

ASX Release
29 December 2021

Experienced industry executive Geoff Lucas appointed Managing Director and CEO

HIGHLIGHTS

- Current Group CEO Geoff Lucas appointed Managing Director and CEO of The Agency Group, effective 28 January 2022.
- Mr Lucas has significant executive experience across several industries, including success growing an Eastern seaboard real estate group
- Appointment reflects The Agency Group focus on further growing its market share in Australian eastern states markets with its unique business model
- Company founder Paul Niardone appointed Executive Director, focussed on continuing to grow Western Australian business, national growth of emerging SLP business, expansion of financial services division and advancing a range of technology focused Proptech opportunities.

National real estate company The Agency Group Australia (ASX:AU1) ("The Agency" or "the Company") is pleased to advise of the appointment of current Group CEO, Mr Geoff Lucas, to the position of Managing Director and CEO, effective 28 January 2022.

Mr Lucas, who has held the position of Group CEO of The Agency since 23 March 2021, has significant executive experience across several industries, including two periods with listed real estate company McGrath Limited (CEO from 2018 to 2020 and COO from 2008 to 2016).

The Agency Chairman, Mr Andrew Jensen, said the board together with founder and current Managing Director, Mr Paul Niardone, identified that given significant opportunity for further recruitment and growth in the east coast markets, it was important for the Managing Director to be based on the eastern seaboard.

"Geoff's appointment as Managing Director and CEO comes at a time when we are focussed on rapidly increasing our business on the East Coast, having successfully established The Agency Group in Western Australia, where we have a market share of approximately 5%," said The Agency Chairman Andrew Jensen.

"With Geoff's vast industry experience, we are confident he and our leadership team will be able to successfully drive this growth," he added.

Mr Lucas noted there was significant opportunity in the Australian Residential Real Estate market, where the annual commission pool is approximately \$5.6 billion across a highly fragmented industry.

"Substantial growth opportunities remain across the Eastern Seaboard for an increased presence, and I look forward to leading The Agency's team as we continue to grow into new geographic regions," said Mr Lucas.

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With a young family Mr Niardone was unable to relocate, however importantly he will remain an integral member of The Agency executive team, being appointed Executive Director. He will have responsibility for continuing to grow the market leading Western Australian real estate business, driving the expansion of both the financial services division and Sell Lease Property (SLP) real estate business to a national offering, and advancing a range of technology focused Proptech opportunities.

“We are immensely grateful to Paul for the vision he had to create The Agency Group and the integral role he played in building the Company into such a successful national company,” Mr Jensen said.

“Paul has steered The Agency through both highly successful and challenging times. He has built one of Australia’s leading real estate firms with over 340 agents nationally, selling 4,964 properties in FY21, worth \$4.8 billion Mr Jensen added.”

Having founded The Agency Group in 2016 and overseeing the building of the company to be one of Australia’s largest vertically integrated real estate services companies, achieving annual commissions of over \$80m and record earnings before interest tax depreciation and amortisation (EBITDA) of \$4.75 million in FY2021, the board is confident Mr Niardone can successfully drive the national growth of both the emerging SLP real estate operation and financial services businesses, which have good market penetration in the Western Australian market but is not yet present outside of this market.

“Having overseen the growth of The Agency brand nationally, we look to the key role Paul will play in overseeing the national growth of our SLP brand, together with the role he will play in driving financial services and a range of technology-based initiatives,” Mr Jensen added.

The remuneration and key employment terms of Mr Lucas’ employment are as detailed in the ASX announcement dated 23 March 2021.

Refer to Annexure A for the material terms of Mr Niardone’s employment agreement.

ENDS

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

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Annexure A: Material Terms of Employment Agreement

The material terms of the employment agreement between the Company and Paul Niardone are set out below:

Position	Executive Director
Commencement Date	28 January 2022
Salary package	\$390,000 Plus superannuation on a total employment costs basis (to be reviewed annually), plus annual Director fees of \$48,000.
Performance based bonuses	The Company at any time during the Term pay a performance-based bonus of 50% of (Total Employment Cost) over and above the Salary.
Short term and long terms incentives	The Company will invite the Executive on the same basis of other directors to participate in a short term and/or long-term incentive plans whether involving the issue of shares, options, rights or other incentives to the Executive to remain at the Company and achieve the Company's targets. Any such incentives will be governed by the relevant plan or scheme adopted by the Company.
Leave provisions	In accordance with applicable legislation.
Equity issues	Subject to the Company obtaining the approval of Shareholders pursuant to the ASX Listing Rules and the Corporations Act at its annual general meeting for the financial year ended 30 June 2021 to be held on 24th January 2022, the Company will grant the Executive (or his nominee) the following Performance Rights under its Performance Rights and Options Plan: - 8,000,000 Class A Performance Rights; and - 3,000,000 Class B Performance Rights. The Shares issued upon conversion of the Class A Performance Rights and Class B Performance Rights will be voluntarily escrowed for one (1) year from the date of issue of the Shares. The Executive (or his nominee) will enter into a voluntary restriction deed with the Company for the Shares issued upon conversion of the Performance Rights prior to the issue of those Shares. <u>Milestones</u> The Performance Rights will vest and convert into Shares on a one for one basis on achievement of the following milestones (each, a Milestone): (i) Class A Performance Rights: 24 months continuous service by the Executive to the Company from closure of the Company's 2021 annual general meeting. (ii) Class B Performance Rights: upon achievement of one of the following (as verified by the Company's auditor): (i) recruitment by The Agency (WA) and the Company's SLP Model of 85 Agents by the financial year ending 30 June 2024; or (ii) achievement of GCI of \$50,000,000 for the financial year ending 30 June 2024 by The Agency (WA).
Termination	The Company may terminate the employment without cause, or Mr Niardone may resign from the employment, with three months' written notice to the other party. The employment agreement also contains summary termination provisions considered standard for an agreement of this type.