

ASX Release  
25 July 2022

## **Tasmanian acquisition settled, extension of primary debt facility & convertible notes**

### Highlights

- **The Agency settles acquisition of leading Launceston based real estate business Bushby Property – to be branded “The Agency – Team Bushby”<sup>1</sup>**
- **New terms entered into with Macquarie Bank over its debt facility including, among other things, additional new \$3.4M facility to assist in funding Bushby acquisition and extension until July 2025**
- **Maturity date of Convertible Notes issued to Peters Investments extended to January 22<sup>nd</sup> 2026**
- **Convertible Note amendment subject to shareholder approval at EGM with Notice of Meeting to be dispatched to shareholders shortly**

National real estate company The Agency Group Australia (ASX:AU1) (“The Agency” or “the Company”) is pleased to confirm settlement of its acquisition of Bushby Property Group has now occurred. The Agency has agreed new terms with Macquarie Bank Limited (“MBL”) and has agreed, subject to receipt of shareholder approval, to extend the maturity date of Convertible Notes held by Peters Investments Pty Ltd (“Peters Investments”).

### **Bushby Acquisition Settled**

Further to the Company’s announcement of 12 July 2022, the Company has now completed the acquisition of all the issued share capital of Bushby & Co. Pty. Ltd. (“Bushby & Co”) after entering into a share sale and purchase agreement with the owners of Bushby & Co.

Bushby Property Group has now been rebranded as “The Agency – Team Bushby” and 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 approximately 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 Bushby & Co acquisition consideration of approximately \$5 million has been funded via a combination of The Agency’s existing cash reserves and the Company’s primary secured debt facility with MBL which has recently been amended.

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<sup>1</sup> Refer to ASX announcement dated 12 July 2022.

In addition, The Agency has agreed, subject to receipt of shareholder approval, to extend the maturity date of the Company's pre-existing Convertible Notes with Peters Investments, the private investment vehicle of Mr Bob Peters.<sup>2</sup>

An overview of the amendments to the MBL facility and terms of the Convertible Notes are provided in this announcement.

**Commenting on recent updates, The Agency MD and CEO Geoff Lucas stated:**

*"We are excited to now include Team Bushby into The Agency network and look forward to growing our presence across the Apple Isle.*

*"In addition, the support of Macquarie Bank and Peters Investments through the amendments and extensions shows their long term support of our contemporary business model as we continue to expand across the country".*

**MBL Facility Amendments**

As a result of continued proactive engagement with MBL, The Agency has entered into an Amendment Deed ("Amendment Deed") in respect of its primary secured debt facility with MBL ("the Facility").

Pursuant to the terms of the Amendment Deed the Facility has been amended to:

- **Facility:** Total facility limit increased to \$8.4m (additional proceeds of \$3.4m to assist in funding the Bushby & Co acquisition).
- **Term:** 3 years, expiring on 22 July 2025.
- **Interest Rate:** To remain at 3.75% p.a + 30 day BBSW.
- **Establishment / Extension Fee:** 1.5% of total limits paid on settlement
- **Financial Covenants:** Macquarie loan to rent roll valuation ratio: 40% and Cash Interest Cover > 3.0x
- **Permitted Distributions:** Cash payment of interest on the Peters Investments Convertible Notes (quarterly), following evidence of covenant compliance.
- **Permitted Acquisitions:** Up to \$500K per acquisition and no more than \$1M in any 12-month period.
- **Investment Account:** The Agency will invest \$3.8M into a Macquarie Bank Investment Account for a term of 120 days. The Agency agrees to not drawdown on the Investment until the approval date (if before this period) of the extension of the Convertible Notes by shareholders. Once approved, or if Peters Investments converts, The Agency can continue its investment with Macquarie Bank or transfer into any other bank account facilities.

The Company confirms that there are no other material changes to the terms of the Facility, other than those announced previously to the ASX or in its financial accounts.

<sup>2</sup> Refer to ASX announcement dated 4 January 2021

## Convertible Notes Amendment

As at 30 June 2022, The Agency had \$3.6m of convertible notes on issue to Peters Investments. The Company advises that, subject to the receipt of shareholder approval, the maturity date will be extended to 22 January 2026.

All other terms and conditions of the Convertible Notes remain unchanged.

Due to Peters Investments being a substantial shareholder of The Agency (currently holding a 30.24% interest in The Agency) in accordance with the requirements of ASX guidelines, the extension to the Convertible Notes maturity date, including the continued grant of security over The Agency's assets, is subject to shareholder approval to take place at an Extraordinary General Meeting (EGM).

A Notice of Meeting is currently being prepared for the EGM and will be sent to The Agency shareholders in due course.

**ENDS**

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

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