



06 August 2024

Dear Shareholder,

## **SALE OF MAGNUMS BUSINESS AND THE LEASE AND SALE OF THE MAGNUMS PROPERTIES**

AAT has entered a contract for the sale of the Magnums Business ('the business'), a lease of Magnums Properties and the future sale of the properties, subject to shareholder approval.

### **The Business Sale**

- The sale is on a "walk-in, walk-out basis" and is as a going concern.
- The sale includes goodwill, fixtures, fittings, furniture, plant and equipment and stock-in-trade.
- The sale price of the business is \$495,000,
  - Comprising a \$300,000 non-refundable deposit; and
  - \$195,000 in vendor finance over 12 months at 10 percent per annum.
- Security for the vendor finance loan is a General Security Agreement with a first registered charge over the Business, personal guarantees from the director and majority shareholder of the Purchaser, and a Second Registered Mortgage over the Purchaser's Hamilton Island Property.
- The contract terms include the assignment of the lease of the tour and sales office. The tour sales office is necessary for the conduct of the Magnums Business which includes accommodation & tour sales and bookings.

### **Lease and Future Sale of the Properties**

#### **Lease of the Properties**

In addition to the purchase of the Magnums Business, the Seller and the Purchaser have entered a lease agreement for the Magnums Properties.

- The lease term is 10 years.
- The lease payments are \$98,375 per month plus GST.
- Annual outgoings of \$206,892 per annum.



## **The Future sale of the Properties**

The lease terms include the right of AAT to require the Purchaser of the Magnums Business to buy the Magnums Properties for \$12,005,000. The disposal of the Magnums Properties is conditional on AAT shareholder approval.

In addition to the Essential Terms of the contract, the lease contains that the Seller may at its option, separately require the Purchaser to enter into a Call and Put Option for the purchase of the Magnums Properties on terms based on the below Essential Terms:

- Call Option Period Expiry Date - 11 months from the settlement of the Magnums Business;
- Put Option Period Expiry Date - 7 days from the Call Option Expiry;
- Option Fee \$1.00; and
- Non-refundable security deposit \$200,000 (payable on execution of the Option).