equity		5,589	7,890

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2024

	Note	Contributed equity \$'000	Accumulated Losses \$'000	Share-based payment Reserve \$'000	Total equity \$'000
<i>Balance at 1 July 2023</i>		43,635	(32,126)	1,032	12,541
Loss for the half-year attributable to owners of the parent		-	(3,123)	-	(3,123)
Other comprehensive income for the half-year attributable owners of the parent		-	-	-	-
Total comprehensive income for the half-year attributable owners of the parent		-	(3,123)	-	(3,123)
<i>Transaction with owners, directly in equity</i>					
Share-based payments granted during the half-year	10	-	-	218	218
Transfers to / from reserves		-	333	(333)	-
Balance at 31 December 2023		43,635	(34,916)	917	9,636
<i>Balance at 1 July 2024</i>		43,635	(36,682)	937	7,890
Loss for the half-year attributable to owners of the parent		-	(2,301)	-	(2,301)
Other comprehensive income- for the half-year attributable owners of the parent		-	-	-	-
Total comprehensive income for the half-year attributable owners of the parent		-	(2,301)	-	(2,301)
<i>Transaction with owners, directly in equity</i>					
Conversion of performance rights	5.1,5.2	528	-	(528)	-
Transfers to / from reserves on option expiry	5.3	-	359	(359)	-
Balance at 31 December 2024		44,163	(38,624)	50	5,589

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

for the half-year ended 31 December 2024

	6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
<i>Cash flows from operating activities</i>		
Receipts from customers	49,858	44,905
Payments to suppliers and employees	(47,742)	(42,758)
Interest received	9	2
Finance costs	(344)	(386)
Net cash provided / (used in) by operating activities	1,781	1,763
<i>Cash flows from investing activities</i>		
Purchase of property, plant, and equipment	(173)	(215)
Deposit for bank guarantees	-	(2)
Purchase of intangibles	(205)	(105)
Loans to other entities	(32)	(65)
Net cash received on disposal of asset	-	54
Net cash (used in) investing activities	(410)	(333)
<i>Cash flows from financing activities</i>		
Payment of principal portion of lease liabilities	(1,331)	(1,359)
Net cash (used in) / provided by financing activities	(1,331)	(1,359)
Net (decrease) / increase in cash and cash equivalents held	40	71
Cash and cash equivalents at the beginning of the half-year	4,904	4,632
Cash and cash equivalents at the end of the half-year	4,944	4,703

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

In preparing the December 2024 Interim Financial Report, The Agency Group Australia Ltd has grouped into sections under the same key categories as used in the June 2024 Annual Report:

■ Section A: How the numbers are calculated	13
■ Section B: Group structure	18
■ Section C: Unrecognised items	19
■ Section D: Other Information	19

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

The amounts contained in these financial statements have been rounded to the nearest thousand dollars under the option available to the Group under Australian Securities and Investments Commission (**ASIC**) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the Group.

Note	1	Revenue and other income	6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
1.1		Revenue		
		Residential Sales commissions	40,852	36,843
		Mortgage and Settlement revenue	(a) 1,086	1,558
		Property Management revenue: <i>Management fees</i>	4,733	4,135
		<i>Other</i>	1,668	1,391
			48,339	43,927

(a) A majority (80%) of the mortgage business was sold in May 2024. The comparative half-year to 31 December 2023 included \$530K of revenue related to the disposed mortgage business.

Note	1.2	Other income	6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
		Interest income	29	2
		(Loss) / gain on sale of property, plant, and equipment	(5)	45
		Gain on exit of lease	50	-
		Loss financial assets at FVPL	-	(113)
		Other income	330	371
			404	305

Note	2	Expenses	6 months to 31 December 2024 \$'000	6 months to 31 December 2023 \$'000
2.1		Embedded derivative non-cash financing (gains)/costs:		
		■ Embedded Derivative – Finance cost	445	298
		■ Embedded Derivative – Fair value adjustment	(218)	201
			227	499

Note	3	Financial assets and financial liabilities	31 December 2024 \$'000	30 June 2024 \$'000
3.1		Borrowings		
3.1.1		Current		
		Bank loans	3.1.3 8,400	-
			8,400	-
3.1.2		Non-current		
		Bank loans	-	8,400
			-	8,400

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 3 Financial assets and financial liabilities (cont.)**3.1 Borrowings (cont.)****3.1.3 Debt facility and waiver of covenant**

Macquarie Bank Limited (**MBL**) provided quarterly covenant waivers in relation to the interest cover ratio (**ICR**) for the September 2024 and December 2024 quarters, as part of the normal ongoing reporting requirements.

The Company is currently in advanced discussions with MBL around the further extension of the existing banking facilities under more favourable terms, these are currently due to expire on 20 July 2025. The existing debt facility covenant on LVR is 40%, the Company continues to reduce this covenant measure as the asset value increases, which was reduced to a low of 26.8% as at 31 December 2024. As part of the MBL extension, the Company is finalising discussions with Peters Investments on the existing convertible note arrangement, who have confirmed that they would support an extension of their facility as part of this refinancing process.

Per the accounting standards, the debt with MBL is required to be shown as current as the expiry date is within 12 months of reporting date.

3.2 Financial liabilities**3.2.1 Current***Convertible note:*

- Debt component
- Derivative financial liability conversion option

3.2.2 Reconciliation of convertible notes*Opening balance:*

- Debt component
- Derivative financial liability conversion option

- Interest charged

- Fair value movement: Fair value changes

Carrying value of liabilities at reporting date

	31 December 2024 \$'000	30 June 2024 \$'000
	3,103	2,481
	559	777
	3,662	3,258
	2,481	1,489
	777	1,555
	3,258	3,044
	622	992
	(218)	(778)
	3,662	3,258

Note 4 Non-financial assets and financial liabilities**4.1 Intangible assets**

Note

Goodwill

Rent Roll and trail book

Accumulated amortisation

Others

Accumulated amortisation and impairment

Total intangibles

	31 December 2024 \$'000	30 June 2024 \$'000
	12,383	12,383
	12,383	12,383
	25,968	25,968
	(20,507)	(18,560)
	5,461	7,408
	1,361	1,190
	(519)	(420)
	842	770
	18,686	20,561

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 4 Non-financial assets and financial liabilities (cont.)**4.1.1 Key estimates and Critical Judgements– Impairment of intangibles***(a) Impairment of goodwill and rent roll*

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Included within the Agency Tasmania CGU (acquired in 2023) is a rent roll asset of \$3,130K (June 2024: \$3,499K). This same CGU also included goodwill of \$1,679K, relating to sales (June 2024: \$1,679K).

Included within the Top Level CGU (acquired in 2019) is a rent roll asset of \$2,194K (June 2024: \$3,758K). This same CGU also included goodwill of \$10,658K, relating to sales (June 2024: \$10,658K).

For the rent roll assets, the recoverable amounts of these CGU's are derived from market transactional evidence in relation to their fair value. Management have determined that a multiple of 3.8 for residential property and 2.75 for commercial property for the Top Level CGU (based on an independent expert opinion), multiplied by the annual rent roll income is an appropriate measure of the fair value of the rent roll assets. Fair value less cost to sell of the CGU was classified on a level 2 basis. No impairment resulted.

Management performed a goodwill impairment test of the CGUs taking a conservative approach in preparing its value in use calculation in light of market uncertainty resulting from increases in interest rates to curb inflationary pressures. Management applied a discount rate of 15% resulting in no impairment loss for 2024 (June 2024: 15%). To evaluate the recoverable amount of the CGUs, a terminal value has been assumed after the fifth year and includes a growth rate in the cash flow of 5% into perpetuity (June 2024: 5%) based upon a Board approved forecast. The discount rates used reflects the risks specific to the CGUs.

The Group has also conducted a sensitivity analysis on the impairment test of the CGUs. This was based on changes to key assumptions that are considered by management to be reasonably possible. This included up to 3% increase in discount rate and a 3% reduction in the long-term growth rate. The sensitivity shows there is headroom up to a 3% increase in discount rate, or a 2% decrease in long-term growth rate.

4.2 Leases**4.2.1 Right-of-use assets**

Properties
Printing equipment

4.2.2 Lease liabilities

Current
Non-current

	31 December 2024 \$'000	30 June 2024 \$'000
	6,524	2,776
	1,140	390
	7,664	3,166
	2,044	1,840
	6,733	2,572
	8,777	4,412

During the current period there were 3 new leases entered into and 1 disposal resulting in a net addition to the right-of-use asset of \$5,475K and corresponding increase to the lease liability of \$5,425K.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 5 Equity**5.1 Issued capital**

	31 December 2024 No.	30 June 2024 No.	31 December 2024 \$'000	30 June 2024 \$'000
Fully paid ordinary shares	439,575,921	428,575,921	44,163	43,635
	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$'000	12 months to 30 June 2024 \$'000
5.1.1 Ordinary shares				
At the beginning of the period	428,575,921	428,575,921	43,635	43,635
<i>Shares issued during the period:</i>				
■ Conversion of performance rights	11,000,000	-	528	-
Transaction costs relating to share issues	-	-	-	-
At reporting date	439,575,921	428,575,921	44,163	43,635

5.2 Performance equity

	31 December 2024 No.	30 June 2024 No.	31 December 2024 \$'000	30 June 2024 \$'000
Performance equity	-	11,000,000	-	528
	6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$'000	12 months to 30 June 2024 \$'000
5.2.1 Performance equity movement				
At the beginning of the period	11,000,000	11,000,000	528	375
<i>Performance equity changes during the period:</i>				
■ Expense of issued performance rights	-	-	-	153
■ Conversion of performance rights	(11,000,000)	-	(528)	-
Transaction costs relating to share issues	-	-	-	-
At reporting date	-	11,000,000	-	528

Notes to the consolidated financial statements

for the year ended 31 December 2024

Note 5 Equity (cont.)

5.3 Options	Note	31 December	30 June	31 December	30 June
		2024	2024	2024	2024
		No.	No.	\$'000	\$'000
Options		1,500,000	11,500,000	50	409
		6 months to 31 December 2024 No.	12 months to 30 June 2024 No.	6 months to 31 December 2024 \$'000	12 months to 30 June 2024 \$'000
5.3.1 Options equity movement					
At the beginning of the period		11,500,000	20,000,000	409	658
<i>Options movement during the period:</i>					
■ Amortisation of granted options		-	-	-	35
■ Options granted		-	1,500,000	-	50
■ Expiry of options		(10,000,000)	(10,000,000)	(359)	(334)
At reporting date		1,500,000	11,500,000	50	409

5.4 Reserves

Share-based payment reserve:

- Performance rights
- Options

Note	31 December	30 June
	2024	2024
	\$'000	\$'000
5.2	-	528
5.3	50	409
	50	409

Notes to the condensed consolidated financial statements

for the half-year 31 December 2024

SECTION B. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole.

Note	6	Investment accounted for using the equity method	31 December 2024 \$'000	30 June 2024 \$'000
6.1		Non-Current		
		<ul style="list-style-type: none"> ■ Westvalley Corporation Pty Ltd 	6.2.3 327	300
			327	300
6.2		Summarised financial information		
		Summarised financial information of the Group's share in Westvalley is as follows:		
6.2.1		Summarised financial position		
		Current assets	246	165
		Current liabilities	(141)	(185)
		Current net assets	105	(20)
		Non-current assets	-	-
		Non-current liabilities	-	-
		Non-current net assets	-	-
		Net assets	105	(20)
6.2.2		Summarised financial performance		
		Revenue and other income	612	-
		Cost of sales	(131)	-
		Administrative expenses	(291)	-
		Income tax benefit / (expense)	(57)	-
		Total comprehensive income	133	-
		Group's share of associate's profit after tax	27	-
		Group's share of associate's other comprehensive income	-	-
6.2.3		Reconciliation to carrying amounts:		
		Opening net assets at fair value	300	-
		Fair value of interest acquired during the period	-	289
		Share of profit for period	27	11
		Closing net assets (carrying amount of investment)	327	300

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

SECTION C. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. In addition to the items and transactions disclosed below, there are also unrecognised tax amounts.

Note 7 Commitments

There are no material commitments to the Group as at 31 December 2024 (30 June 2024: Nil).

Note 8 Contingent liabilities

There are no contingent liabilities as at 31 December 2024.

Note 9 Events subsequent to reporting date**9.1 Extension of the banking facilities**

As described in notes 3.1.3 and 12.1.3, the extension of the banking and convertible note facilities is currently being finalised and pending signoff by the Board of Directors.

There have not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

SECTION D. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 10 Share-based payments	Note	6 months to 31 December 2024	6 months to 31 December 2023
		\$	\$

10.1 Share-based payments:

- Recognised in profit and loss:

□ Share-based payment expense – Performance rights	-	132,959
□ Share-based payment expense – Amortisation of option issued in prior period	-	35,070
□ Share-based payment expense – Options	-	50,250

Gross share-based payments

218,279

10.2 Movement in Company options share-based payment arrangements during the period

A summary of the movements of all Company options issued as share-based payments is as follows:

	6 months to 31 December 2024		12 months to 30 June 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	11,500,000	\$0.091	20,000,000	\$0.088
Granted	-	-	1,500,000	\$0.050
Expired	(10,000,000)	\$0.100	(10,000,000)	\$0.075
Outstanding at period end	1,500,000	\$0.050	11,500,000	\$0.093
Exercisable at period end	1,500,000	\$0.050	11,500,000	\$0.093

(a) The weighted average remaining contractual life of options outstanding at half-year end was 1.92 years (June 2024: 1.03 years).

(b) The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2024**Note 11 Operating segments****11.1 Segment Financial Performance**

	Real Estate Property Services ^(a) \$'000	Property Management Services ^(a) \$'000	Total Reportable Segments \$'000	Other Segments ^(a) \$'000	Total \$'000
31 December 2024					
<i>Revenue</i>					
■ External revenues	41,886	6,452	48,338	1	48,339
■ Inter-segment revenues	-	-	-	-	-
Total segment revenue	41,886	6,452	48,338	1	48,339
Total group revenue and other income					48,339
Segment EBITDA	5,558	1,426	6,984	-	6,984
■ Unallocated corporate costs					(5,091)
EBITDA					1,893
<i>Reconciliation of segment loss to Group loss:</i>					
<i>(i) Allocated items:</i>					
■ Gain or (loss) on disposal of assets	50	-	50	(5)	45
■ Depreciation and amortisation	(805)	(2,066)	(2,871)	(359)	(3,230)
■ Fair value adjustments	-	-	-	-	-
■ Net finance costs	(207)	(390)	(597)	(642)	(1,239)
■ Valuation costs	-	(15)	(15)	-	(15)
■ Share of profit or (loss) from associate	27	-	27	-	27
<i>(ii) Unallocated items:</i>					
■ Fair value adjustments	-	-	-	218	218
Loss before income tax					(2,301)
31 December 2023 ^(a)					
<i>Revenue</i>					
■ External revenues	37,797	5,570	43,897	30	43,927
■ Inter-segment revenues	-	-	-	-	-
Total segment revenue	37,797	5,570	43,897	30	43,927
Total group revenue and other income					43,927
Segment EBITDA	5,615	916	6,608	-	6,608
■ Unallocated corporate costs					(4,920)
EBITDA					1,688
<i>Reconciliation of segment loss to Group loss:</i>					
<i>(i) Allocated items:</i>					
■ Gain on disposal of assets	-	-	-	45	45
■ Depreciation and amortisation	(765)	(2,082)	(2,859)	(488)	(3,347)
■ Fair value adjustments	(113)	-	(113)	-	(113)
■ Net finance costs	(208)	(348)	(555)	(503)	(1,058)
<i>(ii) Unallocated items:</i>					
■ Legal costs <i>non-recurring</i>	-	-	-	(315)	(315)
■ Fair value adjustments	-	-	-	(201)	(201)
■ Share-based payments	-	-	-	(218)	(218)
Loss before income tax					(3,519)

(a) In accordance with AASB 8 *Operating Segments*, the Company has replaced its Mortgage Origination Services segment with Property Management Services following the sale of the mortgage business in the prior financial year. Mortgage origination services is no longer a material part of the business and therefore has been reclassified to other segments in the current period. This change aligns with the Company's current strategic focus. Comparative segment information has been reclassified to ensure consistency and comparability with current disclosures, providing relevant information about the Company's performance and resource allocation.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 12 Statement of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the periods presented, unless otherwise stated.

12.1 Basis of preparation

12.1.1 Reporting Entity

The Agency Group Australia Ltd (**The Agency** or the **Company**) is a listed public company limited by shares, domiciled, and incorporated in Australia. This interim financial report is intended to provide users with an update on the latest annual financial statements of The Agency Group Australia Ltd and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2024, together with any public announcements made during the half-year.

12.1.2 Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 28 February 2025 the Directors of the Company.

12.1.3 Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of \$2.30 million (31 December 2023: \$3.12 million loss) and a net cash in-flow from operating activities of \$1.78 million (31 December 2023: \$1.76 million in-flow). Included in loss for during the half-year was interest and finance costs (\$0.82 million), depreciation and amortisation (\$3.23 million), and embedded derivative non-cash financing costs (\$0.23 million).

As at 31 December 2024, the Company had a working capital deficit of \$16.87 million (30 June 2024: \$7.86 million working capital deficit). The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet commitments and working capital requirements for the 12-month period from the date of signing this financial report.

The ability of the Group to continue as a going concern is principally dependent on the following:

- The Group continuing to generate cash flows from operations;
- The Group not breaching the terms of its borrowing facilities;
- The Group obtaining an extension to the Macquarie Bank Limited banking facility (**MBL**); and
- The Group obtaining an extension of the convertible note facility.

As disclosed in note 3.1.3, the Company is in advanced discussions with MBL around the further extension of the existing banking facilities under more favourable terms, these are currently due to expire on 20 July 2025. As part of the MBL extension, the Company is finalising discussions with Peters Investments on the existing convertible note arrangement, who have confirmed that they would support an extension of their facility. The Directors are confident that these will be completed by the June 2025 quarter.

In addition to this, should the Company be required to refinance the facility or settle the loan over the next 12-month period, they are confident they would be able to seek alternative finance and / or consider further asset sales which could realise significant off-balance sheet value of its intangible assets. The Company has recently obtained an independent professional valuation of the rent rolls which indicates the market value of these assets to be around \$36.32 million, which equates to \$30.86 million held off balance sheet (30 June 2024: \$28.91 million).

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the Directors are confident of the Group's ability to raise additional funds as and when they are required.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2024

Note 12 Statement of material accounting policies**12.1.4 Comparative figures**

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

12.1.5 New and Amended Standards Adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

12.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed below, where material.

Note 13 Company details

The registered office and head office of the Company is:

Street: 68 Milligan Street
Perth WA 6000
Australia

Postal: PO Box 7768
CLOISTERS SQUARE WA 6850
Australia

Directors' declaration

The Directors of the Company declare that in the Directors' opinion:

1. The attached financial statements and notes, as set out on pages 8 to 22, are in accordance with the *Corporations Act 2001* (Cth) including:
 - (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date,
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



ANDREW JENSEN

Executive Chairman and Chief Operating Officer

Dated this Friday, 28 February 2025



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THE AGENCY GROUP AUSTRALIA LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of The Agency Group Australia Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Consolidated Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 28th day of February 2025
Perth, Western Australia

THE AGENCY
— GROUP AUST LTD