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ASX Announcement
15 May 2020

ASX Code: AU1

The Agency secures \$1m from strategic investor

The Agency Group Australia (ASX:AU1) (“The Agency” or “the Company”) is pleased to confirm that Peters Investments Pty Ltd has invested \$1 million into the Company to be used as a standby working capital facility, as required by Macquarie Bank under its debt repayment extension agreement¹.

Peters Investments Pty Ltd (“Peters Investments”), an investment company headed by prominent Australian horse owner-breeder and businessman Bob Peters, has agreed to invest through the subscription of Convertible Notes (“Notes”) in the Company totalling A\$1 million.

In addition, Peters Investments has requested the first right of refusal to replace the Macquarie Bank debt facility.

Full terms of the Notes are detailed over page.

On the investment from Peters Investment The Agency Group’s Managing Director, Paul Niardone, said:

“To have secured the support of Mr Peters, via his investment vehicle Peters Investments, together with our recent debt repayment extension, ensures The Agency has the financial support to continue its growth plans.

“Importantly, Peters Investments requested, and we were happy to grant, a first right of refusal to replace the Macquarie Bank loan on terms and conditions to be reasonably agreed between the parties.”

¹ Refer ASX announcement dated 11 May 2020.

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Convertible Note Key Terms

Interest rate:	9%
Security:	Second security ranking behind Macquarie Bank
Free attaching Options:	Two (2) million Options exercisable at the lower of 4 cents and a 20% discount to 15 day volume-weighted average trading price of shares ("VWAP") prior to the date of issue of the Options, on or before 2 years from date of issue.
Term of Converting Loan:	Unless converted to shares (as below) the Notes will be repaid in cash on the earlier of 31 December 2020 or when all amounts owing by the Company to Macquarie Bank have been repaid ("Maturity Date").
Conversion:	At the Noteholders election the Notes can be converted into shares in The Agency at the lower of \$0.04 per share and a 20% discount to the 15 day VWAP prior to the conversion date, up until the Maturity Date.
Other Conditions:	The Noteholder will have the first right of refusal to replace the Macquarie Bank loan on commercial terms and conditions to be reasonably agreed between the Noteholder and The Agency.

Peters Investments was introduced to the Company by its recently appointed mandated corporate advisor Canaccord Genuity (Australia) Limited.

Authorised for release by:

Paul Niardone

Managing Director

ENDS

If you require further information, please contact:

Investors

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Media

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