

ASX Release
12 July 2022

The Agency to make key acquisition to enter Tasmanian property market

Highlights:

- The Agency has agreed to acquire leading Launceston based real estate business Bushby Property Group
- Bushby Property Group consists of nine sales agents, 32 staff and circa 1,300 properties under management and operates out of its large 'hub' office in Launceston
- Bushby Property Group is one of Australia's oldest family-owned real estate businesses
- To be renamed The Agency – Team Bushby, family members Philip and Mark Bushby, together with long-term shareholder Eric Andersen will remain in leadership roles
- Following the acquisition, The Agency Group has c. 400 sales agents and c. 4,800 properties under management across six states and territories
- Consideration of c. \$5M subject to a number of earn out provisions based on performance and growth
- To be funded via combination of bank debt and existing cash reserves
- Significant growth in Tasmanian property prices and tight rental market largely due to recent rise in migration to Tasmania

National real estate company The Agency Group Australia (ASX:AU1) (**"The Agency" or "the Company"**) has expanded its national real estate agency network to Tasmania, agreeing to acquire leading Launceston based real estate business Bushby Property Group to launch "The Agency – Team Bushby".

The Company has entered into a share sale and purchase agreement with the owners of Bushby & Co. Pty. Ltd. (**"Bushby & Co"**) pursuant to which The Agency will acquire all the issued share capital of Bushby & Co.

The Agency – Team Bushby will continue to be spearheaded by family members Philip and Mark Bushby, along with long-term shareholder Eric Andersen who will all remain with the group in leadership roles. Team Bushby – one of Australia's oldest family-owned real estate businesses - comprises nine sales agents and 32 staff who have sold over \$125 million in residential sales over the past 12 months and has c. 1,300 properties under management with a combined value of over \$500 million.

The business will continue to operate from its large 'hub' office at 117 Cimitiere St, Launceston.

The Agency MD and CEO Geoff Lucas stated: *"We're pleased to welcome another high-quality real estate brand to The Agency. The Bushby Property Group is one of Australia's oldest family-owned real estate businesses and their depth of experience and results align with our objective to bring the nation's best real estate professionals together under our brand."*

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



“Rarely do we see agencies with over 100 years’ experience, especially in one local area. This level of experience cannot be replicated and it’s why this partnership is so instrumental in helping our network secure a prominent and distinguished entry into the Tasmanian market.

“The Bushby team and their long-established family values align directly with our philosophies and culture. It’s obvious from the time we’ve spent with the Bushby family and management team, that there is a close cultural fit.”

Mr Lucas said The Agency has been assessing the lucrative Tasmanian market for some time and has undertaken a deliberate selection process, as part of the group’s strategic move to establish a presence in the flourishing market.

“Over the past two years there has been a significant number of mainland buyers flocking to Tasmania, with a view to relocate in future years,” Mr Lucas said. “Our direct engagement model with agents allows a national reach, which gives agents and customers alike access to the very best in lifestyle properties throughout Launceston and surrounding regions.”

Managing Director of Bushby Property Group, Phillip Bushby, has personally been involved in running of the Bushby business for 50 years.

“After serving the Launceston community for over 100 years and over four generations, this is a significant move for the Bushby Property Group,” Mr Bushby said. “We have full confidence in The Agency’s ability to continue our legacy and we are delighted to be bringing The Agency business to Launceston and surrounds.

“It’s a natural progression for our family business steeped in traditional values and we are pleased and excited to join with a business that’s leading the way in offering a new contemporary “direct model” of engaging agents and customers.”

Having been born and bred in Launceston, The Agency Chairman, Andrew Jensen, says he grew up seeing the Bushby brand as a pillar in the community.

“Bushby Property Group has long been at the forefront of real estate service in Launceston and beyond for over one hundred years,” Mr Jensen said. It’s a privilege to bring the highly respected Bushby brand under The Agency umbrella and continue the Bushby legacy of providing the highest quality service to the community through excellence in performance and strong results.”

“We are excited to retain the heritage of the Bushby name as part of The Agency and value the reputation for excellence that has been cultivated by the Bushby family over generations,” Mr Jensen added.

The Tasmanian market is the sixth state and territory that The Agency has entered in its five-year history, underpinning the strength and national reach of its network. It now operates in WA, NSW, Victoria, ACT, QLD and Tasmania, with c. 400 sales agents and c. 4,800 properties under management following settlement which the company expects over the next 2 weeks.

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

THE AGENCY



THE AGENCY
— GROUP AUST LTD

ASX: AU1

The consideration for the acquisition will be funded via a financing facility with the Company's primary funder Macquarie Bank and out of existing cash reserves. The Agency is in the process of finalising the financing terms with Macquarie Bank.

Key terms and conditions of the share sale and purchase agreement can be found in the Appendix overleaf.

Tasmanian property market

Tasmania's property prices have risen steadily since 2017 with the lifestyle attraction of Tasmania attracting increase domestic migration.

Over the past 5 years, property prices in Launceston LGA for houses and units have almost doubled, with a 95% increase in house prices (to a median value of \$560,000) and a 60% increase in Unit prices (to a median value of \$400,000)¹

Tightness in the rental market has resulted in significant rental growth in the past 12 months with 20% growth in house rents and a 19% increase in Unit Rents. This rental growth has assisted rental yields currently sitting at 4.4% for Houses and 4.8% for Units.

ENDS

Announcement authorised for release by the Board of The Agency Group Australia Limited.

If you require further information, please contact:

Investors

The Agency Australia Ltd
Geoff Lucas
T: +61 02 8376 9100

Media

Chapter One Advisors
David Tasker / Colin Jacoby
T: +61 433 112 936 / +61 439 980 35

¹ CoreLogic Market Trends June 2022

Appendix

Key Terms and Conditions of the Bushby & Co Share Sale and Purchase Agreement

The Company has entered into a share sale and purchase Agreement (“SPA”) pursuant to which The Agency has agreed to purchase, and the shareholders of Bushby & Co have agreed to sell, all of the issued share capital in Bushby & Co (“the Acquisition”).

- (a) **Parties:** The parties to the SPA are The Agency and each of the shareholders of Bushby & Co, being Westwood 168 Pty Ltd (ACN 167 104 501) as trustee for Westwood 168 Trust, Phillip Bushby Pty Ltd (ACN 649 656 584) as trustee for Phillip Bushby Trust and Sven Eric Andersen and Anita Marie Andersen in their personal capacity and as trustee for SE & AM Andersen Family Trust (together, “the Sellers”).
- (b) **Consideration:** The consideration for the Acquisition consists of:
- (i) a cash deposit of \$210,000 which was paid on the date of the SPA;
 - (ii) a cash payment of \$4,190,000 at completion;
 - (iii) a cash payment of \$400,000 which consists of a retention payment payable by The Agency 90 days after the completion date subject to a retention adjustment;
 - (iv) any management fee uplift in relation to rent roll properties, which (if payable) will be paid by The Agency six (6) months after the completion date;
 - (v) any incentive payments, which (if payable) will be paid by The Agency in the first two years following completion; and
 - (vi) any exchanged contract commissions in relation to pre-completion property contracts commission, which (if payable) will be paid by The Agency at the end of each calendar month.
- (c) **Conditions Precedent:** Completion of the Acquisition is conditional on the following conditions being fulfilled or waiver on or prior to 30 September 2022:
- (i) **(Finance approval):** The Agency securing finance approval from a financial institution of its choice in order to fund the Acquisition;
 - (ii) **(Lease):** Bushby & Co entering into a new lease for its business premises on terms reasonably satisfactory to The Agency;
 - (iii) **(Phillip, Eric and Mark)** The Agency entering into employment agreements or independent contractor agreements with each of Phillip Russell Bushby, Sven Eric Andersen and Mark Andrew Bushby (each in a form acceptable to The Agency and Messrs Bushby, Andersen and Bushby respectively); and
 - (iv) **(Material Adverse Event)** no material adverse event having occurred on or before completion of the Acquisition.

- (d) **Completion:** Completion of the Acquisition will occur 5 business days after all of the conditions precedent are waived or satisfied.

The SPA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnities and confidentiality provisions).