

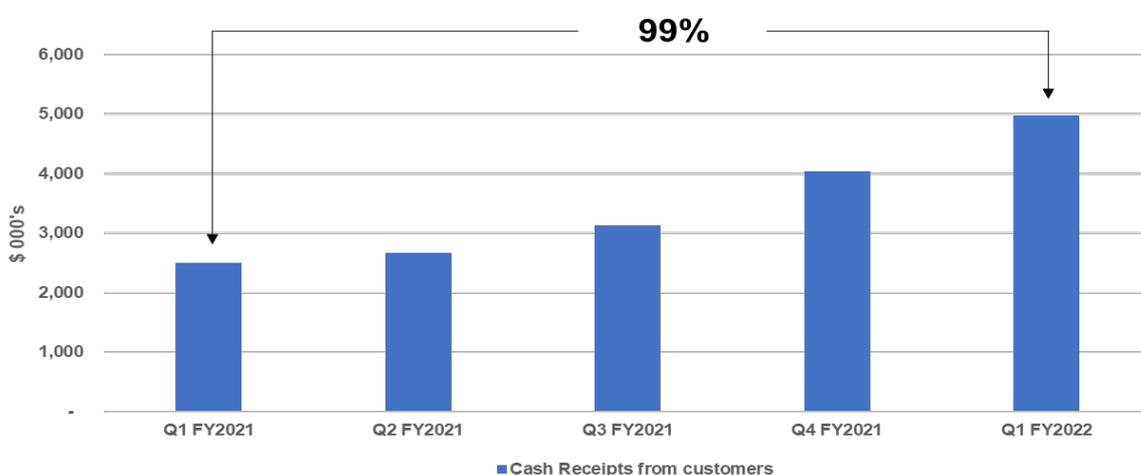
ASX Release

99% YoY Growth in Cash Receipts in First Quarter of FY22

MELBOURNE, AUSTRALIA (26 October 2021) — PropTech Group Limited (ASX: PTG), which owns and operates the software powering two out of every five Australian and New Zealand real estate agencies, is pleased to release its Appendix 4C and Activities Report for the three months ending 30 September 2021 (“Q1 FY 2022” or “First Quarter”).

Q1 FY 2022 Highlights

Growth in Cash Receipts from Customers



First quarter cash flow highlights include:

- Cash receipts from customers of \$5.0 million, an increase of 99% over the previous corresponding period (Q1 FY 2021) and of 23% over the last quarter (Q4 FY 2021). Cash receipts were also 87% higher than in Q2 FY2021, the first quarter after our relisting;
- Continued positive net cash flow from operations of \$612,000, up 48% YoY;
- Completed a \$15.5 million capital raise (before share-issue costs); and
- \$14.8 million in cash and cash equivalents as of 30 September 2021.

First quarter operational highlights include:

- 41%¹ market share in A/NZ, an increase of 21% from 34% market share at the end of Q4 FY 2021);
- Annual Recurring Revenue² (“ARR”) of \$16.3 million (Q1 FY 2022), up from \$12.4 million in the last quarter (Q4 FY 2021);

¹ Market share of agencies paying for one or more PropTech Group products. A/NZ total market size estimated at 12,200 agencies as per the Frost & Sullivan market report (October 2020) included in the PropTech Group’s prospectus.

² ARR is calculated by using total recurring SaaS revenue multiplied by 12 for any given month (ie. Excludes non-recurring and other operating revenues), for example Q1 FY2022 the month of September 2021 has been used while for Q4 FY2021 the month of June 2021.

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- Average revenue per agency³ (“ARPA”) of \$236 during Q1 FY 2022, a growth of 12% from \$210 during the last quarter (Q4 FY 2021).

First quarter M&A highlights include:

- Successfully completed the acquisition of Eagle Software Pty Ltd (“**Eagle Software**”) in July 2021;
- Entered into a non-binding joint venture agreement to create PropPay Holdings Pty Ltd (“**PropPay**”) that will deliver market-leading payments and cash flow solutions to the real estate industry, landlords, and tenants covering the marketing, management, and transaction of real estate; and
- Continued systematic investigation of new acquisition and partnership opportunities.

Joe Hanna, Group CEO and Managing Director of the PropTech Group, said: “Q1 was a strong quarter for the PropTech Group. We delivered strong growth in our financial and operational performance, while also completing the acquisition of Eagle Software and entering into an agreement to launch PropPay.

“A/NZ real estate agencies spend an estimated \$730 million per annum⁴ on SAAS subscriptions and consulting alone, meaning that the PropTech Group’s share of this expenditure today is just over 2% and growing quickly. Our focus is firmly on delivering strong organic growth with our SAAS products being just one area of growth for us.

“Our merger, acquisition, and partnership strategy is designed to increase market share, expand our range of products, open new markets, and increase our share of agency spend (ARPA). We continue look for partners that can rapidly scale into market leaders by combining their products with our large customer base.

“PropPay is an example of the many opportunities open to us due to our deep integration into the real estate agents’ workflow. In its first stage, PropPay will help vendors fund their property marketing campaigns and enable agents to obtain early access to their commissions, addressable markets worth a combined estimated \$16 billion every year.”⁵

Operating Cashflows

Cash receipts from customers were \$5.0 million in Q1 FY 2022, up 99% over the previous corresponding period (Q1 FY 2021).

Operating payments during the quarter of \$4.4 million were higher than the previous quarter’s \$3.3 million due to the additional operating costs from the acquisition of Eagle Software and the investment into research and development — especially of sales, marketing, and property management software.

The Company achieved positive net cash flow from operating activities of \$612,000, lower than the \$756,000 during Q4 FY 2021.

Acquisitions and investments

Eagle Software

The PropTech Group successfully completed the acquisition of Eagle Software in July 2021.

³ ARPA is calculated as the Average Revenue Per Agency office over the period

⁴ Management estimates based on industry research

⁵ Source: IBIS World Residential Real Estate Advertising in Australia 2020, Core-Logic, and management estimates

Eagle Software is an innovative real estate technology company whose Australia and New Zealand customer base of more than 800 agency offices consists of independent, boutique, and small multi-office real estate agencies.

Through the acquisition, the PropTech Group obtained additional market share, Eagle Software's high-quality team, and products that complement its VaultRE enterprise and franchise focused platform.

PropPay Joint Venture

The Company entered into a non-binding agreement to form a joint venture to launch PropPay in August 2021. PropTech Group's joint venture partners in PropPay are Flip Money Pty Ltd, Convini Pty Ltd, and the BC Investment Group.

PropPay will launch with deep integration into PropTech Groups product workflow automations to enable real estate agencies to seamlessly offer a range of payment and cashflow solutions including pay now, pay in instalment or pay later for vendor paid advertising along with early release of deposits and agent commissions

Payments to Domain

A contingent consideration payment of \$2.9 million to Domain was paid during the quarter in relation to the retention of a key customer licensing the VaultRE CRM for a minimum of two years.

Successful Capital Raise

In July 2021, the Company completed a capital raise of \$15.5 million (before share-issue costs) by the issue of 21,536,664 fully paid ordinary shares at an issue price of \$0.72 each.

**** ENDS ****

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

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About the PropTech Group

The PropTech Group provides the software that real estate agents depend upon in Australia, New Zealand, and the United Kingdom. Its products are used by 41% of the real estate agents in Australia and New Zealand and facilitate ~49% of real estate sales in those countries. The best real estate agents use PropTech Group apps, including Ray White and Raine & Horne in Australia and Century 21 in the United Kingdom.

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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,980	4,980
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,070)	(1,070)
(c) advertising and marketing	(163)	(163)
(d) leased assets	(81)	(81)
(e) staff costs	(2,449)	(2,449)
(f) administration and corporate costs	(711)	(711)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	108	108
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	612	612
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(6,795)	(6,795)
(b) businesses	-	-
(c) property, plant and equipment	(38)	(38)
(d) investments	-	-
(e) intellectual property	(499)	(499)
(f) other non-current assets	(1)	(1)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
2.6	Net cash from / (used in) investing activities	(7,333)	(7,333)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	15,506	15,506
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	(690)	(690)
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	14,816	14,816

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,731	6,731
4.2	Net cash from / (used in) operating activities (item 1.9 above)	612	612
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,333)	(7,333)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	14,816	14,816
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	14,828	14,828

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	6,339	4,961
5.2	Call deposits	8,489	1,770
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)	14,828	6,731

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	45
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>Director fees relating to the current quarter - \$45k</p>		

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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.</i>		
<i>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)	612
8.2 Cash and cash equivalents at quarter end (item 4.6)	14,828
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	14,828
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: 26 October 2021

Authorised by: The Board 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.