



REAL ESTATE  
FINANCE  
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INSURANCE

# ASX MARKET RELEASE

20 November 2018

## LODGMET OF PROSPECTUS

The Agency Group Australia (ASX: AU1) (“The Agency” or “the Company”) is pleased to announce that it has today lodged with ASIC a Prospectus for the issue of 18,333,333 (post-consolidation) fully paid ordinary shares (“Shares”) to the shareholders of Top Level Real Estate Pty Ltd (“Top Level”) (“Consideration Shares”) for the acquisition of all of their Top Level shares by the Company (“Acquisition”). The issue of the Consideration Shares remains subject to satisfaction (or waiver) of the conditions precedent to the Acquisition (previously announced on 19 September 2018).

As part of the Acquisition, the Company is seeking shareholder approval to consolidate its capital on a 1:30 basis. Shareholder approval for the Consolidation (and other matters relating to the Acquisition) will be sought at a general meeting of Shareholders to be held on 28 November 2018.

Only the Top Level Shareholders may accept the offer set out in the Prospectus (“Offer”). A personalised Application Form in relation to the Offer will be issued to the Top Level shareholders (or their nominees) together with a copy of the Prospectus.

The Prospectus also includes an offer of one Share, which shall remain open until the Closing Date of the cleansing set out in Section 2 (immediately after Settlement) (**Cleansing Offer**). The Company does not currently intend to issue Shares under the Cleansing Offer and will therefore not provide an application form for the Cleansing Offer.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company between the date of the Prospectus and the Closing Date of the Cleansing Offer (to occur immediately after settlement of the Acquisition).

The Prospectus also includes an offer of 333,333 post-Consolidation options to Director Adam Davey (or his nominee), which shall remain open until the Closing Date of the Offer (**Options Offer**). The issue of the Options to Mr Davey (or his nominee) is subject to shareholder approval at the general meeting to be held on 28 November 2018.



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### Conditional Offers

The Offer, the Cleansing Offer and the Options Offer and the issue of securities pursuant to the Prospectus, are conditional upon:

- (a) shareholders approving resolutions 1 to 12 to be put to Shareholders at a general meeting to be held at 9:00am on 28 November 2018 (which includes the issue of the Consideration Shares); and
- (b) satisfaction (or waiver) of the outstanding conditions precedent to settlement of the Acquisition.

In the event that the conditions to settlement are not met or waived, the offers will not proceed, and no securities will be issued pursuant to the Prospectus.

### Purpose of the offers

The purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares issued to the Top Level shareholders. No funds will be raised by the Offer as the Shares the subject of the Offer are being issued to the Top Level shareholders as consideration for the Acquisition.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the closing of the Cleansing Offer. The purpose of the Options Offer is to ensure that a disclosure document is not required for the issue or sale of the Shares on the exercise of the Option.

**The anticipated timetable for the completion of the Top Level acquisition as previously included in the Addendum to the Notice of Meeting, as announced with ASX on 14 November and despatched to shareholders is as follows:**

Event	Indicative Timing*
General Meeting of Shareholders	28 November 2018
ASX notified whether Shareholders' approval has been granted for the Resolutions	
Capital Raising completed	12 December 2018
Subject to Directors' satisfaction that the conditions precedent in Amended and Restated Option Agreement are satisfied (or waived in accordance with its terms), Settlement, of the Acquisition including issue of the Shares contemplated by this Notice	17 December 2018
Commencement of trading of Shares on ASX	18 December 2018

\*The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.



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**THE AGENCY GROUP AUSTRALIA LTD**  
**ACN 118 913 232**

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**PROSPECTUS**

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For the offer of 18,333,333 Shares (on a post-Consolidation basis) to the Top Level Shareholders (**Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Philip Re (Chairman)  
Paul Niardone (Managing Director)  
John Kolenda (Non-Executive Director)  
Adam Davey (Non-Executive Director)

### Company Secretary

Stuart Usher

### Share Registry\*

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009

Telephone: +61 8 9389 8033  
Facsimile: +61 8 9262 3723

### Auditor\*

Bentleys Audit & Corporate (WA) Pty Ltd  
London House  
216 St Georges Terrace  
Perth WA 6000

### Registered Office

Suite 1, GF  
437 Roberts Road  
Subiaco WA 6008

Telephone: + 61 8 6141 3500  
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Email: [Stuartu@theagency.com.au](mailto:Stuartu@theagency.com.au)  
Website: [www.theagencygroup.com.au](http://www.theagencygroup.com.au)

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	20 November 2018
Lodgement of Prospectus & Appendix 3B with ASX	20 November 2018
Closing Date of the Offer	14 December 2018
Issue date, Settlement and Closing Date of the Cleansing Offer	17 December 2018
Quotation of Shares issued under the Offer	18 December 2018

### Notes:

1. The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.
2. This Prospectus also includes a Cleansing Offer (refer to Section 4.3 for further information) and an offer of Options to one of the Directors (Adam Davey) or his nominee, the issue of which is subject to Shareholder approval being received at the General Meeting.
3. The above stated date for Settlement is only a good faith estimate by the Directors and may have to be extended.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 20 November 2018 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

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## 4. DETAILS OF THE OFFER

### 4.1 The Offer

As previously disclosed by the Company, in consideration for the acquisition of all of the Top Level Shares by Ausnet, the Company has agreed, subject to satisfaction (or waiver) of certain conditions precedent, to issue the Top Level Shareholders with 18,333,333 post-Consolidation Shares.

This Prospectus includes an offer of 18,333,333 Shares (on a post-Consolidation basis) to the Top Level Shareholders which will be issued to the Top Level Shareholders in accordance with the Amended and Restated Option Agreement. The material terms and conditions of the Amended and Restated Option Agreement are summarised at Section 8.4.

As part of the Acquisition, the Company is seeking Shareholder approval to consolidate its capital on a 1:30 basis. Shareholder approval for the Consolidation (and other matters relating to the Acquisition) will be sought at a general meeting of Shareholders to be held on 28 November 2018.

Only the Top Level Shareholders may accept the Vendor Offer. A personalised Application Form in relation to the Offer will be issued to the relevant Minority Shareholders (or their nominees) together with a copy of this Prospectus.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer is set out in Section 5.1.

### 4.2 Minimum subscription

The minimum subscription in respect of the Offer is the full subscription, being 18,333,333 post-Consolidation Shares.

### 4.3 Cleansing Offer

This Prospectus also includes an offer of one Share, which shall remain open until the Closing Date of the Cleansing Offer set out in Section 2 (immediately after Settlement) (**Cleansing Offer**). The Company does not currently intend to issue Shares under the Cleansing Offer and will therefore not provide an application form for the Cleansing Offer.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company between the date of this Prospectus and the Closing Date of the Cleansing Offer set out in Section 2 (to occur immediately after Settlement).

### 4.4 Options Offer

This Prospectus also includes an offer of 333,333 post-Consolidation Options to Director Adam Davey (or his nominee), which shall remain open until the Closing Date of the Offer set out in Section 2 (**Options Offer**). The issue of the Options to Mr Davey (or his nominee) is subject to Shareholder approval at the General Meeting and the terms of the Options are set out in Section 6.2.

Only Adam Davey (or his nominee) may accept the Options Offer. A personalised Application Form in relation to the Options Offer will be issued together with a copy of this Prospectus.

The purpose of the Options Offer is to ensure that a disclosure document is not required for the issue or sale of the Shares on the exercise of the Option.

#### **4.5 Conditional Offers**

The Offer, the Cleansing Offer and the Options Offer and the issue of Securities pursuant to this Prospectus, are conditional upon:

- (a) Shareholders approving resolutions 1 to 12 to be put to Shareholders at the General Meeting (which includes the issue of the Shares to the Top Level Shareholders); and
- (b) satisfaction (or waiver) of the outstanding conditions precedent to Settlement.

Details of the outstanding conditions to Settlement are set out in Section 8.4(a)(ii). In the event that the conditions to Settlement are not met or waived, the Offer and the Cleansing Offer will not proceed, and no Shares will be issued pursuant to this Prospectus.

#### **4.6 Acceptance**

Only the Top Level Shareholders may accept the Offer. A personalised Application Form in relation to the Offer will be issued to the relevant Minority Shareholders together with a copy of this Prospectus.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. Applicants are not required to sign the Application Form. Only the Top Level Shareholders may accept the Offer.

#### **4.7 ASX listing and issue of Shares**

Application will be made to the ASX within seven days after the date of this Prospectus for Official Quotation of the Shares offered pursuant to this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has settled the Acquisition.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

#### **4.8 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

#### **4.9 Enquiries**

Any questions concerning the Offer should be directed to Stuart Usher, Company Secretary, on +61 8 6141 3500.

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## **5. PURPOSE AND EFFECT OF THE OFFER**

### **5.1 Purpose of the Offers**

The purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares issued to the Top Level Shareholders.

No funds will be raised by the Offer as the Shares the subject of the Offer are being issued to the Top Level Shareholders as consideration for the acquisition by Ausnet of their Top level Shares.

The Offer is made to the Top Level Shareholders only. Accordingly, you should not complete an Application Form in relation to the Offer unless specifically directed to do so by the Company.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date of the Cleansing Offer.

### **5.2 Effect of the Offers**

The principal effect of the Offer will be to increase the number of Shares on issue from 85,475,629 (on a post-Consolidation basis) as at completion of the Consolidation and the issues set out in Section 5.4 to 103,808,962 Shares.

The Cleansing Offer will not have any effect on the Company as the Company does not currently intend to issue Shares under the Cleansing Offer.

### **5.3 Pro-forma balance sheet**

The unaudited balance sheet as at 31 August 2018 and the unaudited pro-forma balance sheet as at 31 August 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming full subscription under the Offer and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Un-Audited 31-Aug 2018 \$	Pro forma 31-Aug 2018 \$
<b>Current Assets</b>		
Cash and cash equivalents	853,278	6,387,941
Trade and other receivables	3,423,825	6,353,700
Current tax asset	191,102	214,774
<b>Total Current Assets</b>	<b>4,468,205</b>	<b>12,956,415</b>
<b>Non Current Assets</b>		
Property, Plant and Equipment	670,607	3,078,063
Intangible Assets	4,462,505	31,877,280
Deferred tax	-	3,610,916
Financial Assets	408,182	528,653
<b>Total Non Current Assets</b>	<b>5,541,294</b>	<b>39,094,912</b>
<b>Total Assets</b>	<b>10,009,499</b>	<b>52,051,327</b>
<b>Current Liabilities</b>		
Trade and Other Payables	8,243,557	11,807,514
Borrowings	1,100,000	250,000
Provisions	354,420	767,420
<b>Total Current Liabilities</b>	<b>9,697,977</b>	<b>12,824,934</b>
<b>Non Current Liabilities</b>		
Borrowings	-	17,639,350
Lease incentives	-	779,279
Trade and other creditors	-	396,146
Deferred tax liabilities	188,220	350,464
Provisions	63,940	542,381
<b>Total Non Current Liabilities</b>	<b>252,160</b>	<b>19,707,620</b>
<b>Total Liabilities</b>	<b>9,950,137</b>	<b>32,532,554</b>
<b>Net Assets/(Liabilities)</b>	<b>59,362</b>	<b>19,518,773</b>
<b>Equity</b>		
Contributed Equity	11,480,382	30,928,382
Reserves	566,430	566,430
Accumulated Losses	(11,987,450)	(11,976,039)
<b>Total Equity/(Net Deficiency)</b>	<b>59,362</b>	<b>19,518,773</b>

## 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company (and other matters for which Shareholder approval will be sought at the General Meeting) is set out below.

### Shares

	<b>Number</b>
Shares currently on issue	683,793,034
<b>Shares on issue following the Consolidation</b>	<b>22,793,101</b>
Bonus offer of Shares to current Shareholders <sup>1</sup>	13,675,861
Shares to be issued to settle certain Top Level loans <sup>2</sup>	16,666,667
Shares to be issued for the Capital Raising <sup>3</sup>	28,000,000
Shares to be issued to the lead manager of the Capital Raising (or its nominee) <sup>4</sup>	840,000
Shares to be issued to Paul Niardone <sup>5</sup>	833,333
Shares to be issued to the vendors of Vicus Residential Pty Ltd <sup>6</sup>	2,666,667
Shares offered pursuant to the Offer	18,333,333
<b>Total Shares on issue after completion of the Offers</b>	<b>103,808,962</b>

#### Notes:

1. On 17 October 2018 the Company announced that it would conduct a bonus issue of Shares to all Shareholders on the register as at the record date of 3 December 2018.
2. The Company has agreed to issue, subject to Shareholder approval, 16,666,667 Shares to settle certain loans owing by Top Level.
3. It is a condition of Settlement that the Company complete a capital raising of no less than \$8,400,000 via the issue of Shares at an issue price of no less than \$0.30 per Share (on a post-Consolidation basis).
4. The Company has agreed to issue up to 840,000 Shares to the lead manager of the Capital Raising (or its nominee) as consideration for acting as lead manager of the Capital Raising.
5. Subject to Shareholder approval, the Company will issue its Managing Director, Paul Niardone (or his nominee) with these Shares.
6. The Company has entered into a terms sheet with the shareholders of Vicus Residential Pty Ltd (**Vicus Residential**) to acquire all of the shares of Vicus Residential. Shareholder approval for this issue was obtained on 15 November 2018. These Shares will be issued at Settlement.

## Options

	Number
Options currently on issue:	
Unquoted Options currently on issue	162,666,667
Quoted Options currently on issue	24,076,072
<b>Options on issue post-Consolidation:</b>	
<b>Unquoted Options</b>	<b>5,422,223</b>
<b>Quoted Options</b>	<b>802,536</b>
Options offered pursuant to the Options Offer	333,333
<b>Total Options on issue after completion of the Offers</b>	<b>6,558,092</b>

## Performance Shares

	Number
Performance Shares currently on issue	113,333,334
<b>Performance Shares on issue following the Consolidation</b>	<b>3,777,778</b>
Performance Shares offered pursuant to the Offer	Nil
<b>Total Performance Shares on issue after completion of the Offers</b>	<b>3,777,778</b>

### Notes:

1. Consisting of 66,666,667 Consideration Performance Shares (on a pre-Consolidation basis) and 46,666,667 Incentive Performance Shares (on a pre-Consolidation basis).
2. The Directors have referred confirmation of satisfaction of the milestone attached to Consideration Performance Shares (which is also one of the limbs of the milestones attached to the Incentive Performance Shares) to an independent auditor and are awaiting the auditor's final report.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 983,869,107 Shares and on completion of the Offer (assuming that the Consolidation and bonus issue of Shares have completed) would be 114,144,832 Shares.

### 5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Finsure Holdings Pty Ltd	42,718,332	6.25

There will be no change to the substantial holders on completion of the Offer.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

The following is a summary of the more significant rights and liabilities attaching to Securities being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **6.1 Shares**

#### **(a) General meetings and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

#### **(c) Issues of further Shares**

The Directors may, on behalf of the Company, issue, grant options over unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

#### **(d) Variation of Rights**

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rule. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Dividends**

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(g) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company).

(h) **Winding-up**

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

(i) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6.2 Options

The terms and conditions of the Options the subject of the Options Offer are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on that date which is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **7. RISK FACTORS**

### **7.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific**

(a) **Risks associated with the proposed acquisition of Top Level Real Estate Pty Ltd**

As announced on 19 September 2018, the Company, Ausnet, Top Level and the Majority Shareholders have executed the Amended and Restated Option Agreement. Ausnet exercised the option to acquire the Top Level Shares on 11 February 2018. Settlement remains subject to satisfaction (or waiver) of the outstanding conditions precedent set out in Section 8.4(a)(ii).

(b) **Contractual risk**

Pursuant to the Amended and Restated Option Agreement Ausnet has agreed to acquire 100% of Top Level Shares subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Amended and Restated Option Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(c) **Integration risk**

Following completion of the acquisition of the Top Level Shares, the Company's business activities will change. The integration of the Top Level business may take longer than anticipated. Also, the expected synergies and savings resulting from the integration of the businesses may not eventuate or may be less than anticipated.

(d) **Geographical risk**

The acquisition of the Top Level Shares will result in the Company's operations expanding from Western Australia to Victoria and Queensland. The Company will be subject to risks associated with

operating its business across Australia such as: compliance with specific statutory requirements across the various states.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on their senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or if one or more of the directors of the Company leaves the Board.

(f) **Lenders' willingness to employ third-party distribution channels**

The Company's mortgage business and the mortgage broking industry generally, is reliant on lenders' willingness to employ third-party distribution channels as a means of marketing their loan products. Depending on the relative cost of other distribution methods in the future, lenders may also decide to decrease their reliance on (or not to use) third-party channels, develop competing distribution channels or reduce current upfront or trail commission terms, any of which would have a significant adverse effect on the industry generally and on the Company. The Company is also reliant on receiving access to competitive products from the Finsure Lending Panel (a suite of lending institutions in Australia) to enable brokers to attract customers in an increasingly competitive mortgage market. There can be no assurance that Finsure Lending Panel will continue to be able to access competitive products.

(g) **Supplier risk**

The Company sources a number of products and services from outsourced suppliers. Examples include mortgage aggregator services through Finsure. Any material changes in trading terms and/or supply from outsourced suppliers may impact the Company's ability to provide the current suite of products and services to its customers at the current pricing and gross margin on mortgage lines.

(h) **Technology risk**

The Company's real estate business "The Agency" is built around technology that gives the Company's sales representatives the ability to work from any location with a few large regional offices for support. Any interruption to the daily service, operation and maintenance of this technology plus failure or delay continuing to develop new functionality to the technology may have a material impact on the Company's current and future revenues. The Company also relies on a number of management information systems to enable the efficient running of the business. Whilst standard back-up, storage and recovery procedures are implemented, including offsite storage of back-up data, any event that causes harm or destroys the original and back-up data may have a material impact on the Company's ability to maintain continuous operations for the period of time required to remedy the cause of business interruption.

(i) **Security risk**

The Company relies upon the security of its management information systems, payment systems, website and client database. Any breaches of security including cyberattacks to the website or database that may cause damage, loss of operation or access to customer records by unauthorised parties could cause material impact or interruption to the Company's continuous operation and therefore financial results. Damage, loss or misuse of client records may cause a loss of confidence in the Company by its clients as well as reputational damage.

(j) **Customer service**

Ausnet relies upon both the continuous operation of its website as well as the ability to provide an acceptable level of customer assistance and service via its own staff and/or outsource providers. Any event that causes customer service to fall to inadequate or unacceptable levels may cause reputational damage and consequently a reduction in the Company's ability to retain existing customers and attract new customers. Any loss of existing or new customers will impact the Company's revenues.

(k) **Infringement of Intellectual Property Rights**

Should the Company be accused of infringing a third-party's intellectual property rights or trademarks and commence legal proceedings against the Company, the Company may incur significant costs in defending such proceedings, regardless of the outcome. Defending legal proceedings can often be defocusing for management and possibly other staff, which may divert their attention from the optimal management of the Company and results. Should a third-party obtain injunctive or other relief, it may prevent the Company from further use of the related intellectual property or trademark. Should such litigation be successful, the Company may also be caused to pay damages to the third-party and incur additional cost in the future to use or replace the functionality of the related intellectual property or trademark.

(l) **IT systems**

The Company's ability to manage service and pay its client database is dependent on its information technology systems (including its customer relationship management software) and relationships with service providers. Interruptions, failure or delay in the provision of services could severely impact the business operations of the Company as damaging the Company's reputation. Any issues with Ausnet's information technology systems may also impact on the Company's operational capabilities and financial performance.

(m) **Dependency on Licences for financial services businesses**

The Company's mortgage broking and financial services businesses are dependent on relevant government licences and can be revoked if certain conditions are breached. If these licences were revoked, this would have an adverse effect on revenue for these business units.

(n) **Reliance on external software providers**

The Company's mortgage business is reliant on software provided by Finsure to facilitate their business including its customer relationship management software). There is a risk that a transfer to a new aggregator, and with it new software systems, could cause some disruption to the business.

### 7.3 Industry specific

(a) **Competition risks**

The Company operates in a highly competitive market. Therefore, it faces the risk that increasing levels of competition, including competition from business models using new technology platforms, could result in, among other things, the Company foregoing a greater proportion of its profit margin to retain volumes of mortgages written, reduced upfront commissions and trail commissions and changes to the structure of upfront commissions and trail commissions by lenders (such as the replacement of trail commissions with up-front commissions). This may result in reduced revenue, reduced operating margins and a loss of market share, which may have a material adverse effect on the Company's business, operating and financial performance and position and future prospects.

(b) **Importance of licences for the Company's core business activities**

The Company currently holds an ACL licence to engage in mortgage broking activities, in order to conduct its business. This licence enables the Company to engage and facilitate mortgage activities. Compliance with the obligations of the licences is the responsibility of the licensee. If the Company does not comply with the conditions of their licences or meet regulatory requirements, it could be subject to penalties, more onerous licence conditions and the imposition of licence restrictions for the loss of that licence. If the Company is unable to retain its licence or has restrictions imposed on this licence, it may not be able to continue to operate its business, or aspects of its business, in its current form. This would have a material adverse impact on the financial performance and position of the business.

(c) **Regulatory risks**

In Australia, the mortgage broking industry is primarily regulated by ASIC and the National Consumer Credit Protection Act 2009 (Cth) (**NCCP Act**). The industry is also subject to a variety of other laws including privacy, financial transaction reporting and money laundering. If the Company does not meet regulatory requirements, such as various responsible lending obligations under the NCCP Act, it may suffer penalties or the ability to maintain its current ACL. Therefore, the Company's operating activities may be affected, which is likely to have a material impact on the Company's business and financial performance. These penalties may include (but are not limited to): fines, compensation, and cancellation or suspension of authority to carry on business. In addition, the regulatory framework governing the mortgage broking industry is subject to change. This could have an impact on the mortgage broking industry or on the Company's operations. Depending on the nature of any such changes, they may adversely impact the

operations or future financial performance of the Company. The repercussions of the Banking Royal commission are still unknown from a regulatory perspective as well as the effect it may have on the availability of credit. A tightening of the availability of credit may cause an adverse effect on the real estate market.

(d) **Conduct of mortgage brokers and credit representatives**

The Company's mortgage business faces a number of risks arising from the conduct of mortgage brokers. It is noted that under the NCCP Act, the Company is liable to customers for any loss or damage they suffer as a result of a mortgage broker's conduct. This applies to conduct that relates to credit activity on which the customer could reasonably be expected to rely and in fact relied in good faith. Where the Company is responsible for the conduct of its credit representative, the customer has the same remedies against the Company as it has against the credit representative. This means that customers can take action against the Company in respect of a mortgage broker's conduct.

## **7.4 General risks**

(a) **Interest Rates**

Australian consumers and residential borrowers currently enjoy historically low interest rates which have contributed to the growth of the Company's loan book. In the event interest rates significantly increase, potential borrowers' willingness and ability to borrow may be greatly reduced and the volume of loans settled could significantly decrease, affecting the Company's loan book and the associated financial performance of the Company.

(b) **Funding Risks**

If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out the full scope of its plans.

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of the development of key software products or sales and marketing activities. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security

granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third-party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(c) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities. The real estate markets in Western Australia, New South Wales, Victoria and Queensland have been declining and the rate of decline is unknown with both number of transactions reducing and values of properties. The Agency operates in all these markets.

(d) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(e) **Litigation risks**

The Company is exposed to possible litigation risks. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
15/11/2018	Vicus acquisition approved and Bonus Share issue update
15/11/2018	Results of Meeting
14/11/2018	Addendum to Notice of General Meeting / Proxy Form
14/11/2018	Top Level Acquisition Update
14/11/2018	Update – Consolidation/Split – AU1
31/10/2018	Appendix 4C – Quarterly and commentary
26/10/2018	Notice of Annual General Meeting/Proxy Form
22/10/2018	Consolidation/Split – AU1
17/10/2018	Notice of General Meeting/Proxy Form
17/10/2018	Letter to Optionholders – Bonus Issue
17/10/2018	Bonus Issue and Appendix 3B
01/10/2018	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.theagencygroup.com.au](http://www.theagencygroup.com.au).

### 8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.017	3 September 2018 and 4 September 2018
Lowest	\$0.009	29 October 2018
Last	\$0.01	19 November 2018

#### 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

##### (a) Amended and Restated Option Agreement

The key terms of the Amended and Restated Option Agreement are as follows:

- (i) **(Option)** The Majority Shareholders each agreed to irrevocably grant to Ausnet the exclusive Option to purchase all of the Top Level Shares they respectively each hold on certain terms and conditions. The option was exercised by Ausnet on 11 February 2018.
- (ii) **(Conditions Precedent)** The outstanding conditions precedent which must be satisfied prior to the Company completing the acquisition of the Top Level Shares are:
  - (A) **(Shareholder Approvals):** Shareholders approving the transactions contemplated by the Amended and Restated Option Agreement at the General Meeting, including resolutions authorising:
    - (I) the issue of the Consideration Shares in accordance with the ASX Listing Rules and the Corporations Act;
    - (II) the acquisition of the Top Level Shares pursuant to ASX Listing Rule 11.1.2;
    - (III) the issue of the Shares in repayment of certain Top Level loans;
    - (IV) consolidation of the Company's issued capital on the basis that every thirty (30) Shares is consolidated into one (1) Share;
    - (V) the issue of 833,333 post-Consolidation Shares to Paul Niardone;
    - (VI) the issue of 333,333 post-Consolidation Options; and
    - (VII) the issue of 28,000,000 post-Consolidation Shares the subject of the Capital Raising.
  - (B) **(Regulatory Approvals):** Ausnet and the Company obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act or any other law to allow Ausnet lawfully to complete the

matters set out in the Amended and Restated Option Agreement;

(C) **(Minority Shareholder Offer)**: All Minority Shareholders accepting the Minority Shareholder Offer;

(D) **(Capital Raising)**: The Company completing the Capital Raising;

(E) **(New Board members)**:

(I) Matt Lahood entering into an executive services agreement in agreed form with the Company and consenting to act as an executive director of Company; and

(II) the appointment by the Board of the Company of an additional, non-executive director nominated by Top Level prior to Settlement;

(F) **(Top Level debt)**: immediately prior to Settlement, the total debts of Top Level are no more than \$26,993,812, and, for the avoidance of doubt, the debts of Top Level immediately following Settlement will therefore be \$18,760,100; and

(G) **(Transfer of Daring Investments' Top Level Shares)**: the following is delivered or caused to be delivered to MAK and Ben Collier Investments:

(I) share certificates in respect of the Top Level Shares held by Daring Investments;

(II) instruments of transfer in registrable form for the Top Level Shares held by Daring Investments in favour of MAK and Ben Collier Investments as transferees in accordance with the transfers anticipated in the Amended and Restated Option Agreement which have been duly executed by Daring Investments (as transferor),

(together, the **Conditions**).

(iii) **(Consideration)** Subject to the satisfaction (or waiver) of the Conditions, in consideration for the Acquisition, the Company will issue 18,333,333 post-Consolidation Shares amongst the Top Level Shareholders; and

(iv) **(Settlement)** Following the exercise of the Option, settlement of the Acquisition will occur on that date which is 5 business days after the satisfaction (or waiver by Ausnet or the Majority Shareholders, as permitted by the Amended and Restated Option Agreement) of the Conditions.

(b) **Lead Manager Agreement with Aura Capital**

The Company has entered into a lead manager agreement with Aura Capital Pty Ltd (**Aura Capital**) pursuant to which Aura Capital has agreed, subject to certain terms and conditions, to act as lead manager of the Capital Raising. In consideration for Aura Capital acting as lead manager to the Capital Raising the Company will issue Aura Capital (or its nominee) with 840,000 Shares at a deemed issue price of \$0.30 per Share on completion of the Capital Raising.

(c) **Loan Agreements**

Amended and restated loan agreements have been entered into between each of Teldar Real Estate, MAK, SEMC2, Ben Collier Investments and Daring Investments and Top Level and letters to amend the amended and restated loan agreements have been entered into agreements between each of the Top Level Loan Holders, Top Level and the Company (**Amendment Letters**). Pursuant to the Amendment Letters, the Company will issue 16,666,667 Shares to the Top Level Loan Holders at Settlement.

## 8.5 **Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

All figures in the table below are presented on a pre-Consolidation basis.

Director	Shares	Options	Performance Shares
Philip Re	4,069,973 <sup>1</sup>	Nil	11,648,324 <sup>2</sup>
John Kolenda	42,718,332 <sup>3</sup>	Nil	22,239,445 <sup>4</sup>
Adam Davey	917,144 <sup>5</sup>	142,858 <sup>6</sup>	8,000,000 <sup>7</sup>
Paul Niardone	10,463,292 <sup>8</sup>	Nil	15,820,432 <sup>9</sup>

#### Notes

1. Consisting of 3,944,973 held indirectly through Mr Philip Re <Re Super Fund> and 125,000 held directly by Mr Re.
2. Held indirectly through Mr Re's <Re Super Fund>.
3. Held indirectly through Finsure Holdings Pty Ltd.
4. Comprising 8,000,000 held directly by Mr Kolenda and 14,239,445 held indirectly through Finsure Holdings Pty Ltd.
5. Comprising 609,643 Shares held indirectly by Court Securities Pty Ltd, 2500 Shares held by A Davey <Tony Lelbowitz & Noah Davey>, 302,000 Shares held by A Davey & M Davey <The Davey Super Fund A/C>, 2,001 Shares held by A Davey <Shenton Park Investments A/C> and 1,000 Shares held by Mr Davey's spouse.
6. Held indirectly through Court Securities Pty Ltd and exercisable at 30 April 2019.
7. Held directly by Mr Davey.
8. Comprising 1,000 held directly by Mr Niardone, 10,461,292 held indirectly through Trindis Pty Ltd and 1,000 held indirectly through Mr Niardone's spouse.
9. Comprising 12,333,334 Performance Shares held directly by Mr Niardone and 3,487,098 Performance Shares held indirectly through Trindis Pty Ltd.

As set out in the Company's Notice of General Meeting dated 17 October 2018, John Kolenda's associated entity, Daring Investments Pty Ltd, is a Top Level Shareholder and will, subject to satisfaction of all conditions precedent to the Acquisition, receipt of the requisite shareholder approvals and Settlement occurring, receive 1,827,599 Shares as part of the Acquisition. Daring Investments Pty Ltd will therefore participate in the Offer.

Adam Davey, or his nominee, will participate in the Options Offer, and be issued with 333,333 Options (on the terms and conditions set out in Section 6.2) subject to receipt of Shareholder approval at the General Meeting.

No other Directors or any of their associates intend to participate in the Offer, Options Offer or the Cleansing Offer.

#### Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2018.

Director	Financial year ending 30 June 2017	Financial year ending 30 June 2018
Philip Re <sup>1</sup>	\$51,000	\$60,000
John Kolenda <sup>2</sup>	\$24,000	\$48,000
Adam Davey <sup>3</sup>	\$24,000	\$48,000
Paul Niardone <sup>4</sup>	\$340,802	\$347,576

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$280,738 (excluding GST and disbursements) for legal services provided to the Company.

## 8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$22,577 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	4,371
Legal fees	15,000
<b>Total</b>	<b>22,577</b>

## 8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 6141 3500 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.theagencygroup.com](http://www.theagencygroup.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

#### **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **8.12 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**PHILIP RE**  
**CHAIRMAN**  
For and on behalf of  
**THE AGENCY GROUP AUSTRALIA LTD**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Acquisition** means the acquisition of the Top Level Shares in accordance with the terms and conditions of the Amended and Restated Option Agreement.

**Amended and Restated Option Agreement** means the amended and restated option agreement between the Company, Ausnet, Top Level and the Majority Shareholders dated 14 September 2018 (as amended).

**Applicant** means a Top Level Shareholder who applies for Shares pursuant to the Offer.

**Application Form** means the application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**Ausnet** means Ausnet Real Estate Services Pty Ltd (ACN 093 805 675).

**Aura** means Aura Principal Investments Pty Ltd (ACN 145 010 653).

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Ben Collier Investments** means Ben Collier Investments Pty Ltd (ACN 149 089 154).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Capital Raising** means the offer of 28,000,000 Shares at an issue price of \$0.30 per Share for the Company to raise \$8,400,000.

**Cleansing Offer** has the meaning given in Section 4.3.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means The Agency Group Australia Ltd (ACN 118 913 232).

**Consideration Shares** means 18,333,333 post-Consolidation Shares.

**Consideration Performance Share** means a performance share issued on the terms and conditions for Consideration Performance Shares as approved by Shareholders at the Company's general meeting held on 20 July 2016.

**Consolidation** means the consolidation of the Company's issued capital on a one (1) for thirty (30) basis.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Daring Investments** means Daring Investments Pty Ltd (ACN 059 818 807).

**Directors** means the directors of the Company as at the date of this Prospectus.

**General Meeting** means the general meeting of Shareholders to be held on 28 November 2018.

**Incentive Performance Share** means a performance share issued on the terms and conditions for Incentive Performance Shares as approved by Shareholders at the Company's general meeting held on 20 July 2016.

**Majority Shareholders** means Aura, Daring Investments, Teldar Real Estate, MAK Property Group, SEMC2 and Ben Collier Investments.

**Minority Shareholder Offer** means an offer to be made to the Minority Shareholders by Ausnet under a short form agreement, such as a share transfer form, for the acquisition by Ausnet of the Minority Shareholders' Top Level Shares.

**Minority Shareholders** means all shareholders of Top Level other than the Majority Shareholders.

**Offer** means the offer of Shares to the Top Level Shareholders pursuant to this Prospectus.

**Offers** means the Offer, Cleansing Offer and Options Offer.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Performance Share** means a Consideration Performance Share or an Incentive Performance Share.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Security** means an Option or a Share, as the context requires.

**SEMC2** means SEMC2 Pty Ltd (ACN 126 492 733) ATF The Chen Asset Trust.

**Settlement** means settlement of the Acquisition in accordance with the terms and conditions of the Amended and Restated Option Agreement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Teldar Real Estate** means Teldar Real Estate Pty Ltd (ACN 061 660 375) ATF MJ Lahood Family Trust.

**Top Level** means Top Level Real Estate Pty Ltd (ACN 615 413 879).

**Top Level Loan Holders** means Teldar Real Estate, MAK, SEMC2, Ben Collier Investments and Daring Investments.

**Top Level Share** means a share in Top Level.

**Top Level Shareholders** means the Majority Shareholders and the Minority Shareholders.

**WST** means Western Standard Time as observed in Perth, Western Australia.