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25 September 2019

\$4.5M ENTITLEMENT OFFER CLOSED, BANK FINANCE EXTENDED

- **Non-renounceable four-for-seven Entitlement Offer for the maximum subscription amount of \$4.5m to Eligible Shareholders closed on 20th September 2019,**
- **In addition to amount subscribed for by Eligible Shareholders, firm commitments are in place from clients of Joint Lead Managers (Patersons Securities and Aura Capital) to subscribe for the balance of the Entitlement Offer,**
- **Board and key executives, making up approx. 46% of quoted shares, are supporting recapitalisation by converting \$5.8m of debt to equity¹, strengthening the balance sheet,**
- **Shares will be allotted on Monday 30th September 2019 in accordance with the timetable as per Prospectus², and**
- **Existing bank finance facility extended further six months (on similar terms)**

The Agency Group Australia (ASX:AU1) (“The Agency” or “The Company”) is pleased to confirm its recapitalisation plans remain firmly on track, with significant improvements to the balance sheet being achieved in recent weeks and an extension of its primary banking facility by a further six months secured.

Funds from the Entitlement Offer (along with the recent \$1.1m Placement and shareholder approved \$5.8m debt-to-equity conversion) will assist in strengthening the Company balance sheet via repayment of existing loans, for working capital and to fund further growth and acquisition initiatives.

The Agency Group Managing Director, Paul Niardone, said:

“The board has been firmly focused on strengthening our balance sheet to support our strong operating business and future growth plans.

“Through a range of measures, including the securing of new funds via the recently completed Placement and the Entitlement Offer, conversion of debt to equity and realisation of merger related cost savings, we have successfully recapitalised the company in line with this focus.”

¹ Refer announcement on 24 July 2019 and shareholder approval results of EGM dated 23 September 2019

² Refer Entitlement Issue Prospectus on 2 September 2019

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Closure of Entitlement Offer

The Agency advises the non-renounceable four-for-seven Entitlement Offer at an issue price of \$0.065 per share (together with one free attaching option for every two shares subscribed for and issued) to raise approximately \$4.5 million closed on Friday 20th September 2019.

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

Importantly, Joint Lead Managers to the Entitlement Offer Patersons Securities and Aura Capital have received firm commitments from strategic investor Magnolia Capital and other clients to subscribe for the shortfall of 64,937,711 New Shares (Shortfall Shares) to the Entitlement Offer.

Those clients who have expressed firm commitments to subscribe for the shortfall shares have been notified and it is anticipated that the Shortfall Shares and New Shares will be issued on Monday 30th September 2019.

The following table sets out the number of New Shares and New Options subscribed for by eligible shareholders under the Entitlement Offer and the Entitlement Offer shortfall (or amount of under subscriptions).

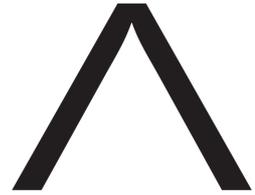
Composition of the Entitlement Offer	No. of New Shares (#)	No. Of New Options (#)	Gross Proceeds (\$)
Subscriptions for entitlements to New Shares by Eligible Shareholders	4,053,028	2,026,514	\$263,446
Subscriptions to New Shares under Firm Commitments (Joint-Lead Managers)	64,937,711	32,468,856	\$4,220,952
Total number of New Shares issued under the Entitlement Offer	68,990,739	34,495,370	\$4,484,398

Extension of bank finance facility

The Company is pleased to advise that primary lender to the Company, Macquarie Bank, has agreed to extend its bank finance facility with the Company by six months.

The extension is on similar commercial terms to the current facility.

ENDS



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