

REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

1 October 2019

\$4.5M ENTITLEMENT OFFER SUCCESSFULLY COMPLETED

SIGNIFICANT MILESTONES COMPLETED POST FY2019

ENSURES STRONG FINANCIAL POSITION

- Allotment of shares for non-renounceable four-for-seven Entitlement Offer completed
- The Agency now in a strong financial position with completion of \$4.5m EO, \$1.1m placement, \$5.8m debt-to-equity conversion and financing facility extension
- Sydney-based boutique investment group Magnolia Capital took up a significant portion of Entitlement Offer and now has a shareholding of 17.9%
- Magnolia Capital Director Mitchell Atkins joins The Agency board as a Non-Executive Director
- Initial involvement of Magnolia Capital has assisted the company to increase profitability
- Significant synergies to be realised between The Agency's core business and Magnolia Capital's operating business units
- Funds to strengthen balance sheet via repayment of existing loans, for working capital and to fund further growth and acquisition initiatives

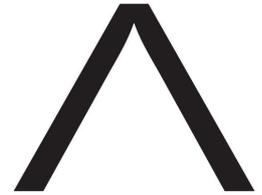
The Agency Group Australia (ASX:AU1) ("The Agency" or "The Company") is pleased to inform that is in a strong financial position with the successful completion of its \$4.5 million non-renounceable four-for-seven Entitlement Offer.

The Agency Managing Director Paul Niardone said:

"Post financial year 2019, The Agency has achieved significant milestones which ensure we have a very strong financial foundation from which to continue our growth."

"With the \$4.5 million in funds from the Entitlement Offer, along with the \$1.1 million placement and \$5.8 million debt-to-equity conversion and the extension to the Macquarie Bank financing facility, we now have the necessary funds to further accelerate our growth strategy on the East and West Coast."

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



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Allotment of the Entitlement Offer shortfall shares took place today 1st October 2019.

In accordance with the Entitlement Offer, eligible shareholders were entitled to apply for new shares on the basis of four Shares for every seven Shares held by those Shareholders registered at the Record Date at an issue price of \$0.065 per Share, to raise approximately \$4.5 million (together with one free attaching listed option for every two Shares subscribed for and issued).

The Entitlement Offer closed on Friday 20th September 2019 with 4.05 million shares and 2 million options subscribed for by Eligible Shareholders raising \$263,446.

The majority of Eligible Shareholders of the Company (primarily board and senior executives of the Company who collectively held 46.25% of AU1) were the parties who agreed to convert debt and accrued fees into ordinary shares (at Entitlement Offer price), as announced on 24 July 2019 (and approved by shareholders at an EGM on 23 September 2019), as part of the broader transaction to recapitalise the Company financial position.

The remaining shortfall of 64.9 million shares (Shortfall Shares) have been taken up by strategic investor Magnolia Capital and clients of Joint Lead Managers to the Entitlement Offer (Patersons Securities Limited and Aura Capital Pty Ltd).

Today, The Agency confirms 68.9 million Shares (comprising the Shortfall Shares and New Shares) have been allotted. The Company also confirms the listing of 34.5 million New Options issued in accordance with the Entitlement Offer with the proposed ASX Code for the listed options is **AU10A**.

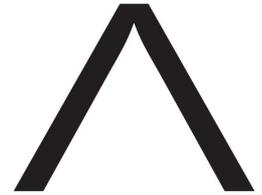
With completion of the allotment under the Entitlement Offer, The Agency has 296.7 million fully paid ordinary shares on issue and 107.1 million options on issue.

Strategic Investment Update - Magnolia Capital Group

As previously announced, under the Entitlement Offer, The Agency had a firm commitment from Sydney-based diversified financial services and property group Magnolia Capital Group to subscribe for a proportional amount of shortfall in the Entitlement Offer of up to 44 million shares for an investment of \$2.9 million based on issue price of \$0.065 per share (refer to ASX announcement dated 24th July 2019)

Magnolia Capital has been issued approx. 41.9 million Shortfall Shares for an investment of \$2.7 million. Including the issue of 9.2 million shares under the Placement for an investment of \$600,000, Magnolia holds approx. 51.1 million shares in The Agency Group equivalent to a 17.9% interest in the Company based on 301.4 million pro-forma shares outstanding.

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



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

The remaining 23 million Shortfall Shares, valued at approx. \$1.5 million, were issued to clients of Patersons Securities.

Appointment of Magnolia Capital Director Mitchell Atkins to the Board

With completion of the Entitlement Offer, Magnolia Capital Director Mr Mitchell Atkins has been appointed to The Agency Board as a Non-Executive Director (refer to ASX announcement dated 24th July 2019).

Mr Atkins currently serves as Founder and CEO at Magnolia Capital Group, a diversified group with direct investments in fitness, property, financial services and advisory businesses. Magnolia Capital Group, led by Mr Atkins, has recently transacted over A\$200m across a diverse range of development, debt and equity opportunities around Australia.

Prior to founding Magnolia in 2013, Mr Atkins served as a Senior Analyst in the financial advisory services business at Deloitte and as an Investment Analyst at a boutique private equity firm in Sydney.

Commenting on the investment and his appointment, Mr Atkins said:

"The Agency are a great growth story with the combination of strong client service, a highly-credentialed team and best in class technology and systems. The business has seen a great increase in profitability this quarter and we see a significant opportunity to expand the business and continue to increase results further in the coming months."

Mr Niardone said:

"I am delighted to welcome both Magnolia Capital as a strategic investor and Mitchell Atkins to The Agency board. Mitchell is an impressive leader who brings a wealth of experience in the property sector and a strategic vision for how the Company can continue to grow and further disrupt the Australian real estate market."

If you require further information, please contact:

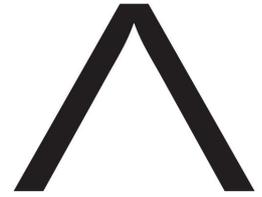
Investors

The Agency Australia Ltd
Paul Niardone
T: +61 08 9204 7955

Media

Chapter One Advisors
David Tasker / Colin Jacoby
T: +61 433 112 936 / +61 439 980 359
E: dtasker@chapteroneadvisors.com.au

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



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

About The Agency Group

The Agency Group Australia Ltd (AU1:ASX) (“The Agency Group”) is one of Australia’s fastest growing real estate agencies with the aim to disrupt the Australian real estate brokerage market, delivering high growth and generating value for customers.

The Agency Group currently has 272 agents operating across offices in Perth, Sydney, Melbourne, Gold Coast, Newcastle (NSW), Illawarra (NSW), Southern Highlands region (NSW) and Mandurah (WA). The Company specialises in property sales and property management with additional revenue generated from ancillary businesses.

- As a B 2 B offering, The Agency Group provides agents with an enhanced fee offering to traditional franchise operations minus the administrative burden of a standalone operation.
- Agents are provided the option of premium, full-service support or greater independency with value services.
- The business has been built for scale with ability to materially grow to its number of agents and properties under management with limited capital expenditure or increase in corporate overheads.
- The Agency Group’s broad product suite offers cross sell opportunities of complementary services.

About Magnolia Capital

Magnolia Group is a diversified financial services and property group of companies established by Mitchell Atkins. The Magnolia Group is engaged in a range of debt funding, direct equity investment, property consulting and advisory services. With two NSW-based offices and a recently completed transaction list of over \$200m, Magnolia Group is rapidly expanding. Magnolia Group has an excellent reputation for resolving complex funding and business challenges for its clients.

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