

ASX Market Release

28 July 2021

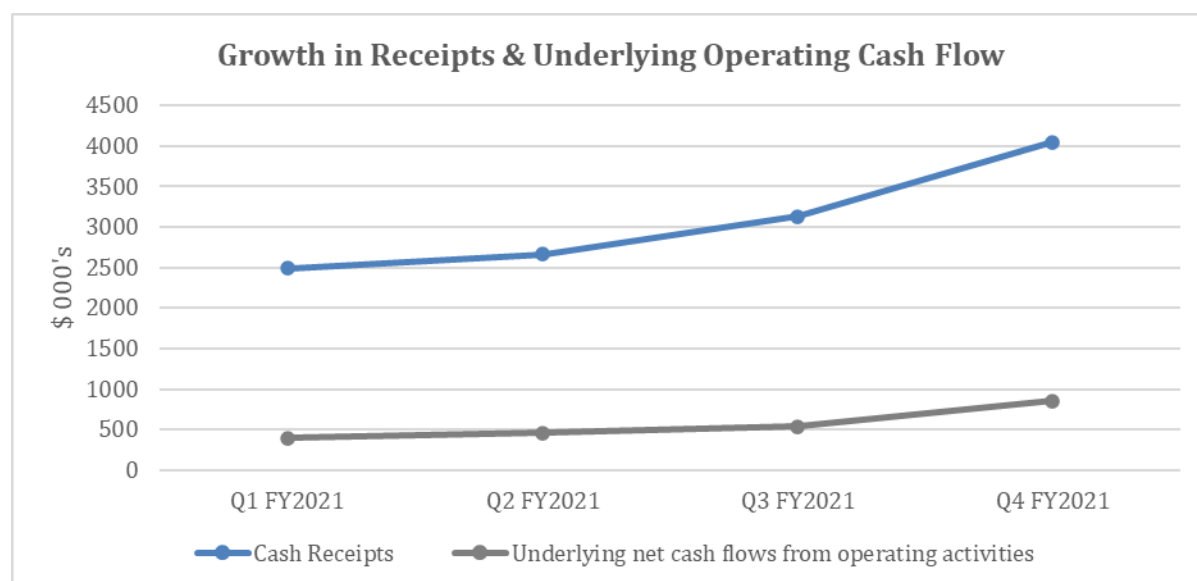
PropTech Group Limited continues to deliver strong operational cash flow in Fourth Quarter of FY21

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 Appendix 4C and Activities Report for the three months ending 30 June 2021 ("**Fourth Quarter**," "**Q4**" or "**Q4 FY21**").

Q4 Highlights

Operational highlights for the quarter include:

- Underlying positive net cashflow from operating activities of **\$855,000** (after adjusting statutory cashflow for one off costs associated with relisting on the ASX and acquisition costs), up **58%** compared to the third quarter of FY21;
- Cash receipts from customers was **\$4.0m** in Fourth Quarter, up **29%** compared to the third quarter of FY21;
- **\$6.7m** in cash on hand as of 30 June 2021;



- Continued investigation of several new acquisition opportunities.

July Highlights

- Successfully completed the acquisition of Eagle Software, an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies in Australia and New Zealand;

- Successful capital raise of \$15.5m via an institutional placement and entitlement offer;

Operating Cashflows

On a statutory basis in Q4 FY21, the Company had a positive net cash flow from operating activities of \$756,000.

On an adjusted basis, where one off costs associated with relisting on the ASX and acquisition costs are excluded, the Company had an underlying net cash flow from operating activities of \$855,000.

The chart and table below provide a further breakdown of the reconciliation of statutory net cash flows from operating activities to adjusted net cashflows.

PTG - Underlying net cash flows from operating activities - Reconciliation	Q3 FY21 A\$ '000's	Q4 FY21 A\$ '000's	% Change
Statutory net cash flows from operating activities	480	756	58%
Adjustments			
Relisting & Acquisition costs ¹	61	99	
Underlying net cash flows from operating activities	541	855	58%

¹ Relisting and Acquisition costs include payments made for costs associated with the ASX Relisting which have not been deducted from equity in accordance with AASB 132, and acquisition costs in relation to M&A transactions.

Payments to Domain

As part of the acquisition of Commerce Australia Pty Ltd (MyDesktop), the payment of \$4m in contingent consideration for the retention of at least 85% of the MyDesktop customer base was fully paid in Q4 FY21.

The final contingent consideration payment of \$3m to Domain will fall due in the next financial year (FY22) which is contingent on the retention of a key customer licensing the VaultRE CRM for a minimum of 2 years.

Acquisition

Eagle Software

In Q4 FY21, the PropTech Group entered into an agreement to acquire 100% of Eagle Software Pty Ltd ("**Eagle Software**"). This transaction was completed in July 2021.

Eagle Software is an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies. Currently, it is used by more than 800 agency offices across Australia and New Zealand.

The acquisition of Eagle Software advances PropTech Group's objective to own, operate and invest in high-quality property technology businesses that primarily

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focus on the Australian, New Zealand and United Kingdom residential and commercial real estate markets.

The acquisition aligns with PropTech Group's growth strategy and complements its existing enterprise and franchise focused VaultRE platform.

- increasing PropTech Group's market share from 31% to 38% in the Australian and New Zealand (ANZ) real estate CRM market;
- strengthens PropTech Group's product offering by supplementing VaultRE with a market-leading independent agency focused product offering; and
- provides PropTech Group's centralized account management team with a larger customer base to penetrate with more product offerings, while strengthening relationships and growing share of wallet.

Joe Hanna, CEO of the PropTech Group, commented: "Q4 was a strong quarter for the PropTech Group in both operations and acquisitions. Operations were highlighted by \$855,000 in underlying operating cash flows, the continued migration of customers from MyDesktop system to VaultRE, and the hiring of strong managers. Acquisitions were highlighted by acquiring Eagle Software.

The Company will focus on investing for growth over the next 6 – 12 months."

**** ENDS ****

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

Contact Details

Joe Hanna
CEO and Managing Director
The PropTech Group
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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 in Australia and New Zealand;
- VaultEA in the United Kingdom;

- Eagle Software;
- Website Blue;
- Designly;
- Real Estate Investar; and
- Rent Find Inspector.

Significant customers include Ray White and Raine and Horne in Australia and Century 21 in the United Kingdom.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PropTech Group Limited

ABN

39 141 276 959

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities	4,043	12,323
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(739)	(2,699)
(c) advertising and marketing	(115)	(185)
(d) leased assets	(9)	(9)
(e) staff costs	(1,660)	(4,974)
(f) administration and corporate costs	(770)	(2,996)
1.3 Dividends received (see note 3)		
1.4 Interest received		2
1.5 Interest and other costs of finance paid	(4)	(6)
1.6 Income taxes paid	(74)	(476)
1.7 Government grants and tax incentives	84	138
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	756	1,118
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(3,931)	(6,081)
(b) businesses		
(c) property, plant and equipment	(102)	(128)
(d) investments		
(e) intellectual property	(249)	(740)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(45)	274
2.6	Net cash from / (used in) investing activities	(4,327)	(6,675)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		10,600
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(773)
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 (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	9,827

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,338	2,475
4.2	Net cash from / (used in) operating activities (item 1.9 above)	756	1,118

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,327)	(6,675)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	9,827
4.5	Effect of movement in exchange rates on cash held	(36)	(14)
4.6	Cash and cash equivalents at end of period	6,731	6,731

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	4,961	3,735
5.2	Call deposits	1,770	6,603
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,731	10,338

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Consulting and director fees relating to the current quarter - \$80k</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	756
8.2 Cash and cash equivalents at quarter end (item 4.6)	6,731
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	6,731
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 28 July 2021.....

Authorised by: The Board of Directors of PropTech Group Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.